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# How to Create a Business-Driven Data and Analytics Strategy

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Initiatives: Data and Analytics Leaders and Programs; Lead a World-Class Data and Analytics Organization

Data, analytics and AI initiatives must create concrete and measurable impact on business outcomes. This research helps data and analytics leaders to create a resilient, business-focused strategy to enable tangible business outcomes.

## Overview

### Key Findings

- Data and analytics (D&A) leaders often state becoming data-driven as an organizational goal. However, this is a vague aspirational statement, not linked with concrete business outcomes.
- Data and analytics is a now pervasive business capability, requiring strong business leadership and a clear strategy of how an organization succeeds.
- Successful data and analytics leaders increasingly rely on optimized and connected capabilities for data, analytics, and AI to deliver material and concrete business outcomes. Their recognition of AI as a key driver for delivering digital and AI strategy is overwhelmingly clear.

## Recommendations

- Position D&A as a business function focused on delivering value to shareholders and customers by creating a dynamic D&A strategy based on your organization's business scorecard.
- Evaluate the impact of internal, societal/market and technology drivers to ensure your D&A strategy is resilient.
- Identify how strategic D&A actions will directly address prioritized, measurable business outcomes so that the purpose and impact of your strategy is understood across the organization.
- Analyze your D&A capabilities and deficits using Gartner's Data and Analytics Maturity Score for Chief Data and Analytics Officers (CDAOs) to ensure that your strategic roadmap and D&A operating model can realistically deliver on what you have promised.

## Introduction

*This document was revised on 26 September 2024. The document you are viewing is the corrected version. For more information, see the [Corrections page on Gartner.com](#).*

The focus of a D&A strategy should be to deliver *business* value. This is reflected in chief data and analytics officer (CDAO) reporting lines within organizations. According to Gartner's CDAO Agenda Survey for 2024, CDAOs and other D&A leaders report to the CEO, CFO or COO in 28% of cases. They report to the CIO or highest level in the IT function only 24% of the time, with the remaining 48% reporting to other business leadership roles.<sup>1</sup> Furthermore, with AI becoming a critical aspect of digital and AI initiatives, the need for effective D&A practices, supported by an effective D&A strategy and operating model, becomes increasingly critical to achieving organizational success.

Gartner's Data and Analytics Strategy and Operating Model (DASOM) framework enables D&A leaders to create a strategy that helps the organization become more data-driven, which is the most common goal in conversations with Gartner's inquiry service on the topic of strategy. But being data-driven isn't the ultimate goal in and of itself. It is a means to an end, where the end should be achieving business outcomes.

