State of Data and Analytics 2023 – Transatlantic Edition

How 200 Data-Focused Executives in the UK and North America are Using Data and Analytics to Solve Problems and Drive Business Goals

Dufrain.
The Data Company

Corinium

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Executive Summary from Dufrain

KEY FINDING

The vast majority of businesses recognize the importance of data and analytics. Investing in technology and digital transformation may be fundamentally central to many businesses' plans for growth and productivity, but the level of data capability varies significantly among them.

Our report surveyed 200 senior data leaders from large organizations across the UK and US, looking into this issue on a deeper level. It looked to determine the maturity level of each organisation's data capabilities, the challenges companies are facing in implementing their data strategies, and how highly they prioritise the use of data.

Particularly on the topic of data maturity, the results were very optimistic. Half of the respondents said they have an established and well-governed central data solution. More than half (54%) said they have a formal data governance policy that is effectively implemented across the organization, and 58% believed that data and analytics projects are highly prioritized along with business projects.

However, some of the self-assessed findings paint a slightly rosier picture of the state of data readiness than we have observed in our practical experience of the industry. Especially regarding data maturity. ▶

"There has been a significant increase in the use and therefore benefits derived from proper use of data and analytics capabilities in the last 4 years. However, getting the fundamentals right in parallel to deploying cutting-edge techniques and tools is as vital as before"

Joseph George
CEO, Dufrain

There are several reasons which could explain this. Especially in larger organizations, there could be the issue of siloes. The individual responding to the survey may have experienced excellent data analytics in one specific department, but this will not necessarily be the case across the company.

The benefits data and analytics can bring across an organization in its truest form has only in recent years been discussed and understood to this extent amongst business teams and senior leaders. Therefore, many decision makers may not fully understand what good use of data should look like.

And then there is the question of relativity. Many organizations are confident in their data capabilities but spend little time benchmarking against their competitors. Doing so may reveal that other players on the market are deploying more advanced data solutions. Trusted data partners, who work across dozens of different companies and sectors, can often offer this much-needed perspective.

This report by Dufrain recommends that organizations assess their data maturity levels across every department involved in critical processes, as businesses can only operate and move forward at the pace of the slowest component/function of an end-to-end business and technical process.

We hope the report will be a valuable tool for those grappling with the challenges presented by data and analytics in 2023 and beyond. ■

Methodology

This survey of 200 data and analytics leaders from the US (50%) and the UK (50%) was conducted in December 2022.

Respondents were selected from companies with annual revenues of at least $200 million USD in sectors including retail, financial services, banking, insurance, manufacturing, healthcare, and FMCG.

Their seniority ranges from C-level to Directors, VPs and Heads of Department, and all have influence over their organizations' data, analytics, AI and cloud strategies.

Respondents were asked 15 questions about aspects of their organizations data strategy, data governance as well as how they're working to drive data-driven practices throughout their organizations. ■

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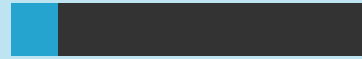
Key Takeaways

92%

of data leaders were either **optimistic** or **very optimistic** about the **value generated from their data and analytics projects**

Only 13%

of respondents placed their **maturity level at a five, where their data and advanced analytics were fully embedded into the company's processes**

79%

of data leaders said their **biggest challenge** was **competition from other organizations** when it came to **attracting and retaining talent** to their D&A teams

75%

of respondents **expect AI/ ML and predictive analytics** to slightly or significantly **overperform expectations**

60%

of respondents believe the **biggest challenge** for data and analytics leaders were **recruiting individuals with the necessary skills and talents**

54%

of data leaders said they had **formal data governance policies that were effectively implemented across their organizations**

Source: Corinium Intelligence, 2023

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CHAPTER ONE

Defining Successful Data Strategies in 2023

KEY FINDING

92% of data leaders were either optimistic or very optimistic about the value generated from their data and analytics projects over the next 12 to 18 months

Data strategies define how companies collect, manage, and utilize data to achieve their business goals. A successful data strategy serves as a guide for making data-related decisions and successfully allocating resources.

What's more, it ensures that companies gain a competitive advantage by providing insights that inform business decisions, improve operations, and drive innovation.

Still, a poor approach can be time-consuming and costly. And businesses often find competing business priorities lead to direct competition for the resources necessary to fulfil that strategic vision. ▶

"Creating the link between data and business value is an ongoing issue that needs to be addressed by data leaders in any business"

Ines Ashton
Director of Advance Analytics,
Mars Petcare

"Different departments are fighting for the same budget," says Jean Perez, Head of Data and Analytics at Collinson Group, Valuedynamx. "Data and analytics departments need to put together and prove a business case that effectively says how much return you're getting on that investment."

To do this, data leaders should define a data strategy that incorporates business goals and objectives. This may include identifying the specific business problems a company is trying to solve and the outcomes it aims to achieve, such as using data to increase sales or improve customer satisfaction.

However, there are challenges that companies face when it comes to implementing a data strategy, and one of the greatest is driving data culture from the top to the bottom of any organization. This is especially true where the company or industry is behind the curve.

"There is no number of metrics you can use to convince someone if they don't fundamentally understand why [data and analytics] is important," says Serena H. Huang, Ph.D. Global Head of People Analytics and HR Tech, PayPal and LinkedIn Learning Instructor. "That's why upskilling [executives] and making sure it's relevant to their day-to-day jobs is so important.

"That upskilling journey can look a little bit different for executives who are less familiar with data," she concludes.

"The biggest struggle with data strategies is to make everybody happy with the output and what the data is doing," adds Pedro Duarte, Head of Client Insight at BNY Mellon. "Data literacy is a big problem, so companies need to be able to bring senior management along the journey."

Establishing a successful data strategy

According to our research, 92% of data leaders were either optimistic or very optimistic about the prospect of their data projects generating value in 2023.

Amongst the most optimistic are the banking and insurance sectors where advancements in data-driven fraud detection and portfolio optimizations are starting to have a significant impact.

In addition, financial firms are now increasingly able to generate business value by breaking down legacy data silos to create more complete pictures of their customers' needs.

"Each data set or data asset in isolation has limited utility. It's really a case where a whole is far greater than the sum of its parts," says Alex Golbin, Chief Data Officer at financial services firm Morningstar. "It's all about co-mingling the data and creating a story – and that is very hard when all the data is insulated."

In addition to silos, there are several challenges for data leaders as they attempt to use their data strategies to unlock business value, especially as organizations grow and mature. ▶

"In the long term, the challenge that data strategies face in being successful is that they have to be transformational programs"

Mike Leverington
Director of Data Experimentation, ITV

"As each organization matures through the data curve, and new issues emerge," says Perez. "For example, if you are in a semi-mature organization, some of the key challenges that I can foresee will be related to categories such as data collection, speed and value," she explains.

Companies need to monitor the effectiveness of their data strategies as their organizations mature. This may include periodic reviews and updates to ensure they remain aligned with an organization's goals and objectives.

"In the long term, the challenge that data strategies face in being successful is that they have to be transformational programs," says Mike Leverington, Director of Data Experimentation at ITV. "They have to drive some business change, ultimately trying to unlock value from data assets that organizations have. In the last 10 or 15 years, businesses have been collecting more and more data, but the struggle is on how to use it."

Getting the most value from your data strategy

A data strategy is essential for companies looking to make data-driven decisions. What's more, unlocking the value of a data strategy entails improving data literacy at all levels of businesses, driving innovation, and in doing so creating business value.

