

# Put The Business Back In Your Data Management Business Case

## Business Case: The Data Management Playbook

by Michele Goetz  
January 2, 2020

### Why Read This Report

Be customer driven: It's time for enterprise architects to put the business back in the business case. Partner with business stakeholders to define where and how data will advance the business and what capabilities it needs to evolve into a data-driven organization. This report describes which stakeholders you should engage with to gather the information you'll need. It also explains how to build business strategy into your data strategy and how to make the business case for your data management agenda.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy.

### Key Takeaways

#### **Your Business Case Go-To Team Informs Your Data Strategy**

Avoid building a data strategy within the technology organization bubble. Continuously network for ideas and opportunities where data capabilities lead to insights that drive actions and outcomes.

#### **Frame Your Data Strategy As A Business Success Story**

Be specific about where your data strategy is building capabilities that directly link to business initiatives, processes, and decision support. Use your business go-to team to define business goals and key performance indicators (KPIs) that define success.

#### **Proactively Address Business And Technical Dependencies And Risk**

Socialize data strategies to capture any risks and dependencies that require further review or input from stakeholders expecting new data support. Facilitate discussions to define the tradeoffs and opportunities that will prioritize data strategy execution and development.

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## Business Case: The Data Management Playbook



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### Recommendations

- 11 **Practice Continuous, Not Episodic, Business Case Development**

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[Customer Experience Demands Outcome-Oriented Data Governance](#)

[Evaluate Your Data And Information Management Maturity](#)

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## The Who: Establish Your Business Case Go-To Team

Developing a business case for data investment is a collaborative effort and doesn't rest solely on the shoulders of enterprise architects. In fact, the benefits in a business case can really only come from the business execs themselves, based on their strategies, planned activities, and objectives. Before you begin, you'll need to recognize the actors and their roles to develop a story that is tangible and relevant to business imperatives.<sup>1</sup> Six key roles contribute to a data business case (see Figure 1):

- › **Chief data officer (CDO).** The CDO is the business case sponsor and the evangelist for a data-driven organization. Consistent collaboration and communication with business leaders, end users, and even customers allow the CDO to maintain a vision and framework for the data capabilities the firm needs or for which it requires optimization. When developing the business case, the CDO facilitates the process, defines the data strategy, gains buy-in and commitment from decision makers, and assumes accountability for following through on the data strategy and communicating the outcome. In the absence of a CDO or similar data management executive, the head of the data governance committee would assume this role.
- › **Business area stakeholders.** Executives, senior leadership, and end users convey the business strategies, plans, and goals that provide the context for data value. These stakeholders communicate when improved availability of data and opportunities for insight optimize or accelerate their ability to meet their goals and move the needle on KPIs.
- › **CIO.** The CIO acts as an advocate and door opener for data and information architects to drive conversations with business executives, line-of-business (LOB) heads, and the CDO. The CIO provides the context and alignment of data investment with existing and planned technology investments. Advancements in data capabilities will also address a variety of the CIO's goals, including cost savings, reduced time-to-value, and improved effectiveness.
- › **Business and technology project managers.** Business and tech organization project leaders and program management specialists analyze data use cases and data capabilities, assessing them against their catalog of business requirements. As investment committees evaluate business cases, project managers work with data management and architecture teams to define investment details and plan the resources needed to launch and support the project. Enterprise architecture (EA) pros take the technology lead in this role.
- › **Finance.** The CFO's office provides an accounting of current operational expenses within business and technology areas as well as business performance metrics to develop the ROI model. This office also supports the development of the ROI model based on expected business outcomes that affect top-line growth. Additionally, the CFO's office can guide the CDO and project managers in creating budgets and identifying available funds for investment.
- › **Data governance steering committee.** Planning, data operations, and risk/value assessments drive the data governance steering committee's day-to-day activities. Data stewards and business area stakeholders meet regularly to ensure that data not only provides value but also complies with

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regulatory and risk policies. In this sense, this committee is another source of insight into where the enterprise needs to develop data capabilities; it's also the body that vets potential solutions and new capabilities within the context of both opportunities and potential business risk.

