

Top Trends in Data and Analytics for 2021: Data and Analytics as a Core Business Function

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By Analysts [Saul Judah](#), [Rita Sallam](#), [Melissa Davis](#), [Alan D. Duncan](#), [Lydia Clougherty Jones](#)

Initiatives: [Data and Analytics Strategies](#)

Data and analytics is shifting toward becoming a core business function. As organizations accelerate their digital business transformation efforts, D&A leaders must build business-led D&A, data literacy, data monetization, smarter data sharing and adaptive governance into key business roles.

Overview

Opportunities

- As organizations accelerate their digital business transformation efforts, business-domain-led data and analytics (D&A), data literacy, data monetization, smarter data sharing and adaptive governance increasingly play key business roles in this function.
- In comparison to IT, a higher proportion of business areas reported an increase in their spending on D&A due to the COVID-19 crisis, indicating the importance of D&A as a core business capability to address disruption, as well as digital transformation. ¹
- Executive leaders view enterprise data sharing as a key business capability for value creation, but lack the “know how” to effectively share data at scale and with trust. As a result, crucial opportunities to accelerate digital business are missed.
- Though organizations have high business expectations from their D&A investments, they fall short because of traditional, center-out IT-led governance that takes a one-size-fits-all approach.

Recommendations

D&A leaders, including chief data officers (CDOs), and business leaders responsible for D&A strategies should:

- Achieve both enterprise and business domain outcomes by building balanced, collaborative organization models for D&A.
- Actively curate business area datasets that could be monetized or exchanged by maintaining an inventory of possible information assets in an intelligent data catalog.

- Adopt a “must share data unless” approach to D&A so that business leaders can have access to the right data at the right time. Enable this through recalibrating risk, establishing trust-based mechanisms and engaging with augmented data ecosystems.
- Identify quantifiable success criteria for key business outcomes and use data literacy techniques to connect these with the data and analytics assets that enable them. Upgrade the organization’s governance framework to use a semantic model that is based on trust.

Strategic Planning Assumptions

By 2025, 80% of data and analytics governance initiatives focusing on business outcomes rather than data standards will be considered as an essential business capability.

By 2023, data literacy will become an explicit and necessary driver of business value, demonstrated by its formal inclusion in over 80% of data and analytics strategies and change management programs.

By 2022, over 75% of centrally organized analytics programs will be replaced by a hybrid organizational model that shares power with local domain data and analytics leaders.

By 2023, 85% of data sharing strategies that include external data sources will drive revenue generating digital business outcomes rather than data management functions, making data sharing an essential business capability.

What You Need to Know

For high-performing organizations, D&A has become core to how they serve their customers and optimize business processes. It is the foundation of new transformational business models, revenue streams, process and cost optimization. In difficult economic times such as these, driven by global pandemics and natural disasters, D&A can provide the fact base to solve many of the world’s toughest challenges. To achieve broad business and societal impact and to build the resilient organization needed to adapt to change, D&A leaders must extend these investments beyond individual departments and projects to empower everyone in the enterprise and beyond. Operationalization is key to business impact, and this requires more than technology.

This means tighter collaboration than ever with diverse teams of people across the organization and beyond your borders. Growing the size and the reach of your D&A teams, bringing a diverse set of people with the necessary skills into those teams (e.g., using fusion teams, XOps teams) and engaging more roles in a distributed way across the business will be necessary conditions of success (see [Fusion Teams: A new Model for Digital Delivery](#)).

However, many D&A programs are typically IT-led, technology-centric and often lack alignment with business strategy and business impact. Business departments or units counteract by taking control, ownership and responsibility of their D&A functions in whole or in part, but often underestimate the associated complexity and risks, missing strategic business opportunities.

Moreover, many D&A strategies still do not connect with the business's goals or communicate any analysis of stakeholders' needs. Only 23% of respondents to [Gartner's Fifth Annual CDO Survey](#) indicated that they defined and tracked metrics to measure the value delivered by D&A to stakeholder outcomes.

