Point of View

Is Your Enterprise Ready for a 'Datafied' Economy?

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Data is the core of digital transformation for enterprises today. Adoption of new-age technologies like artificial intelligence, machine learning and automation is unimaginable without the existence of data. And how it's being leveraged! Here's a look at how it is shaping the future of enterprises and becoming the nerve-center of their business strategies:

- Big data influences 80% of all movies and shows you watch on Netflix
- American Express can accurately predict 24% of accounts that will close within 4 months, using big data
- Shell, the global Oil & Gas giant has reduced its inventory analysis from 48 hours to 45 minutes with the help of big data tools and analytics
- Even Uber uses data science to predict arrival time of your cab once you tap 'book now'

Seeing the examples of these global players, there's no second guessing about how the digital revolution is driving unprecedented growth of data and creating a new form of economy called data economy.

Data Economy – digital data meets enterprise dynamics

In simple terms, data economy is the ecosystem of production, distribution and consumption of digital data across the enterprise. However, data economy does not follow the traditional theory of demand vs supply. Rather, it works on the principle of data consumption – the higher the consumption, the more valuable is the data. However, there is a flip side to it. The value of data depreciates over time as new data replaces it. For example, digital marketers of today cannot use the data of social media trends in 2016 as it is irrelevant in today's context. They need the latest data and stats to strategize their brand and campaigns.

Unlike physical capital, the value of data also depends on its unique characteristics. An individual data point can have little consequences in isolation but when you add, combine or permute it with other relevant data, its value can multiply manifold.

The four wheels that drive your enterprise ahead

Building data economy is a journey which has no shortcuts. What's needed is to design a holistic data roadmap, which maximizes your opportunities to become a data-driven enterprise. This requires a cross-functional approach by the business to understand what data is available and how to manage and tap into the data economy.

Speaking of data management, augmented data management is one of the top trends in technology right now. It is artificial intelligence and machine learning on steroids in an enterprise to automate and refine data 24/7 to self-configure and self-tune to maximize performance and efficiency at the workplace.

Creating more value from the new data economy may look like a bumpy road ahead but based on my own experience, I listed below the four wheels that could drive a smooth 'data culture' in any enterprise:

D2O - Data Driven Organization framework for **"Datafied Economy"**
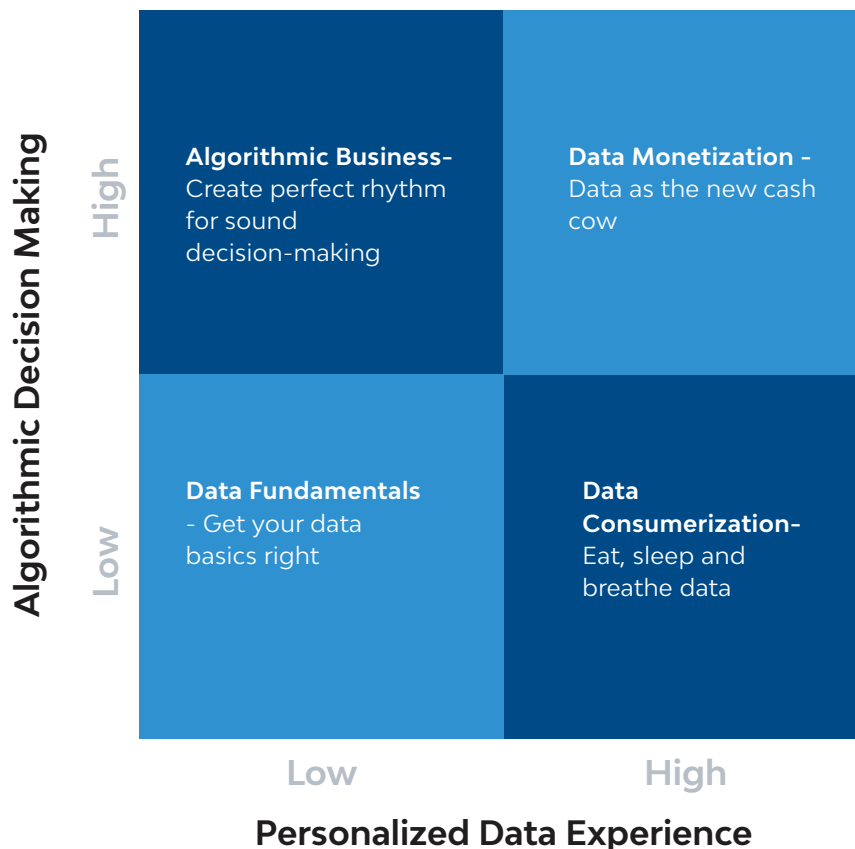
1. Data Fundamentals - Get your data basics right

