Despite working with data daily, 36% of execs still go with their gut

Two steps to getting your corporate data decision-ready

Report on 2021 Data Health Survey
Foreword

Companies in every industry are utterly dependent on their data. I have conversations about it with founders and CEOs every day. But what does that mean exactly? Even though executives want and need to become data-driven, the route to “full data consciousness” is a winding one. Sure, we do see movement in the right direction: 64% of executives are making the majority of their decisions on data. That’s great, but what about the other 36%? What are they doing? Still making decisions based on gut feeling and rumors. When we’re all living in the information era, that seems crazy!

What’s preventing leaders from making all their decisions based on data? How come only 40% of executives always trust the data they work with? Why are we all still facing some meetings where someone claims X, someone says Y, and everyone gets to spend another hour checking the data they’re working with?

Our relationship with data is not healthy.

The results from our most recent survey identify where the gaps lie, and highlight three distinct groups among executives worldwide. These groups have very different behaviors and perceptions about data. They work with it differently, and they make their decisions differently. We believe one of these groups holds the keys to data-driven success. We can all learn from them, and replicate their behaviors and best practices to change the culture around data. It all starts with having and nurturing healthy data.

Christal Bemont, CEO
The Data Age has truly arrived

Data has been promised as The Next Big Thing for decades. Across industries, companies prioritized learning how to enrich decisions with data and analysis. Each line of business has, in turn, extolled the virtues of data and analytics to improve their operations and add value.

In reality, ushering in the much-anticipated Data Age has been a long, slow process of learning to do business differently. Simply surrounding oneself with corporate data is not the same as using data to fuel the business. The data-driven future we have been promised required major changes in technologies, operations, and tactics in order to enhance decision-making processes of all kinds. Making those changes has taken time.

The good news is that the Data Age is no longer around the corner — we have arrived. Not only have all industries seen an explosion of jobs with “data” in their titles, from data engineers to chief data officers, but decision makers of all kinds have themselves become data workers.

While this survey focused on executives working with data at least once every quarter, an overwhelming majority of respondents worked with data daily. Nearly two thirds of surveyed executives work with data every day.

Question No. 5
How often do you work with data in your role?

64%
of surveyed executives work with data every day

https://www.talend.com/
For most, data is now like electricity, or the internet: a resource available for every activity in every business across the world, regardless of the industry.

When we look at the proportion of business decisions that leaders currently make based on data, the results form an evenly distributed bell curve. At the dawn of the Data Age, a large proportion of executives now make roughly half of their decisions based on data. The best is yet to come: the executives’ ideal state pushes that curve to the right as they continue to aim higher. In an ideal world, 73% of executives would like to make the majority of their decisions based on data. An ambitious 9% would go as far as using data to drive ALL their decisions.

Question No. 7
Today, what proportion of your decisions are made based on data?

Question No. 18
In an ideal state, what proportion of your decisions should be made based on data?
Executives’ eagerness to support more decisions with data demonstrates an understanding that data can be a true driver for business.

Analysts have been telling us for years that data, when done right, paves the way for growth. A recent survey from NVP put it this way: “Offense-oriented data initiatives (involving marketing, sales, and revenue-generating applications) are more important than defense-oriented ones, such as regulatory and compliance issues and minimizing risk.”

This is easier said than done. Seeing data as more than a lever to decrease costs requires a complete mindset shift, so it is meaningful to see this perspective emerge as the new reality. When asked about their corporate objectives for data, executives cite offense-oriented data initiatives including monitoring performance, improving customer service, and increasing revenue, much more frequently than the defensive goal of decreasing operating costs.

Decreasing cost of operations is only a corporate objective for 49% of executives, far behind monitoring performance (68%), improving customer service (67%), or increasing revenue (59%).

These are all great indicators that executives are becoming increasingly data-saturated. Executives clearly understand the value of data, and they have their eyes set on the right objectives.

Question No. 8
Which of the following corporate objectives are driven by data at your company?

- Decreasing cost of operations: 49%
- Monitoring performance: 68%
- Improving customer service: 67%
- Increasing revenue: 59%

But, if 64% of executives are making the majority of their decisions on data, it means that 36% of executives are not. How come?
Why are so many leaders still making gut decisions?