"Creating the link between data and business value is an ongoing issue that needs to be addressed by data leaders in any business," says Ines Ashton, Director of Advance Analytics at the American multinational Mars Petcare. "Once we have the link, we need to find a better way to scale analytics solutions across businesses."

According to our research, a total of 93% of respondents said that data and analytics projects are prioritized by their senior leadership in line with overall business goals, this includes 58% who say that data and analytics projects are highly prioritized.

In 2019, **research** from Deloitte reported that data leaders expected analytics initiatives to only be an average priority over the next three years, compared to other business initiatives like IT infrastructure and managing risk. This indicated how quickly the importance of data and analytics initiatives have grown.

What's more these findings highlight the importance of finding the right language for data and analytics leaders to communicate the benefits and quantifying their results of their initiatives.

"It's our role to make sure we can demonstrate and articulate in the right business language how data can be used to help the different business teams or decision makers to utilize data more effectively," says Ed Child, Global Head of Consumer Data and Digital Analytics at Costa Coffee. "We need to talk less about 'data' and more about how we are driving the right outcomes." ▶

Value Generation Optimism Index by Industry

How would you describe your data governance maturity?

● Very Optimistic ● Optimistic ● Uncertain ● Pessimistic
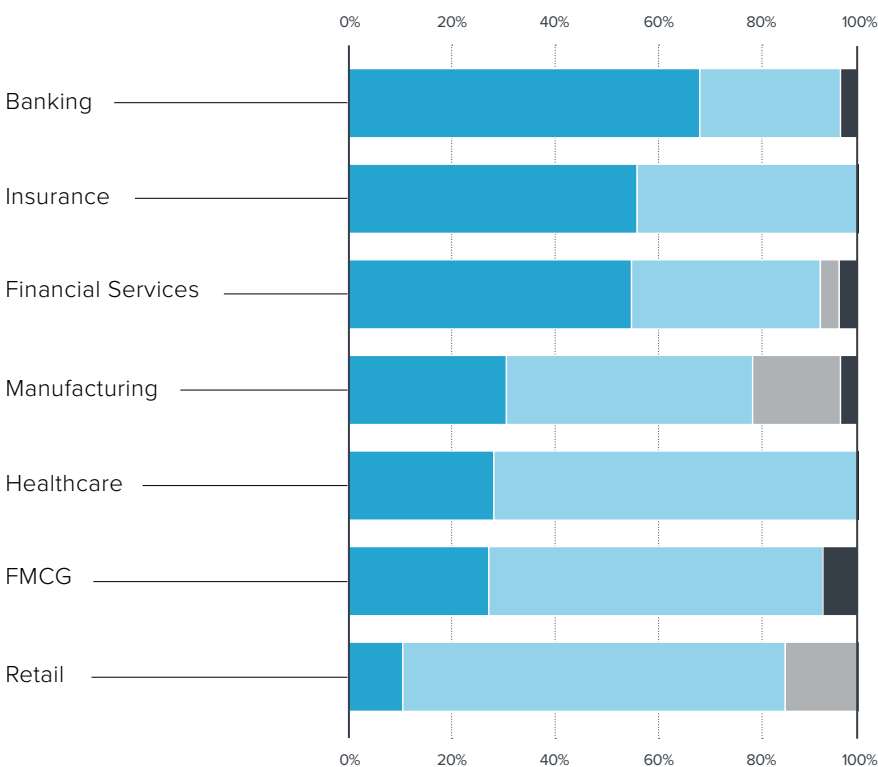
Source: Corinium Intelligence, 2023

Meeting high expectations requires key partnerships

The past few years have seen many organizations ramp up investments into technologies like AI, ML and predictive analytics. As a result, the expectations of these technologies to deliver value are high.

Our research shows that data leaders are optimistic about the potential of many organizations to meet these expectations. 73% of respondents expect AI/ML/predictive analytics to significantly overperform expectations in 2023. The same is true for 62% of respondents regarding investments into data engineering and data platforms.

However, we would caution against being too optimistic. Many organizations fail to effectively assess how advanced their solutions are in comparison with big players in the market, and as a result may overestimate the extent to which their investments will create a competitive advantage.

Our research shows that business leaders rely on these kinds of relationships with trusted partners, not only for market insight but also for key technology partnerships.

59% of respondents to our research told us that third-party partners were either important or very important to achieving their data and analytics goals.

As a result, data and analytics leaders should look to trusted data partners to assist in driving data and analytics throughout their organizations to unlock the true potential value of their data strategy. ▪

73%

number of respondents who expect AI/ML/predictive analytics to significantly overperform expectations in 2023

Source: Corinium Intelligence, 2023

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RESEARCH FINDINGS

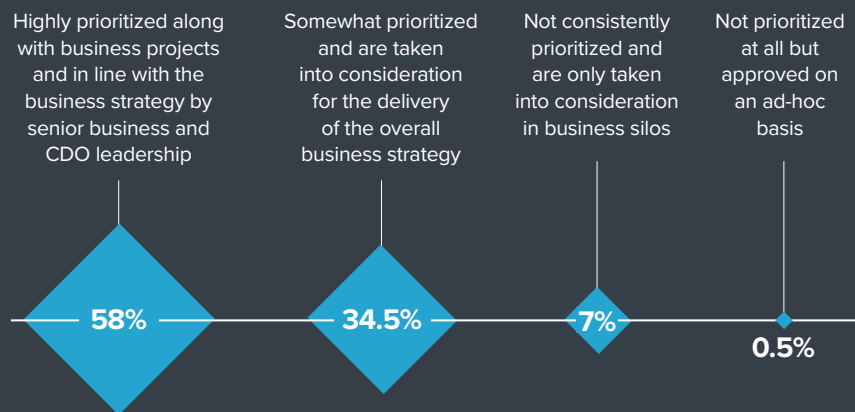# Data and Analytics Initiatives Are a Strategic Priority

KEY FINDING

Unlocking the value of data is high on the agenda for businesses, but the expectations of key technologies must also be carefully managed

Data and analytics projects are a key business priority

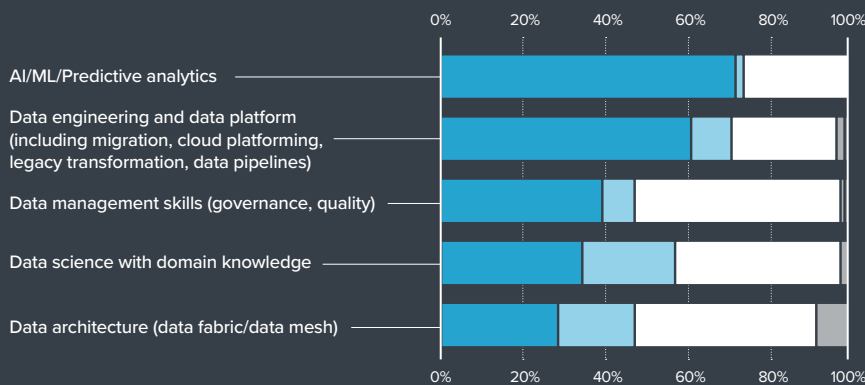Which most applies to your organization on data prioritization?

D&A projects are...

