What is Your Data Really Worth?

How mature data strategies dramatically improve bottom-line outcomes

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What Is Your Data Really Worth?

Data is the lifeblood of business, driving customer engagement and transforming companies into digital powerhouses. But businesses have struggled to quantify the actual value of data.

To uncover that value, ESG, in partnership with Splunk, surveyed 1,350 global IT and business decision-makers. The resulting report defines the powerful benefits, globally and by key industries, of achieving data use maturity.

This executive summary reviews global results.

What Is Your Data Really Worth?

12.5%
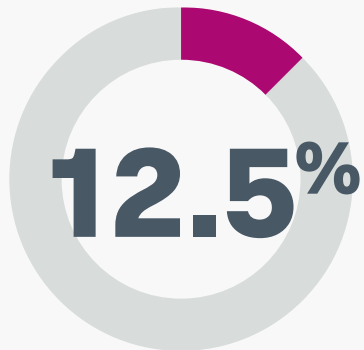
How much mature organizations
increase annual gross profit through better data use

Data innovators are

2.1x

more likely than data deliberators to exceed customer retention targets.

◻ Data deliberators   ◼ **Data innovators**

Data innovators are nearly

10x

likelier than data deliberators to derive over 20% of revenue from new offerings.

◻ Data deliberators   ◼ **Data innovators**

Organizations that place the strongest strategic emphasis on data, and prioritize operationalizing all data, achieve significant business and economic benefits:

- They add an average of **5.32%** to their annual revenue, while cutting **4.85%** from their annual operational costs, due to better data use.

- **97%** meet or exceed their **customer retention** targets, with the majority (60%) having outstripped their goals.

- **93%** feel they tend to **make better, faster decisions** than competitors.

- On average, they generate a total economic value of US$38.2 million —or about **12.5% of their total gross profit** — by making smarter use of their data.

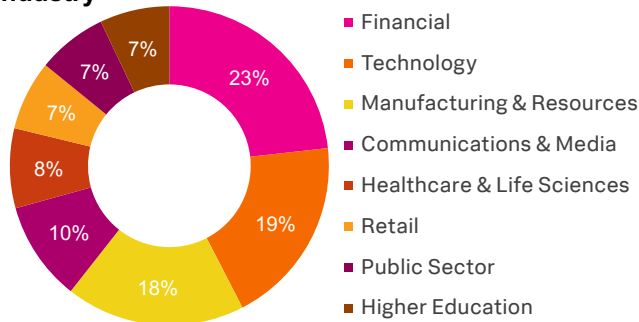**Organizations that have reached data innovator status report growing top-line revenue by**

5.32%

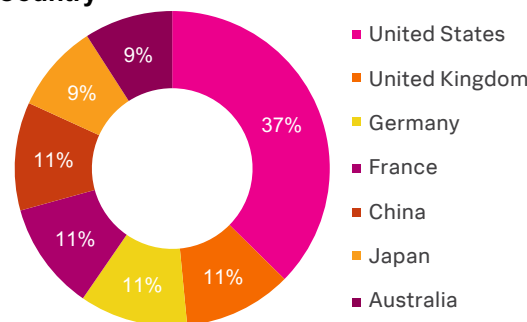over the prior 12 months as a result of improved data use.

