4 Best Practices to
Build Your Data Strategy

A step-by-step guide to creating the foundation
for business transformation through data.

Make your data work harder

Your company has an overwhelming abundance of data–but are you using it effectively to drive your business goals? Research from our **State of Data and Analytics report** shows business and IT leaders believe they're not getting the most out of their data. In fact, **94%** say they should be getting more value out of the data they already have. It makes sense: When you think about recent breakthroughs powered by generative artificial intelligence (AI) and advanced analytics, they all rest on a foundation of trusted, quality data–and that starts with strategy.

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Step 1

Develop a data strategy aligned to your business goals

So how do you bridge the gap between your data and business wins? Start by aligning your **data strategy** with your business goals–it's the all-important first step, but easier said than done.
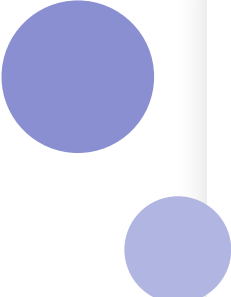
41% of line-of-business leaders say their data strategy has only partial or no alignment with their company's business objectives.

4 steps to make data perform for your business

1. Define your business goals.

Collaborate with a core team of business and IT stakeholders to identify and prioritize the objectives you want to support and track with data. Focus on goals foundational to your business success–like revenue growth, customer satisfaction, cost reduction, and market expansion.
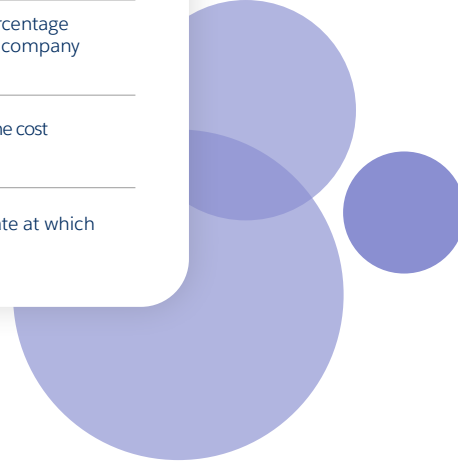
Here are some ways data can support these goals:

Business Goal	Data Use Case
Revenue Growth	Analyze your data to identify and target high-value customer segments, leading to increased sales and revenue.
Customer Satisfaction	Use trusted customer data to personalize experiences and provide tailored recommendations, enhancing satisfaction and loyalty.
Cost Reduction	Analyze operational data to identify inefficiencies and streamline processes, resulting in cost savings and improved profitability.
Market Expansion	Examine market trends and customer preferences to identify new opportunities and strategies for expansion into new markets.

2. Determine your key metrics.

Choose key performance indicators (KPIs) that measure progress toward your business goals, for example:

Business Goal	Data Use Case
Revenue Growth	**Conversion Rate**: Measure the percentage of potential customers who are converted into paying customers.
Customer Satisfaction	**Customer Retention Rate**: Track the percentage of customers who do business with your company over a specific period.
Cost Reduction	**Operational Efficiency Ratio**: Compare the cost of operations to the revenue generated.
Market Expansion	**Customer Acquisition Rate**: Track the rate at which you acquire new customers.

3. Assess your resources and budget.

Determine whether you have the systems, tools, and budget in place to carry out your goals. For example, your goals may require you to invest in a more **advanced CRM** or **data and analytics platform** to track specific KPIs. If you have goals around personalizing customer experiences, you may find you need to invest in solutions like **Data Cloud** to unite all your customer data and use it to serve them better.

This assessment will help you determine what's realistic for your business.

4. Build a strong data culture.

Data is a team sport after all, and your teams need the skills to understand and use data in their flow of work to make informed decisions. Consider establishing a **data leadership committee** and take a step-by-step approach to **building out a data culture**.