Highly prioritized along with business projects and in line with the business strategy by senior business and CDO leadership	Somewhat prioritized and are taken into consideration for the delivery of the overall business strategy	Not consistently prioritized and are only taken into consideration in business silos	Not prioritized at all but approved on an ad-hoc basis
58%	**34.5%**	**7%**	**0.5%**

Almost half of respondents expect their data capabilities to slightly or significantly overperform business expectations
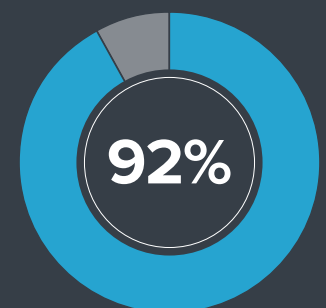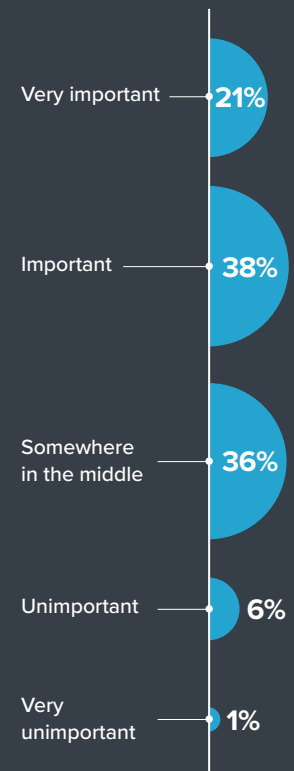
In which of the following areas do you believe that expectations of data and analytics outstrip expectations in the next 12 months?

● Significantly overperform   ● Slightly overperform   ○ Perform as expected

● Significantly underperform   ● Slightly underperform

- AI/ML/Predictive analytics
- Data engineering and data platform (including migration, cloud platforming, legacy transformation, data pipelines)
- Data management skills (governance, quality)
- Data science with domain knowledge
- Data architecture (data fabric/data mesh)

Partners play an important role in reaching data and analytics goals

How important are third party partners (like consultants and other third-party external technical experts) to achieving your goals in data and analytics?

Very important	**21%**
Important	**38%**
Somewhere in the middle	**36%**
Unimportant	**6%**
Very unimportant	**1%**

92%

of data leaders were either optimistic or very optimistic about generating value from data projects in their organization for the next 12-18 months

Source: Corinium Intelligence, 2023

Shifting Priorities for Data Governance as Data Strategies Mature

KEY FINDING

54% of data leaders said they had a formal data governance policy that was effectively implemented across their organization

Managing and controlling data use, storage, and movement within an organization are essential elements in the data governance process. In addition, maintaining the integrity, security, and compliance of an organization's data is crucial.

However, data governance can pose a significant challenge for organizations of all sizes. Our research suggests that some data leaders may overestimate their ability to deliver on data's ability to generate value, especially if the requisite data quality management standards are not in place.

Worse still, companies may lose out on the ability to generate insights and create value by isolating data in silos and laboring under poorly implemented governance processes.

"To derive value and insights at scale across the organization efficiently and effectively, organizations need to build the necessary foundations in parallel," says Joseph George, CEO of Dufrain. This starts with good data governance and continues with data management, data engineering and data platforms." ▶

Managing a mature data governance strategy

One of the main challenges of data governance is to ensure that all stakeholders are on the same page, including IT departments, business users, and upper management. Each of these groups has different ideas about what data governance should look like and how it should be implemented.

Data governance requires a high level of collaboration between different teams and departments. Unfortunately, this can be difficult to achieve, especially in larger organizations where silos and turf wars are common. Therefore, it is essential to establish clear lines of communication and to create a culture of collaboration and cooperation.

According to our research, 54% of data leaders said they had a formal data governance policy that was effectively implemented across their organization, effectively making good data governance everybody's responsibility. Meanwhile, 44% chose to administer and enforce the governance policy from a centralized data team.

This indicates that more companies recognize the need for a standardized method of handling data that meets privacy and compliance regulations but differ as the most effective way to enforce governance across businesses.

These findings also provide a basis to be slightly sceptical of the confidence displayed among the 92% of data leaders who are optimistic about the potential of their data to generate value.

Without the proper data quality management, the insights generated by data products may not be entirely trustworthy, and this makes it more difficult to demonstrate value.

"We don't want a central team to become a bottleneck in the business value delivery ecosystem," says Sovan Sahu, AVP Digital Transformation at Munich Re, Canada.

"We use a concept that is a bit like a management console. Our team puts in the policies and the guard rails and then our business partners in individual business domains operate within those – it's very metadata driven," he continues. "This ensures that from a governance perspective everyone is aware of what they can do with the data within those boundaries." ▶

"To derive value and insights at scale across the organization efficiently and effectively, organizations need to build the necessary foundations in parallel"

Joseph George
CEO, Dufrain

What's more, improperly executed governance policies can actually make data less accessible.

"A mature and compliant data governance strategy balances security, quality, knowledge, ownership and accessibility," says Ines Ashton, Director of Advanced Analytics at Mars Petcare. "However, the biggest challenge is finding the right balance of robust governance whilst maintaining agility for the business."

"Having the best possible data governance but nobody using the data is something that needs to be avoided at all costs," she adds.

Establishing a mature governance structure is essential to ensure the organization's data is secure and compliant, which includes defining roles and responsibilities for data management and implementing policies and procedures for data access and security.

"You need governance to make sure that data is used in the best way and people have access to it and ensure that the right people in the organization have access to the right data at the right time," George adds.

Comparing data governance strategies in the US and the UK

Companies in the US and the UK are facing mounting pressure to get the basics of data governance right, as data breaches and other security incidents can result in significant financial and reputational damage.

According to our research, 56% of US data leaders and 51% in the UK revealed they had formal data governance implemented across the organization with an emphasis on making data governance everybody's responsibility. On the other hand, 48% of UK respondents and 39% in the US said they had a formal data governance policy that their data teams administered and controlled centrally. These results show marginal differences in how both countries carry out their governance strategies, with the US slightly more likely to centralize responsibility.

"Defining a data governance strategy and a framework as a policy is one thing many organizations have done," says George. "However, being able to maintain and control that to make everyone follows the governance framework over a longer-term period is much more of a challenge." he warns.

Many US and UK companies effectively get the basics of data governance right. Regardless of how both countries administer their data strategies, they similarly have dedicated data governance teams and resources and have invested in technology and processes to ensure they meet regulatory compliance requirements. However, it is crucial that all companies continuously review and update their data governance strategies to protect sensitive information. ▶

Data Governance Maturity US vs UK

How would you describe your data governance maturity?