Methodology: **Going Broad and Deep**

This report is based on a global survey of **1,350 IT and business decision-makers** across regions and industries, engaged with how their organizations collect, manage and use data. Qualifying organizations had at least 500 employees and were located across North America, Western Europe and Asia. Survey data was collected in July and August 2019. Totals throughout this report may not add up to 100% due to rounding.
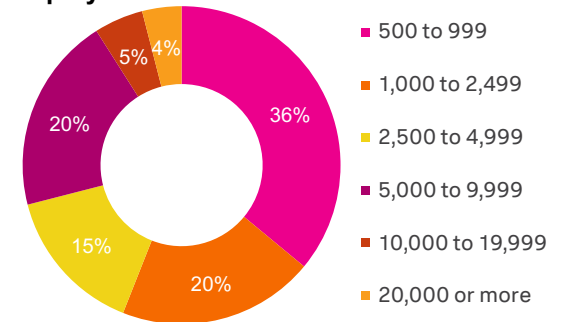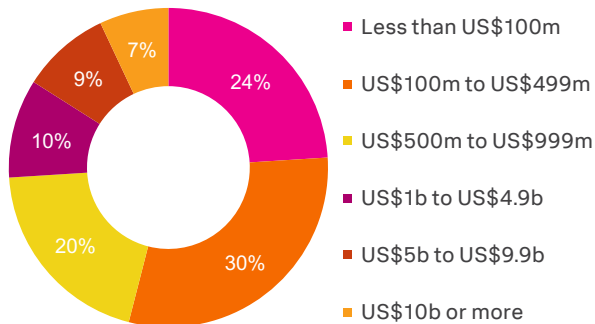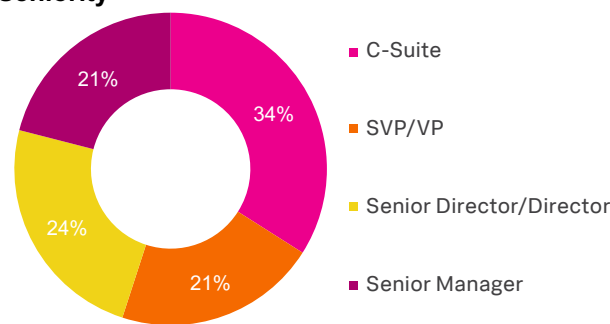
Industry

- Financial — 23%
- Technology — 19%
- Manufacturing & Resources — 18%
- Communications & Media — 10%
- Healthcare & Life Sciences — 8%
- Retail — 7%
- Public Sector — 7%
- Higher Education — 7%

Country

- United States — 37%
- United Kingdom — 11%
- Germany — 11%
- France — 11%
- China — 11%
- Japan — 9%
- Australia — 9%

Employees

- 500 to 999 — 36%
- 1,000 to 2,499 — 20%
- 2,500 to 4,999 — 15%
- 5,000 to 9,999 — 20%
- 10,000 to 19,999 — 5%
- 20,000 or more — 4%

Revenue

- Less than US$100m — 24%
- US$100m to US$499m — 30%
- US$500m to US$999m — 20%
- US$1b to US$4.9b — 10%
- US$5b to US$9.9b — 9%
- US$10b or more — 7%

Seniority

- C-Suite — 34%
- SVP/VP — 21%
- Senior Director/Director — 24%
- Senior Manager — 21%

Role

- IT — 75%
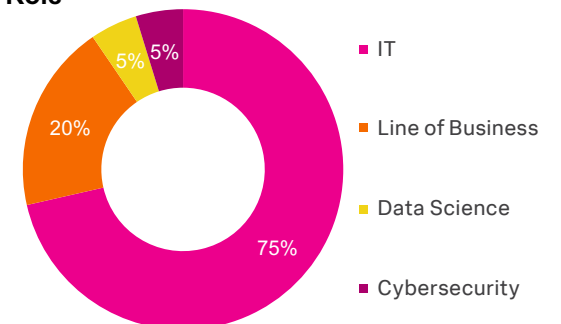- Line of Business — 20%
- Data Science — 5%
- Cybersecurity — 5%

Committed, Empowered, Effective:
Defining Data Use Maturity

Three characteristics mark an organization's "data use maturity," its sophistication in discovering and operationalizing all of its data:

1. Its commitment of resources to finding dark data — data that is unquantified, untapped, unknown — and putting it to use.

2. The prevalence of modern tools and skill sets optimized for data investigation.

3. The effectiveness of the organization at operationalizing its data.

Based on these criteria, we categorized each organization into one of the following three levels of maturity: data deliberator, data adopter and data innovator.