Checklist to align teams in your organization

✓ **Collaborate with business and IT stakeholders to identify and prioritize business objectives.**

✓ **Develop your KPIs by working with a wide spectrum of internal teams.**

✓ **Survey team leaders to determine if you have the systems, tools, and budgets to achieve your goals.**

✓ **Invest in nurturing the skills and behaviors your teams need to understand and use data for business advantage.**

✓ **Consider joining a community like the Data Leadership Council (DLC) to gain advice and best practices on ways to drive your data culture.**

Step 2

Prioritize data governance

Although everyone's eager about the transformative potential of AI, it's important to understand that the power of AI hinges on a strong data foundation. Eighty-six percent of analytics and IT leaders agree that **AI's outputs are only as good as its data inputs**. They know high data quality brings organizations closer to data maturity and AI success.

So how can you improve the quality of your data? It starts with **data governance**.

92% of analytics and IT leaders agree there's never been a greater need for trustworthy data.

– The State of Data and Analytics Report, 2023

Data governance means setting internal standards around how your data is gathered, stored, processed, and disposed of. It's the combination of controls, roles, and repeatable processes that create trust and confidence in your organization's data and analytics. Governance helps build a culture of trust around data; when your people know the data they're using is reliable, they're more confident in their decisions.

Follow these six steps to lay the groundwork for a successful data governance strategy:

1. **Meet with relevant stakeholders to learn their key metrics and what data they need to do their jobs.** Ensure your governance policies cover every critical use case and workflow. Knowing how your teams are using data will inform every aspect of your strategy.

2. **Define what "data quality" means in your organization.** Consider these key criteria in your definition:

   Completeness: Do your records include all necessary data fields?

   Timeliness: Does the data represent the current state of the business and its strategic goals? Is the data updated regularly?

   Validity: Does the data follow governance rules, constraints, and guidelines?

   Usage: How often is this data used for reporting and in applications?

   Accuracy: Are your data sets regularly updated from trusted sources? Does the data accurately reflect what it's intended to represent?

   Consistency: Are data formatting standards required across all data sources or even within the same dataset?

   Reliability: Has the data maintained its quality and consistency over long periods of time?

3. **Develop a comprehensive quality control process.** Standardized processes for data entry, cleansing, deduplication, merging, and archiving are part of effective **data governance**. Take advantage of AI-powered data-cleansing tools for built-in deduplication, validation, and enrichment data-profiling features.

4. **Plan for regular governance review and updates.** Because your business is constantly evolving, it's important to revisit your existing governance strategy regularly. Make sure to schedule time for updates.
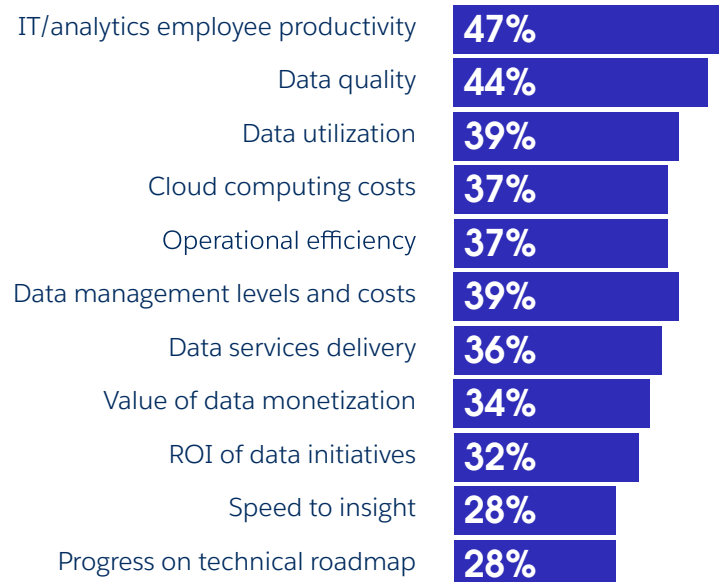
5. **Educate everyone in your organization about data handling requirements.** Assign security and permissions to maintain confidentiality and ensure regulatory compliance. And create a way for employees to report and resolve data-related issues as they arise, such as a dedicated Slack channel.