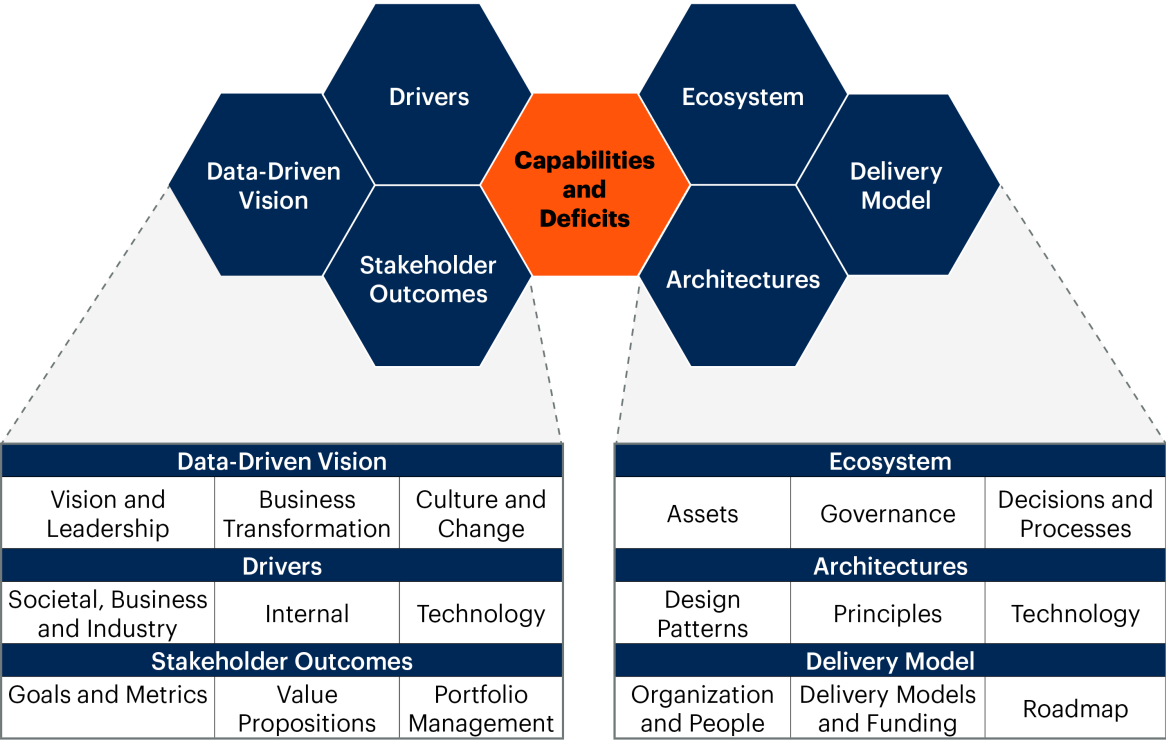
The key question that Gartner's DASOM answers is, "How can I create and optimize a set of data, analytics and AI capabilities in support of the wider business and digital strategy, leading to material and concrete business outcomes?"

Figure 1 shows Gartner’s DASOM framework with its seven components and 18 elements in detail:

- **Left side:** This side describes the strategy portion, which answers the “why” and “what” questions.
- **Right side:** This side describes the operating model, which answers the “how” questions.
- **Center:** A capabilities and deficits component connects the strategy and operating model, and it considers the “what do we have” and “what do we need” questions.

Figure 1: Gartner Data and Analytics Strategy and Operating Model (DASOM) Framework

Gartner Data and Analytics Strategy and Operating Model (DASOM) Framework



Source: Gartner  
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The DASOM components shown in Figure 1 should not be seen as separate or isolated steps, but as components that run in parallel and that influence each other. For instance, a discussion on stakeholder outcomes may identify new opportunities and risks, which in turn may help sharpen the data-driven vision. Thus, strategy should be viewed as an ongoing dialogue among stakeholders to establish unified direction and collective objectives. D&A leaders should:

- Avoid developing strategy in isolation with a select few stakeholders and then attempting to market it to the broader organization.
  - Instead, embrace a more inclusive approach to strategy formulation, ensuring that it involves input from across the entire business.
- Avoid treating the DASOM framework as a strict template that needs to be filled in.
  - Instead, it should be used as a framework for guiding conversations about the value and risk associated with data, analytics, AI assets and initiatives.

This research addresses the left portion of Figure 1 and highlights how D&A leaders can use DASOM to create a strategy that drives business outcomes.

## Analysis

### Use a Business Scorecard to Focus on Value for Customers

A strategy is not the sum of all requirements. A good vision provides a clear focus for the program in terms of customer (or citizen) value. This helps to position D&A leaders as a business peer, instead of an internal support service, and increases their influence in the organization. (See [How CDAOs Can Create a Compelling D&A Vision for Enterprise Success](#).)

### Data-Driven Vision

The DASOM workstream focuses on three key elements:

- **Vision and leadership:** An enduring vision of data, analytics and AI success inspires a common purpose under D&A leadership. It addresses questions such as:
  - What is the role of D&A in organizational success?
  - How does it contribute to achieving business goals?