● We have a formal data governance policy **effectively implemented across the organization** (It's everyone's responsibility)

● We have a formal data governance policy that **our data team administers and controls** (It's our responsibility)

● We have data governance advice and practices that **are not strictly managed or mandated**

UK — 51%, 1%, 48%

US — 56%, 5%, 39%
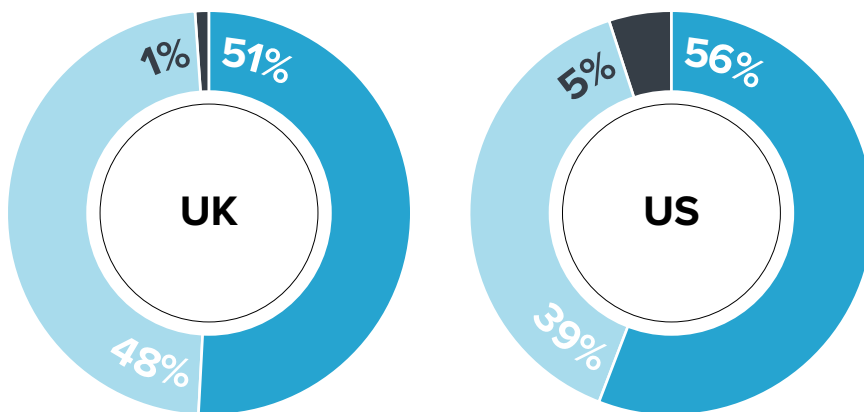
Source: Corinium Intelligence, 2023

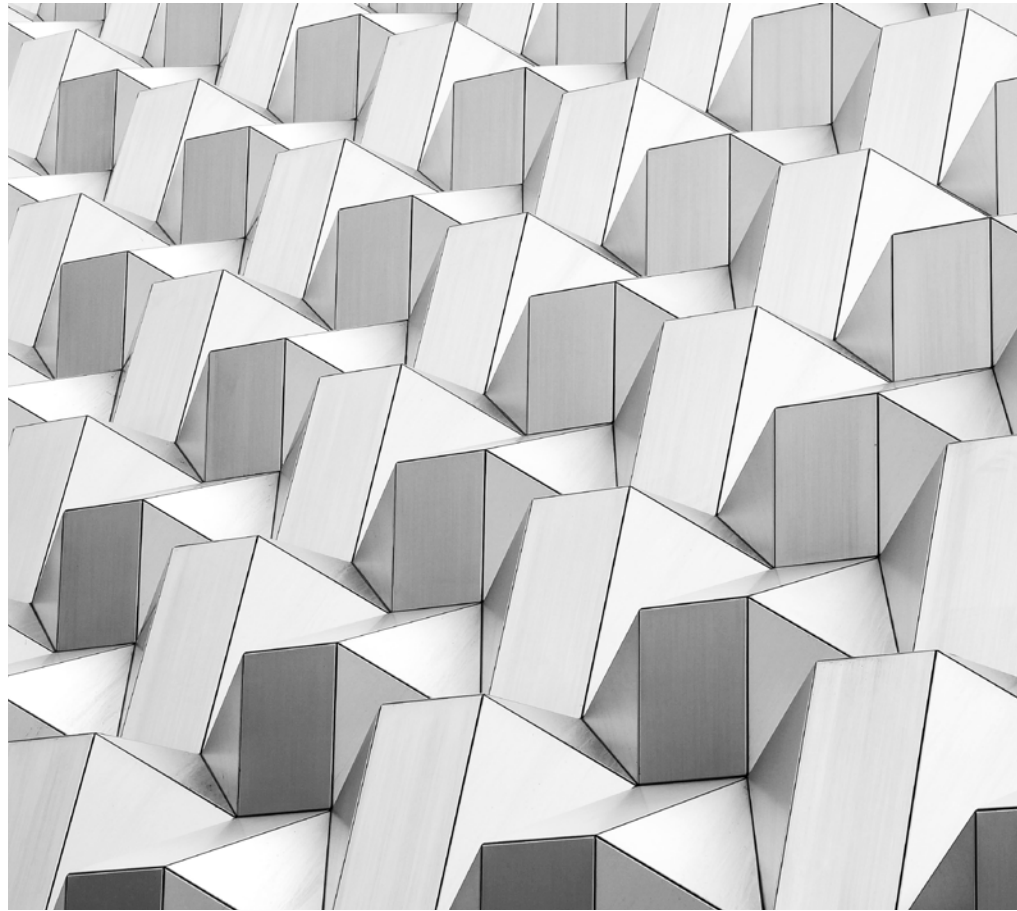## Assessing the Benefits of Organizational Maturity

Our research also found that 50% of businesses placed their maturity level at a four, describing themselves as early adopters that can self-serve data-driven insights or analytics with established and well-governed data solutions.

Only 13% placed their maturity level at a five, where their data and advanced analytics were fully embedded into their processes and they are able to track the value generated by their advanced technologies at scale.

"An organization with higher maturity levels recognizes the value of organized data and therefore will invest resources to govern and manage it appropriately," says Jean Perez, Head of Data and Analytics at Collinson Group, Valuedynamx.

"This will allow companies to see tangible benefits as a result of correct understanding of datasets, more accurate data mining and effective utilization of data sources and features within models."

A significant challenge in data governance is that it often requires lots of investment in time and resources. This can be a difficult sell to upper management, who may be more focused on short-term gains and cost-cutting measures. Additionally, data governance requires ongoing maintenance and upkeep, which can drain resources.

"I think you need to have businesspeople close to data which can call an apple an apple," explains Pedro Duarte, Head of Client Insight at BNY Mellon.

"It's important to have a centralized data team. Essentially, we need to have a centralized taxonomy, the same data where everyone can derive the same data for data management," he concludes.

With limited resources and competing priorities, it's essential to ensure that any data and analytics projects undertaken will have the most significant impact on a company's business goals and objectives. ∎

> *"An organization with higher maturity levels recognizes the value of organized data and therefore will invest resources to govern and manage it appropriately"*

Jean Perez
Head of Data and Analytics, Collinson Group, Valuedynamx
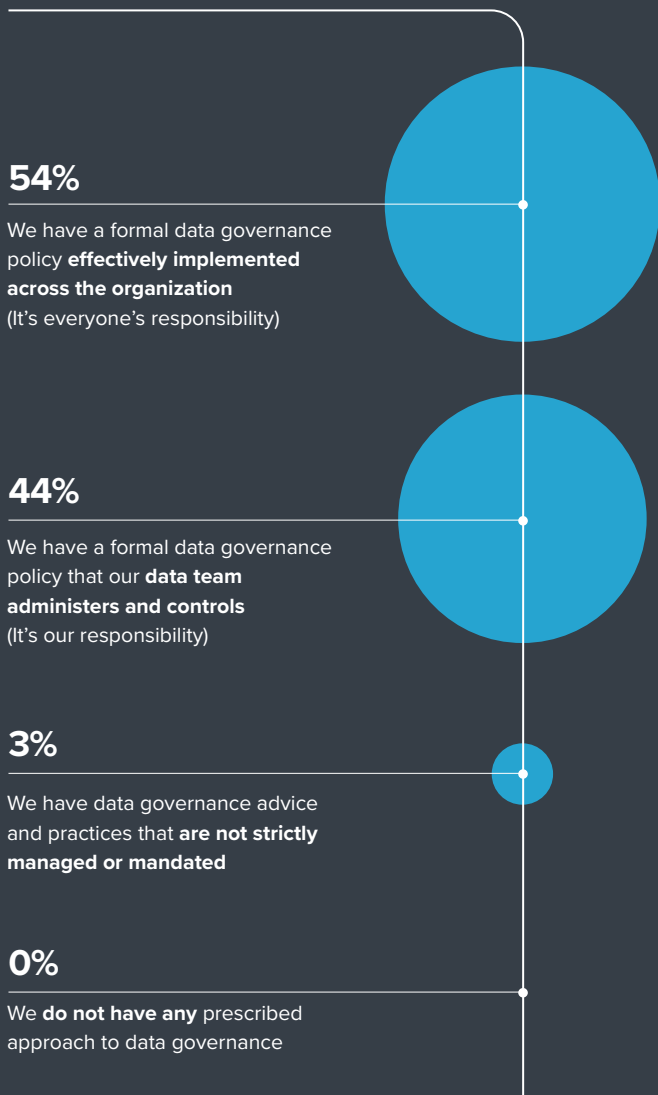
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RESEARCH FINDINGS

