

White Paper

How to Leverage Data to Improve Business Outcomes: Acquiring and Retaining Customers

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Contents

- Why IT Excellence Matters3
- A Checklist for How to Leverage Data More Effectively in Your Business6
 - Develop a Better Path to understanding through improved Data Access 6
 - Use Data Integration to Build a Clearer Picture 6
 - Set up Data Protection to Keep IT Safe 6
 - Consider ALL Who Should Be Engaged in Data Analytics and Business Intelligence (BI) 6
- The Bigger Truth: Common Approaches and Requirements for IT Initiatives7

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Why IT Excellence Matters

Four Ways to Empower Data and Help your Business Acquire and Retain Customers: A Guide for Small and Midsize Businesses

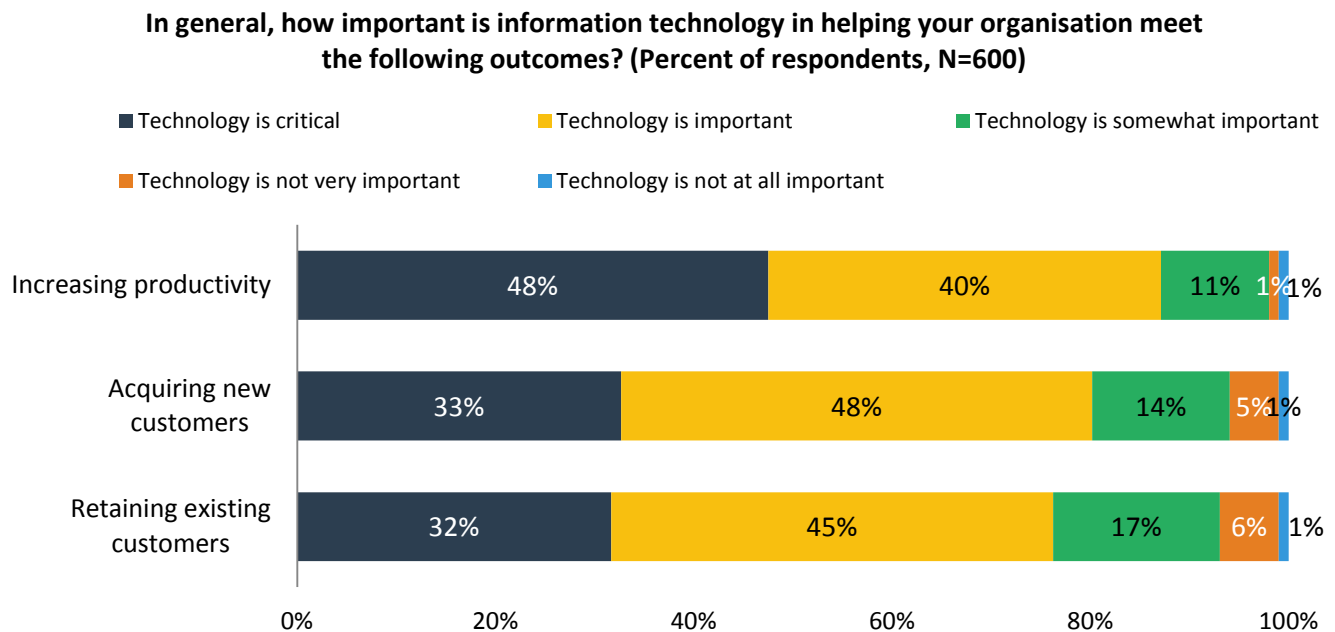
These days, many IT vendors are focusing their sights on large enterprise customers, believing that’s where they can make the most profit. Though large enterprises may have large IT budgets and large IT staffs, most businesses (small, medium, or large) still need to address the same universal challenges—and they need to leverage IT to stay ahead of the competition.

A highly significant area of challenge in which IT can make a marked difference is acquiring and retaining customers.

