Bridging the DATA DIVIDE

Top challenges that executives must overcome to gain the strategic insights they need

Survey Report by

prevedere

In partnership with

Prosper INSIGHTS & ANALYTICS™

What is the Data Divide?

According to International Data Corporation (IDC), companies that analyze all relevant data to deliver actionable insights will earn an extra $430 billion in productivity benefits. Many business leaders, however, do not feel they are on the path to receive the lofty ROI that IDC predicts.

The findings of this survey show that a majority of analytics teams feel they have the necessary data and insights to make critical decisions. But when asked if they have the right resources to address the strategic issues facing their company, their responses were very different. There appears to be a gap between the insights that **can** be achieved vs. the insights that **need** to be achieved.

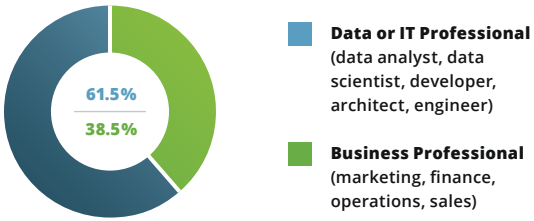
This is the Data Divide.

Closing this gap may be the key to evolving data and analytics initiatives and addressing the true needs of executives with strategic, forward-looking insights.

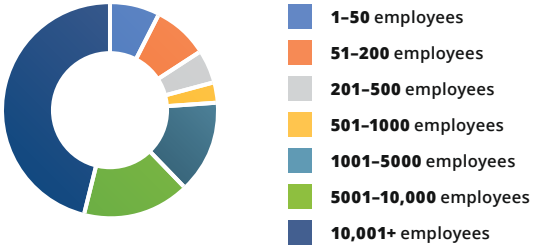
Methodology

Partnering with Prosper Insights & Analytics, Prevedere conducted an online survey of participants from leading companies from various industries across the U.S. The goal was to assess the overall satisfaction of their data and analytics program and whether they have the right data and skill-sets to help their business leaders make the best decisions.

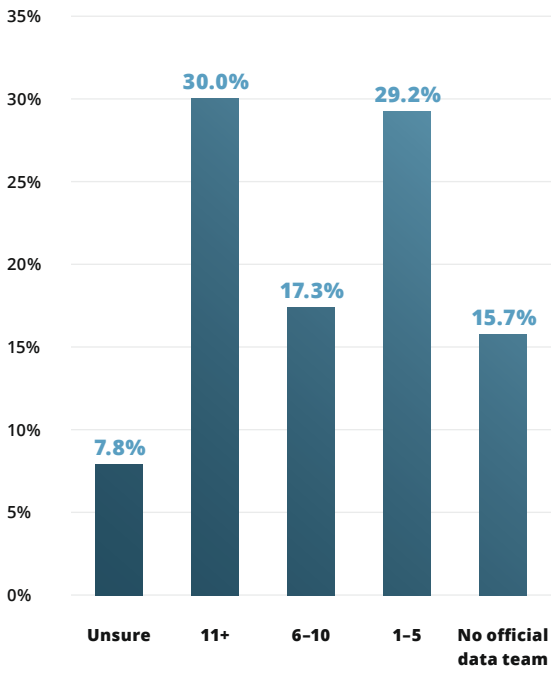
Which of the following best describes your job?



What is the size of your business?



How big is your data and analytics team?



OF THE SURVEY RESPONDENTS:

61.5% were from the business side of the organization, while 38.5% identified as a data or IT professional. 30% have a data and analytics team that include more than 11 people, 29.2% have a team of 1–5 and 15.7% say they do not have an official data team. The company size of respondents varied, with 46.3% coming from a business of 10,000 employees or more.

There appears to be a gap between perception and reality of analytics capabilities among survey respondents.

PERCEPTION

"Our company makes critical decisions with all the data and insights we need at the right time."