Just 11% of global organizations have reached data innovator status

11%

40%

49%

Data deliberators

Data adopters

Data innovators

Respondent Organizations by Data Use Maturity Stage (N=1,350)
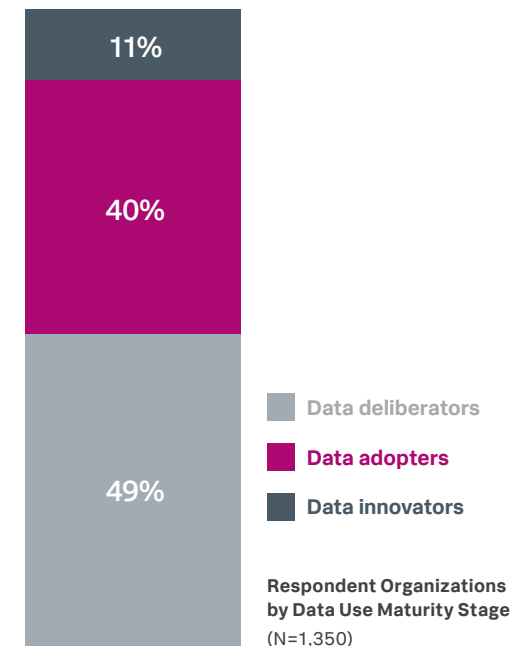
Maturity Curve:
From Deliberator to Innovator

Data deliberators (49%)

have yet to tap the full potential of data, reporting that only 32% of their data is operationalized and able to deliver value.

Data adopters (40%)

are beginning to actively prioritize data strategies. But they're still evolving: On average, data adopters have only put 41% of their data to use.

Data innovators (11%)

are the most mature group, seeing revenue and mission success improved through data initiatives. They report that 48% of their data is available for real-time business use.

Better Data Use
Improves Outcomes

Data innovators perform better

The competitive landscape changes almost as quickly as customer expectations. Quick pivots are essential, and the most mature organizations reported greater success in innovation, customer satisfaction and decision-making.

Data innovators were **2.6 times** more likely to say they're usually ahead of their competitors in developing and launching products and services.

Only **3% of data innovators** failed to meet or beat retention targets, compared to 13% of the least mature group, the data deliberators.

Data innovators were more than **3 times** as likely as deliberators to report that their company almost always makes better, faster decisions than competitors.

19% One in five data innovators generate **more than 20% of their annual revenue** from product and services developed in the past 24 months, compared to **just 2%** of data deliberators.

Data innovators are **twice as likely** as data deliberators to exceed customer retention targets. **2.1x**

Data deliberators
Data innovators

50% Half of global organizations that have reached data innovator status report almost always making better, faster decisions than competitors and peers.
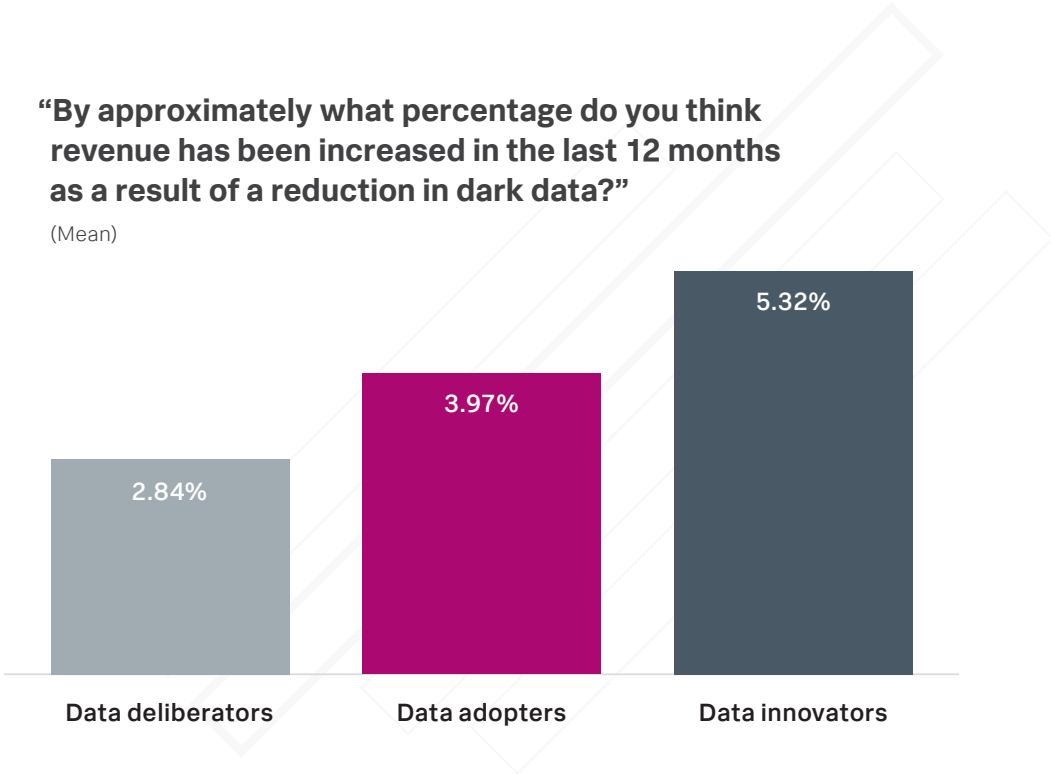
Better Data Use
Drives Revenue

