

## ESG SHOWCASE

# IT Must Own the Business's Data Strategy

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**ABSTRACT:** Data propels business opportunity. Too many IT leaders become fully consumed by the demands of the infrastructure (the storing and protecting of the data), leaving the strategy of leveraging that data to line-of-business teams. The result is often a cobbled-together patchwork of expensive, incomplete, and inefficient data solutions. IT needs to own the business's full data strategy, not just the storage strategy, to maximize their business's potential.

## Overview

With the rise of digital business initiatives, the role of data has become much more important. Nearly half (49%) of the organizations that ESG surveyed stated that data *is* their business, and another 31% expected to offer data-centric products and services in the future.<sup>1</sup>

Unfortunately, traditional IT is often falling behind the curve in these efforts. Line-of-business executives surveyed by ESG were four times more likely to say they considered their company's IT group to be a *business inhibitor* versus a *competitive differentiator* (25% versus 6%).

Among the executives who believed their IT organization was inhibiting business success, the two most commonly identified reasons behind that opinion were that their workers were having difficulty accessing the data they needed for business operations and analysis (43%) and that their IT organization's processes to deploy IT services took too long (43%).<sup>2</sup>

Clearly, a need exists for IT leaders to expand their role—to take a focused approach to developing a data strategy for the whole organization. That approach should address the needs of line-of-business teams efficiently and effectively, and it should be based on leveraging tools that span disparate infrastructure environments.

**Executives are four times more likely to consider their company's IT group to be a business inhibitor than a competitive differentiator—25% versus 6%.**

## The Digital Business Reality

ESG's research findings drive home the fact that good, quick data access is essential to business success today. In particular, the importance of digital initiatives cannot be overstated: 94% of surveyed IT organizations report to ESG that they are in some phase of digital transformation. The top goals of those digital transformation initiatives include:<sup>3</sup>

- Becoming more efficient (reported by 55% of respondents).
- Delivering a better customer experience (reported by 49%).

<sup>1</sup> Source, ESG Master Survey Results, [2019 Data Storage Trends](#), November 2019.

<sup>2</sup> Source: ESG Master Survey Results, [2019 Technology Spending Intentions Survey](#), March 2019.

<sup>3</sup> Source, ESG Research Report, [2020 Technology Spending Intentions Survey](#), February 2020.

- Developing new data-centric products and services (reported by 41%).

With the COVID-19 pandemic in play, digital transformation projects are accelerating. Sixty percent of IT decision makers surveyed by ESG say they believe the COVID-19 pandemic has made their organizations even more reliant on information technology.<sup>4</sup> And 71% of IT surveyed organizations reported that they believed that data—and by extension, data storage technology—were strategic to their organization’s IT and business operations.<sup>5</sup>

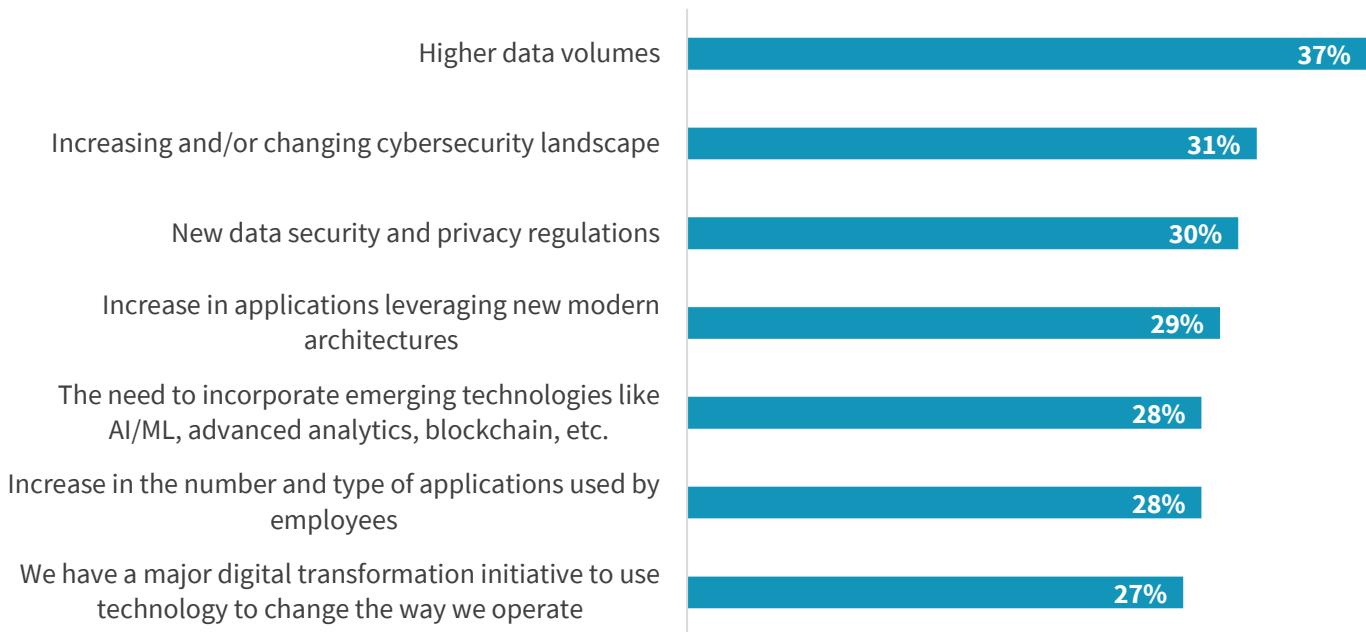
This hyper-focus on digital initiatives is burdening IT organizations and thus ironically, even impeding the digital initiatives themselves.