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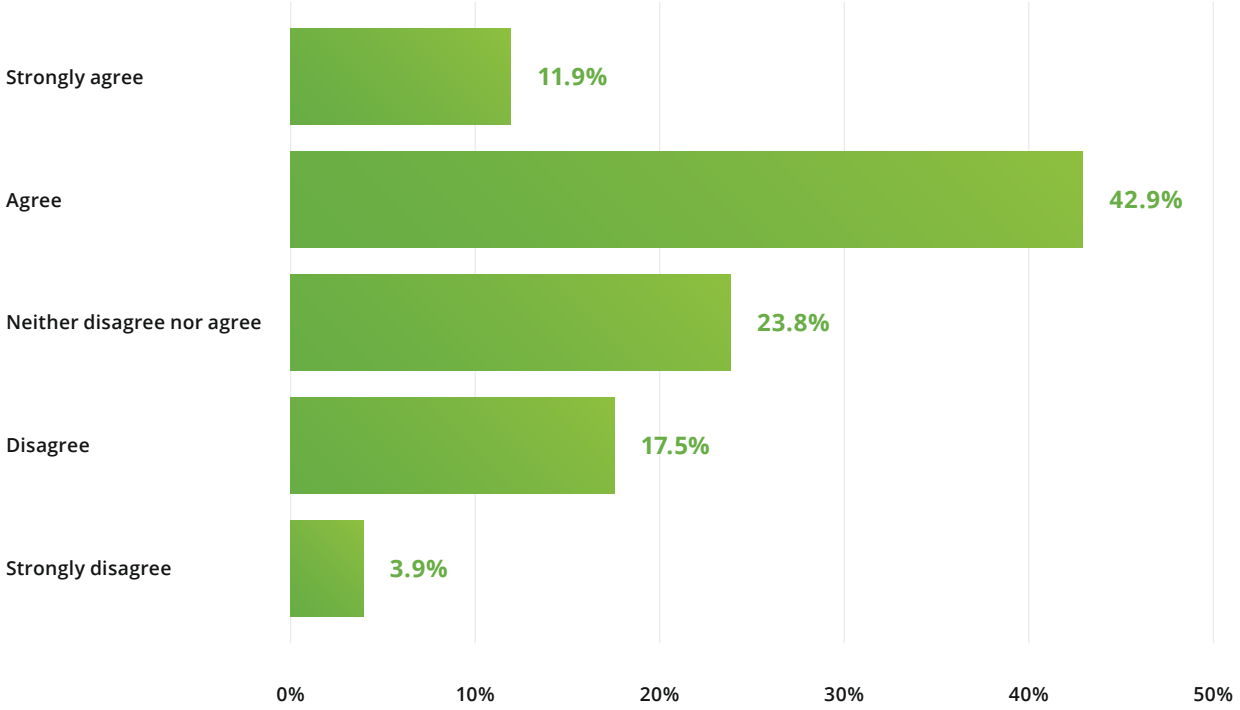
55% of respondents agree/strongly agree that their company makes critical decisions with all the insights they need.

QUESTION

My company makes critical decisions with all the data and insights provided at the right time.



The majority of our respondents work in large enterprises that spend millions of dollars in IT infrastructure and software each year. Budget for these technology initiatives is given to projects that improve tactical and short-term problems to achieve a faster ROI, but often do not provide the strategic answers executives need.