What is the economic value of becoming a data innovator?

As noted, data innovators reported an average **5.32% increase in revenue over the previous 12 months** through better operationalizing their data, a significantly higher figure than either data adopters or deliberators.

Taking into account the median revenue of participating organizations, and after applying an average profit margin assumption, this translates into an **average net revenue increase of $15.4M** as a result of better data use.

"By approximately what percentage do you think revenue has been increased in the last 12 months as a result of a reduction in dark data?"

(Mean)

2.84%	Data deliberators
3.97%	Data adopters
5.32%	Data innovators

Average net revenue increase
reported by respondent organizations in (US$):

| $8.4M	$11.7M	$15.4M
Data deliberators	Data adopters	Data innovators

Better Data Use
Cuts Costs

We asked respondents whether, and to what degree, costs of operations have been decreased through improved data usage. Overall, 59% of all respondent organizations report reduced costs, with an average cost reduction of 3.59%.

Once again, data innovators outpace both adopters and deliberators, with a mean cost reduction of 4.85%.

This translates into $22.8M of annual savings as a result of better data use.

"By approximately what percentage have costs been decreased in the last 12 months as a result of the reduction in dark data?"

(Mean)

Data deliberators	Data adopters	Data innovators
3.03%	3.94%	4.85%
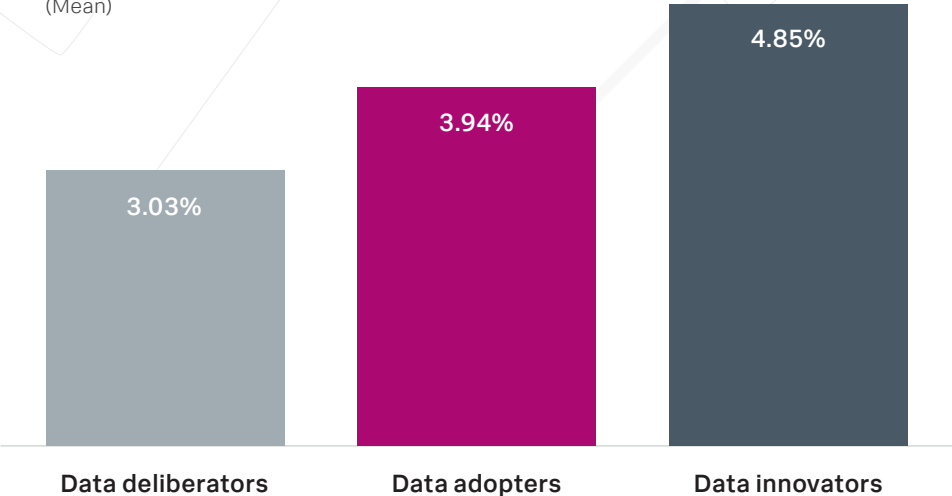
Average cost reduction
reported by respondent organizations in (US$):

$14.6M
Data deliberators

$18.8M
Data adopters

$22.8M
Data innovators

The Total Value of **Better Data Use**

We combined the reported revenue and cost improvements to model the total economic value created by higher data use maturity. The final tally: Data innovators, on average, have created $38.2M in value over the past year by making smarter use of their dark data — meaning that about **12.5% of their total gross profit** for the year is attributable to better use of their data.

Total economic value created through better data use in the past 12 months.