Data-Driven Capabilities are Yet to Fully Mature

KEY FINDING

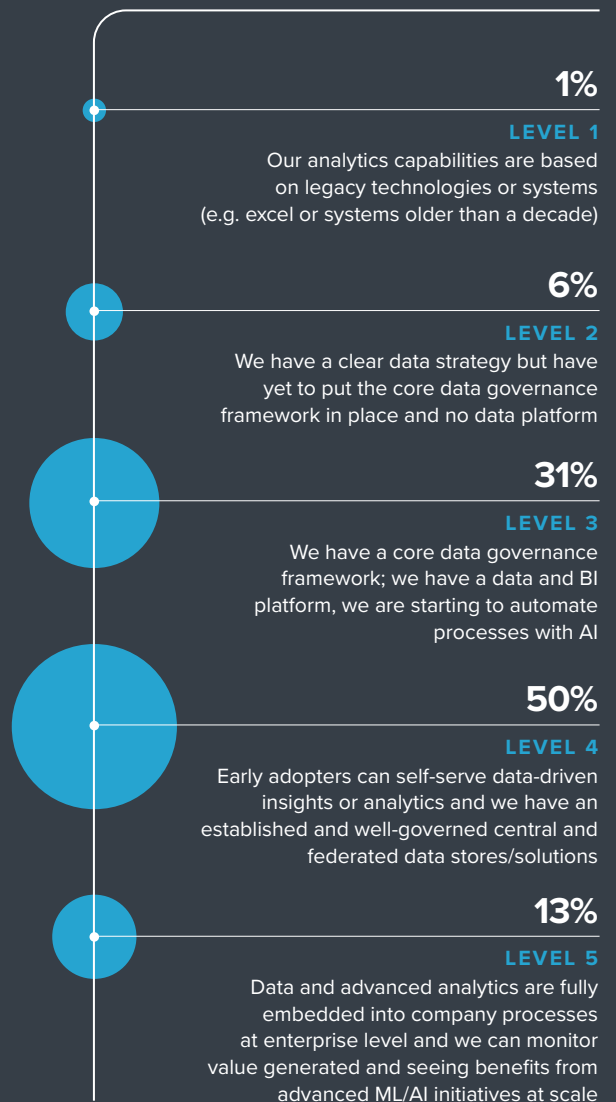*As organization's data-driven capabilities mature good data governance is increasingly important*

Responsibility for data governance is being driven throughout organizations

How would you describe your data governance maturity?

54%

We have a formal data governance policy **effectively implemented across the organization**
(It's everyone's responsibility)

44%

We have a formal data governance policy that our **data team administers and controls**
(It's our responsibility)

3%

We have data governance advice and practices that **are not strictly managed or mandated**

0%

We **do not have any** prescribed approach to data governance

Only 13% of respondents think their data-driven capabilities as fully mature

Which of the following best describes the maturity level of your organization's data-driven capabilities?

1%

LEVEL 1
Our analytics capabilities are based on legacy technologies or systems (e.g. excel or systems older than a decade)

6%

LEVEL 2
We have a clear data strategy but have yet to put the core data governance framework in place and no data platform

31%

LEVEL 3
We have a core data governance framework; we have a data and BI platform, we are starting to automate processes with AI

50%

LEVEL 4
Early adopters can self-serve data-driven insights or analytics and we have an established and well-governed central and federated data stores/solutions

13%

LEVEL 5
Data and advanced analytics are fully embedded into company processes at enterprise level and we can monitor value generated and seeing benefits from advanced ML/AI initiatives at scale

Source: Corinium Intelligence, 2023

CHAPTER THREE

Establishing and Scaling AI and ML Capabilities

KEY FINDING

71% of respondents said they were using AI and ML or Neural Nets across multiple business functions or processes, but larger organizations dominate the field

Establishing and scaling AI and ML capabilities within an organization is a complicated process that requires expertise, strategic planning, and effective execution. Businesses first need to identify the problem that their organization is trying to solve before considering AI and ML technologies.

However, our research shows that these technologies are increasingly having an impact on business processes. 95% of respondents to our research are using AI and ML technologies, at least in a limited way. What's more 81% of respondents reported an impact on their business processes in the last 12 months attributable to AI and ML.

Despite this, some data and analytics leaders think that the technologies are not meeting their full potential.

"AI and ML are underutilized in the industry", says Ines Ashton, Director of Advanced Analytics at Mars Petcare. "The words AI and ML tend to be used loosely and are often used as an umbrella term for advanced analytics which can cause confusion on what true AI and ML is and how and when to use them," she adds.

However, our research has found that progress in the realm of AI and ML, especially in terms of the ability to scale across the organization is dominated by larger companies who benefit from larger budgets and economy of scale. ▶

"The words AI and ML tend to be used loosely and are often used as an umbrella term for advanced analytics which can cause confusion on what true AI and ML is and how and when to use them"
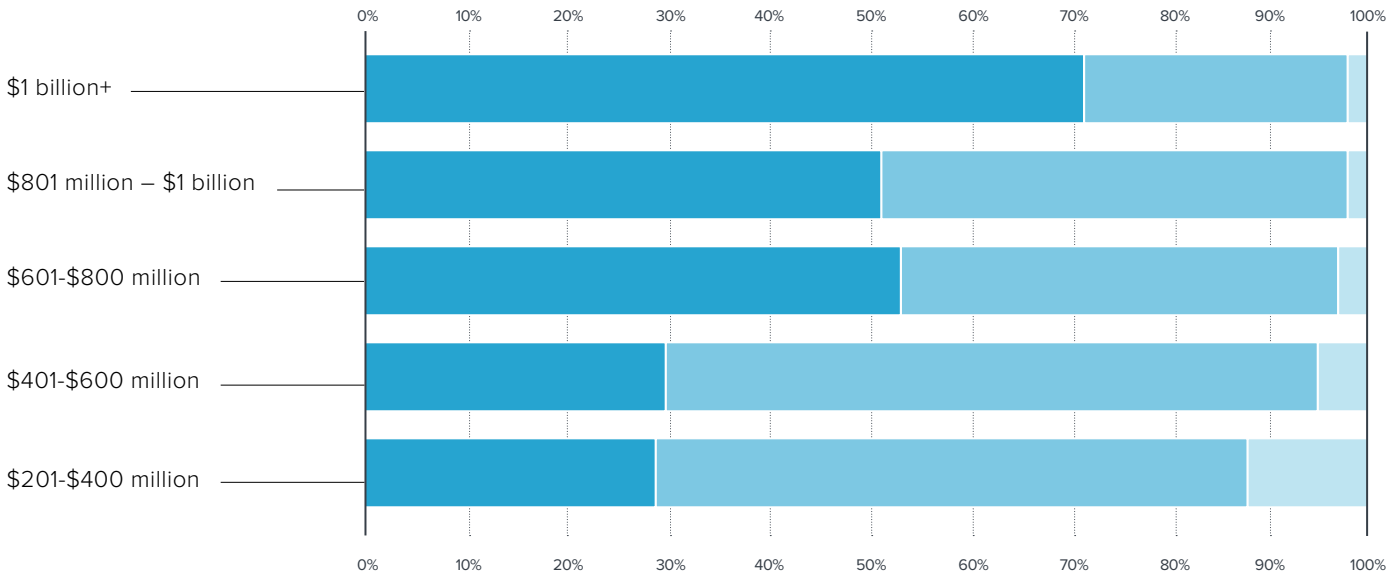
Ines Ashton
Director of Advance Analytics, Mars Petcare

Use of AI by company size

To what extent are you currently using AI/ML/ Neural nets in your data strategy?