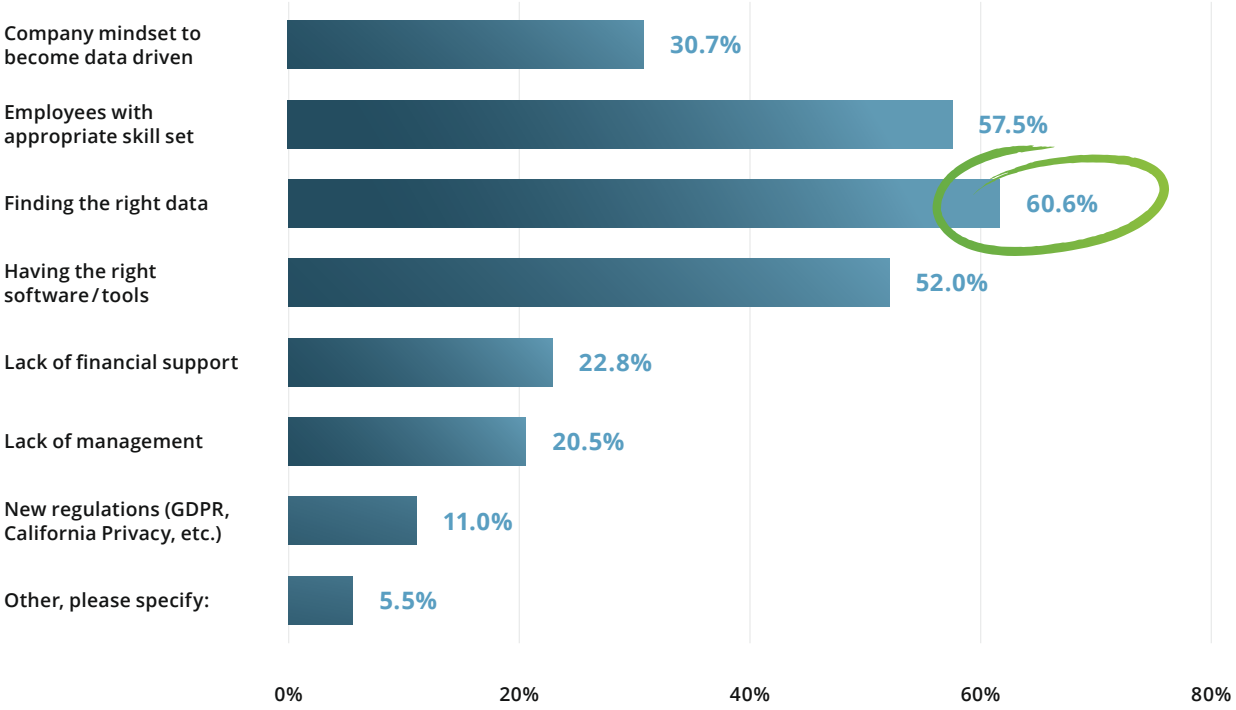
REALITY #1

“Finding the right data is our biggest challenge.”

In the world of "Big Data," finding the **right data** is a challenge for many.

QUESTION

Which of the following challenges does your company face regarding data and analytics?*

