

How to Get C-Level Buy-In for Your Data Management Architecture

A Step-by-Step Guide to Building a Business Case for an Effective Analytics Architecture

This document contains Confidential, Proprietary and Trade Secret Information (“Confidential Information”) of Informatica and may not be copied, distributed, duplicated, or otherwise reproduced in any manner without the prior written consent of Informatica.

While every attempt has been made to ensure that the information in this document is accurate and complete, some typographical errors or technical inaccuracies may exist. Informatica does not accept responsibility for any kind of loss resulting from the use of information contained in this document. The information contained in this document is subject to change without notice.

The incorporation of the product attributes discussed in these materials into any release or upgrade of any Informatica software product – as well as the timing of any such release or upgrade – is at the sole discretion of Informatica.

Protected by one or more of the following U.S. Patents: 6,032,158; 5,794,246; 6,014,670; 6,339,775; 6,044,374; 6,208,990; 6,208,990; 6,850,947; 6,895,471; or by the following pending U.S. Patents: 09/644,280; 10/966,046; 10/727,700.

This edition published December 2015

Table of Contents

Executive Summary	2
Setting the Scene: Data Management Driving the Analytics Opportunity 4	
Data-Driven Analytics in Action: Demonstrate Marketing Effectiveness	5
Determine Project Scope	6
Bottom Line Benefits.	7
A Representative Analysis of Five Revenue-Generating Benefits.	8
Getting Specific: Building Your Case	12
Identify Executive Sponsor	12
Plan and Conduct Stakeholder Interviews.	13
Sample Business Questions	13
Sample IT Questions.	14
Analyze Your Findings.	15
Prepare Your Business Case	19
Case Study	20
Get Started Now	23

Executive Summary

Business intelligence is changing. Next-generation analytics are all about generating insights that drive smarter operational decisions and better customer service. Retrospective analysis and reporting are no longer enough in enterprises that want to capitalize on what's around the corner—and not be surprised by it.

IT and business users are working more closely than ever to develop analytics tools that power smart, real-time decision making—both predictive and prescriptive.

“Leading organizations are moving past traditional, reactive dashboards and business intelligence (BI) tools, to models where analytics more directly impact business and are invisible to users.”

– Gartner¹

But some things never change, like the fact that your analytics results are only as good as the data that fuels them.

When enterprises realize this—most of them already have—they also realize they need to invest in data management to deliver trusted analytics results they can use to make critical business decisions.

And if you want the kind of data that gives you great business insight, you'll need more than a robust IT plan. To activate a data analytics initiative successfully, you'll need a data management architecture with buy-in from the right people.

The analytics opportunity is huge, but the pace of change means it's also a challenge that needs to be addressed urgently.

Enterprises are amassing unprecedented volumes of data from every imaginable source—but too few have unlocked the value hidden inside it.

81 percent agree that data should be at the heart of all decision making but only 31 percent of companies have significantly restructured their operations to help do this.²

Data alone is no longer enough. **Smart decision making is the new differentiator, and analytics makes that possible.**

“Those companies that claim to be best at extracting insights from data are...nearly eight times as likely to have a data management strategy; and four times as likely to have changed the way they make strategic decisions. As with the high-growth firms sub-set, they are typically far more likely to see scope for radical transformation of the business through better use of data.”³

¹ Gartner, Research Guide: The Top 10 Strategic Technology Trends for 2015, Mike J. Walker, David W. Cearley. 20 January 2015.

² EY, Becoming an Analytics—Driven Organisation to Create Value, 2015.

³ Economist Intelligence Unit, The data directive How data is driving corporate strategy—and what still lies ahead, 2013

Factor in the swelling tide of big data projects and the need for analytics fueled by solid data management becomes we-need-it-yesterday urgent. Especially when you consider the pass-rate of these initiatives. According to an InfoChimps survey, “55 percent of big data projects don’t get completed and many others fall short of their objectives.”⁴ We think that’s because too many initiatives go ahead without being connected to a business initiative with a clear strategy, objectives, and success metrics.

The result is that new projects are often viewed with suspicion: they’re seen as science projects that don’t boost the bottom line.

We’ve written this white paper to help you build a solid business case for an analytics-enabling data management program that will win the executive sponsorship you need. It’ll help you show that the activity you’re proposing will deliver tangible business value.

But it’s more than just a fundraising effort—a strong, clear business case will align everyone around a shared vision of what success looks like. It will guide the entire team at every turning point.

It also helps if you choose the right project to focus on. If the numbers aren’t positive enough, you’ll know to move on to the next project before committing to an initiative that’s doomed to deliver small or negative returns.

Convince the right stakeholders and they’ll be your champion. We’ll help you find them and convince them.

It’s all about showing the rewards that action can achieve—and the pain that inaction leads to.

This is how you build a business case that motivates and secures the buy-in you need so you can run your data analytics initiative with great data—and get the full support it deserves.

⁴ InfoChimps, CIOs and Big Data: What Your IT Team Wants You To Know. 2013.

Setting the Scene: Data Management Driving the Analytics Opportunity

Data analytics is not one thing. It comes in many guises, with different technologies and multiple use cases.