(Mean)

Data deliberators	Data adopters	Data innovators
$23,006,433	$30,404,547	$38,202,803
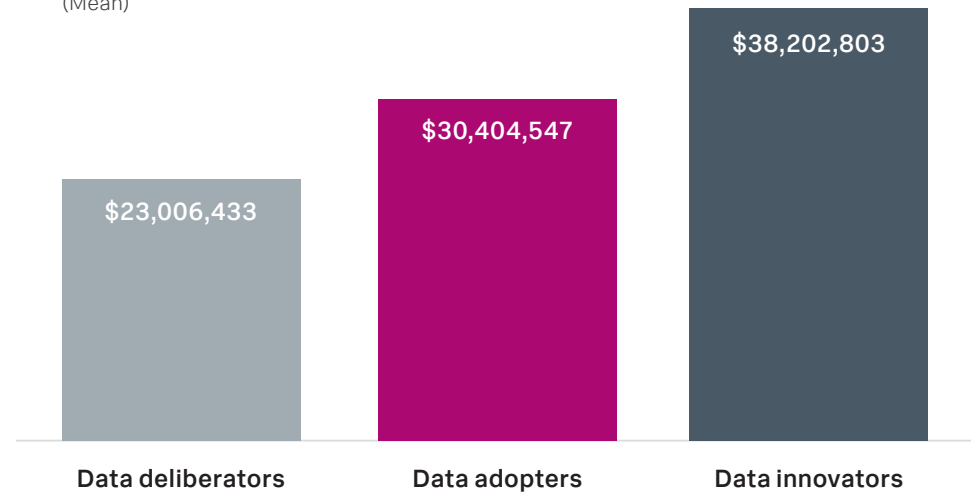
The economic opportunity presented by maximizing data use maturity scales with organization size (average total economic value created over prior 12 months):

$22.3M
Midmarket data innovators
(500-999 employees)

$42.8M
Midsize enterprise data innovators
(1,000-4,999 employees)

$207.7M
Large enterprise data innovators
(5,000+ employees)

States of Maturity:
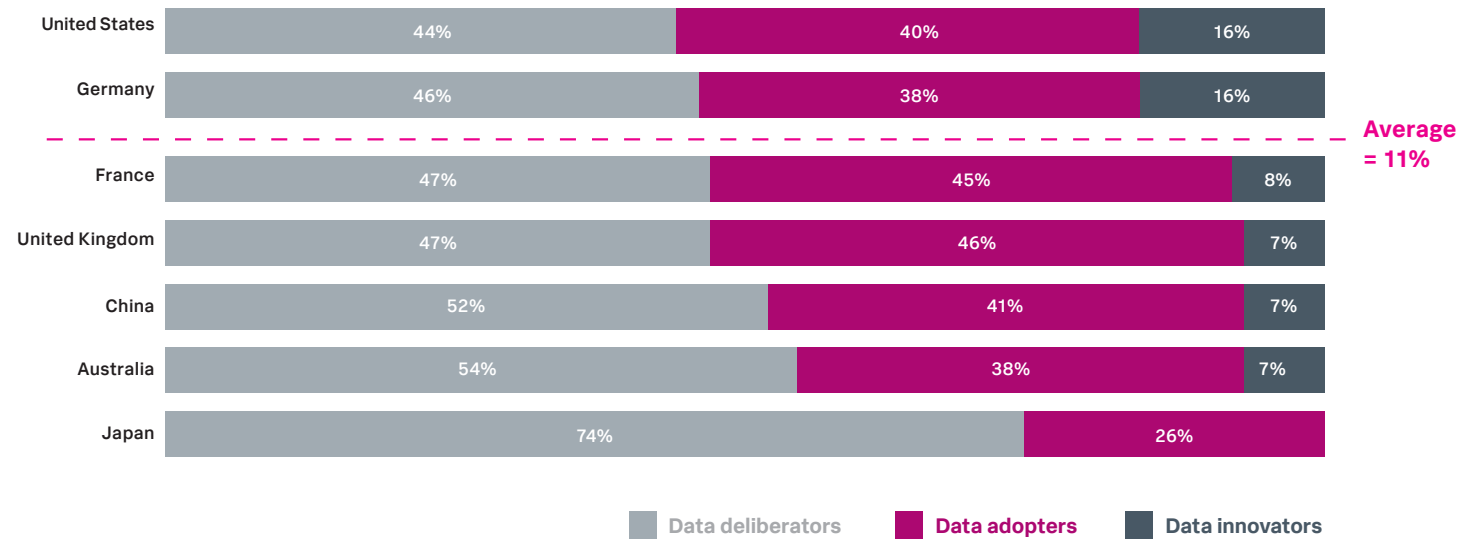# How Countries Stack Up

Most organizations have a massive opportunity to improve their data use maturity.