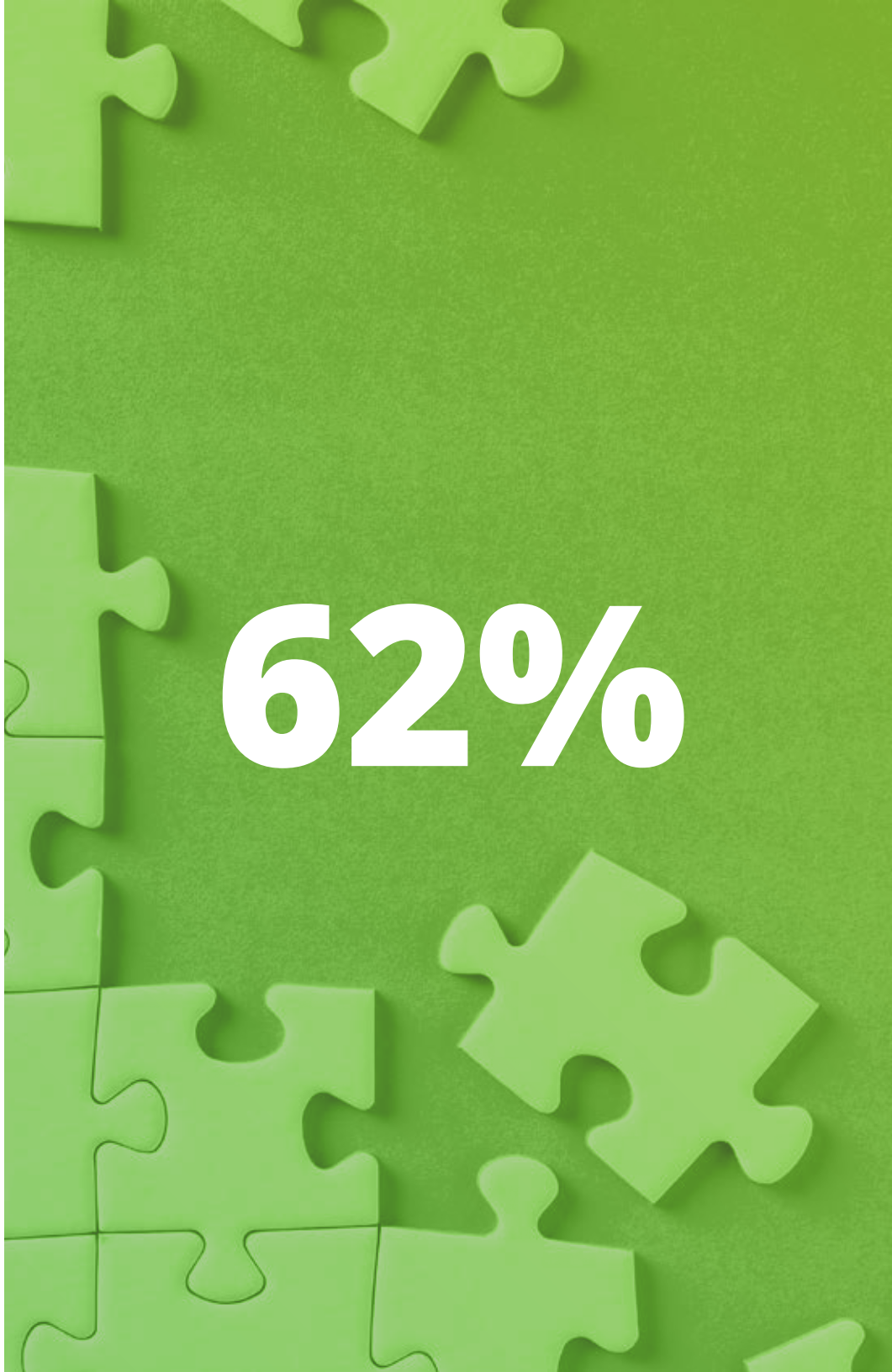


* For this question, respondents were asked to select all options that apply to their situation.

With a seemingly endless amount of data available to businesses today, it is not surprising that 60% of respondents say the number one challenge for data and analytics initiatives is finding the right data for their organization. Sifting, cleansing and organizing data are labor and time-intensive tasks. This effort often drains a data team's ability to identify the best internal and external factors that explain past or future business performance.

REALITY #2

"Our employees' data and analytics skills are average or below."



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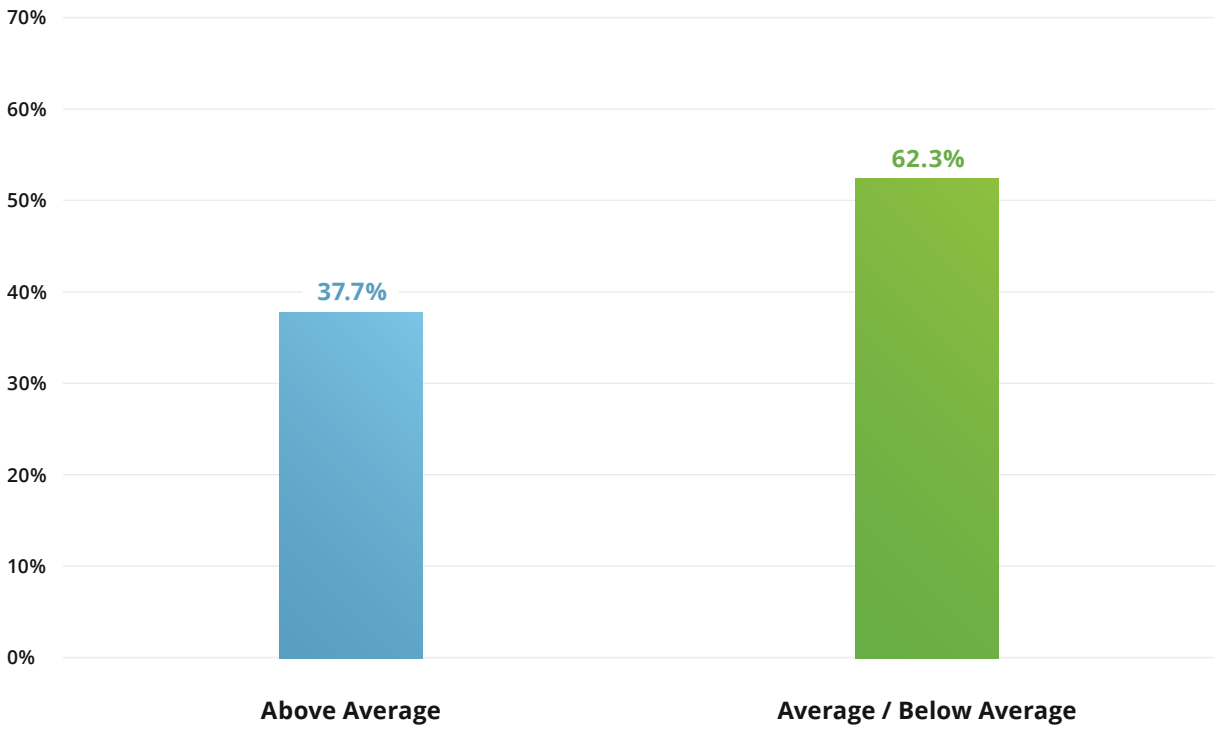
Finding employees with high quality data and analytics skills is a concern.