- Using across multiple business functions or processes
- Using for at least one business function or process
- Researching or considering potential use
- Not using and no plans to use

Source: Corinium Intelligence, 2023

Deriving value from AI and ML at scale

When considering the scalability and sustainability of AI and ML technologies, companies need to clearly understand the business problem that the AI/ML technology intends to solve. This may involve identifying the use case, determining the end goals, and recognizing potential obstacles or challenges.

However, our research reveals that very large organizations are far more likely to have scaled their AI and ML initiatives beyond a single business function or process.

According to our research, 71% of respondents in organizations with annual revenues of more than $1b said they were using AI and ML or neural nets across multiple business functions or processes.

"The scale is an issue because once you reach the end of a trial phase and you start to put things into production things can proliferate very quickly," says Dan Power, Managing Director, Data Governance, Global Markets at State Street.

"Before you know it," he continues. "You have 400 models and how are you going to manage the kind of processes you need to put them in production? Not to mention the maintenance and monitoring of them." ▶

"The scale is an issue because once you reach the end of a trial phase and you start to put things into production things can proliferate very quickly"

Dan Power
Managing Director, Data Governance, Global Markets, State Street

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AI and ML For Financial Services

The financial services industry is one of the most active sectors in adopting AI and ML technologies. These technologies have the potential to revolutionize the way financial services are provided, from risk management to customer service.

One of the most significant use cases of AI and ML in the financial services industry is risk management. AI and ML algorithms can be used to analyze vast amounts of data to identify patterns and detect potential risks. This can help financial institutions quickly identify and respond to potential fraud, reducing the risk of financial losses.

"There are some huge benefits [to using AI and ML]. Productivity, automation, being able to do more with less"

Dan Power
Managing Director, Data Governance, Global Markets, State Street

Our research showed that 73% of data leaders in the insurance sector, followed by 72% in the banking sector, saw significant increases in the impact of AI and ML technologies compared to a year ago. This suggests the financial services industry is seeing the benefits of using these technologies

to detect potential risks such as fraud.

"There are some huge benefits [to using AI and ML]," says Power. "Productivity, automation, being able to do more with less. I think business is constantly challenging itself to do that and this is a way to deliver it."

AI and ML has helped organizations in many industries process large amounts of data in previously impossible ways while providing new opportunities for businesses. Additionally, it has allowed companies to make sense of unstructured data, which can generate insights and patterns.

However, many organizations are still being held back by the difficulties of scaling projects successfully, as well as lingering uncertainty as to the wider utility of the technology amongst senior leadership.

As businesses continue to see results, Perez predicts that we will see even more investment in these emerging technologies in the coming years.

"Once organizations move away from the fear of the unknown regarding AI and ML, then future investments and project approvals will likely be expedited," she says. ■

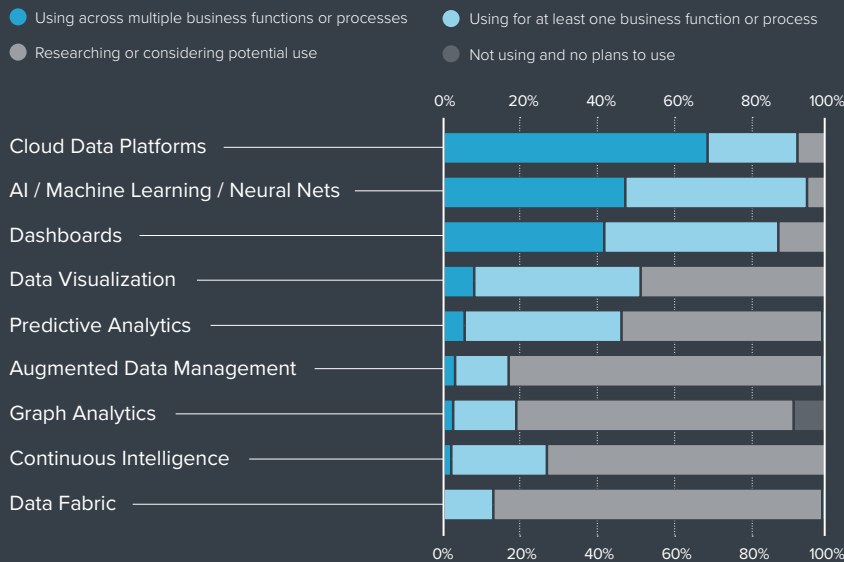**business of data**

RESEARCH FINDINGS

Overcoming the Unknowns in AI/ML Technologies

KEY FINDING

AI/ML has played an essential role in most organizations, but many businesses are still hesitant about their ability to scale these technologies

95% of respondents are using AI technologies at least in a limited way

Which of the following are you currently using within your data strategy?

- ● Using across multiple business functions or processes
- ● Using for at least one business function or process
- ● Researching or considering potential use
- ● Not using and no plans to use

Cloud Data Platforms
AI / Machine Learning / Neural Nets
Dashboards
Data Visualization
Predictive Analytics
Augmented Data Management
Graph Analytics
Continuous Intelligence
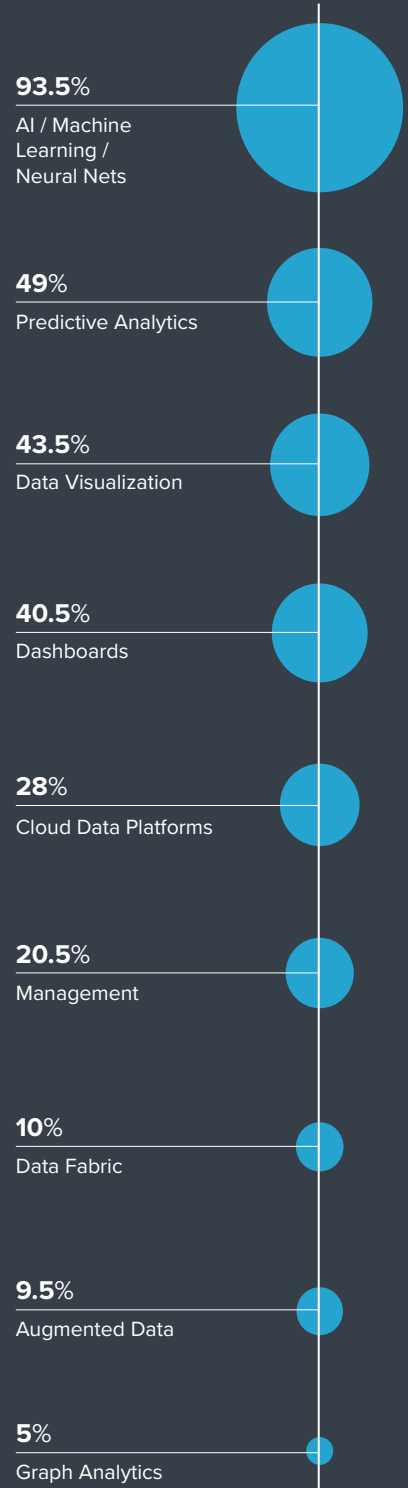Data Fabric

0% 20% 40% 60% 80% 100%

Half of organizations have seen a major impact from AI

How many of your current business processes are impacted by machine learning or AI compared to 12 months ago?