A recent ESG survey sponsored by Hewlett Packard Enterprise (HPE) targeted global IT and business decision makers in small & medium businesses (SMBs) throughout multiple industries including manufacturing, financial, business services, information technology, and retail. The survey investigated the attitudes of respondents about using technology to improve productivity, acquire and retain customers, and achieve other business objectives (see Figure 1).¹

TECHNOLOGY: ESG research found that when it came to acquiring new customers, over 80% of respondents said that technology is important or even critical to this initiative, with almost as many respondents indicating that technology is critical to retaining customers.

Figure 1. IT Impact on Business Goals for SMB



Source: Enterprise Strategy Group, 2015.

DATA ANALYTICS: It stands to reason that businesses unable to offer better products and engage their consumers while streamlining operations will be at a severe disadvantage. Witness Amazon and Walmart versus the corner bookshop and neighborhood general store. These smaller, individually owned businesses are losing out not because of size, but because of their lack of necessary business capabilities.

So what exactly does it take for SMBs to acquire and retain customers? Is it the use of data analytics, improving product service/quality, providing better customer service and support, entering new markets, increasing market activity, etc.? How about all of these—and more (see Figure 2)?² Some of these strategies are largely IT and

¹ Source: ESG Research, *Global SMB Technology and Business Trends Survey*, August 2015.

² Ibid.

analytics team efforts (data analytics and BI, developing apps, running databases, etc.), while others are IT-dependent but business-led. Salespeople, as well as sales systems, require qualified leads and profiles of customers. Marketing needs to define offers, identify cohorts by behavior, and target profiles, and then cost-effectively reach these personas with their messages. Access to CRM, support records, accounting records, and social media assist in building these profiles. Using untargeted marketing tactics and promotions can be expensive, ineffective, and hugely wasteful.

Figure 2. Strategies to Acquire and Retain Customers

Which of the following strategies is your organisation using to acquire and retain customers? Which one strategy is most important in helping your organisation acquire and retain customers? (Percent of respondents, N=600)



Source: Enterprise Strategy Group, 2015.

Almost half of all ESG survey respondents (49%) cited that using data analytics for real-time business is part of their strategy for acquiring and retaining customers, while 14% indicated that using data analytics is their single most important strategy.

PRODUCT QUALITY and SERVICE: Additionally, improving product/service quality was also cited by nearly half of respondents (49%) as one of the top strategies used, while 13% indicated that improving product/service quality is the most important strategy. The third most-cited strategy (46% of respondents) for acquiring and retaining customers was providing better customer service and support. Despite buzz around mobile applications, this strategy came fairly low on the list.

With advanced business analytics providing organisations with a competitive edge in acquiring and retaining new customers, it should come as no surprise that many SMBs are jumping on the analytics bandwagon. Using analytics for business intelligence and customer insight is a vital, if not the most important, strategy for acquiring and retaining customers.

Essentially, any new IT initiative should be aligned to a business function/activity. So for IT to be helpful, if not instrumental, in acquiring and retaining customers, IT needs to support the business strategy with increased analytics initiatives, actively participate in improving product and service quality, and work at providing better customer service and support.

Figure 3. IT Challenges Around Acquiring and Retaining Customers



Source: Enterprise Strategy Group, 2015.

A number of challenges must be addressed for an IT initiative to be successful. While some are budget-related, some are complexity-related, and others are pace-of-change-related (see Figure 3).³ Despite these challenges, the demand to stay more competitive, with an eye toward constantly acquiring and retaining customers, is ever present.

³ Ibid.

A Checklist for How to Leverage Data More Effectively in Your Business



Develop a Better Path to understanding through improved Data Access

Begin your plan by asking what business problem you are solving and need to address first. Existing customer purchasing insights, your market trends, product costs or quality insights, inventory analysis....