6. **Establish success metrics.** Success metrics are the best way to identify areas of improvement and encourage data-driven decisions. Keep reading for a deeper dive on data governance KPIs.

Focus on data quality

More than six in 10 analytics and IT leaders say they're in the dark about key metrics, including data quality, data utilization, and speed to insight, according to our State of Data and Analytics report. These metrics are critical as they help teams measure the effectiveness of their data initiatives.

Here's a breakdown of key metrics and the percentage of survey respondents who say their organization is actually tracking them:

Metric	Percentage
IT/analytics employee productivity	47%
Data quality	44%
Data utilization	39%
Cloud computing costs	37%
Operational efficiency	37%
Data management levels and costs	39%
Data services delivery	36%
Value of data monetization	34%
ROI of data initiatives	32%
Speed to insight	28%
Progress on technical roadmap	28%

Let's take a closer look at these metrics to understand how each plays a role in your data strategy, and why they should be tracked.

- **Data usage metrics** determine how you're using data—and that usage is intertwined with your overall resources, including your people, platforms, and processes.

- **Data quality metrics** evaluate the quality of your data against the governance standards you've defined.

- **Time-to-insight metrics** help you pinpoint bottlenecks between insights and action and work on bridging any gaps.

How do you translate those metrics into smart KPIs? Begin by establishing goals for each metric that can be measured and achieved within a specific timeframe. Then, brainstorm a way to track and report on these KPIs with your stakeholders that won't add complexity to existing processes.

These examples show you how governance metrics can be shaped into smart, trackable KPIs:

Metric	Example of Smart KPI	How to Track
Data quality	Achieve a 4% improvement in data quality by the end of each quarter.	Assign values to and frequently refresh frequency, usage, prep flow completion rate, and error warning rate.
Data usage	Increase the use of customer data for decision making by 30% within the next 12 months.	Determine relevant metrics to measure, such as employee access, log-in rates, and a frequency for tracking and reporting this data.
Time to insight	Decrease the average time for <customer event> to be incorporated into field service dashboards by 10 minutes by the end of the next quarter.	Track the average time to insights against industry benchmarks or past performance.

Strong governance is key to driving usage and adoption of analytics in your organization while maintaining the security and integrity of your data. With a solid data-quality strategy in place, you've got the foundation for AI-powered operations and decision making.

Here's a checklist for promoting data quality:

Data Quality Checklist

✓ **Define what data quality means to your organization**

✓ **Meet with team stakeholders to understand what data they need to do their jobs**

✓ **Use AI-powered data-cleansing tools, like** Tableau Data Prep

✓ **Help key leaders understand the** fundamentals of data cleaning

Step 3

Drive data maturity for successful AI outcomes

What does data maturity look like?

Organizations reach the peak of data maturity when:

Data strategies complement their business goals. Your stakeholders use data to guide every strategic move, enabling you to transform insights into actionable plans and measurable achievement.

Your customers benefit from your data-centric approach. Deep insights help you anticipate their needs–even before your customers are fully aware of them–and provide customized experiences.

Security and trust underpin every data initiative, with organization-wide standards to ensure that your data, and your customers' data, is always protected.

How do you get there?

By committing to:

1. **Create a data strategy** where business and data teams agree on how to use data to advance business goals.

2. **Establish data management and governance** to ensure data integrity and trust.

3. **Adopt data solutions** that transform data into meaningful insights.

4. **Prioritize data security** to protect data from breaches and maintain compliance.

5. **Build a data culture** so every employee has the skills they need to see, understand, and act on data insights.

6. **Bring data literacy to your business.** Infuse data skills into your workforce so everyone is comfortable using trusted data to support their day-to-day decision making.