QUESTION

How would you rate your employees' data and analytics skills when it comes to addressing critical business problems?



Only 37.7% of respondents feel their company has the best data skills required to answer critical business problems.

According to Fortune, data science job postings have risen 75% from 2015 to 2018. The shortage of high quality talent can affect some industries more than others, which is why more companies are opting to either elevate talent from within or hire vendors to augment existing analytics teams.

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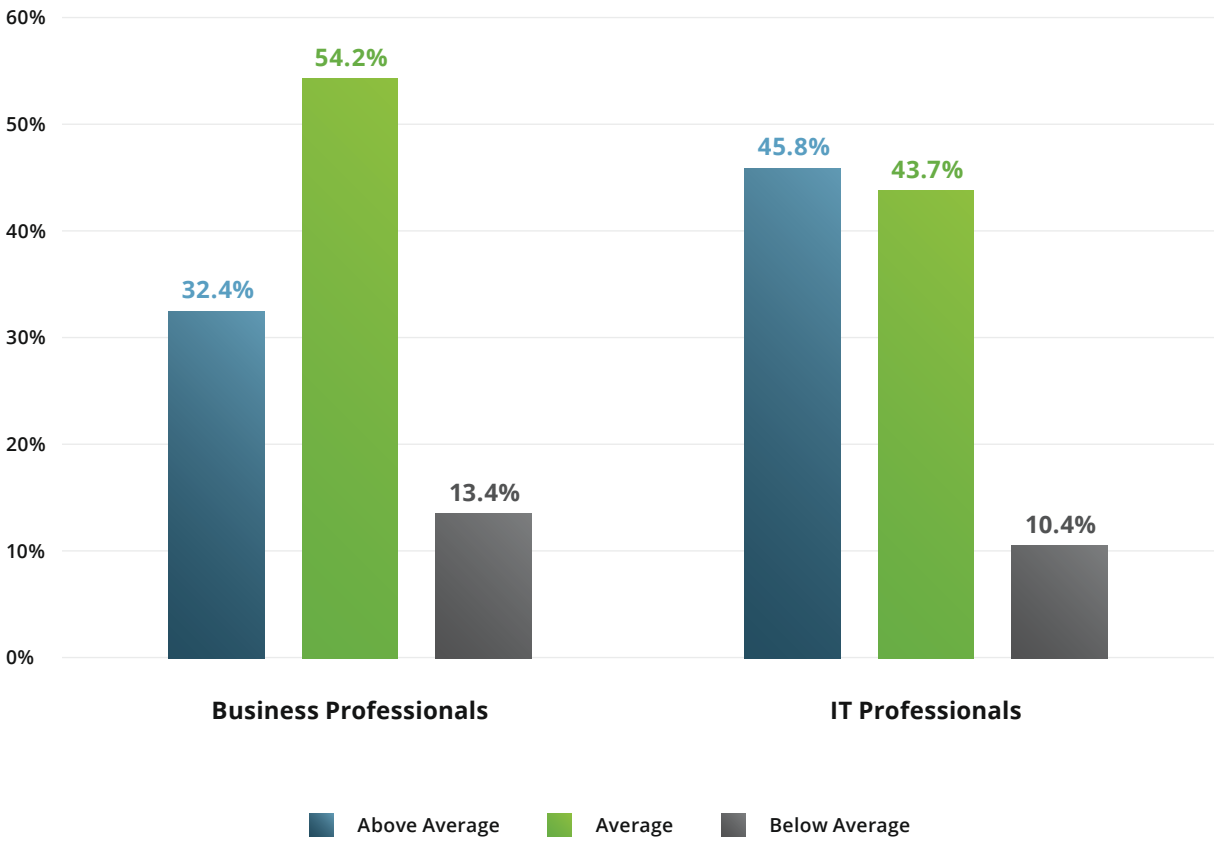
There exists a skill gap between business and IT leaders regarding their team's ability to address critical issues.

