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# What Is Your Business Data Really Trying to Tell You?

Data-driven decision making can make your business more competitive and profitable. To get the most value from your data management and analysis, you need to first understand what your data can tell you.

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As the amount of data collected by businesses grows exponentially, data-driven decision making becomes more crucial to gaining a competitive edge. From streamlining business operations and improving customer experience to launching new products or services, data can drive your decisions and actions, regardless of your company size.

In a [2018 survey by analytics company SAS](#), 66 percent of the 477 participants said their organization used analytics to improve core business operations. At the same time, 72 percent said they've used it to gain valuable insight.

The key is to capture the right data points, says Carlos Castelán, managing director for the Minneapolis business-consulting firm [The Navio Group](#).

"Companies have access to all sorts of data and information, but it's only as valuable as the insights and analysis you derive from it," he says.

He says that when working with clients, the starting point is a hypothesis, or the specific questions they want to answer. This helps identify the right data points.

"In this way, we can home in on the best data to analyze and answer what we're seeking to solve," he says.

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## Optimizing Spending and Forecasting

Megan Hanna, senior business analyst for New York City-based [FitSmallBusiness.com](#), a digital resource for small businesses, says besides knowing what to measure and why, you need to know what you'll do with those measurements. She recommends [integrating the budget](#) into day-to-day operations and monitoring it in real time.

"Then you can switch your decision making to proactive instead of reactive, which enables you to make adjustments quicker and ultimately make better decisions," says Hanna.

Some suggestions from Hanna for budgeting and forecasting include:

- With a visualization tool, compare recent production history against forecasts and make adjustments before the end of the cycle.
- Streamline your staffing by reassigning employees or teams who are idle or underutilized to overburdened areas.

"Data visualization can help you identify patterns and trends," she says.

## Improving Workflows Between Teams

Using data to create a visual picture of the workflow can help improve collaboration across departments and improve overall efficiency, says Angela Earl, president of [Haatzama Marketing](#) in Portland, Oregon.

When providing revenue-operations services to fuel growth, her company typically starts with a workshop to have as many stakeholders across departments together in one room as possible.

"We have them walk us through what they do every day—including their goals and systems used—so we can begin to evaluate for efficiency," she says.

This helps create a clear picture of how information travels, how different departments receive alerts and take actions, where teams are interacting and so on. Then they [analyze this data](#) to help improve anything from cash flow to customer conversion.

"We evaluate how the data is being collected, when it's available and what needs to go with the next step," Earl says. "We look at what the ultimate goal is, and down to the minutia of how they're accomplishing that goal."

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## Gaining the 360-Degree Customer View

Increasingly, the customer experience is at the center of a company's success. A [2017 report by the Harvard Business Review Analytic Services](#) about the customer experience found that 73 percent of 680 business executives believed that "a relevant and reliable customer experience is critical to their company's overall business performance."

"Many companies talk about wanting 'customer 360' and understanding their customers in a holistic way," says Michael Sachse, CEO of [Stardog](#), an Arlington, Virginia-based software company focused on solving data-unification problems. "The challenge is not the information but getting the data to work together."



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While helping businesses turn their data into actionable insights, Stardog is also on the quest to better understand its own customers—including how they travel from marketing through the sales process. One aspect that organizations commonly overlook, Sachse says, is unstructured data.

Unstructured data—which doesn't have a predefined or recognizable structure or organization—is often text-heavy. Systems like email, social media and even chatbot logs are typical sources. It includes additional insights that can help businesses better understand their customers.

"Businesses need to think of ways to get value of unstructured data," Sachse says. "The trick is to figure out where the connections may be, and having the flexibility to understand what lessons you can learn from data."

## Solving the Data-Management Challenge

One added challenge of data-driven decision making is data management. According to a [2018 survey of 1,050 IT decision-makers](#) by data-security company Gemalto, 65 percent of organizations are not able to analyze all the consumer data they collect. And only about half (54 percent) know where they store their sensitive data.

Not all data is created equal, says Ajay Arora, co-founder and chief strategy officer at data-security company [Vera](#) in Palo Alto, California. Before you can give it context, you need to classify and categorize it. This helps not only get better value from it, but also protect the sensitive data.

"You need to decide what policies you want to apply to it," he says. "Some data could be highly confidential and you might want to be able to have only for certain eyes."

Enforcing sensitive data as well as restricting access via policies are some of the ways for [protecting the data](#). It's also a good idea to evaluate the security protocols of third-party platforms when integrating a visualization or analytics tool.

Arora says that just as important for data-driven decision making is to find a solution that doesn't add friction to its usability.

"As data becomes more critical and more part and parcel of the competitive advantage of a business, security and privacy of that data is going to increase equally as well," he says. "We're just kind of at the beginning of the wave."


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