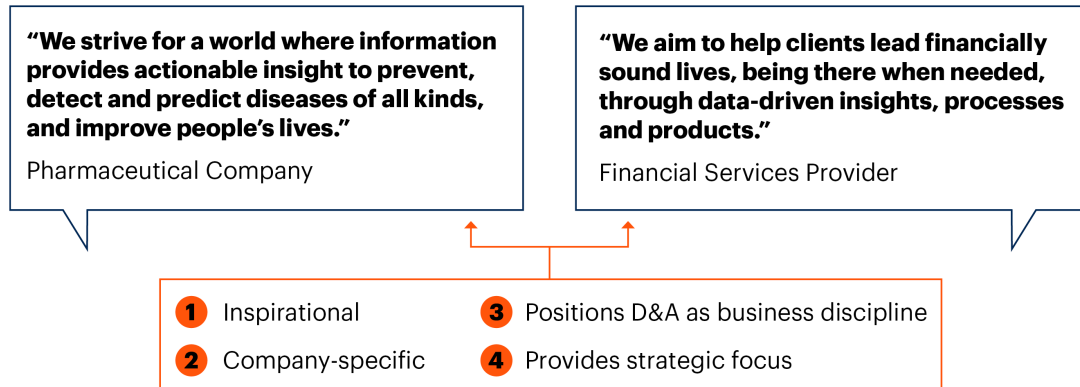
- **Business transformation:** D&A not only enables the organization to achieve its objectives, but also creates new data-driven opportunities for generating new economic value. It addresses questions such as:
  - Which new business model opportunities do you see with D&A?
  - How does D&A enable the priorities on your organization's business scorecard to be met?
- **Culture and change:** A dynamic, business-focused D&A strategy needs an information culture within the organization that embraces business disruption and change. It addresses questions such as:
  - What is the role of D&A in digital transformation?
  - What will the culture and change look like, especially for data literacy and D&A risk?

Figure 2 provides two examples of vision statements. These statements are effective because they:

- Link to the organizational vision, often leveraging similar language
- Focus on the relevant and specific value that D&A provides to the organization's stakeholders
- Inspire and are authentic, easily understood and memorable

Figure 2: Examples of Good D&A Visions

## Examples of Good D&A Visions



D&A = data and analytics  
Source: Gartner  
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## Related Research:

- How CDAOs Can Create a Compelling D&A Vision for Enterprise Success
- 4 Workstreams for the CDAO's Journey to Data-Driven Business Success
- Accelerate Digital Business Aspirations by Becoming a Data-Driven Enterprise
- CDAOs Need to Master Their Communication Skills to Drive Change
- Quick Answer: How Can CDAOs Update Their D&A Strategy to Address GenAI?

## Evaluate the Impact of Internal, Societal/Market and Technology Drivers to Ensure Resilience

A resilient strategy is very specific to the organization, but can be positively or negatively impacted by drivers, such as internal and external trends, circumstances and events.

Trends can be:

- **Established:** Already in common use as best practices (e.g., DevOps practices).
- **Evolving:** In initial stages of wider adoption as industry practices, which allow for adoption planning in your organization (e.g., adaptive governance).

- **Emerging:** Behave with less certainty and with less clarity about when and how they might become mainstream. Exploring these trends requires approaches such as scenario planning, and they allow for only planning in preparation.

## Drivers

Strategy must be developed through listening and sensing to reflect stakeholder priorities and concerns that are material enough to impact the organization's mission-critical priorities. This component should consider trends from different perspectives, including elements such as:

- **Societal/market:** Changes in this broader context can derail your D&A strategy and its ability to enable your organization to remain competitive. To ensure your D&A strategy is business-centric, address questions such as:
  - How do societal drivers such as political, social, demographic and socioeconomic factors (e.g., global supply chain disruptions, changes in consumer behavior) impact the ability of *our* organization to deliver its business goals?
  - What is happening in our industry and our markets (e.g., new industry regulations, market convergence)?
- **Internal:** Organizational changes, ranging from internal restructuring to mergers and acquisitions (M&A) and divestments, impact the assumptions on which the D&A strategy is based, potentially making it obsolete. To maintain the resilience of your D&A strategy, address questions such as:
  - What structural changes are planned within the organization and its partner ecosystem?
  - How do these change the way the D&A provides value to the organization?