### Complexity Hampers IT and Delays Digital Business Initiatives

The rising complexity of IT is becoming a real business-level issue. ESG research shows that mature digital organizations are three times more likely than organizations without digital transformation initiatives in place (29% versus 9%) to say that IT has become significantly more complex today. The complexity driver most commonly identified by organizations is higher data volumes (cited by 37%, see Figure 1).<sup>6</sup>

**Figure 1. Top Seven Reasons for the Rise in IT Complexity**

**What do you believe are the biggest reasons your organization’s IT environment has become more complex? (Percent of respondents, N=420, five responses accepted)**



Source: Enterprise Strategy Group

Data growth is overwhelming these businesses. Among organizations surveyed by ESG, a combined 44% reported they maintained one petabyte or more of data. Twenty-five percent of IT organizations said in 2019 that they expected their data to grow on-premises at a rate of 50% or more annually over the following three years.<sup>7</sup> (As recently as 2017, only 9% of respondents reported such extreme levels of growth.)<sup>8</sup>

<sup>4</sup> Source: ESG Research Report: [The Impact of the COVID-19 Pandemic on Remote Work, 2020 IT Spending, and Future Tech Strategies](#), June 2020.

<sup>5</sup> Source: ESG Master Survey Results, [2019 Data Storage Trends](#), November 2019.

<sup>6</sup> Source: ESG Master Survey Results, [2020 Technology Spending Intentions Survey](#), February 2020.

<sup>7</sup> Source: ESG Master Survey Results, [2019 Data Storage Trends](#), November 2019.

<sup>8</sup> Source: ESG Master Survey Results, [2017 General Storage Trends](#), November 2017.

There is too much data, requiring too much time and expense to manage, and too much time to find and isolate the right information to support business success.

Making the problem even more complicated is the fact that businesses themselves are exacerbating the challenge internally. Specifically, line-of-business teams often spin up extra, unnecessary data copies to support operations, which further increases data growth and data movement.

Today's data challenge is creating two fundamental quandaries for IT organizations. Namely, they need to find answers to the following questions:

1. How do we store, protect, and secure all this data?
2. How do we make sure that line-of-business teams can find and leverage the data they need in the most efficient, responsible way possible—including ensuring data security and compliance with regulatory requirements?

Too often, IT focuses on the first question at the expense of the second. That's a problem right now, considering that during the COVID-19 pandemic, processes to ensure data security, regulatory compliance, and/or data-management efficiency may have relaxed somewhat.

The data challenge is not an infrastructure problem anymore, and it therefore cannot be solved only by upgrading infrastructure or shifting operations to the cloud. Nor will software-defined storage, flash storage, scale-out NAS, or object storage solve the issue entirely. What businesses need most is consistent data visibility and understanding *across the infrastructure*, and a single infrastructure option will not be able to address that need.

## IT Must Own the Data Strategy, not Just the Storage Strategy

Fortunately, there is a prescription for addressing the needs of modern digital organizations. ESG recommends striving for:

- **Collaboration, not concession**—IT leaders can either collaborate with their line-of-business colleagues to develop a consistent set of data-related tools that deliver capabilities such as search, movement, and insight . . . or they can take the less wise route of giving in to each team procuring their own tools and then dealing with the resulting chaos.
- **A “bite-sized” strategy, versus “boiling the ocean”**—It is vital to start with smaller, achievable goals. Prioritize technology that offers the greatest flexibility and capabilities. Perfect is the enemy of good. Some solutions will provide immediate value but leveraging multiple “half solutions” just adds more complexity. Therefore, start off with practical point solutions with the expectation that you will eventually need to scale up everything.

And importantly, leverage technology that spans disparate infrastructure elements, leveraging data in place. It will enable you to:

- **Scan, find, and create insights from that in-place data** without needing to create unnecessary copies, and without involving unnecessary data movements. A technology such as this allows an organization to locate its orphan data, optimize its existing infrastructure, reduce its capital costs, and minimize/remediate/archive dark data. (There's no need to continue to back it all up.)
- **Avoid ripping and replacing existing technology** searching for the right infrastructure solution. Leverage technology that can manage the data that already resides on your existing storage investments.

## Key Takeaways

ESG offers the following guidance and considerations for IT organizations that are ready to take the next step in creating a true data strategy:

- Build a cooperative data strategy with stakeholders.
- Remember that no single storage tier or technology can solve it all.
- Invest in technology that can understand your data.
- Understand and work across the entire spectrum and lifecycle of your data to handle it more effectively.
- Give line-of-business employees better ways to discover, index, and understand data in place, rather than forcing them to move it first.
- Invest in the ability to look for personally identifiable information (PII) within data in place.

[Data Dynamics](#) is an innovator in this space, addressing the data concerns of modern IT with its Unified Unstructured Data Management Platform—a single platform for unstructured storage and data governance, including support for metadata and file content analytics. According to Data Dynamics, the Unified Unstructured Data Management Platform delivers data-driven insights for immediate financial savings, data risk classification, and remediation.

## The Bigger Truth

Data is the fuel of modern businesses, not the storage system. The trappings of traditional IT infrastructure architecture and design mean that too often organizations approach data management with the presumption that the data will stay largely in one place. In the modern era of the digital business, this could not be further from the truth. Data needs the freedom to move to the right place, at the right time. As a result, relying solely on infrastructure-centric tools is a losing proposition.

To maximize the value of data while optimizing the infrastructure required to store, protect, secure, and use it, organizations should leverage tools that can span a diverse, heterogenous ecosystem. While this may seem daunting, start small, work with stakeholders, get easy victories and then grow from there. To unlock the full potential of your business, you need to have the tools and insight to free your data to live in the optimal spot for your needs.

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