To make business insights accessible, you should consider the end-user first. Work out what questions are most useful to answer for different roles and different parts of the business. Then establish how users will get to the information. Are you serving executives, analysts, or a general employee population? Will you build custom business intelligence applications or purchase existing variants of software applications such as CRM? Develop pre-configured common dashboards? Empower workers with self-service BI tools? Do the tools need to be friendly only at desks in your headquarters or on mobile devices in remote locations? Depending on how you intend to serve your audiences, there could be many implications for how to implement a solution. A general rule of thumb is that each person should have immediate access to current data relevant to doing their job more effectively, but no more.



Use Data Integration to Build a Clearer Picture

Set up data integration so you can get a better, deeper, and clearer understanding of the issue at hand. For an enriched view, the many various data sources need to be joined together. All repositories, including databases, data warehouses, analytics, and business intelligence must be tightly interconnected. Data definitions and standards should be normalised across them, which is often the job of a data steward, so if you don't have that title, appoint someone. In order for the data to be useful, you must implement mechanisms to gather, prepare, enrich, and check data quality. Incorporating external sources is also increasingly valuable—from weather to traffic, social media to third-party customer records, public documents to government databases. These sources offer a well-rounded, multi-dimensional view of a variety of data—not just a siloed observation from a single company's perspective. You should seriously consider whether a managed data lake is a more cost-effective centralised repository for analytics.



Set up Data Protection to Keep IT Safe

There are a number of ways to think about data protection. At a minimum, your approach should incorporate data backup, which is certainly important to ensure essential information is not lost through hardware failure, software issue, or user error. Going further, you should devise business continuity and disaster recovery plans to take data protection further, keeping the entire organisation up and running even under extreme and unusual conditions.

Another view is to think of data protection as including security, privacy, and governance. These are stringent requirements, whether demanded by government regulation, industry standards/guidelines, or just basic prudence. Inventory and categorize all data in your business and that shared with partners, recognising that there may be many copies of sensitive data around. Manage and secure your network as a critical part of any organisation's IT infrastructure. With the increased diversity and number of BYOD devices used by the workforce today, the pervasive use of Wi-Fi, and business being done anywhere, at any time, organisations must be ever vigilant, protecting against the ongoing risks of an increasingly dangerous threat landscape.



Consider ALL Who Should Be Engaged in Data Analytics and Business Intelligence (BI)

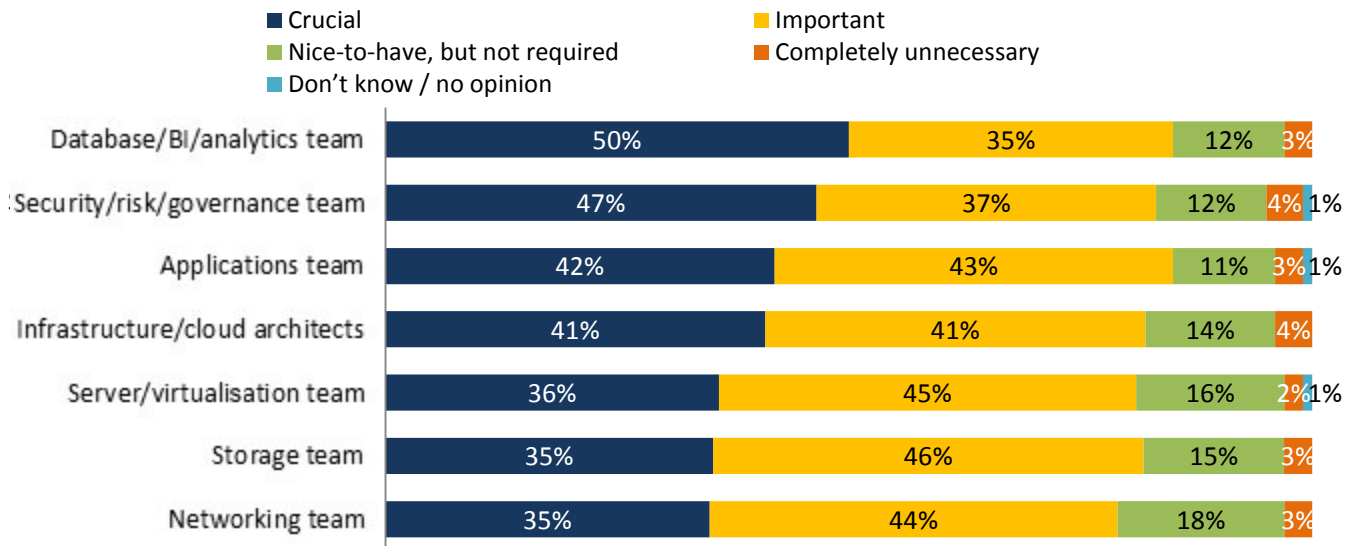
Building a better BI, analytics, or even big data initiative is a cross-disciplinary endeavor, with a number of teams across the organisation having a hand in the success of the initiative. It isn't just the database and analytics teams that you need to task with planning and delivery. In effect, every major group within IT is likely to be called upon to participate (see Figure 4).⁴ In support of the points above, more than three-quarters of all ESG survey respondents