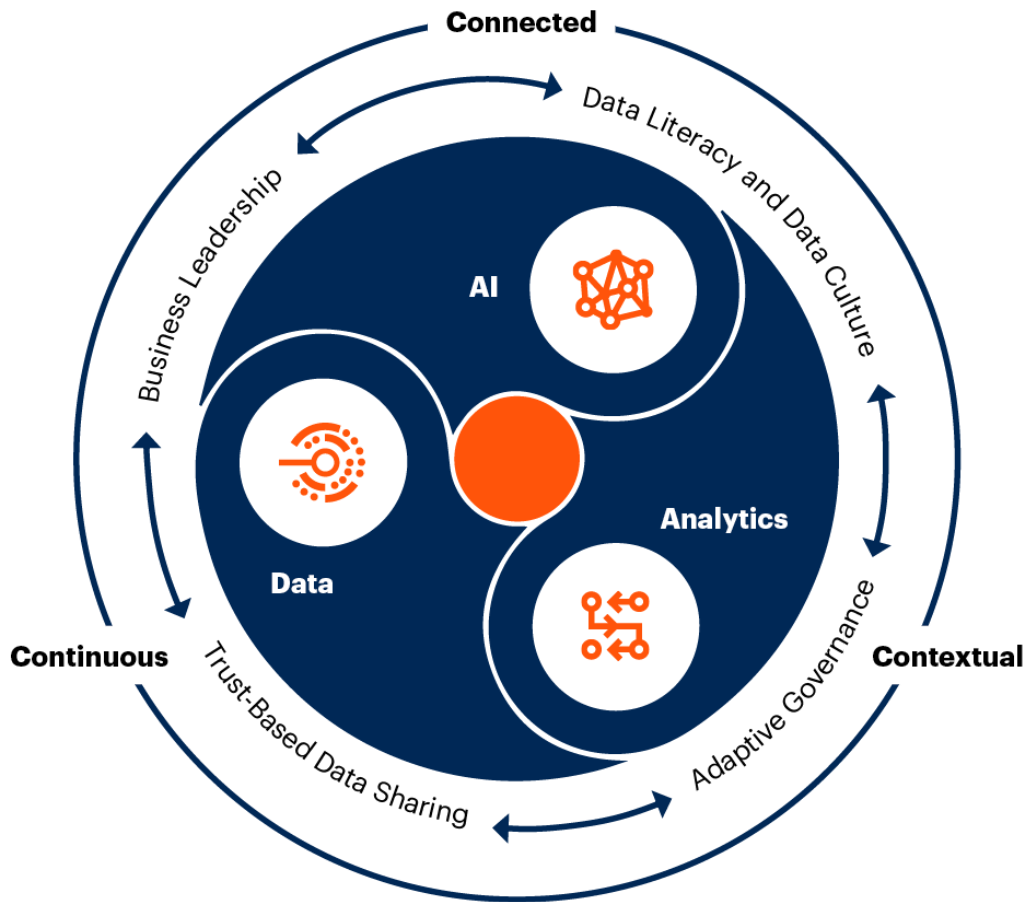
Digital skills are critical to achieving business goals. This includes an understanding of the application of emerging technologies such as sensors, robots, digital twins, mobile technologies, the cloud and seamless collaboration, among many others. Since these exist to serve business outcomes, it is critical that the D&A created and consumed is understood and managed as a business asset within a business function.

Managing data as an asset has become a critical business function in a digital world. Trust-based data sharing across internal and external data sources provides increased access to more data from more diverse sources, providing "knowable" insights that would not otherwise be discoverable without aggregation of big, small and wide data from multiple sources.

Similarly, most often, D&A governance models are IT-led and focused on data standards rather than business results. The typical command-and-control approach works well for some initiatives, but not others. This is a serious impediment to the composable intelligent business, which expects disruption-ready governance capabilities to enable its digital ambitions.

As organizations accelerate their digital business transformation efforts, D&A capabilities and skills increasingly play key business roles (see Figure 1).