Only **U.S. and German respondents** have attained data innovator status at a rate above the global average (16% for both, versus 11% globally).

Ultimately, nearly every organization on the planet is leaving a lot of data, and a lot of value, untapped.

Percent of respondents in each maturity stage, by country
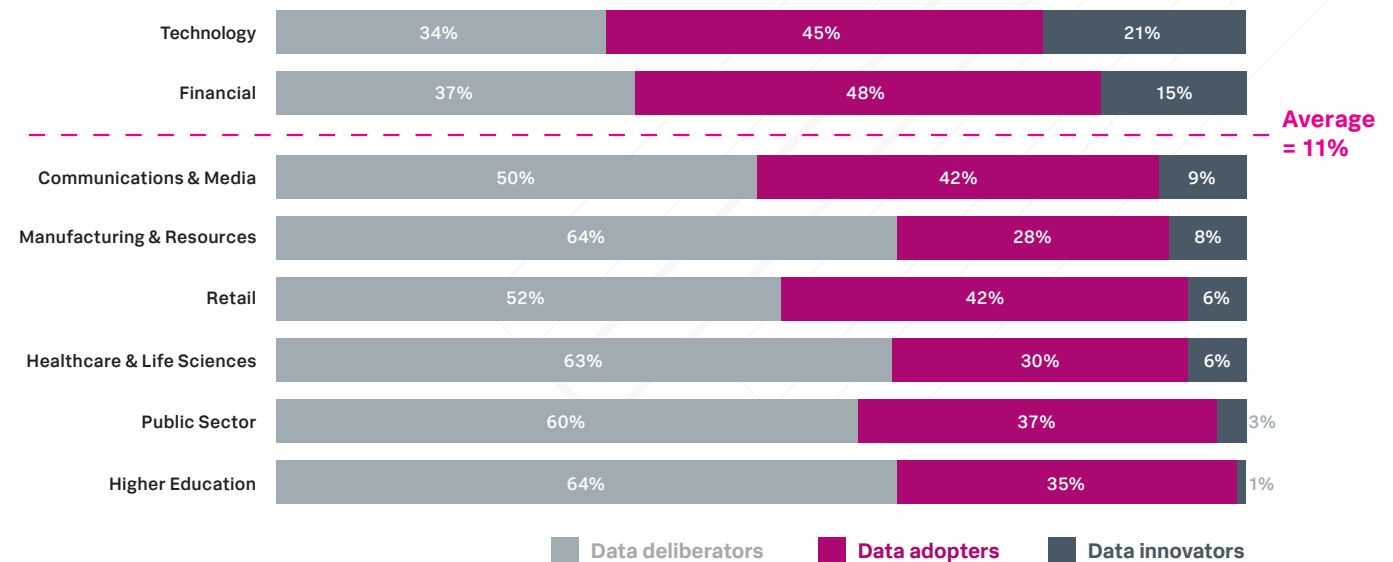*Source: Enterprise Strategy Group*

Country	Data deliberators	Data adopters	Data innovators
United States	44%	40%	16%
Germany	46%	38%	16%
France	47%	45%	8%
United Kingdom	47%	46%	7%
China	52%	41%	7%
Australia	54%	38%	7%
Japan	74%	26%	

Average = 11%

Data deliberators • Data adopters • Data innovators

Data at Work:
Identifying Industry Innovators

How industries stack up on data use maturity:

Only **technology and financial services firms** have attained data innovator status at a rate above the average. Even in these most data-advanced industries, about four in five companies surveyed can still significantly transform the way they get value from their data.