⁴ Source: ESG Research Report, [Enterprise Data Analytics Trends: Market Drivers, Organizational Dynamics, and Customer Expectations](#), May 2014.

indicated that security, applications, infrastructure, cloud, server, storage, and/or networking teams have crucial or important roles to play. This level of collaboration is unusual for any area of IT, but it will demand cooperation across organisational boundaries in ways that are largely unprecedented. To avoid delay of new project implementation, plan extra communications and detailed checkpoints since this could be the first time these groups are working together toward a very complex and interdependent objective.

Figure 4. Importance of the Involvement of IT Groups for New Business Intelligence, Analytics, and Big Data

How important is the involvement of the following IT disciplines for new initiatives and projects in the area of business intelligence, analytics, and big data to be successful?
(Percent of respondents, N=375)



Source: Enterprise Strategy Group, 2015.

The Bigger Truth: Common Approaches and Requirements for IT Initiatives

Today’s business environment is more challenging than ever. Rapidly changing market conditions; the continual introduction of the “latest and greatest” applications; a variety of proliferating numbers of devices; and an increasingly menacing threat landscape—what do these challenges all have in common? They’re driving new IT initiatives, and all these initiatives require an unprecedented level of information access and data integration. Not only that, IT must ensure that all of this data is protected 24/7, while making the right data available to the right people, regardless of where an end-user may be located (behind the corporate firewall or in the field). Three common IT initiatives that affect business outcomes are:

Data Access

Data access is at the heart of every business. With the right access to the right information, internal groups throughout an organisation (end-users, developers, marketing, finance, HR, etc.) are able to be productive. Without data access, business can slow down, or even grind to a halt. What happens when prospective and existing customers and partners are not able to access the necessary information when they need it? Any delays in accessing data or delivering analyses can have a direct effect on revenue, profits, and customer satisfaction.

Data Integration

Just having massive amounts of data doesn’t do much good when the data lives in separate silos—when only one group in an organisation can see and access information that would enable better productivity throughout an entire organisation. Increasingly businesses need to connect the dots and bring together data from a wide range of

sources: CRM, marketing databases, billing, technical support, even external data services. This data may not be immediately compatible, so it's imperative to organise and merge it in a way that makes sense.

Data Protection

While data access is vital for keeping the business going, data protection is equally important. Organisations need to be ever vigilant in protecting sensitive information, especially with the burgeoning use of mobile devices and social media. Too little protection, or the wrong protection, could leave the door open to external attacks, as well as accidental internal threats (e.g., opening e-mail infected with malware or accessing the wrong websites). But whether attacks originate outside the corporate firewall or come from within, these incidents can lead to compromised data, data breach, denial of service attacks, or worse.

The bottom line: Empowering your business DATA is vital to the success of your business. HPE fully understands the importance of this to your business and offers many component technologies and fully integrated solutions to enable you to successfully obtain your business outcomes such as acquiring new customers and retaining your existing customers. For more information, please visit us at: www.hpe.com/info/justrightit-grow



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