**FIGURE 1** Your Business Go-To Team Has Specific Responsibilities To Create The Business Case

	<b>Chief data officer</b>	<b>Business area stakeholders</b>	<b>Business and technology project managers</b>	<b>Finance</b>	<b>Data governance committee</b>
Overall business case	R	A			C
Benefits	A	R	C	C	C
Costs	A	I	R	C	I
Financial analysis	A	C	C	R	C
Benefit risk	A	R	I	I	R
Project risk	I	I	A	I	I
Alignment	A	R	I	I	R
Business case process	A	C	R	C	R

R = Responsible — those who do work to complete the task

A = Accountable — the entity ultimately accountable for the completion and results

C = Consulted — those whose opinions are sought and incorporated

I = Informed — those who are kept up-to-date on progress

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## The How: Build Business Strategy Into The Data Strategy

A data strategy that doesn't resonate with the key objectives and outcomes of executives and LOB leaders is only a value proposition for improving data and information architects' performance. Don't leave executives and LOB leaders asking, "What's in it for me?"

### Step 1: Talk To The Business

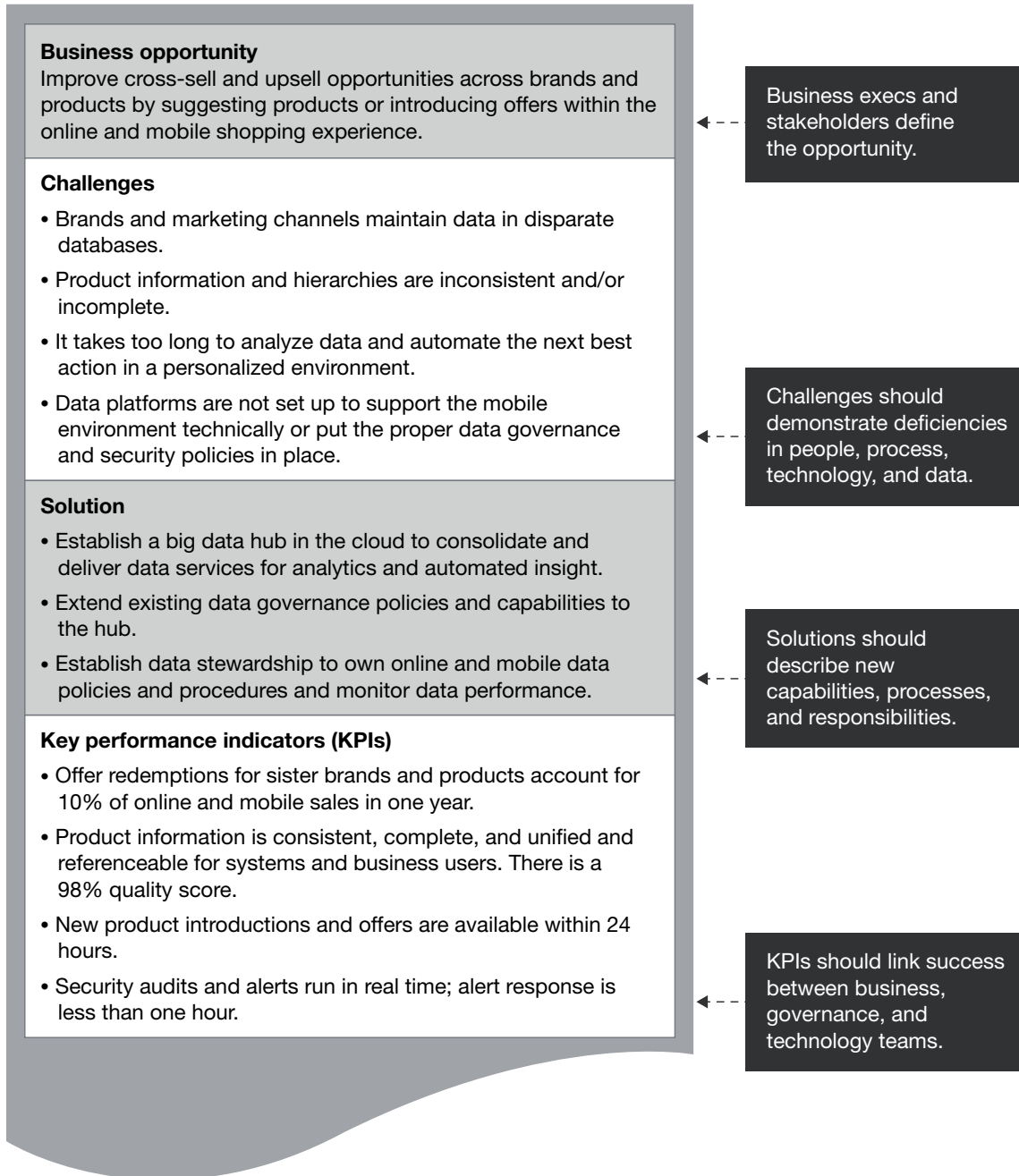
Start with business area stakeholders who know what they need from their data in the context of their own objectives and goals. This ensures not only that you capture business imperatives but also that business execs define the opportunities and challenges in business language. Anticipate creating three to five "success pages" per business area stakeholder (see Figure 2). Crowdsourcing business opportunities and challenges takes three forms:

