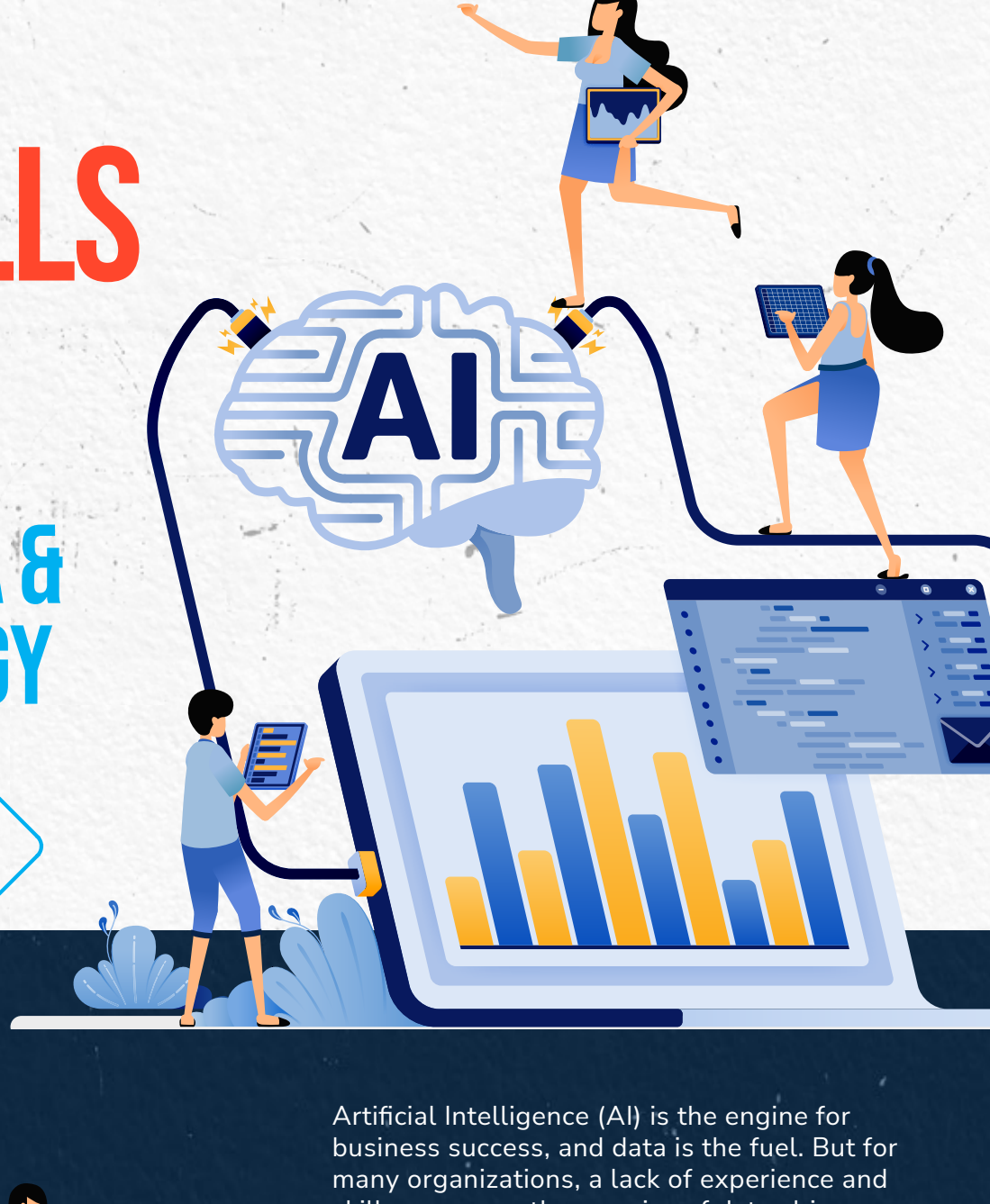




# TOP 5 PITFALLS

## THAT CAN DERAIL YOUR DATA & AI STRATEGY

... and How to Avoid Them →



Artificial Intelligence (AI) is the engine for business success, and data is the fuel. But for many organizations, a lack of experience and skills can mean the promise of data-driven decision-making, operations, and customer satisfaction is falling short of expectations.

To understand where the challenges are—and how to overcome them—Frost & Sullivan surveyed 900 data stakeholders worldwide. Their responses reveal pitfalls that you can avoid as you continue your own data journey.



