

REPORT REPRINT

The growing data divide – Highlights from Voice of the Enterprise: Data & Analytics, Data Management & Analytics 2020

NOVEMBER 18 2020

By Matt Aslett

451 Research's latest Voice of the Enterprise: Data & Analytics survey highlights that while data is more important than ever in the context of COVID-19, the pandemic is also exacerbating the divide between those that are using data and analytics to drive business growth and those that risk being left behind.

THIS REPORT, LICENSED TO VMWARE, DEVELOPED AND AS PROVIDED BY 451 RESEARCH, LLC, WAS PUBLISHED AS PART OF OUR SYNDICATED MARKET INSIGHT SUBSCRIPTION SERVICE. IT SHALL BE OWNED IN ITS ENTIRETY BY 451 RESEARCH, LLC. THIS REPORT IS SOLELY INTENDED FOR USE BY THE RECIPIENT AND MAY NOT BE REPRODUCED OR RE-POSTED, IN WHOLE OR IN PART, BY THE RECIPIENT WITHOUT EXPRESS PERMISSION FROM 451 RESEARCH.



Research®

Now a Part of

S&P Global Market Intelligence

Introduction

The standout results from 451 Research's Voice of the Enterprise: Data & Analytics, Data Management & Analytics 2H 2020 survey show that data is more important than ever given the current socio-economic conditions, but also that the COVID-19 pandemic is accelerating the divide between those that are investing to grow their data and analytics initiatives, and those that risk being left behind.

451 TAKE

We have been getting mixed messages from enterprises during 2020 about the impact that COVID-19 has had on analytics projects. While some enterprises are clearly increasing investment in data management and analytics as a result of the pandemic, others are not. 451 Research's latest Voice of the Enterprise: Data & Analytics, Data Management & Analytics 2H 2020 survey provides a clear indication of that divide, with a near 50/50 split between those investing in the analytics as a result of the pandemic and those that are not. The survey results also provide evidence that this is exacerbating the divide between those that are enjoying the benefits of successful analytics initiatives, and those that have been less successful to date.

Summary of findings

Data is more important than ever. 81% of respondents say data will be more important to their organization 12 months from today, compared to 77% who said the same a year ago. Additionally, 63% say most or nearly all strategic decisions are data-driven, compared to 61% in 2H 2019. Those that have already enjoyed successful analytics projects are more likely to recognize the growing importance of data: Companies that have been successful with more than 80% of their analytics projects in the last two years represent only 25% of all respondents but account for 40% of those that believe data will be significantly more important to their company 12 months from now.

COVID-19 is exacerbating the data divide. Slightly more than half (51%) of respondents agree that their organization increased the number or scope of active analytics projects as a result of COVID-19, while slightly less than half (48%) agree that their organization has increased spending on data management/analytics products and services as a result of the pandemic. Not surprisingly, project expansion and increased spending are closely correlated: 85% of those spending more on data management/analytics products and services analytics as a result of COVID-19 are also increasing the number or scope of active analytics projects.

The higher the rate of analytics success, the greater the likelihood of increased investment. Almost two-thirds (64%) of enterprises that have been the most successful with analytics projects in the past two years (rating more than 80% of their analytics projects successful) have increased spending on data management/analytics products and services as a result of the pandemic, while nearly three quarters (72%) have increased the number or scope of active analytics projects as a result of COVID-19. Similarly, 69% of the most data-driven companies have increased spending on data management/analytics products and services while 67% have increased the number or scope of active analytics projects.

The move away from on-premises, non-cloud has accelerated. While the use of on-premises, non-cloud infrastructure for data management and analytics has been in decline for some time, our latest survey indicates that the decline is accelerating. While 43% use on-premises, non-cloud infrastructure today, that is expected to be just 26% two years from now. PaaS and SaaS are expected to be the biggest winners, growing from 20% to 31% and 35% to 42% respectively.

Interest in augmented analytics interfaces has increased significantly. Two years ago, when we asked about new interfaces for analytics insight (such as automated visualization recommendations as well as speech and text natural language queries), 32% of respondents declared themselves not interested. This year, only 11% have no interest in these technologies for business and data analysts, while 13% declared no interest for senior and departmental/LOB decision-makers. The greatest interest (for both sets of users) is in real-time alerts driven by automated anomaly detection and root cause analysis.

Many enterprises have a product-centric approach to improving data culture. The two most popular steps taken to improve data culture are investment in new data management products and services (44% of respondents) and investment in new analytics products and services (40%). The fact that investment in new data management products and services ranked higher than investment in new analytics products and services is indicative of the key role data management has to play in delivering value from analytics initiatives.

Improving data literacy is also a key concern for improving data culture – more so than organizational change. In relation to steps taken to improve data culture, investment in improving employee data literacy and skills also scored highly (with 35% of respondents). Initiatives related to organizational change scored notably badly, however, with only 8% stating that their organization had hired a chief data officer (CDO) or similar title to improve data culture, and only 7% having redistributed analytics-skilled staff across company departments.

The line of responsibility for CDOs varies. Improving data culture is just one function of a CDO. Overall, 20% of respondents stated that they already employ someone that fulfills the function of a CDO, with 21% planning to do so, and 18% considering it. At those companies that already have a CDO, most report directly to the CEO (44%) or the CIO (33%), with the rest reporting to the COO (8%), CTO (6%) CISO (5%) or other (5%).

Increased adoption of self-service and automation for senior and departmental/LOB decision makers. Senior and departmental/LOB decision-makers use a variety of products to make decisions based on data, with the most popular being business intelligence reports and dashboards created by IT/data analyst teams (54%), desktop/SaaS productivity applications, and enterprise applications (both 40%). While the use of all three is expected to grow two years from now (to 62%, 43% and 42%, respectively), the biggest gains are expected for self-service business intelligence/visualization tools (from 34% to 44%) and automated business metric/incident detection and alerting tools (from 25% to 39%).

IT remains most likely to hold responsibility for data privacy and data protection. Only 8% of respondents indicate that they have a dedicated team with responsibility for data privacy and data protection at their organization. More than half (51%) state that IT holds the primary responsibility for managing data privacy and data protection requirements, followed by information security (14%), and compliance (10%), while 6% state that no single group or function holds primary responsibility for data privacy and data protection.