- › **Proactive outreach through one-on-one meetings and workshops.** An enterprise architect at the US Department of Defense put it simply: "You need to engage with your [business area stakeholders] and get answers to three questions: What do you want to achieve? How do you want to see it? What data do you think you want?" These conversations identify the objective, the form of the desired result, and what data is missing from the current state.
- › **Analysis of existing needs within the tech organization and the PMO.** Requests from business area stakeholders, analysts, and end users continuously stream into data management teams and the project management office (PMO). Classify and group these requests and requirements by business imperatives, capabilities, and objectives. As you get proactive outreach input from business area stakeholders, refine these classifications to build stronger business alignment and solution synergies.
- › **Assessing data management shortcomings that inhibit innovation and capabilities.** Lack of budget; maturity of technology around security; lack of technology skills; lack of business competency to deal with data that is messy, diverse, or large; and lack of collaboration between teams are the top challenges to meeting business demands for deeper analytics and insight from big data.<sup>2</sup> Ensure that you link these technical deficits to business value to get economies of scale across business imperatives.

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**FIGURE 2** Success Pages Frame Data Strategies To Business Outcomes



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**Step 2: Scope The Solution, Dependencies, And Risks**

Avoid scoping data investments narrowly from the perspective of cost savings and efficiency. Introduction of new data capabilities has both an impact and dependencies on multiple business units in terms of information they will access, business processes affected, the skills needed to support the capabilities, and potential financial and regulatory impact. Identify these areas as much as possible during the solution-scoping phase and be prepared to bring the questions and information you gather to the data governance steering committee and business area stakeholders (see Figure 3). Here are four key questions to ask:

- › **What risks might you generate?** Identify areas of the business and business technology where changes not only have benefits but can also open up new risks. For example, taking in more-detailed customer data and consolidating for a single customer view raise new data privacy and restricted data use scenarios to consider, specifically in highly regulated regions and industries.
- › **Where are the dependencies and impacts?** Review data flows in business processes and in provisioning repositories for reporting and analytics to create an impact analysis of a possible solution. Also, prepare questions that help business area stakeholders consider the operational dependencies and impacts. For instance, consolidating and harmonizing data may alter financial and business metrics as data anomalies are blended out; how will this affect the business?
- › **What disruptions might you cause?** Establish the participation of business subject matter experts upfront for activities such as user acceptance testing of data within a new analytics environment. Additionally, clarify any training and change management requirements for new data capabilities that replace or augment existing business processes.

For example, self-service business intelligence (BI) will mean that many data requests that formerly came to data pros will no longer go that route, as analysts will acquire data directly and introduce data governance rules and standards independently when formulating data sets for analysis. To drive transparency within data-wrangling processes, end users need training on the new capability as well as on how it affects analytic processes. Data pros need to extend BI-on-BI to monitor for new data governance rules and standards and not just data/system utilization.

- › **What does EA require from sponsors?** Enterprise architects must be upfront about what they need from sponsors to make the necessary investments successful. The financial analysis is only one request. Are sponsors required to make decisions during projects? Will they need to participate regularly or serve on data governance steering committees? Will they be responsible for aspects of change management efforts? Planting seeds early will allow business area stakeholders to internalize the effort and impact that data proposals will have on their time and plan for possible changes to their responsibilities.

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**FIGURE 3** Bring Visibility To Decision Makers To Help Them Prioritize, De-Risk, And Approve