Figure 1. Data and Analytics as a Core Business Function

Trend 7. Data and Analytics as a Core Business Function

Source: Gartner
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Gartner

Data and Analytics as a Core Business Function

[Link to Top 10 Data and Analytics Trends](#)

Analysis by: Saul Judah, Melissa Davis, Alan Duncan, Lydia Clougherty Jones

Description:

D&A is shifting to become a core business function. Rather than it being a secondary activity done by IT to support business outcomes, business leaders increasingly think in terms of D&A as one of their key business capabilities to drive their business results. As organizations accelerate their digital business transformation efforts, business-domain-led D&A, data literacy, data monetization, smarter data sharing and adaptive governance increasingly play key business roles.

Why Trending:

- Business domain leaders are taking control, ownership and responsibility of their D&A functions in order to accelerate their digital business initiatives. However, they often underestimate the associated complexity and risks, missing strategic business opportunities. Chief data officers (CDOs) who are fully involved in setting business direction and goals, serving as executive decision makers, increase the consistent production of business value by a factor of 2.6x. ²
- To be competitive using D&A, organizations need to leverage a broad range of data assets both internal and external to the enterprise. They must share that data, build trust and adoption through D&A governance and ensure impactful use of D&A by building data literacy skills. However, most D&A strategies and the data, technology and organizational competencies required to enable them are not aligned to business outcomes or mission-critical priorities.
- To respond to disruptive change, organizations must be able to deliver innovation quickly and adapt applications dynamically, reassembling capabilities from inside and outside the enterprise.

Implications:

As D&A shifts toward becoming a core business function:

- Information assets become shared business assets aligned with business results. D&A silos break down due to better collaboration between central and federated D&A teams.
- It enables better business agility, responsiveness, resilience, saleability and sustainability in support of a composable enterprise.
- Data sharing collaboration as a core competency, even with competitors, could yield both organizational competitive advantage and digital business acceleration.
- Upgrading and coordinating the portfolio of D&A skills, such as data literacy and information product management, across business domains and central teams become critical actions that drive adoption and business value for D&A leaders.

Actions:

- Build balanced, collaborative organizational models for D&A that enable both enterprise and business domain outcomes to be achieved through effective, trust-based governance.
- Actively curate business area datasets that could be monetized or exchanged, building a business function to maintain an inventory of possible information assets in an intelligent data catalog.
- Give business leaders access to the right data at the right time to maximize business impact by adopting a “must share data unless” approach to D&A. Enable this by recalibrating risk, establishing trust-based mechanisms and engaging with augmented data ecosystems.

- Identify quantifiable success criteria for key business outcomes and directly connect these with the D&A assets that enable them. Establish competencies for creating information products, so that D&A programs can exploit business value at enterprise scale.

Evidence

¹ Gartner's The Rise and Importance of Business Domain-Led Data and Analytics Survey was conducted online from 13 May through 26 May 2020 with 106 completes, 47 of which were from members of Gartner ITL Research Circle – a Gartner-managed panel – and 59 from an external sample. Sixty-four percent of qualified business domain respondents are zero or one reporting layer from senior executives, while 64% of qualified IT respondents are two or more layers away. The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

² Gartner's Fifth Annual Chief Data Officer Survey (2019) was conducted to explore the business impact of the chief data officer (CDO) role and the office of the CDO. The research was conducted online from September through November 2019 among 293 respondents from across the world. Respondents were required to have the title of CDO or chief analytics officer (CAO), or to have the responsibilities of an executive-level data and analytics (D&A) leader in their organization (in the case of organizations without an official C-level D&A title). The survey sample was gleaned from a variety of sources (including LinkedIn), with the greatest number coming from a Gartner-curated list of over 2,000 CDOs and other high-level D&A leaders. The study was developed collaboratively by Gartner D&A analysts and the Primary Research Team. The results of this study do not represent global findings or the market as a whole, but reflect the sentiment of the respondents and companies surveyed.

Recommended by the Authors

[Achieving the Business Value of Data and Analytics](#)

[Roadmap for Data Literacy and Data-Driven Business Transformation: A Gartner Trend Insight Report](#)

[Data Sharing Is a Business Necessity to Accelerate Digital Business](#)

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