QUESTION

How would you rate your employees' data and analytics skills when it comes to addressing critical business problems?



IT/data professionals are more likely to believe that their employees' analytics skills are above average (45.8%) when it comes to addressing critical business problems than business professionals (32.4%). The opportunity exists for companies to break down potential silos between the IT and business departments and allow more collaboration and disseminate any insights more effectively.

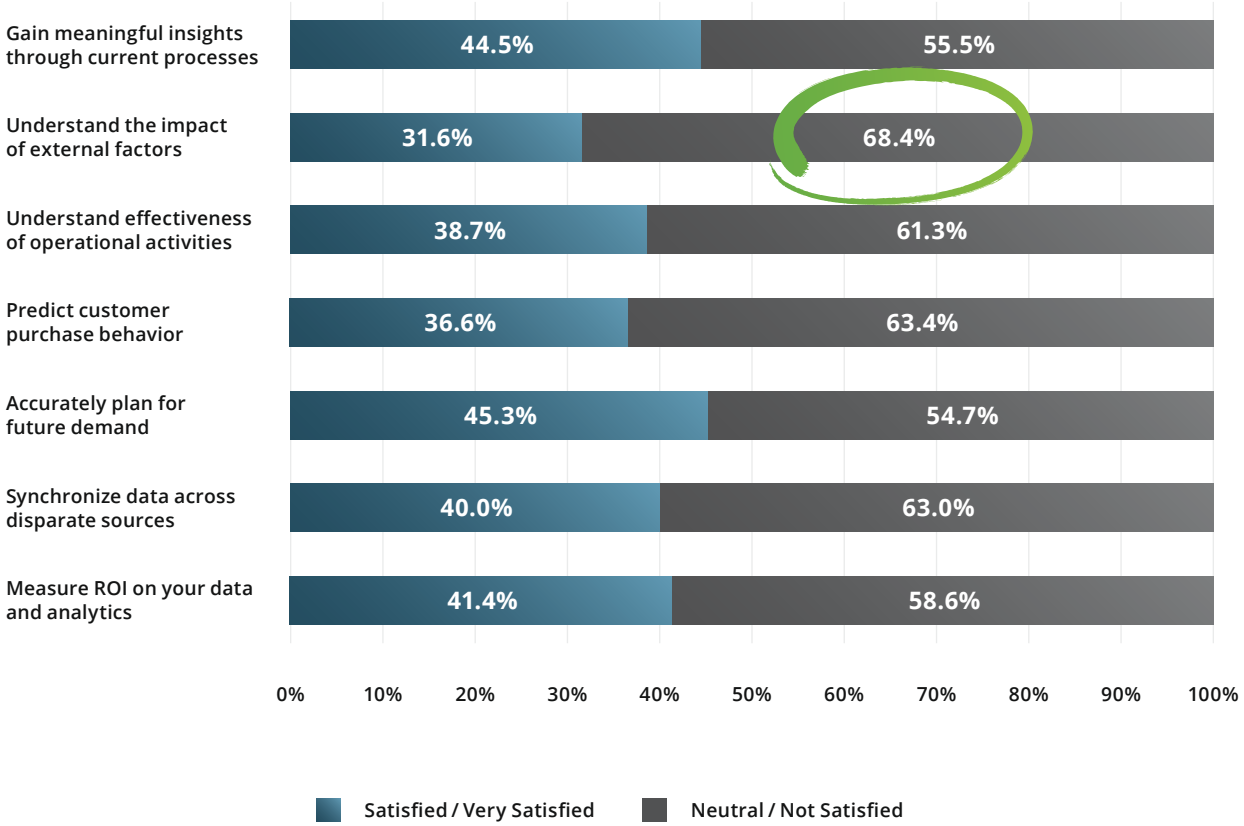
REALITY #3

"We are not satisfied with our company's ability to understand the impact of external factors."