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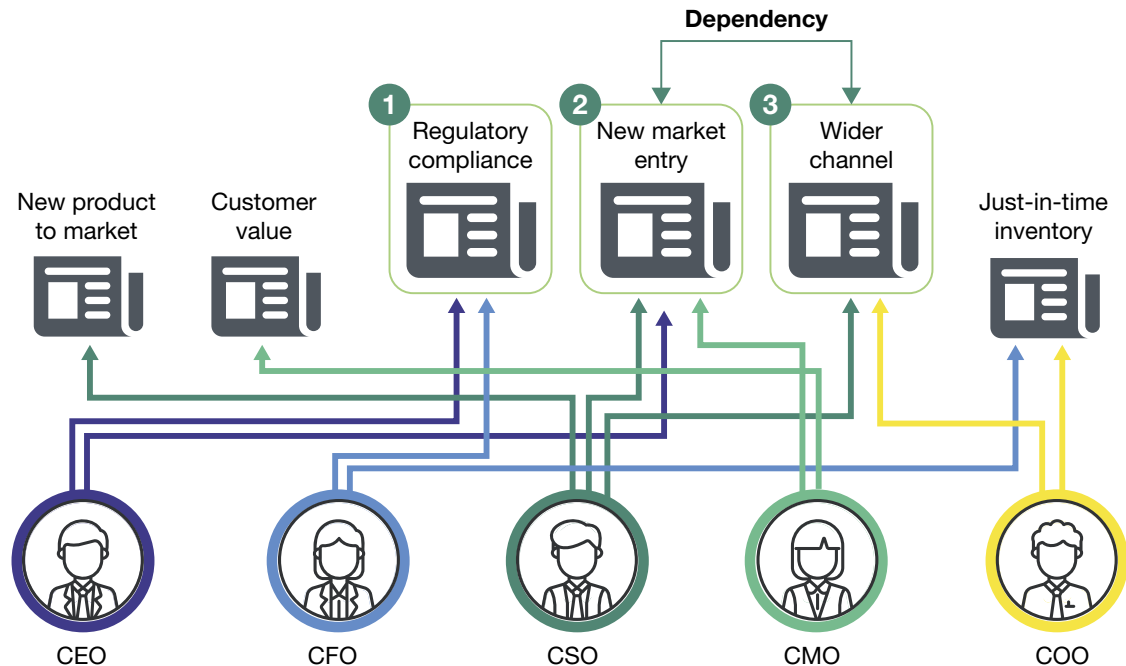
**Step 3: Validate And Prioritize Success Pages With Key Business Area Stakeholders**

Yogesh Prasad, an associate director at IQVIA, said, “Getting the business case, for us, is not the hard part; it’s knowing where to start.” With three to five success pages developed per business area stakeholder, it can be difficult for enterprise architects to know how to focus and phase investment. This is the point at which your business area stakeholders step back into the business case conversation and decide on those priorities (see Figure 4). EA pros, along with CDOs and their data governance counterparts, facilitate the conversation to drive prioritization and finalize investment and change management scope and plans. To achieve decisions that prioritize success pages:

- › **State the goal of the success page review.** Clearly communicate upfront your intention that the review meeting will validate and prioritize success pages and create consensus among the business area stakeholders. At the end of the meeting, business area stakeholders will have voted on and communicated the three to five success pages that will make up the core data strategy and investment.
- › **Deliver a suggested starting point strategy.** Come to the decision table prepared with a starting point recommendation based on three things: 1) executive and senior management input on business imperatives and priorities; 2) the logical synergies between success page opportunities; and 3) the logical synergies across proposed solutions. This focuses the conversation and helps validate assumptions you made going into the solution scoping process, your KPIs, and your implementation roadmap.
- › **Review success pages with all business area stakeholders present.** Avoid presenting proposals where your business area stakeholders have not had the chance to see the 40,000-foot view of data opportunities with their peers and colleagues. This review step allows you to bring all business area stakeholders together and review their success pages in the context of one another. It also allows stakeholders to ask questions and see alignment and synergies between their areas of responsibility.

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**FIGURE 4** Socialize Success Pages With Decision Makers To Set The Data Strategy**Step 4: Establish Accountability For ROI And Total Cost Of Ownership**

With a clear direction and focus provided by business area stakeholders, enterprise architects can finalize the proposal with the financial analysis and timelines (see Figure 5). It's a given that the financial analysis will calculate the investment level, ROI, and total cost of ownership within business and data management.<sup>3</sup> What makes the data management business case a success story is how EA pros demonstrate accountability to deliver on the stated business opportunities. You must then follow up, within an agreed-upon timeframe, with business area stakeholders to validate that business benefits are reaching target-state outcomes. Demonstrate accountability in two ways:<sup>4</sup>

