360degree VIEW ™ **White Paper**

The Data Integration Strategy

"Take Aim Before You Shoot"

360degree

Introduction

Much has been written about the need to align business and technology, but that alignment has to begin up front. In fact, this so-called conventional wisdom of alignment is often misunderstood as technology being subservient to business wishes. While the needs of the business units (e.g., Marketing) are often more tightly integrated with corporate objectives, the relationship between business and technology should be a partnership. This partnership starts while formulating the strategic direction for the investment associated with a data integration initiative.

The phrase "Take aim before you shoot" is a useful analogy for an approach to your data integration initiative. The first step in any technology initiative should be a strategy phase, where your investment dollars are "aimed" at the most beneficial targets, or data subject areas. In this partnership of equals, the business is responsible for selecting the targets, while technology owns selecting and customizing the weapons. The strategy phase can range from a single meeting between stakeholders, sponsors, and implementation leads, to a multi-week effort involving numerous constituents. Regardless, before starting on an implementation, the strategy direction needs to be defined, agreed upon, and documented.

This white paper will describe the key activities and outputs of a data integration strategy effort, and more importantly the primary benefits.

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A data integration strategy is no different than any other strategy effort. In general, a strategy effort will include the following three steps:

1. Document the As-is state
2. Gather and weigh key influencers such as overall corporate strategy and business unit objectives
3. Produce a desired To-be state, with associated business case and implementation roadmap
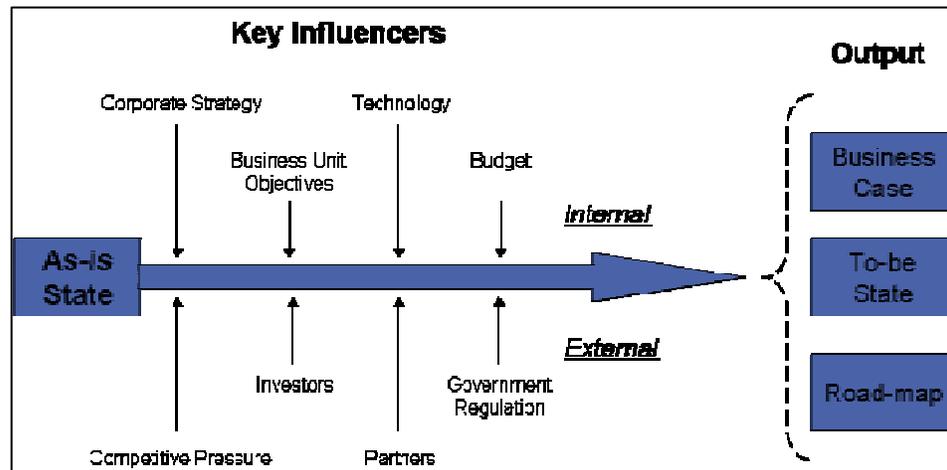

Figure 1 – Data Integration Strategy Approach

The **As-is** state includes *existing* transactional systems, data stores, meta data, reports, analytical capabilities, processes, and any other relevant systems and capabilities. It is important to accurately assess current capabilities, since this will serve as the starting point when factoring in key influencers. Current capabilities should be leveraged where possible, either in their existing state or with modifications.

Key influencers are grouped into internal and external forces. Internal forces such as corporate strategy and budget are driven from within the company or organization, and are generally easier to assimilate into the data integration strategy. External forces such as investors and government regulation have fewer direct connections to a data integration initiative, and can be harder to assimilate. However, both internal and external influencers should be considered although not necessarily with equal weighting.

The **outputs** of the data integration strategy include a business case with associated return-on-investment (ROI), the To-be state, and a roadmap that defines the process for achieving the To-be state.

The business case should include derived benefits (including both quantitative and qualitative) and the ROI calculation. The business case provides the answer to the question "Why are we undertaking this initiative?"

The To-be state includes the desired future state after all influencers have been weighted and analyzed. Interim states can be included, but it is imperative that the final state be articulated so that all participants can clearly see the end goal. The To-be state answers the question "What is this initiative going to accomplish?"

The implementation roadmap is a plan for achieving the To-be end state objective. The roadmap should be business oriented in that the focus should be on prioritizing and scheduling key business deliverables. The roadmap answers the question "How are we going to implement?"

Now that we've reviewed what a typical data integration strategy looks like, let's discuss the benefits derived from this effort.

Benefits

The benefits of a data integration strategy can be broadly defined along the lines of risk mitigation, increased return on investment, and improved communication.

Risk Mitigation
- ➤ **Increased likelihood of meeting business objectives** – up front discussion and analysis forces rationalization of objectives
- ➤ **Streamlined implementation due to clearly defined objectives** - clearly defined end state aligns project team and eliminates rework and redundancy
- ➤ **Decreased chance project will get cancelled** – clearly defined objectives will ensure continued executive support

Increased ROI
- ➤ **Reduced cost to implement and operate** – clearly defined objectives accelerate the implementation process, and produce a leaner and more efficient system
- ➤ **Reduced cost within the business units** – up front business unit buy-in creates impetus to realign processes to capitalize on the new system
- ➤ **Increased revenue opportunities** – high value business objectives will receive increased focus
- ➤ **Decrease in fines, taxes, and other penalties** – by factoring in external influences
- ➤ **ROI analysis can be used as success measurement after project deployment** – increasing return on future technology investments

Improved Communications
- ➤ **Increased communication throughout the project team** – promotes a smooth implementation effort
- ➤ **Increased communication with executive leadership** – allows for increased visibility on the data integration initiative

Conclusion

In summary, the business case for the data integration strategy is strong:

1. Forces discussion and prioritization of business objectives before work is started
2. Facilitates rational analysis of all key influencers
3. Answers "Why?", "What?", and "How?" questions

The data integration strategy effort is a critical first step in realizing the highest return on your technology investment. Take aim before you shoot, or risk wasting your ammunition (capital) on low value targets (data subject areas).

About The Author

Rick Abbott is President of 360DegreeView, LLC.

He has over 19 years of information management and technology experience, including private and public sector work. On the commercial side, he has significant experience in both the Telecommunications and Financial Services industries. He has over 8 years of "Big 5" experience, including an associate partnership position with Deloitte Consulting.

His primary focus over the past 11 years has been on large-scale business intelligence initiatives. He has direct experience in all aspects of business intelligence and data warehouse projects, including business case development, strategic planning and business alignment, business requirements, and technical architecture and design. He possesses over 10 years of large IT related project management experience.

He also has significant experience in assisting clients in negotiating large technology product, service, and outsourcing contracts.

Rick can be reached at rick@360degreeview.com.