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## **Data-powered enterprises significantly outperform their peers: they are 22% more profitable, and generate 70% more revenue per employee**

***The roadmap to harnessing data needs to be addressed beyond the technology department, including up to the top leadership***

Paris, November 19, 2020 – Data-powered enterprises<sup>1</sup> vastly outperform their peers on multiple financial measures, realizing 70% more revenue per employee and driving 22% more profits, according to a new report by the [Capgemini Research Institute](#) entitled, “[The data-powered enterprise: Why organizations must strengthen their data mastery.](#)” Capgemini has found that while applying data and analytics is becoming a prerequisite for success, less than 40% of organizations use data-driven insights to drive business value and innovation.

Data mastery is critical to gain a competitive edge and organizations that don’t take concrete steps to achieve this will struggle to keep up, highlights the report. Only one in six (about 16%) organizations can be categorized as data masters<sup>2</sup> based on several factors of data mastery, including the necessary data tools and technologies required to use and leverage data as well as the appropriate data vision, governance, skills and culture.

Organizations are making headway on data-driven decision making and actioning. The research shows that 50% of organizations put data at the heart of decision making. At a country and sector level, data-driven decision making is more prominent in the United States (77%), Germany (69%), and the United Kingdom (69%), and in terms of sectors, banking (65%) and insurance (55%) are more data-driven. While progress has been made, a majority (51%) of the time, businesses still use historical data (a reactive decision-making approach), meaning they lose out on a competitive advantage. Only 23% of the time do they use predictive approaches, while 18% of the time they use prescriptive approaches and use an autonomous or self-optimizing approach just 8% of the time.

### **Data masters enjoy significant financial and business benefits**

Data masters enjoy between a 30% to 90% advantage in metrics across customer engagement, top-line benefits, operational efficiency, and cost savings. For instance, Capgemini’s research shows that data masters realize a 19% increase in sales of new products and services compared to 12% for the rest, a 63% improvement.

### **Gaps exist between perceptions and expectations on data initiatives**

Major gaps exist between business executives’ trust of data and the technical executives’ perception of this trust: only 20% of business executives trust the data while 62% of technical executives believe their

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<sup>1</sup> Data-powered Enterprise is defined as an organization that can create, process and leverage data proactively to fulfil its corporate purpose, achieve its business objectives, and drive innovation.

<sup>2</sup> Data-powered organizations can also be referred to as data-masters.



business users do so. Of the organizations where data is not trusted, the research found that only 24% were able to monetize their data assets in comparison to 83% where it is trusted. Poor data quality is a major contributor to this mistrust: only 27% of business executives are happy with their data quality while 54% of technical executives think their business users are happy with the quality. However, the consequences of poor data quality are significant, costing companies between 15% - 25% of their revenue<sup>3</sup>.

While many organizations have started on their data journey, less than 40% are able to harness the power of activated data. In terms of sectors, 54% of banking business leaders agree that harnessing activated data gave them a sustained competitive advantage, compared with only 32% of retail business leaders. Of the enterprises that are considered data masters, 95% have an appointed Chief Data Officer (CDO) and 77% stated that the CDO has been instrumental in realizing the data vision of their organization. Given the prominence of this role, it is perhaps not surprising that 84% of organizations surveyed stated that their CDO reports directly to the CEO, CIO/CTO, or Chief AI Officer. The overall roadmap to harness data needs not only to be addressed not only in the technology department, but up to and including the C-suite.

*"Business leaders fundamentally need to look at their data strategy and innovation pathway," says Zhiwei Jiang, CEO of Insights and Data at Capgemini. "We still don't have enough data-minded leaders at the C-suite level to drive organizations on the right data journey. There's a lot more at stake for businesses who don't act; from operations to sales, customer engagement, revenue and profitability. Those that can monetize data and convert these into assets will thrive. Those that don't will get left behind. A mindset change is needed - leaders must accept and embrace an agile culture of experimentation if they are to achieve data activation."*

For further information and the recommendations based on the research, access the full report [here](#).

### **Research methodology**

In this research, Capgemini surveyed technical executives working in IT/data functions such as IT, information management, data management and analytics, and business intelligence from 500 organizations. Additionally, Capgemini surveyed business executives working across business functions from 504 organizations. Both surveys were conducted in August of 2020 and covered organizations with at least \$1 billion in revenue for the previous financial year. Capgemini further conducted a financial analysis of 700+ unique organizations from the above set, for the financial years 2018-19 and 2019-20. In addition to the above, Capgemini conducted more than 15 in-depth interviews with senior technical and business leaders on the data initiatives within their organizations.

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<sup>3</sup> MIT Sloan Management Review, "Seizing opportunity in data quality," November 2017.



### **About the Capgemini Research Institute**

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