

How to Reduce Enterprise Data Costs by 35% or More

In our experience, effective data engineering operational practices can help reduce enterprise data costs by at least 35%. Why? Data management issues like process inefficiencies, change management gaps and misaligned priorities increase data costs, unnecessarily.

At BizCubed we look at data differently, so we see clear opportunities to make data ecosystems more operationally consistent, reliable and resilient. There are opportunities to increase capacity and to establish continuous data operations improvement cycles.

There are opportunities to save money and time. These opportunities can be realised through the consistent application of operations and methodology.

We have previously identified the Top 10 Reasons Organisations are Spending Too Much on Data. Here, we'll elaborate on them and turn those data spend pitfalls into ways organisations can save 35%.

Let's dive in.

10 Ways to Reduce Enterprise Data Costs



1. Pay Down Technical Debts

Technical debt refers to compromises made during software, coding or other development phases to speed up delivery of an application or capability. The expectation is that these shortcuts will be replaced at a later stage with solutions that work. While achieving more immediate gains can be an advantage, leaving tech debts unsettled increases the likelihood of unknown or unmanaged problems becoming critical issues.

These issues include downstream errors, time-consuming and inconsistent workarounds, process failures and even enhanced cybersecurity risk. Some of the costs inherent in these issues are hidden, such as untracked extra time spent on tasks resulting in missed

opportunities for higher value work to be accomplished. Some are quite tangible, such as paid overtime for team members to fix a failed process workaround in order to meet a deadline. All of these costs add up over time.

Regain capacity and reduce unnecessary enterprise data costs by itemising your tech debts, making a plan to pay off these debts and knocking them off one by one. It can feel challenging to make the time to do this, so prioritising quick wins and routine tasks will give you and your team time back to then tackle the bigger items later. Establishing this approach to continuous operational improvement can make the seemingly insurmountable more approachable.



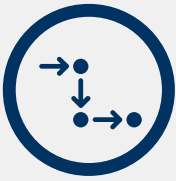
2. Tighten Up Security and Access Management Protocols

Inefficient and irregular application of security and access management protocols increases data spend by contributing to the risk of costly failures and breaches. Ad hoc processes mean passwords may not be rotated in a timely manner, security gaps can be missed and the wrong people may be given access to critical data and systems.

Sure, the exercise of tightening up these processes and protocols comes with time and budget requirements,

but getting them wrong could be much, much more expensive.

In the long run, embedding a consistent operational approach to security is the most cost-effective step you can take. Making it a standard part of the way you work, rather than an add-on or afterthought, dramatically reduces the future risk and associated costs.



3. Understand the Impact of Change Management on Data Workflows

Enterprise data environments are complicated ecosystems. They are often a mix of legacy and modern technologies, poor and strong business processes, and manual and automated workflows. Every part of your company's data ecosystem is connected to some degree, even if some connections require manual integration and others are more about whether or not one step in the process impedes or enables another.

When considering change – be it adopting new enterprise apps, automation, AI and machine learning projects, APIs, or deploying new tools and processes – it's vital to recognise and manage the intricate web of data dependencies.

Each time a data process fails, it costs time and money. Those costs compound over time. That's why every change management effort must consider the potential downstream impacts of change and take appropriate action to mitigate those impacts -- before the change is implemented.

As an organisation develops a bird's eye view across all of its data processes so it can pinpoint issues, optimise operations and drive down costs. Improving clarity of process owners, business impacts of those processes, handovers and interactions between systems supports this view. Creating a culture of collaboration across functions supports effective change management and reduce the chances of unintended impacts.



4. Empower your Team

When faced with a data management issue, a team that does not feel a sense of responsibility or empowerment would fail to deliver the desired outcome or perhaps push the issue on to another part of the business. When faced with inadequate systems and processes, that same team may again fail to deliver or might come up with their own workaround to get the job done.

None of these outcomes are ideal, and potentially add risk and costs to the organisation. Even though coming up with a workaround amounts to taking initiative, which might even add short term value, it's an unplanned technical debt that can cause a catastrophic downside if there is a cybersecurity risk, ransomware attack or process failure leading to a shutdown of services.

Establishing governance and security protocols and ensuring the team has the tools and processes they need to be successful will channel the good intentions of the data team so they can take responsibility, show initiative and still work within control measures. Enabling the team with this kind information and support leads to improved outcomes. Empowering the team to share their evaluation from the defined decision-making criteria, and state their intentions for action, can reduce management oversight load and motivate team members to take more responsibility and improve their capability. Establishing and supporting an effective data culture saves time, boosts productivity, and helps to avoid future risk – and unnecessary costs.



5. Align Technology Teams with Business Objectives

It makes sense that a lack of alignment around business objectives would be a leading cause for overspending on data. As it turns out, having a business strategy is just the beginning. Finding effective ways to communicate with each team so they understand their contribution, and so their roles and efforts are aligned with business objectives is the real challenge.

Your tech team is not made up of mind readers. They probably get a lot of things right anyway, but how can they efficiently and cost-effectively support the

organisation if they aren't working to support clear business team objectives and overall strategic priorities?

The better the alignment between tech and business teams, the more efficiently tech investment can be deployed to meet strategic objectives. Ensuring that your tech teams are constructively engaged to incorporate business user feedback will increase adoption of business tools and direct efforts into accelerating your business outcomes. Also read about building capacity (#7) for more ways to improve alignment.