Strong data fundamentals are the cornerstone of any effective data strategy. Data fundamentals focus on ease of data acquisition, hyper-distributed storage and computing capability, ensuring accuracy and promoting data as a service economy. Key principles for effective data fundamentals are:

Create a data fabric design strategy in the enterprise. This blueprint enables a frictionless environment for data access and distribution. It helps you understand what data you have, and how you need to connect the dots to design a data map or flow in the enterprise. These could be structured vs unstructured, internal vs external and batch vs real-time data.

· Leverage emerging technologies such as the cloud, analytics infrastructure, data lakes, integration, blockchain, Hadoop, Spark, in-memory, and more to gain, store and process data.

· Build trust in data (data governance, data quality, metadata management, data security, privacy policies and fine-grained controls on ingested data). Data owners should have total control and decide who can and who can't access the data.

2. Algorithmic Business - Create perfect rhythm for sound decision-making

Businesses globally are now pivoting to an AI-led, algorithm-augmented style of decision-making and this has already started to deliver revolutionary impact on business outcomes across industries.

AI-powered decisions are the future for leadership teams at enterprises and here are some principles that will help them achieve it:

- Understand the business outcome linked to business value chain, create a use case catalog and solution canvas. This includes problems, KPIs, insights, data and analytical models for each scenario.
- Prioritize use cases based on availability of data, ease of implementation and business value.
- Leverage simplistic data science workbench to build, train and deploy the models. Focus has to be less on pilot projects and more on scaling up AI.
- Build augmented AI solutions to support decisions across the value chain. Encourage predictive and prescriptive AI-enabled decision-making to exploit more business opportunities.

3. Data Consumerization - Eat, sleep and breathe data

The focus has now shifted from consumer experience to personalized data experience. Whether you are a data engineer, data scientist, data producer, data curator or data consumer, you have a role to play in the data ecosystem. To promote consumerization of data, we need to look at providing an Amazon-like data experience. Plus, we need to make the right data available at the right time and place to the right audience with the most seamless interface. Here's what enterprises need to do:

- Identify the personas – Spot your data consumers. Whether they are data engineers, data scientists, data analysts, business decision makers, business partners or even end customers, this is the first step in creating an impactful data experience.
- Create a persona profile with details around each persona, data channel, and format. Businesses should make this data accessible, transparent and secure.
- Create user-centric and Amazon-like data experience framework by enabling easy discovery and consumption interfaces with solid and stable data portals, APIs & catalogs.
- Build augmented intelligence to enable contextual recommendation of data or insight to personas for democratizing decisions.

Create a data citizen culture and promote crowdsourcing of data. This includes building the 'bring-your-own-data' concept into the data marketplace.

4. Data Monetization - Data as the new cash cow

Data monetization has a huge potential to become a significant differentiator for enterprises. Most born-digital companies and data-driven enterprises are using data in different ways to create value for customers. Data has given a competitive edge to enterprises in the marketplace. While it continues to be a point of discussion in board rooms, here's how enterprises can make room for a comprehensive data monetization strategy:

· Understand the value of your data assets and monetization opportunity (internal vs external) rather than just selling data.
· Use data and insights to improve efficiency, gain new customers, cross-sell or upsell new product or services, prevent frauds and improve business decisions. This could be the new mantra for internal data monetization.
· Complementing existing or new revenue streams with innovative data-driven services could be the next game-changing technique for external monetization.

Author Profile

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Rakesh Sancheti is Vice President & European Business head for Cognitive & Analytics Practice for LTIMindtree. He is a technology evangelist, with 14+ years of consulting and delivery experience in helping customers drive cognitive-led digital transformations. He is a thought leader and passionate about possibilities presented with converging technologies like IIoT, Automation, Big Data, Analytics and AI for Businesses & societies. He has worked with clients across the globe to deliver solutions across Digital portfolios with a specialization in the Data to Insight value chain - Data Integration, Data Management, Business Intelligence, Big Data, Data Science and Machine Learning.