- › **Define the business value milestones in the roadmap.** Break down stated opportunities into distinct rollouts of business capabilities and the associated business outcome on the proposed roadmap. Maintain a separate EA roadmap that links back to data capabilities, tasks, resources, data, and technology changes.<sup>5</sup> This is for EA and data management pros' internal investment and planning processes and also contributes to overall data governance program efforts.
- › **Provide the KPIs that demonstrate investment outcomes.** Bring down the measurements on the success page to the financial analysis that has a direct correlation to the data capabilities introduced. This can be in the form of a deliverable or business performance metric. A deliverable

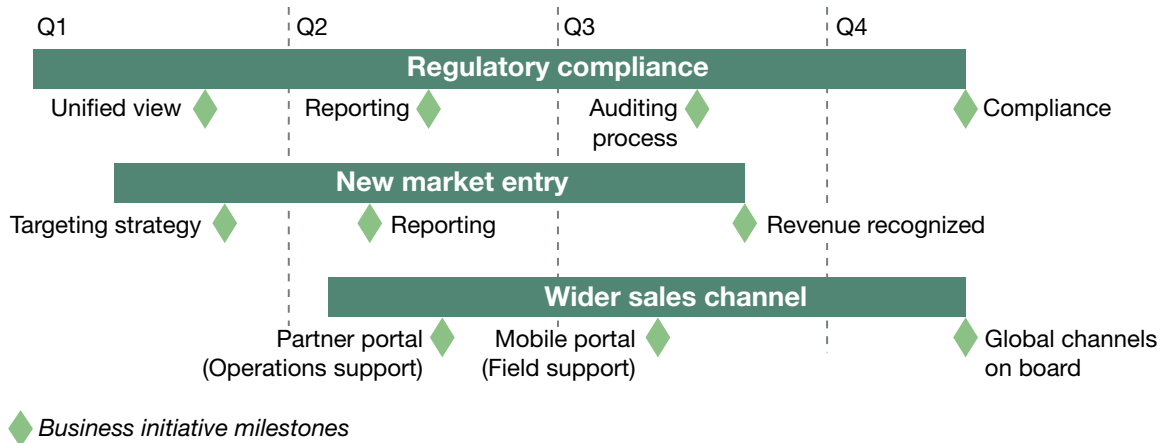
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example is that regulators accept a report attesting to the quality of data used to calculate capital. A business performance metric example might be that marketing list generation decreases from seven days to one day and the number of cross-sell communications increases by 150%.

**FIGURE 5** Align Your Data Strategy Investment And Timeline With Expected Business Outcomes

**1. Roadmap**



**2. Investment**

		Estimate	Business success metric
Regulatory compliance	Technology	\$17 million	Regulatory certification
	Consulting/professional services	\$37 million	
	Staffing	Two full-time employees (steward and analyst)	
New market entry	Technology	\$5 million	Better targeting information decreases new market entry from nine months to three months.
	Consulting/professional services	\$200,000	
	Staffing	One full-time employee (data scientist)	
Wider sales channel	Technology	\$20 million	<ul style="list-style-type: none"> <li>Order-to-cash time is reduced by 35%.</li> <li>Partner onboarding is reduced from six months to two months.</li> </ul>
	Consulting/professional services	\$100,000	
	Staffing	One full-time employee (mobile architect)	

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**Recommendations**

## Practice Continuous, Not Episodic, Business Case Development

Data needs will come up in the course of doing business, so EA professionals shouldn't wait for predetermined planning cycles. Continuously canvass your organization to keep pace with new data needs and changing business scenarios that could benefit from new data capabilities. This best practice ensures that you aren't just building data capabilities for today, but rather that you see your organization's data needs from an evolving and holistic perspective. Business case development is then less about asking for one project's funding and more about strategic planning in an agile manner. Sell the strategy and outcomes, and you gain buy-in for the roadmap — and all the projects it lists.

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## Endnotes

- <sup>1</sup> See the Forrester report “[Building The Business Case For Your Digital Investments.](#)”
- <sup>2</sup> According to Forrester’s survey of global data and analytics decision makers, lack of budget (20%), maturity of technology around security (20%), lack of technology skills (19%), lack of business competency to deal with data that is messy, diverse, or large (19%), and lack of collaboration between teams (19%) are the top challenges firms face when executing their vision for big data. Source: Forrester Analytics Global Business Technographics® Data And Analytics Survey, 2019.
- <sup>3</sup> See the Forrester report “[Building The Business Case For Your Digital Investments.](#)”
- <sup>4</sup> See the Forrester report “[Track Your Progress Toward EA Value.](#)”
- <sup>5</sup> See the Forrester report “[Align EA To Stakeholder Needs And Outcomes.](#)”

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