Don't just have a data strategy, have an effective data strategy

For CDOs to achieve their mission, it is crucial not just to have a data strategy, but an implementable and effective data strategy

Julia Elligers, Adita Karkera, Sarah Leonard, and Laura Kelly

Most government and public sector organizations recognize that seamless use of data is essential to shoulder the increasing interactions between humans and machines. Data is no longer seen as the byproduct of operational transactions but as a valuable strategic asset that provides quicker and better actionable insights for decision-making. Data-driven decisions enable organizations to coordinate efforts, reduce time and waste, uncover new insights, and steer resources to maximize mission outcomes. But realizing those mission benefits typically starts with an effective, implementable data strategy.
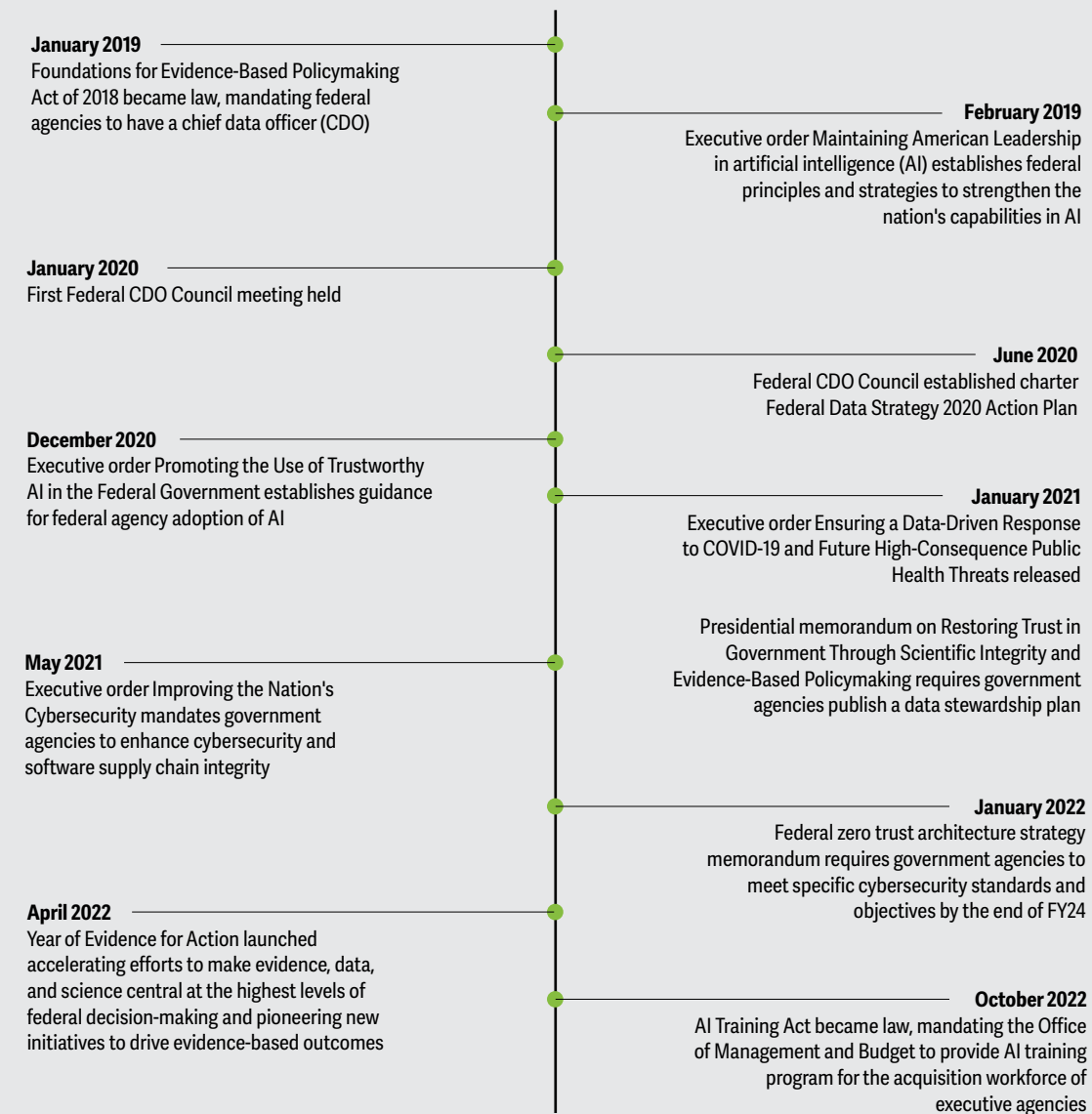
The need for an enterprise approach to data strategy

Organizations often do apply data-driven approaches, but these practices are usually siloed or sporadic. Most people, even data leaders, can struggle to identify the data an organization holds or how it's being used.