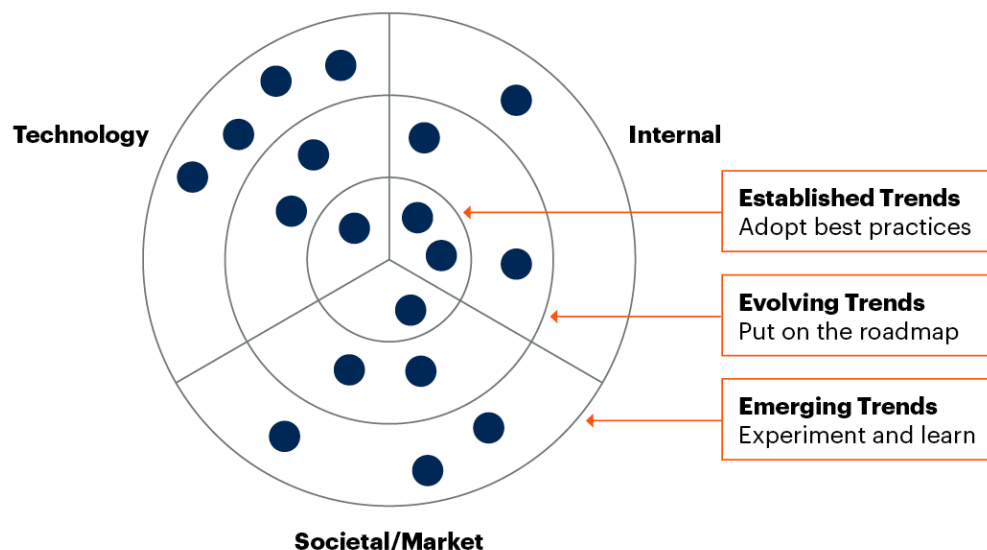
- **Technology:** As new D&A technology innovations and practices emerge, they not only provide new business opportunities, but also create new risks and change the profile of existing ones. Therefore, you should ensure your D&A strategy is resilient, by addressing questions such as:
  - What new D&A technology innovations are emerging, and how can these be adopted through your D&A strategy to deliver better business value?
  - What are the risks associated with these technology innovations, and how do they impact business risk appetite and our ability to adopt such technologies at the right time?

## Trend Radar

Create a trend radar to monitor the societal/market, internal and technology trends that impact your organization, as shown in Figure 3. A trend radar is essentially a model to support the resilience of your D&A strategy. Each dot in the three zones of the trend radar represents a driver that can cause a positive or negative impact on the ability of D&A to deliver business value.

**Figure 3: Trend Radar: A Model to Ensure a Resilient D&A Strategy**

### Trend Radar



Source: Gartner  
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- Emerging Tech Impact Radar: Data and Analytics
- Top Trends in Data and Analytics 2024 – Presentation Materials
- Hype Cycle for Data, Analytics and AI Programs and Practices, 2024
- Over 100 Data, Analytics and AI Predictions Through 2030
- Quick Answer: How Can CDAOs Update Their D&A Strategy to Address GenAI?
- The Pillars of a Successful Artificial Intelligence Strategy

## Create Concrete Business Value by Understanding Stakeholders' Business Goals

D&A leaders should ensure their strategy clearly identifies the specific value that stakeholders and stakeholder groups will gain from the implementation of a D&A strategy. For example, be clear *how much* revenue D&A can increase and *for whom*, rather than merely stating that higher revenue will result. Stakeholder outcomes form the core of a D&A strategy (see How to Achieve Stakeholder Priorities With Data & Analytics Business Performance).