Percent of respondents in each maturity stage, by industry
Source: Enterprise Strategy Group

Industry	Data deliberators	Data adopters	Data innovators
Technology	34%	45%	21%
Financial	37%	48%	15%
Communications & Media	50%	42%	9%
Manufacturing & Resources	64%	28%	8%
Retail	52%	42%	6%
Healthcare & Life Sciences	63%	30%	6%
Public Sector	60%	37%	3%
Higher Education	64%	35%	1%

Average = 11%

Data deliberators **Data adopters** **Data innovators**

Summary:
Data Innovators Improve Outcomes

An organization's data maturity directly correlates to its ability to improve bottom-line outcomes.

Roughly **three-quarters** of data innovators have realized **revenue increases** by operationalizing dark data. The average trailing 12-month revenue increase is **5.32%**.

Roughly **two-thirds** of data innovators have driven cost reductions by operationalizing dark data. The average trailing 12-month cost reduction is **4.85%**.

Data innovators are nearly **10x** more likely than data deliberators to derive **more than 20% of revenue from newly developed offerings.**

Data innovators are **2.6x** more likely than deliberators to typically **beat competitors to market.**

Summary:
Innovators Outperform Competitors

As companies make the journey along the data maturity curve, they are more likely to report better performance across the following metrics:

Half of data innovators attain higher customer satisfaction scores than competitors, representing a **72% increase** over the proportion of data deliberators having the same level of success.

Data innovators are **2.1x** as likely as data deliberators to have **exceeded customer retention goals** over the past 12 months.

Data innovators are **3.1x** more likely than data deliberators to typically **make better, faster decisions than competitors.**

Data innovators are **4.4x** more likely than data deliberators to believe they will **outperform peers over the next few years.**

What Data Innovators
Get Right

Data innovators enjoy better business outcomes and extract greater economic gains from their data. There are some common behaviors and tendencies that differentiate data innovators from their lower-performing peers.

1. **Data innovators have the right culture.**
   Data innovators are more likely to have a "data-obsessed" company culture — demonstrating that a deeply rooted passion for data directly affects an organization's ability to unlock the economic value of its data assets.

2. **Data innovators "bring data to everything."**
   Data innovators use data and analytics to support all activities and processes across a wide range of functions like IT operations, security analytics, sales, marketing and finance.

3. **Data innovators use AI more — and more extensively.**
   Relative to data adopters and data deliberators, data innovators are also vastly more likely to employ artificial intelligence (AI) technologies for data analysis — and do so across a larger share of their data assets.
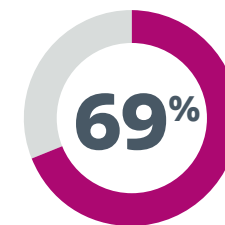
69% of data innovators would consider their company culture to be **"data-obsessed"**

Key Recommendations:
Evolve to Succeed

1. **Invest for success.**
   Is your organization doing enough to keep up? To maximize the economic value of their data, organizations must be willing to fund analytics initiatives, whether purchasing best-of-breed tools or hiring and training staff with the skills to investigate important business questions through data analysis.

2. **Establish and empower leadership.**
   Does your organization have the executive leadership needed to thrive in a data-centric world? To optimize data use, a chief data officer or equivalent must establish a clear data strategy, drive internal initiatives, secure budget, and change the company culture to put data at the fore.

3. **Democratize analytics tools.**
   Is your organization giving its people the right tools to make the most of its data? Making the right business decision requires comprehensive, accurate data and the right analytics tools. It is essential to make these tools available to a broad range of employees.

4. **Automate everywhere.**
   Can your organization free its analysts from manual monitoring tasks so they can explore data for hidden insights? The increasing use of AI-driven automation will profoundly improve the realization of value from data. Automated analysis reduces human error and lets employees focus on higher-value tasks.

5. **Measure your opportunity.**
   Can you track your data maturity and quantify the value of your data assets? You can't manage what you can't measure. Organizations need to understand where they stand on the data use maturity spectrum to know what they can gain by improving their commitment to data, their analytical tools and skills and — ultimately — their effectiveness in using that data to create business value.

How Much Is Your Data Worth?

To get a custom estimate of the total value of your data, try our calculator at splunk.com/data-value-tool.

Get the full report

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This ESG Research Insight Paper was commissioned by Splunk, Inc.