Data Preparation in Business Departments

Refining Raw Data into Value

Smart data management is key for business success, especially in the field of digitalisation where data and analytics are gaining in importance and exerting a growing influence on the profitability of businesses. BARC's "Data Preparation – Refining Raw Data into Value" study looks in depth at the role of data pre-processing in IT and business departments (data preparation) in the analytical landscape of companies. The study is based on a survey of 695 participants from more than 50 countries across all industries.

Data Preparation: Serves real business needs and is widely used

Top 3 drivers for data preparation

49% Higher expectations in terms of performance, agility and flexibility in business departments

47% Higher expectations of a tangible business impact and increased competitiveness through analytics

46% Growing number of data sources with increasing complexity, velocity and variety of data

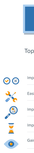
Data preparation is based on real business requirements. It is not just hype.

About **7 in 10** companies are already using data preparation

And about **1 in 10** is in project or planning stage

Data preparation is widely used. Our survey shows that it also delivers the right benefits, which often exceed expectations.

Top 5 achieved benefits vs. expectations



Companies are still searching for the right implementation

Although data preparation is widely used, there is still no best practice usage pattern in place. Only 25% of companies have established a meaningful DHM of data preparation competence from IT to business.

Where do the challenges lie?

Top 5 Challenges when using data preparation

The ability to gain valuable insights from data through efficient and largely independent data preparation is currently seen as patchy. Therefore, there is an urgent need for training and coaching in order to be able to implement data preparation successfully and gain. To do this, dedicated resources and budgets need to be allocated.

How can companies maximize the benefits?

1 Collaboration between IT and business departments

Benefits by form of data preparation

79% of survey respondents agree that data preparation requires a high degree of collaboration between IT and the business to ensure consistency.

The companies that report the greatest benefit and highest satisfaction with data preparation are those that have made data preparation a shared task between IT and business departments. In this case, IT takes the lead, some of the business are able to prepare data independently in the main, but with technical experts available to support them and ensure compliance with standards.

2 Data Governance

Importance of and satisfaction with data governance

Our survey participants are aware of the relevance of data governance for data preparation, so satisfaction is comparatively high in security and the use of standard definitions. However, the need for action still seems to be high in order to implement these points satisfactorily.

3 The Right Tools

Tools in use for data preparation or planned for use

The use of Excel is widespread and it also seems to be the first choice tool for data preparation today. The fact that Excel does not support complex data preparation should be clear to everyone. Spreadsheets lack functionality for data integration and data quality, as the ability to map automated, high performance and stable processes for data preparation. The key question here is whether Excel is sufficient for data preparation. Data preparation potential due to its limited scope of functions, or whether there is simply a lack of use cases that require specialised tools for data preparation.

BARC Recommendations

1 More than ever before, companies' data management structures, processes, roles and tasks, as well as responsibilities and actions need to be planned beforehand.

2 It is essential to establish a framework for the use and analysis of data across business departments. Here, options of governance must be defined and balanced with requirements in terms of flexibility.

3 Strengthen the collaboration between business and technical experts for the preparation of data, the collaboration and create a contact point.

4 Decide in the design phase which data preparation experiences must be gathered.

5 Encourage business departments to share experiences directly and build knowledge and skills through data preparation communities in the departments.

6 Test modern data technologies isn't a decision against data preparation. Beyond spreadsheets, there are powerful and long-tested tools for data integration, data preparation, and/or only in one test category.

7 Data discovery and advanced analytics (including data preparation) are not the same as business intelligence in traditional IT tools. Use analytics know-how on the market wisely to avoid internally from best practices and experiences and build up your own skills.

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