All executives have surrounded themselves with data, but having the data is not the same as knowing what to do with it: more than a third of executives today still go with their gut to make decisions.

Executives may have the right data infrastructure and strategy, but something is not working. Many are failing to act upon their data. 78% face challenges in using data effectively in their company.

78% of executives have challenges making data-driven decisions

Question No. 7: Which challenges does your company face in using data effectively?

https://www.talend.com/
Among the executives we surveyed, the sales and marketing teams are the least data-driven departments. Nearly half of sales and marketing executives (48%) make the majority of their decisions without data. The finance department follows closely, with 44% of finance executives reporting that they make the majority of their decisions without relying on data.

Given the vast amount of information to be collected about customer interactions and business transactions, this lag can’t be attributed to a lack of data. And based on companies’ objectives, executives agree on the potential for this data to drive business growth and monitor performance.

Question No. 7
Today, what proportion of your decisions are made based on data?
Percentages may not add up to 100% due to rounding.

How come data usage is the weakest at these offense-oriented touchpoints? How come executives across the board are failing at being 100% data-driven? How can they be data-aware without being data-driven?
When asked specifically about the challenges they face to use data effectively, half of executives identified ensuring data quality as a challenge.

By now, business decision makers expect data to be timely, accurate, consistent over time, easily accessible and complete. And it’s understandable when even a small amount of bad data can lead to catastrophic business results, it’s vital for organizations to hold their data to the highest standards. Therefore, it is worrying that executives rate their overall companies’ data capabilities rather poorly.

Less than half of the executives rate their ability to deliver on data accuracy, consistency, accessibility or completeness as “very good.” Only 57% of executives rate their company’s ability to deliver timely data as “very good.” The scores get worse for the other dimensions of data reliability, with consistency and completeness of data rated lowest.

Executives rate their overall companies’ data capabilities rather poorly

Question No. 11
Rate your company’s current capabilities as it relates to ensuring data quality and reliability

Percentages may not add up to 100% due to rounding.
Question No. 9
Which challenges does your company face in using data effectively?

Making data the key asset in the entire organization is not just a technical challenge. Across regions, departments, and industries, the challenges that executives face are both technical and human. 39% of executives cite data availability as a challenge for them, and 36% claim that they don’t have enough skilled resources to use data effectively.

So, the challenge is bigger than just data quality. But what is it exactly?
Those who produce and those who analyze data live in alternate data realities

When it comes to data quality and trust, we see a glaring gap between two groups of people: those who are mostly in charge of delivering data to the rest of their company ("data producers") and those who mostly consume that data ("data users").

Data producers tend to rate their company’s data capabilities higher than users on the receiving end. This is particularly telling when assessing the accessibility (11-point gap), and the timeliness (6-point gap) of the data.

This difference in perception between the two groups is a symptom of something bigger and more worrying happening in the organization.

While ensuring data quality remains a concern for 50% of executives, less than half of them report knowing whether their organization employs documented data quality standards of any kind.

More than a third of executives report that there are no standards for data quality at their company; an additional 19% do not know whether standards exist. Responses suggest that some executives may not know what data quality standards are: “making sure we use cookies,” “operating the business more effectively and efficiently,” “locked computers and passwords.”

When we take a closer look at those executives’ data responsibilities, the picture gets even more alarming. Data producers report at a higher rate — 44% — that there are no data quality standards in place. Also of concern, executives who deliver data are no more likely to be aware of whether standards exist.

Question No. 11
Rate your company’s current capabilities as it relates to ensuring data quality and reliability

Question No. 15
Does your organization have documented standards to assess the quality of its data?
Quite literally, users and producers don’t share the same picture of their data. Clearly, behaviors and policies around data quality are not broadly implemented or understood. And the gap between producers and users just perpetuates this detrimental lack on transparency and understanding on what is done with data.

Companies may have taken down silos between apps and systems, but silos still exist between people. These silos undermine trust in the data itself.

Only 40% of executives always trust the data they work with. As with awareness of data standards, this gap is significant between data producers and users. Among data producers, 49% report that they always trust the data they work with. Only 35% of data users report the same high level of trust. This 14-point gap exposes the trouble with relying on data from a black box.