Without an enterprise-level approach to analyzing its data, an organization may miss untapped opportunities for improved efficiency, innovation, collaboration, and communication. However, it could lead to more severe ramifications such as inconsistent or inaccurate use of data, uncontrolled data issues, noncompliance with evolving expectations, or loss of trust and engagement from those they serve.

The government's focus on becoming more data- and customer-centric can further galvanize the need for a sound data strategy.[1] And chief data officers (CDOs) may be best-positioned to drive data strategy across their organizations. It is, therefore, not surprising that 86% of CDOs consider defining a data strategy as their top priority.[2]

Figure 1

Policy drivers for a data strategy

January 2019
Foundations for Evidence-Based Policymaking Act of 2018 became law, mandating federal agencies to have a chief data officer (CDO)

February 2019
Executive order Maintaining American Leadership in artificial intelligence (AI) establishes federal principles and strategies to strengthen the nation's capabilities in AI

January 2020
First Federal CDO Council meeting held

June 2020
Federal CDO Council established charter Federal Data Strategy 2020 Action Plan

December 2020
Executive order Promoting the Use of Trustworthy AI in the Federal Government establishes guidance for federal agency adoption of AI

January 2021
Executive order Ensuring a Data-Driven Response to COVID-19 and Future High-Consequence Public Health Threats released

Presidential memorandum on Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking requires government agencies publish a data stewardship plan

May 2021
Executive order Improving the Nation's Cybersecurity mandates government agencies to enhance cybersecurity and software supply chain integrity

January 2022
Federal zero trust architecture strategy memorandum requires government agencies to meet specific cybersecurity standards and objectives by the end of FY24

April 2022
Year of Evidence for Action launched accelerating efforts to make evidence, data, and science central at the highest levels of federal decision-making and pioneering new initiatives to drive evidence-based outcomes

October 2022
AI Training Act became law, mandating the Office of Management and Budget to provide AI training program for the acquisition workforce of executive agencies

Source: Deloitte analysis.

Know the challenges to design against them

CDOs may feel daunted by the prospect of designing a data strategy. However, it's important to note that no one-size-fits-all solution exists for a successful data strategy. Before starting their data strategy journey, a CDO should carefully consider the unique data challenges they may face within their organization to plan against them strategically. Common challenges a CDO may face include:

1. **Unclear strategic vision:** A CDO may have strong opinions on how to invest in data capabilities to improve data compliance and sharing, data security, and data privacy, among others. A CDO's natural inclination often reflects the historic drivers behind their function and its position in the organization. However, a successful data strategy likely requires investment and support from all areas of an organization, including program and business leaders and staff, and not just data and technology enterprise leaders such as the CDO, chief information officer (CIO), and chief technology officer (CTO). Without this support, considerable investments in enterprise-led resources (including standards, policies, and procedures) could be seen as a hindrance rather than an enabler of mission work. A successful data strategy should clearly articulate the strategic value of data to the organization's mission and integrate seamlessly with the organization's overall strategy. It should outline how data can drive collaboration, innovation, impact, and efficiency while also ensuring trust, security, ethics, and responsiveness.

2. **Data silos:** Data, particularly program data, often exist in silos across an organization. Historical precedence and existing budgetary flow of resources may motivate data and technology assets to live in distinct program pockets, making it difficult for CDOs to determine the location and ownership of data and how individual data items relate to each other. If this data segmentation is not corrected, the organization will continue to lose time and money and put itself at risk for data inconsistencies or inaccuracies. The CDO should have insight into where the organization's data currently stands to design where it should go next.

3. **Organizational resistance:** Government employees may have been involved in strategic planning or organizational transformations in the past, especially during leadership or political transitions. They may feel overwhelmed by the prospect of embracing a new data strategy and wary of any new approach and whether it will come *off the shelf* and into sustainable action. Implementing data strategies can be particularly daunting because data leaders may fear losing control or ownership of their data and the resources that data bring, and nondata leaders may worry about being left behind, becoming outdated, or irrelevant with change. Thus, getting others in the organization to accept and champion data efforts is often critical for a data strategy's immediate and long-term success.