56%
Major increase

56%
Minor decrease

16.5%
No change

31%
Minor increase
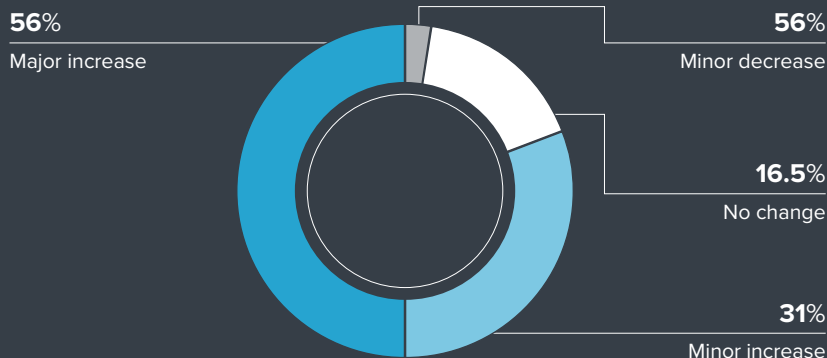
AI and neural nets are anticipated to drive data strategies in the year to come

Which technologies do you think will drive the greatest changes in your data strategy over the next 12 months?

93.5%
AI / Machine Learning / Neural Nets

49%
Predictive Analytics

43.5%
Data Visualization

40.5%
Dashboards

28%
Cloud Data Platforms

20.5%
Management

10%
Data Fabric

9.5%
Augmented Data

5%
Graph Analytics

Source: Corinium Intelligence, 2023

Attracting Data and Analytics Talent and Upskilling Staff

KEY FINDING

The challenges of attracting and retaining talent to data and analytics departments not only depends on salary but also on showing their work has a purpose

D espite the strategic importance of data and analytics initiatives across the business landscape, attracting and retaining the right talent remains a huge challenge for many organizations.

60% of the 200 data and analytics leaders we surveyed named a lack of the necessary skills and talent as one of their top three biggest challenges for the year ahead.

Part of the problem is simply one of competition. Competition between companies and competition between industries make it difficult for data and analytics leaders to attract and retain the talent they need to deliver on their data and analytics visions. ▶

"There is a shortage of skills in the industry, but that's because so many businesses are investing more in this area and that makes for a more competitive market"

Ed Child
Global Head of Consumer Data and Digital Analytics, Costa Coffee

Our research found that competition between companies and between industries were the two biggest challenges identified by 79% and 75% of data and analytics leaders respectively.

However, data and analytics leaders remain cautiously optimistic about the prospects of growth in the next two to five years. In the next two years, almost half of respondents expect their data teams to remain about the same size. But within the next five years, 85% expect their teams to grow by up to a quarter.

"There is a shortage of skills in the industry, but that's because so many businesses are investing more in this area and that makes

"Keeping data talent engaged, giving them diversity in their projects, and ensuring they don't get discouraged when the business moves at a substantially slower pace are necessary."

Ines Ashton
Director of Advance Analytics, Mars Petcare

for a more competitive market," says Ed Child, Global Head of Consumer Data and Digital Analytics at Costa Coffee. We have to work harder as leaders in the data industry to be competitive and also show that we are really investing in data."

Diversifying sources of talent

More than half of the respondents to our research named a lack of graduates with the right skills as one of the challenges that are holding their recruitment efforts back.

This has led many executives to look within their organizations to identify and develop talent that they already have.

"We are doing a lot with specific digital and data training for specialists and really helping upskill the broader business in digital and data literacy to show that we really mean business," Child says.

"The biggest companies don't put all their eggs in one basket [in terms of recruitment] because they need a lot of resources," adds Dufrain CEO, Joseph George. "The best approach for many organizations is to find a balance between internal recruitment, new hiring and working with trusted data analytics delivery partners."

"The reality is, thousands of other companies still need to compete, and they don't have that many resources to attract talent," George concludes. ▶

Creating a sense of purpose in your data and analytics team

Holding on to your best talent isn't all about the money, according to Collinson Valuedynamx Director of Data and Analytics Jean Perez. Or at least high salaries aren't sufficient to beat the competition.

"It is not enough to have a higher salary to attract talent and retain them, you have to show purpose aside from making money. Data professionals are looking for fulfilling jobs where they feel the work is purpose-driven, varied and challenging," says Perez.

In addition, the data and analytics industry is not immune from wider employment trends, Perez points out, that have seen flexible working conditions become commonplace since the start of the pandemic.

"Work/life balance is increasingly important for data and analytics professionals, and flexible/hybrid working patterns are preferred," Perez concludes.

"Keeping data talent engaged, giving them diversity in their projects, and ensuring they don't get discouraged when the business moves at a substantially slower pace are necessary," agrees Mars Petcare Director of Advanced Analytics, Ines Ashton.

"The marketplace is super competitive at the moment, so in addition to good renumeration package, company culture is continuously becoming more important for employee satisfaction."

If data and analytics leaders are to beat the competition to attract and retain the best talent the industry has, they will need to attack the issue from several angles.

It won't be enough to simply offer the highest salaries. Organizational culture, working conditions, and a shared sense of purpose will be key differentiators for organizations in an increasingly competitive global marketplace for talent. ■

"The best approach for many organizations is to find a balance between internal recruitment, new hiring and working with trusted data analytics delivery partners"

Joseph George
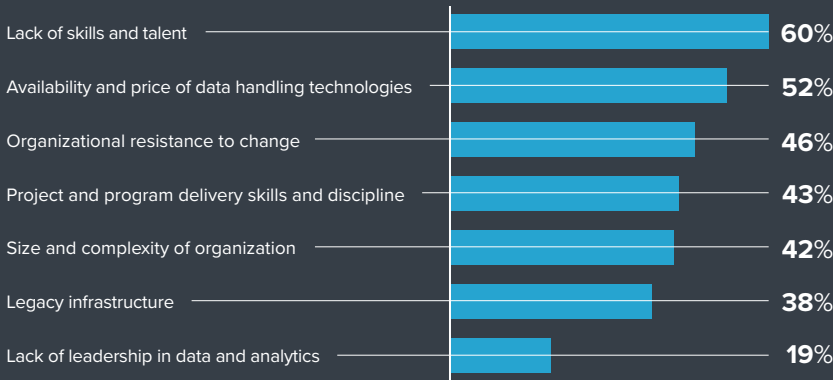CEO, Dufrain

RESEARCH FINDINGS

Skills and Talent Shortages Top the List of Data and Analytics Challenges

KEY FINDING

Despite the increasing strategic importance of data and analytics initiatives, competition for talent may stifle growth in the years ahead
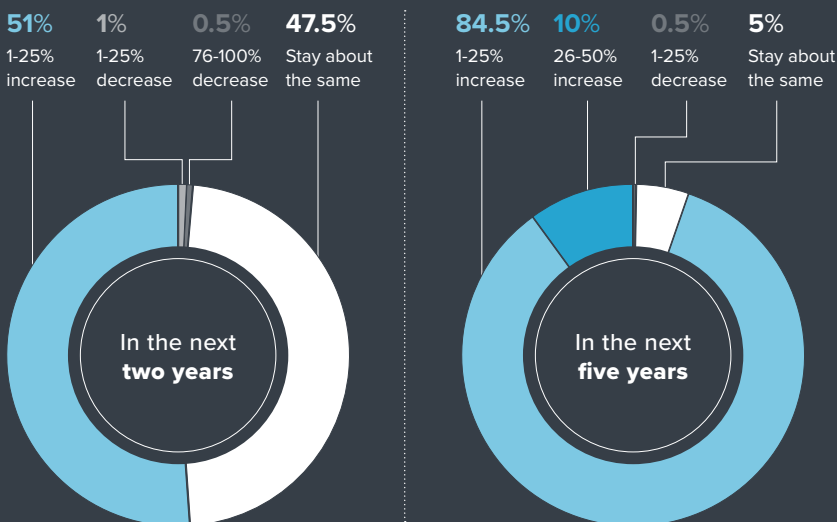
Lack of skills and talent is the single biggest challenge for data and analytics leaders in the year ahead

What do you think are the biggest challenges for data and analytics leaders as they implement their data strategies in 2023?