40% of executives always trust the data they work with

Question No. 13
Do you trust the data you work with? (i.e., you do not need to double check, you know the source, etc.)

https://www.talend.com/
22% of executives do not think that their company’s investment in data management is worth it.

Low trust in corporate data and a gap between those who produce and those who use data is a recipe for disaster. Leaders will go with their gut and projects will fail until all data workers are able to find, understand, rely on, and act upon their data. Failure to resolve data challenges also costs the business as a whole in the form of IT expenditures.

22% of executives do not think that their company’s investment in data management is worth it.

Worse still, when asked about their investments in data management, some executives who do believe the investment is worth it give interesting responses: “Because I am the chief information officer, so I control the budget” “I know because I am director of this company” “Gut feeling” “Well to be honest, you don’t know — you have to trust it.”

Is that really the best we can come up with? Is this really how data leaders run their businesses?

How do you know whether these investments are worth it or not?

- “Because I am the chief information officer, so I control the budget”
- “I know because I am director of this company”
- “Well to be honest, you don’t know — you have to trust it.”

Actual quotes from survey results.

Question No. 16
Do you think all the budget your company is spending in data management is worth it?
A third of executives report that creating a data-driven culture is a challenge — and this figure might be a serious underestimation. No data management system will succeed in the absence of a healthy data culture. Executives need a big-picture approach to data that transcends data sets, departments, teams, and expertise. We propose a reframe for executives to build a healthier relationship with data.

First, our survey results point to two recommendations for organizations seeking to successfully work with data:

**N°1 Get everyone involved in the data lifecycle**

Closing the gap between data producers and data users is paramount.

In order to break down those silos, organizations can level the playing field across departments and teams by decentralizing their data processes. That way, everyone who touches data feels equally involved, informed, and responsible for that information—whether they are delivering data for one project, or analyzing it for another.

Half of the executives surveyed are already on the right track. This slight majority (52%) works on both sides of data, bridging the gap between the world of data producers and data users. We refer to this third group, who deliver data to the rest of their organization AND analyze data to support their own activities, as data sharers.

---

https://www.talend.com/
This blending of roles and responsibilities is part of the winning formula that translates to any data-driven organization. Data sharers outperform the two other groups in many aspects. Executives who have crossed the chasm between strictly delivering or analyzing data have easier access to all the data they need, and they understand their data better. They know more than any other group which data points are actually useful for their activities.

Ultimately, fewer of them struggle to effectively work with data. Data sharers make significantly more data-driven decisions than executives who are only involved in part of the data lifecycle.

---

Question No. 14:
How much do you agree with the following statement “I believe data quality should mostly rely on automated processes instead of people”

https://www.talend.com/
To gain the advantage of the data that surrounds them, executives must deepen their data literacy and gain more visibility into the life history of their own data.

**Fewer data sharers struggle to effectively work with data**

<table>
<thead>
<tr>
<th>Sharers</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>27%</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Users</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>29%</td>
<td>16%</td>
</tr>
<tr>
<td>26%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Producers</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>32%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>13%</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

**Data sharers make more data-driven decisions**

<table>
<thead>
<tr>
<th>Sharers</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>40%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Users</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>33%</td>
<td>39%</td>
<td>16%</td>
</tr>
<tr>
<td>12%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Producers</th>
<th>Strongly agree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>36%</td>
<td>46%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Question No. 14: How much do you agree with the following statements: “I struggle to effectively work with data in my organization”
“I make decisions based on data more often than on opinions”

Percentages may not add up to 100% due to rounding.

https://www.talend.com/
No. 2 Build systems and culture around data quality

Now that everyone, as data sharers, bears the same responsibility towards the data they touch, they need to achieve a common understanding of their organization’s data as a whole. Traditional data quality rules have proven insufficient to support swelling data needs across organizations. Too often, leaders still base decisions on data that is inaccurate or incomplete — or they dispense with the data and make decisions based on opinion and instinct.