The benefits of high data maturity

Data maturity is a building block of successful AI adoption, with high-maturity organizations citing superior infrastructure, strategy, and alignment compared to low data-maturity organizations.

Surveys show high-maturity organizations feel better prepared to harness the benefits of AI:

	Low Data Maturity	Moderate Data Maturity	High Data Maturity
Data quality	30%	39%	59%
Technology infrastructure	36%	40%	57%
Artificial intelligence strategy	32%	36%	56%
Technical talent/skills	33%	36%	56%
Business stakeholders alignment	34%	36%	55%
Security/compliance capabilities	32%	39%	55%

Step 4

Develop a data culture for business resilience

Organizations that can pivot and react quickly to market changes have a distinct competitive advantage. What do these companies have in common beyond their data and technology? A culture of critical thinkers who advocate data-driven decision making at every level of the organization: a data culture.

While leaders may understand the value of an organizational data culture, how do you build one? How do you create a data-first mindset within your company?

Here are four steps that will help you drive data maturity and realize more value from your data.

1. Align leadership metrics to business priorities.

Start with an audit of organization-wide data use, reviewing the current state against strategic initiatives, desired outcomes, and business priorities. Draft a data-leadership committee to help understand how the business is performing against these priorities, create a key set of metrics, and work with the right people–typically an analyst team–to locate, create, and align data sources to support these metrics.

2. Build data sources to address critical decision points.

Have your data and business owners form a cross-functional team to tackle a specific issue, working together to identify or create key data sources with a direct impact on organization-wide metrics. Ensure these data sources align to one or multiple parts of a business process.

Next, identify critical decision points–points at which you choose to start, stop, continue, or change aspects of your approach. Use your data sources to inform these points, explore and model potential outcomes, and measure the impact. A single data source can help you optimize many decision points before moving on to the next business process–setting you up for success before building out data assets that will be used across the entire organization.

3. Grow value through targeted use cases.

Create use cases aligned to priority areas to encourage interaction with data. These can take the form of data assets–visualizations, reports, dashboards, and/or workbooks–that are useful, engaging, and offer insights to help solve immediate business needs. Teams across the organization can evolve these assets to suit their own needs and identify other areas that could benefit from data assets or data sources.

As these assets evolve, ensure that teams refer back to the definitions outlined in leadership metrics so everyone is speaking the same language. Share victories and patterns of success to help create a virtuous cycle that expands and deepens engagement across the organization.

4. Promote widespread data discovery.

Once people are confident with data, they will want to ask richer questions and create new data assets for themselves. This means data must be well described, well governed, and accessible. It also requires widespread data literacy–the ability to explore, understand, and communicate with data. At this stage, organizations benefit from data literacy training programs to teach fundamental data skills.

Fostering community programs gives people a dedicated space to ask questions, share best practices, and encourage engagement. These programs don't have to be major efforts, especially at the beginning. They can take place where conversations are already happening. As engagement grows, you can formalize efforts with dedicated owners, leaders, and processes.

For deeper insight into how to build a data culture in your organization, check out the **Data Culture Playbook**.

Conclusion

Build the foundation for data-driven business success

The age of AI has highlighted the need for trustworthy, high quality data. A robust data foundation is critical for the accurate and meaningful responses AI needs to revolutionize your business operations. With this foundation in place, you've paved the way for transformational AI use cases while helping your team make faster, more informed decisions in their daily workflows.

You can make your data work harder by:

Developing a data strategy that aligns with your business goals. It's the up-front work that sets you up for business transformation.

Prioritizing data governance to ensure the high-quality, trustworthy data you need for advanced analytics and AI use cases.

Driving data maturity so everyone in the organization understands and is comfortable working with data–leading to better overall business performance.

Move forward

Read the **State of Data and Analytics Report** for global insights from over 10,000 analytics, IT, and business leaders on data management and decision making in the age of artificial intelligence.

Get started laying the data-quality foundation for successful AI outcomes in your organization. Access your free **Tableau trial** today.

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