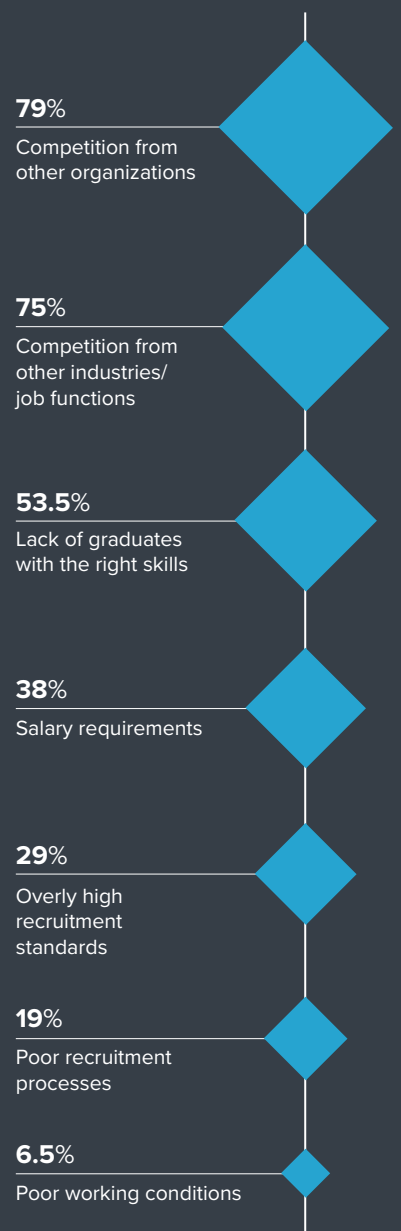| Challenge	%
Lack of skills and talent	60%
Availability and price of data handling technologies	52%
Organizational resistance to change	46%
Project and program delivery skills and discipline	43%
Size and complexity of organization	42%
Legacy infrastructure	38%
Lack of leadership in data and analytics	19%

The majority of respondents expect modest growth in their data teams in the next two to five years

How do you expect your department's staff numbers to change in the future?

In the next two years

51%	1%	0.5%	47.5%
1-25% increase	1-25% decrease	76-100% decrease	Stay about the same

In the next five years

84.5%	10%	0.5%	5%
1-25% increase	26-50% increase	1-25% decrease	Stay about the same

Competition from other companies and industries are the biggest talent challenges

What are the biggest challenges when it comes to attracting and retaining talent to your data and analytics organization?

79% Competition from other organizations

75% Competition from other industries/ job functions

53.5% Lack of graduates with the right skills

38% Salary requirements

29% Overly high recruitment standards

19% Poor recruitment processes

6.5% Poor working conditions

Source: Corinium Intelligence, 2023

Conclusion

In writing this report we hope to reinforce the importance of having a data strategy that matches business goals. This data strategy should serve as a guide for making data-related decisions and allocating resources effectively, leading to a competitive advantage through improved decision making and innovation.

What's more the strategy should help businesses avoid the pitfalls of siloed data, drive data-focused cultures from top to bottom of organizations, and implement governance policies that allow data to flow within organizations in a safe and compliant manner.

However, there are challenges in implementing a successful data strategy. Companies need to regularly monitor the effectiveness of their data strategy and align it with their goals. To unlock the value of a data strategy, it is essential to improve data literacy, drive innovation, and create business value.

In addition, data governance is a critical aspect of any data management strategy. It is essential to ensure that the organization's data is secure, compliant, and accessible, which includes defining roles and responsibilities for data management and implementing policies and procedures for data access and security.

A mature data governance strategy requires a high level of collaboration between different teams and departments, which can be difficult to achieve.

Companies in the US and the UK are facing pressure to get the basics of data governance right, and our research shows that both countries have invested in technology and processes to ensure they meet regulatory compliance requirements.

However, it is crucial that all companies continuously review and update their data governance strategies to protect sensitive information. Furthermore, without proper data quality management, the insights generated by data products may not be entirely trustworthy, making it more difficult to demonstrate value.

Strong data engineering capabilities, alongside good data governance practices, are all guided by business-led data strategies that ensure more organizations derive the benefits and the competitive advantage that good use and execution of data and analytics can provide. Organizational maturity in data management and governance plays a significant role in unlocking the full potential of data-driven insights and analytics, and businesses should continuously assess their level of maturity to ensure they are fully leveraging their data assets. ■

"Getting the fundamentals right in parallel to deploying cutting-edge techniques and tools is as vital as before. It is no longer about competitive advantage alone, but also about long - term survival"

Joseph George
CEO, Dufrain

About Dufrain

Dufrain: The market leading pure play data consultancy

Dufrain is a market leading data and analytics delivery consultancy empowering enterprise organizations in financial services and across industries to discover the value and potential in their data. To truly become data driven and drive competitive advantage.

At Dufrain, Data is our passion. Our highly experienced data consultants deliver data solutions and real business outcomes across the entire data landscape helping businesses to meet their strategic objectives.

Led by Joseph George CEO, we draw on a wealth of expertise, experience and knowledge to deliver innovative solutions to data challenges.

Leading brands trust us and partner with us to deliver value and to support and enable their teams for the long term.

Our highly experienced data consultants deliver comprehensive services across the entire data landscape from data management and governance, BI and analytics through to shaping data transformation strategies.

Dufrain offers a suite of propositions to help businesses on their data transformation journey, including:

- Capability assessments
- Accelerators across data management, data migration, cloud architecture and bespoke accelerators joining the dots between all three
- Data engineering and data platform delivery
- Data migration and cloud adoption
- Data management including data governance and quality design
- Data strategy
- Depth in leading technology and cloud stacks
- Business intelligence and analytics visualisations and assessments
- Training and insights

Dufrain: Our passion, your power!

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The Data Company

About the Editor

Alexandra Watson is a content strategist with over a decade of experience in journalism and content writing, with a focus on data and analytics, cybersecurity, and AI/ML technologies.

She works with market-leading companies across various industries to highlight emerging trends in data and analytics.

Alexandra Watson
Content Strategist,
Corinium Global Intelligence

Corinium

Partner with *Business of Data*
by Corinium

We'll develop industry benchmarking research, special reports, editorial content, online events and virtual summits to establish your brand as an industry thought leader.

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Corinium is the world's largest business community of more than 250,000 data, analytics, customer experience and digital transformation leaders.

We're excited by the incredible pace of innovation and disruption in today's digital landscape. That's why we produce quality content, webinars and events to connect our audience with what's next and help them lead their organizations into this new paradigm.

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