Evolving grant requirements

Take the challenge facing many cities and local governments today in complying with Justice40 grants requirements.[4] Many of the programs funded by the Inflation Reduction Act and Infrastructure Investment and Jobs Act are covered by the Justice40 initiative, which aims to deliver at least 40% of the overall benefits of certain federal investments to disadvantaged communities. While many state and local government leaders struggle to understand and execute the stipulations of the grants, they may not realize that they are really wrestling with a data problem. Data is needed to identify which communities are disproportionately affected by health, education, or other systemic inequalities. Data is required to help devise effective interventions. Postimplementation data is needed to evaluate the impact of the fund allocation. In this way, compliance with Justice40 requirements could be an ideal sprint for CDOs seeking to show their value quickly.

Designing for actionable and sustained change

A CDO should consider the organization's unique mission and challenges to create an effective data strategy. By following a strategic planning process that includes the following steps, the resulting data strategy will provide immediate value:

- **Bring in the people:** Identifying and fostering a solid relationship with key stakeholders such as leaders, staff, and partners while developing a data strategy can be crucial. This move can help CDOs understand the organization's mission and help create and launch a strategy that can be used in day-to-day operations, work for all the people involved, and eventually improve mission outcomes. A complete inventory of the right people to engage throughout the process will also help CDOs measure progress.

- **Create a living inventory of data to identify gaps:** By engaging with the right people and teams, a CDO should be able to effectively identify what data an organization has and what it doesn't. Creating this inventory doesn't necessarily have to be an intense exercise. Still, it should aim to identify what data is critical to operations and mission, data capability gaps, and potential use cases for initial investment. The process used to develop this inventory should be leveraged to create key infrastructure such as communication channels, processes, tools, and technology solutions, which could later help to maintain and update the inventory more efficiently. This data inventory can be instrumental in implementing data strategy and building data capabilities in areas such as data discovery, data governance, and management.

- **Overcome challenges and silos with shared value:** For an organization to ultimately buy into a data strategy, its people should commit to partnering in the change it brings. This commitment can be achieved by incrementally demonstrating shared value across the organization through strategically selected use cases. A CDO should identify achievable use cases that show how improved data capabilities support the mission—whether in automation to free up human resources to focus on innovation or interoperable data shared across program silos that uncover new insights for program delivery. When implemented, these use cases break down psychological and cultural roadblocks and build grassroots momentum among the benefiting data users. A use case and mission-driven approach can help establish early buy-in, build momentum for adoption, and drive continual engagement by making data users into data champions.

- **Make strategic choices:** Time and resources are not infinite, and a CDO should choose where to start making data investments. These choices should support the function(s) the CDO is trying to achieve within the organization. Is the CDO a compliance champion, a strategic advisor, an enterprise enabler, or a combination of these roles? Through the steps above, a CDO can better understand their organization's current state of data, have a vision for where to go, and be able to identify possible use cases. To help decide where to start, a CDO should define criteria to make investment choices systematically, for example, time to impact may determine which use case is most likely to build momentum. This evaluation process could inform the data strategy's objectives and articulate data priorities for initial investment. Often these choices reflect tradeoffs to invest in building capabilities to improve the protection of current data assets or to leverage data better to derive insights. See more on defensive and offensive priorities in the later articles in this series.

- **Set up for incremental implementation:** In today's fast-paced data and technology environment, innovation and insights may rapidly change the direction of a data initiative. An underlying set of guiding principles in the data strategy can ensure its implementation remains responsive to change yet grounded in its core vision and objectives. Designing a continuous learning and collaboration approach can allow a quick-win or fail-fast approach. See our article *So your agency has a data strategy, now what?* for more on successful data strategy implementation.

- **Create ongoing disruption:** Data strategies can help to catalyze change across many areas of an organization, from leaders to staff. A good strategy provides a clear road map toward achieving the mission and promotes progress. The key to a successful data strategy is to stay flexible to new needs and ensure resource alignment to vision. By regularly monitoring and evaluating the data strategy, a CDO can identify areas for improvement, adapt to changes, and hold stakeholders responsible. How do you know when it is time for a new data strategy? By designing a system for ongoing evaluation, an organization can stay flexible in a fast-paced tech world.

To effectively design and execute a data strategy, it needs to be supported by the right organizational capabilities. For further information on establishing the operating model and organizational infrastructure for the CDO function, please refer to our article *The power of data ecosystems*.

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Endnotes

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