Respondents are not satisfied with their company's ability to understand the impact of external factors.

QUESTION

Overall, how satisfied are you with your company's ability to do the following?



Companies have spent millions annually on internal data management, business intelligence and reporting solutions to analyze their internal data. However, a common question from leadership often involves explaining how external factors (such as economic volatility or changing consumer behavior) impact performance. The survey results show that understanding data outside a company's four walls poses a major challenge.

How to bridge the Data Divide

Due to a volatile economy and changing consumer preferences, companies are challenged with not having the right information to keep pace with changing markets. While analyzing historical performance is valuable, CEOs, CFOs and shareholders are most concerned about unexpected headwinds to performance. Transforming existing analytics to be more forward-looking can be done by prioritizing solutions that are predictive, strategic and external in nature.

Executives should strive for business insights that are:

PREDICTIVE

Based on data from the Institute of Business Forecasting and Planning (IBF), a 1% improvement in forecast accuracy for a $1B company can add $7M to the bottom line on supply chain efficiency alone. Small improvements to financial forecasts can:

- Optimize supply chains by reducing safety stock
- Increase return on investment for marketing spend
- Provide visibility to headwinds with enough lead time to pivot

STRATEGIC

The results of this survey suggest that data teams need to focus on answering strategic questions asked by leadership and shareholders, such as:

- What are upcoming headwinds to our company's performance?
- Which markets have the highest potential of success for expansion?
- Was our weak quarter a sign of worse things to come or just a seasonal slump?

EXTERNAL

External data is available from hundreds of public sources worldwide. Identifying the specific economic leading indicators to a business or industry can greatly improve demand planning. Example of leading indicators are:

- Economic: Industry growth, import/exports, trade volumes
- Consumer: Wages, employment, sentiment, demographic changes
- Financial: stock values, production, exchanges rates

How Prevedere can help companies deal with the top challenges they face regarding data and analytics

ERIN
Predictive
Analytics Cloud

The ERIN Predictive Analytics Cloud is the first augmented analytics solution that automatically discovers and quantifies the impact of external influences on future business performance. Using the power of machine learning the ERIN Engine rapidly analyzes millions of global data series. Companies can easily identify the specific external leading indicators such as wages, employment, consumer sentiment or weather patterns, or search/social trends, that will impact their sales, costs or profitability.

ERIN
Indicators

ERIN Indicators is a global data subscription that includes millions of high-quality time series data sets ideal for predictive analytics, big data projects and BI reporting. ERIN Indicators are clean, comprehensive, continuously updated and proven by their use in thousands of predictive models across a range of industries. ERIN Indicators can be integrated directly into a company's data lake, data warehouse, or popular BI and analytics tools, such as Microsoft PowerBI, Tableau, SAS, Excel and others.

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ANALYTICAL SERVICES

Prevedere's team of experienced economists and data scientists can supplement an existing analytics team or take on strategic projects that address the needs of leadership. By leveraging the ERIN Predictive Analytics Cloud, the analytic services team at Prevedere can deliver predictive insights and identify the true drivers of future business performance.

To learn how Prevedere can help provide executive-level strategic insights, please contact **888.686.7746** or **inquires@prevedere.com**.

ABOUT PREVEDERE

Prevedere is an industry insights and predictive analytics software company, helping business leaders make better decisions by providing a real-time view of their company's future. While most companies can easily report on internal performance, Prevedere's external real-time insights engine constantly monitors the world's activity, identifying future threats or opportunities to business performance. Along with a team of industry experts, data scientists and economists, Prevedere helps business leaders make the right decisions in an ever-changing world. To learn more, visit **www.prevedere.com** and follow **@Prevedere** on Twitter.

ABOUT PROSPER INSIGHTS & ANALYTICS

Prosper Insights & Analytics is a global leader in consumer intent data serving the financial services, marketing technology, and retail industries for the U.S. and China. The National Retail Federation uses monthly survey data provided by Prosper to track consumer behavior. By integrating a variety of data including economic, behavioral and attitudinal data, Prosper helps companies accurately predict consumers' future behavior to help identify market behaviors, optimize marketing efforts, and improve the effectiveness of demand generation campaigns. For more information, visit **www.prosperinsights.com**.

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