A unified approach to data, consistent with organizational needs and governance practices, requires fully transparent data management processes as well as documented and communal data quality standards. This means establishing shared data quality rules across the organization, to include automated checks embedded in data systems and policies that set clear expectations for how people interact with and maintain corporate data.

This is how a decision-maker gains confidence in the data she uses, whether it comes from her own team or from a department she’s never collaborated with. The black box is gone, and she can trust the data she relies on because she understands how it got to her.

We see massive support for cross-industry standards to assess data quality. 95% of execs agree there should be cross-industry standard metrics to assess the quality of all enterprise data.

Organizations must rely on these cross-industry data quality standards to ensure that data across the enterprise is not just complete and accurate, but ready to use.

Question No. 17:
In your opinion, should there be cross-industry standard metrics to assess the quality of all enterprise data?

https://www.talend.com/
Executives must avoid getting stuck in a myopic view of data, thinking that the answer is to bridge people and tools at the dataset level. To thrive in the Data Age, executives need to step back and see data for what it is: a living thing that flows through organizations and must be maintained by its community. By developing a deeper understanding of their data, and by achieving a common language for data quality, leaders can make sure they are ready to act upon the data at their disposal. This redirection of processes and behaviors supports a concept we call “data health.” We define data health as a comprehensive system directed at measuring and maintaining the well-being of corporate data as a whole. We believe that data health will become a key, if not THE most important, performance framework used inside and across organizations to track and assess the overall health of the business.

Consider these four measures of data health:

- Is corporate data reliable enterprise-wide?
- Is the data lifecycle visible to anyone analyzing it?
- Do data workers fully understand the data they use?
- Can data workers quantify the data’s business value?

Data that misses any of these marks it is not ready to use, and becomes more of a liability than an asset. We envision three focus areas for companies interested in establishing data health:

- Preventative measures
- Effective treatments
- Supportive culture

Preventative measures include automated and manual systems to preemptively identify and resolve data challenges. When people or technological processes identify problems in the data, effective treatments systematically cure them, improving data reliability and reducing risk. This all occurs in the context of a supportive culture with clear organizational expectations and practices for ongoing data management and care.

A culture of data health starts with giving everyone the same picture of the data they work with. As business users gain data literacy, subject matter experts can vet data in their area of expertise, ensuring that it is reliable and providing context that improves understanding of the data across the enterprise. That in turn improves the utility and business value of that data.

And since data does not have to be restricted to one organization, healthy companies contribute to a healthy business environment. The common understanding of data and the cross-industry data quality standards we advocate will make it possible to share data and use data across industry lines. Gartner points to the growing business value of data sharing, and predicts that through 2023, organizations that can establish trust in their data will be able to participate in 50% more ecosystems, opening new opportunities for revenue generation. We believe data health can catalyze data sharing.

With this new approach, and new standards, leaders can raise everyone up to be data workers on a level playing field. A data health mindset will truly drive the cultural change necessary to succeed with data.
About Talend

Talend (NASDAQ: TLND), a leader in data integration and data integrity, is changing the way the world makes decisions.

Talend Data Fabric is the only platform that brings together all the data integration and governance capabilities, to simplify every aspect of working with data. Talend delivers complete, clean, and uncompromised data in real-time to all. This unified approach to data has made it possible to create the Talend Trust Score™, an industry-first innovation that instantly assesses the reliability of any data set to bring clarity and confidence to every decision.

Over 6,500+ customers across the globe have chosen Talend to run their businesses on trusted data. Talend is recognized as a leader in its field by leading analyst firms and industry media.

For more information

Visit us   www.talend.com
Follow us on Twitter   @talend
Contact us   sales@talend.com

From March 24 to April 8, 2021, Talend led a survey via Qualtrics among a base of independent respondents to assess their ability to make data-driven decisions. The survey involved 529 respondents across the globe (57% North America, 26% Asia-Pacific, 17% Europe).

The respondents are all executives — with titles ranging from director to the C-suite — from medium and large companies making more than $10 million in annual revenue. As data has become a pervasive asset across organizations, no longer limited to the IT department, all departments were included in this survey. All industries are represented, with the largest representation from finance/insurance (25% of respondents), retail (20%), ICT (14%), and healthcare and pharmaceuticals (9%).