### PITFALL #1: SINKING INTO DATA DEBT CREATES LONG-TERM HARM.

Of the 900 survey respondents,

**30%**

struggle to avoid data debt

Data debt means incurring unplanned costs from working around an existing or deferring purchase of a new technology solution. You can minimize data debt via careful and comprehensive planning as you build your data framework.

**37%**

say they face challenges building an effective modern data architecture



### PITFALL #2: INSUFFICIENT DATA GOVERNANCE PROCESSES LEAD TO UNRELIABLE OR INACCURATE DATA.

**Data governance**—the process of ensuring ongoing availability, integrity, and security of company data—is essential to successful data implementation. But many organizations are not aligned on what governance is, or who is accountable.

This can lead to a breakdown of trust in the data. By establishing and enforcing a stringent data governance policy, internal and external users will trust the data.



**42%**

of C-suite executives but just 30% of managers say they have implemented data governance processes, indicating **leaders may not have an accurate picture of actual implementations.**



**35%**

of C-level executives are less likely than managers to name **“capturing the freshest data and making it available to our teams in real time”** as a top priority.



**31%**

of managers are more likely than senior directors to identify **“gaining the trust of data consumers that data is up-to-date”** as a significant challenge.



### PITFALL #3: SILOED DECISION-MAKING MAY LEAD TO MISALIGNMENT OF DATA INITIATIVES AND BUSINESS GOALS.

Data owners and users representing every area of the business are the primary beneficiaries of data-driven insights. But decisions remain firmly in the hands of traditional IT decision-makers and executives whose priorities may focus on technology more than on business outcomes.

#### Who currently leads the data initiative?

**IT/data executives 68%**

**LoB stakeholders (execs, data owners, data consumers) 10%**

Organizations would do better to build a trusted data foundation with a co-ownership model, ensuring insights and priorities from all stakeholders help shape the data initiative. This would ensure that data priorities are optimally aligned with key business objectives.

Line of business (LoB) stakeholders are

**36%**

more likely than IT leaders to identify **“improving data literacy across all employees”** as a top priority. This indicates the disconnect between IT organizations' focus on system efficiency and business employees' focus on business value.

IT respondents are

**29%**

more likely than LoB respondents to cite **“modernize/unify our data management systems”** as the top priority.



### PITFALL #4: BY IGNORING THE LESSONS OF DATA LEADERS BEYOND THEIR INDUSTRY, DECISION-MAKERS MAY MISS OUT ON DATA STRATEGY BEST PRACTICES.

While organizations in all industries are implementing data strategies, certain data-intensive industries have a head start. There is much to be learned from these early adopters.



#### Telecom

is one of the earliest big data industries based on collection and analysis of high volumes of call data. In fact, **93% of telcos agree that “our top priority is to derive greater value from corporate data,”** whereas only 21% of pharma and 35% of healthcare agree.



#### Telecom

is also significantly more likely than organizations from other industries to have their chief data officer (CDO) championing **the data strategy (55% of telco, versus 8% of banking, and 13% of retail).**



#### Oil & gas

has more complex data strategies, where high volumes of unstructured data (weather and geographical data) are collected remotely. This industry is most likely to **spend time on the planning and design phase (52% of O&G, versus 36% of manufacturing, and 42% of banking).**



### PITFALL #5: TRYING TO DO IT ALONE MAY LEAD TO EXCESSIVE COSTS AND LENGTHY TIMELINES.

In these early days of AI and data frameworks, few organizations have sufficient on-staff knowledge to plan, implement, and manage an effective strategy. A partner can augment staff knowledge and offer proven methodologies as you move forward on your data journey.

Not surprisingly, organizations that attempt to handle their data strategies on their own are much more likely to report significant challenges than those that rely on a partner.

#### Challenges to implementing the data strategy

|  | DIYers | Organizations using a partner |
|--|--------|-------------------------------|
| Maintaining standards for data quality & integrity | 41%    | 28%                           |
| Ensuring end-to-end data visibility                | 34%    | 28%                           |
| Building the governance model                      | 35%    | 26%                           |



### BENEFITS OF CHOOSING AN EXPERT PARTNER FOR YOUR DATA STRATEGY.

The right partner provides the knowledge and skilled resources needed to help you meet your company's data goals.

#### Top benefits of using a partner

1. Ability to make faster decisions
2. Better data quality
3. Making data more accessible to employees

For more information about Kyndryl's data and AI services, visit <https://www.kyndryl.com/us/en/services/data>