### Stakeholder Outcomes

**At least half of any D&A strategy effort should be on addressing stakeholder outcomes and communicating it to stakeholders.**

D&A leaders should ensure three key aspects are addressed in their stakeholder component:

- **Goals and metrics** — Determine stakeholder outcomes by addressing the following questions:
  - Who are your stakeholders? List all internal and external stakeholders that would benefit from D&A.
  - What are the specific business outcomes that your stakeholders need to achieve? Business outcomes are not “having easy access to all information” and “having high-quality data.” Business outcomes are expressed as *specific* targets, for example, revenue growth, cost savings, risk management, customer value.
  - How will D&A enable the achievement of these business goals? Identify concrete use cases, initiatives and D&A products, and the role they play in enabling specific business outcomes.
  - What is the value story and logic that demonstrates the causal link between D&A improvement and achieving specific business results? How are your D&A use cases, initiatives and products mapped to stakeholder priorities, and how do they improve processes and decisions for each key stakeholder.
  - What are the key performance indicators (KPIs) and key risk indicators (KRIs) that show your strategy is successful? Identify the KPIs/KRIs that connect and measure the specific business outcomes in your value story. Define both progress metrics, like “percent of staff trained in data literacy,” and outcome metrics, like “contributed to 5% revenue growth.” Focus on how the progress metrics translate into or impact business outcomes metrics.

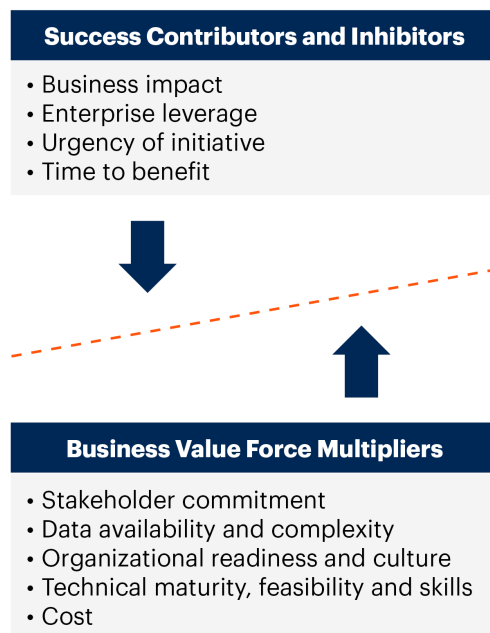
- **Value propositions** — Define the different levels of business value that stakeholders and stakeholder groups will receive:
  - **Utility:** The greatest value from D&A may come from offering a “utility.” For example, this level of value proposition might introduce a common data platform or service, perhaps available to a wide number of business areas.
  - **Business enabler:** Business value may come from D&A initiatives acting in a “business enabler” capacity. For example, a suite of D&A solutions (e.g., enabling a customer experience and self-service platform), might be built targeted toward a specific business domain.
  - **Business driver:** The right level of value proposition may leverage D&A assets and initiatives as a “business driver.” For example, a multisided D&A platform that extends the business model may allow the enterprise to pivot its market direction as macroeconomic conditions change.
  - **Note:** Ensure your stakeholders have the same understanding of D&A value and levels of impact by being clear about the value proposition being proposed and the funding model needed (see Complete Your Data and Analytics Strategy With a Clear Value Proposition).
- **Portfolio management** — Manage initiatives as a portfolio optimized for maximum business outcomes versus risk or feasibility. In order to do so, based on the value story, assess use cases’ business impact and business value force multiplier along with success contributors and inhibitors.

These include enterprise leverage, urgency of initiative, time to financial benefit, stakeholder commitment, technical maturity and feasibility, organizational readiness and culture, and other risks to realizing value. These trade-offs must be assessed across the portfolio as shown in Figure 4.

Since many of the outcomes may not be quantifiable in financial terms, consider using a scoring system with a clear rubric to assess, rank and prioritize initiatives. This approach helps build an optimized portfolio that balances business impact and value with risk of realizing that value. A lower-risk initiative may beat a higher impact, but higher risk one because of the higher likelihood of realizing the expected value.