6. Remove Friction from your SLAs

Data and process SLAs – for example an SLA that states a particular data process must be finished by a certain time – are critical to helping teams respond and activate effectively. But permanent, unchecked, un-monitored SLAs can actually embed poor behaviour and lead to overspending on data.

Let's say the data process mentioned above is always finished by the intended time so the SLA is consistently met, but it's actually taking longer and longer to get it done. The team has implemented a workaround and now starts the process earlier in the day, so they can meet the SLA. If there are no checks and balances in place beyond SLA compliance, this process receives a daily tick and the

workaround could continue with eventual unintended consequences. If your team is only concerned with whether or not an SLA is met, they could miss issues, failures and opportunities for improvement.

To avoid this, implement regular checks to ensure your SLAs align with current business objectives, offer realistic timeframes, and have meaningful metrics. Leveraging continuous operations improvement (#3) and team empowerment (#4), you can allow your team to focus on proactively addressing issues and actively removing friction from data ecosystems and operations. This leads to increased efficiency, improved stability, and capacity freed up.



7. Build Capacity

We have found that many organisations are minefields of historic data projects that may have delivered some value at the time but no longer match with strategic intent for the future of the business. It's a stark reminder that everything built now will become legacy one day.

It's easy for tech leaders to get distracted by thinking about legacy issues or future potential and lose track of the present.

Ensuring first that the data ecosystem that drives 80-90% of your business today is well managed, will enable you to better support both your legacy and future state.

Understanding what you're working with now – how your data flows and your systems interact – and

establishing consistency of this understanding across your business, will enable you to see more clearly how to sunset your legacy systems. At the same time, it provides you the solid foundation from which to design, build and move to your future state.

Establishing consistent data operations and operational cadence are the building blocks to a strong data culture across the organisation. This builds your organisation's capacity in a sustainable way to enable creative problem solving and be able to take advantage of new technologies, capabilities, innovations and business opportunities and accelerate towards your organisation's desired future state.



8. Don't Depend on Silver Bullets

As with chronic health issues and pain, chronic data problems are rarely solved with silver bullet solutions. Just like eating well and regular exercise could help to build a strong foundation for managing chronic pain, building consistent operational processes can work to support your data operations.

Operational challenges are difficult and daunting. It's understandable that a shiny new tech stack may feel like the dream solution, but that investment often doesn't deliver the desired ROI and the data problems remain. The false promise of silver bullets can be expensive and time-consuming to undo.

Building regular good habits that are sustainable over time, supported by tools, processes and governance, is the best way to identify and weed out costly issues like poor operational practices and inconsistent data processes across technology stacks.

Put the work into building a healthy data culture. In the short term, you can accomplish goals like removing instances of technical debt, fixing data bottlenecks, speeding up processes, working through a backlog of reporting or analytics requests and freeing up the team's capacity. Over time, you'll continue to both reduce costs and accumulate substantial, sustainable gains.



9. Mature Past a Focus on Project Investment

Projects often take precedence – and win budget allocation – over far-reaching programs designed to build overall operational capability. Projects are easy to wrap your head around because they are time-based, typically have clear and measurable objectives and identify specific accountabilities. Plus, the business can capitalise the expense, so it doesn't show on the P&L, which makes it easier to hit quarterly financial targets set by boards and expected by shareholders.

But more projects would be more effective if they were built on top of a solid operational foundation. Without that foundation, a project-focused business produces a data ecosystem of silos that

don't communicate or work well with each other. This leads to increased costs and decreased business capability over the long term. We then see organisations that have spent relatively big in terms of data projects yet don't have the agility to respond to opportunities, change, crises etc.

Future-focused leaders understand that the extra upfront effort to build resilient, consistent data operations is an investment in the organisation's future success. Committing resources now into building a solid data ecosystem enables you to leverage initiatives on top of that to outcompete in the market.



10. Enable Data Team Members to Do the Work They Should Be Doing

When the wrong team member takes on the wrong tasks, these two wrongs will rarely make a right. This can happen often across data teams, where analysts are prepared to answer burning questions and seek out trends and opportunities, but the data just isn't ready for them. The data may be siloed, segmented or disparate, so analysts take on a data engineering role to "clean" and organise the data so they can get to the work they're meant to be doing.

This requires a different mindset, can add to overall time and resources required to get the job done, and can even lead to an expensive rewrite of data products. It's worth noting that the typical tools data analysts use aren't always transferrable to a robust and scalable ecosystem.

Here is what the solution looks like in a business that is working to establish a modern and effective data culture:

Leaders recognise that the two roles are distinct and empower each to do what they do best. Data engineers ensure the organisation's data ecosystem can provide the right data products to the analysts. Data analysts are given the data and tools they need, and time to focus on high-value analytics. The business has the data and insights it needs to delight customers, fulfil reporting and compliance requirements, respond to changing economic conditions, make strategic decisions and meet objectives.

The above scenario increases business agility by reducing cycle times between insights to outcomes, accelerating business success.

Drive Data Costs Down with Operationalised Data Engineering

Enterprise organisations can reduce their data spend by at least 35% by establishing consistent data operations and methodology.

This process begins with the premise that effective data operations that provide reliable outputs require consistency.

Leveraging data engineering methodology with a consistent framework addresses data management and the data ecosystem. This makes it easier to do the right thing than anything else.

Establishing good operational practices such as cadence, team empowerment and leadership capabilities, and cross-functional understanding helps optimise the outcomes of the engineering methodology.

Building operational capability and capacity through a methodological approach makes it easier to do the right thing than anything else. This enables organisations to make better decisions each day, accelerating their business outcomes and outcompeting with their data.