**Figure 4: D&A Portfolio Trade-Offs**

## D&A Portfolio Trade-Offs



D&A = data and analytics

Source: Gartner

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## Related Research:

- [How CDAOs Can Engage Stakeholders to Foster Data Literacy and Deliver D&A Value](#)
- [Tool: Value/Information/Analytics Method for Data and Analytics Requirements](#)
- [Toolkit: How to Connect Data and Analytics to Business Outcomes](#)
- [5 Data and Analytics KPIs Every Executive Should Track](#)

## Assess Gaps in Capabilities Using Gartner's Data and Analytics Maturity Score for CDAOs

### Capabilities and Deficits

The final component, and linchpin that connects the strategy to the operating model, is identifying which capabilities the strategy requires for execution. This requires an assessment. Capabilities to be assessed range from strategy formulation and having the right skills to having the right capabilities for data management and data governance.

D&A leaders can use Gartner's Data and Analytics Maturity Score for CDAOs to self-assess their capabilities. They can ask their team and the relevant stakeholders to fill it in, and compare/contrast "as-is" (current) and "to-be" (target) states, and how stakeholders perceptions of the capabilities differ. These are generic maturity capabilities as a starting point, which should be made more specific for assessing the maturity of particular value propositions.

The capability assessment helps with setting priorities around which capabilities should get attention first.

Figure 5 shows the capability areas that are tested by Gartner's Data and Analytics Maturity Score for CDAOs.

**Figure 5: Functional Activity Map for Data and Analytics Maturity Score for CDAOs**



Source: Gartner

Related Research:

- [Data and Analytics Maturity Score for CDAOs](#)

## Next Steps: Develop Your D&A Operating Model

A strategy is as good as its execution. Once there is more clarity about the "why" and the "what," it becomes important to consider the "how" through the operating model portion of the DASOM framework:

- What will your D&A ecosystem look like? Consider what data sources and assets you need, how they will be governed, and what the scope of the network of decisions and processes being considered is.
- What will your D&A architecture look like? Determine what design practices you will adopt, what principles all activities must adhere to and which technologies you will use.
- What will your D&A delivery model look like? Define what organization, roles, people and skills you need, what delivery and funding models you need for execution, and your roadmap.

For more on the operating model portion of the DASOM model and its elements, see [Design and Implement a Modern, Actionable Data and Analytics Operating Model That Delivers Business Outcomes](#).

## Evidence

<sup>1</sup> **Gartner Chief Data and Analytics Officer Agenda Survey for 2024.** This survey was conducted to determine the agenda and strategic challenges of the chief data and analytics officer (CDAO) role or the office of the CDAO for 2024. It also sought to inform agenda planning or potential research topics for the data and analytics practice, and track the progress of the CDAO role in organizations. The research was conducted online from September through November 2023 among 479 respondents from across the world. Respondents were required to have a CDAO, chief data officer (CDO) or chief analytics officer (CAO) title; be the highest-level data and analytics leader; have the highest-level data and analytics leader reporting to them; or be the leader with data and analytics responsibilities in IT or in a business unit outside of IT. The survey sample was gleaned from a variety of sources (including LinkedIn), with the greatest number coming from a Gartner-curated list of over 4,770 CDOs and other high-level data and analytics leaders. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

## Document Revision History

Creating a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes - 19 January 2023

Creating a Modern, Actionable Data and Analytics Strategy That Delivers Business Outcomes - 27 May 2022

## Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

Design and Implement an Effective Data and Analytics Operating Model That Delivers Business Outcomes

Toolkit: Examples of Data & Analytics Strategy and Operating Models

Toolkit: How to Connect Data and Analytics to Business Outcomes

How CDAOs Should Present Their D&A Initiative to the Board

The Chief Data and Analytics Officer's First 100 Days — Action Plan

4 Workstreams for the CDAO's Journey to Data-Driven Business Success

Field Guide for Leading Data-Driven Change Management

CDAO Field Guide for Data Literacy and Data-Driven Business Transformation



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