Broadly speaking, we can look at two kinds of analytics initiative: those that enhance decision-making in support of live operations, and those that seek to develop new operational models:

1. **Analytics in support of business and operational decision making** requires excellent data.
2. **Analytics for experimentation and innovation** can be undertaken with data of adequate quality to start with. But as these projects advance and their influence extends beyond the innovation labs, the data had better be up to scratch.

The common denominator? Data is the fuel for decision making.

The long game is to evolve toward a single enterprise data management architecture and platform that can cover all of your needs, present and future. One that can grow as you grow.

This paper identifies just some of the financial benefits enterprises experience when they invest in data management for analytics—there are countless other possibilities out there for you to explore.

At its heart, analytics is always about **unearthing the hidden patterns and connections that help you make better decisions.**

No technology in isolation will give you a well-rounded analytics initiative. **And no combination of tools will work if you feed it bad data.** The problem we see with companies that are struggling with analytics is that they have invested in data visualization tools and/or Hadoop for big data, but they have neglected a proportional investment in enterprise data management to fuel those tools.

Everything begins with the data, so if you get the data management wrong—and fail to deliver clean, complete, and connected data—then all your work will be in vain.

Data-Driven Analytics in Action: Demonstrate Marketing Effectiveness

For one large insurance company, the data analytics opportunity was more like an imperative: to find out where and how its marketing budget could be spent effectively. With this insight, the company could execute more highly targeted campaigns to boost margins and revenue.

To combine analytics and operations, the company needed a new system that could effectively manage huge volumes of in-house and third-party data. If it invested in a big data platform for marketing analytics, it could analyze every household in America to see who was purchasing its products—and who was not.

To prove the business value of such a data management investment, the insurance company treated its proof of concept with the seriousness it deserved. Its scope was impressive:

- 718 million rows of data from 1200+ input files
- 7 use cases with increasing complexity
- 30 TB of data

In order to analyze and refine marketing efforts that would boost the bottom line, the company developed the following data management use cases:

- Append data elements from enrichment sources to customer and prospect records
- Score prospects to predict likelihood to respond to a direct marketing offer
- Accurately measure online sales
- Create visitor personas
- Develop simple but trusted attribution models

The proof of concept served to show that the company could run effective, revenue-generating marketing programs based on accurate targeting intelligence.

Determine Project Scope

The benefits achieved will depend on the scope of the analytics project you plan to undertake—as will the level of data management investment and executive sponsorship you need.

In terms of project scope, you can look at analytics initiatives in two buckets:

- **The project might be a discrete but significant analytics initiative.** For example, to augment a data warehouse with big data analytics in order to deliver omnichannel customer service.
- **Or it might be an enterprise-wide initiative.** For example, to design a next-generation data architecture to fuel your analytics with clean, complete, and timely data from a wide variety of internal and external sources—ultimately to become an industry leader in your space.

This paper will focus on the first bucket, your next big project. When you're identifying your initiative, pick one that promises high and measurable business value. One that can demonstrate the power of clean, complete, and timely data to help you progress toward an enterprise-wide analytics capability.

It's important to have that defined future-state data architecture in mind so you can make sure every project builds toward your goal.

One multinational provider of cloud and information products and services wanted to bring agility to its data architecture by making clean and trustworthy data easily accessible for analysis. So when it came to planning a new enterprise information management (EIM) platform, it was important to demonstrate that a business-analytics-as-a-service initiative would enable business analysts to deliver high quality, actionable, analytic insights faster.

Remember that no project is an island. It might be your first analytics initiatives but it won't be your last.

So treat this business case as an ongoing asset that will help you when the next initiative comes around. As well as establishing data management best practices, your first business case will give you a level-set against which to track future performance improvements. It's an opportunity to start a process of continual measurement after implementation.

A short-cut data management route is a short-sighted strategy. Get this right and you'll move a step closer to enterprise-wide analytics capability.

Bottom Line Benefits

When smart analytics initiatives are successfully fueled with high-quality data, the benefits fall into two categories. Here are some example benefits for each:

Business benefits

- Increased revenue
- Improved customer experience
- Entry to new markets

IT benefits

- Faster data delivery in response to business needs
- Greater confidence in quality of data
- Enable business self-service
- Doing more with little or no incremental IT resources

The business benefits are more difficult to demonstrate than the IT improvements that facilitate them, but it's these benefits that deliver the real ROI.

So when you're building your case, always focus on the upside business benefits, which are potentially limitless, rather than just the short-term cost savings. A CFO would welcome operational savings on things like travel expenses, but show her the cumulative value-add that analytics can unlock and she'll really lean forward.

In the case of the insurance company we mentioned earlier, it had to demonstrate that data management excellence could help it achieve its strategic goal: to create data-driven customer relationships. Key to this was a 360-degree view of customer data, managed and analyzed to enable highly personalized marketing programs.

Crafting intelligent customer relationships was the value-add business goal. To prove this was achievable, the business case had to demonstrate the data management process improvements that would make it possible. These included:

- **Provide a single platform to house key customer and prospect data sources**
- **Provide for rapid intake of new data sources, structured, and unstructured**
- **Eliminate current data intake and append bottleneck**
- **Empower analysts to explore all data elements**
- **Increase processing power for statistical analysis**

A Representative Analysis of Five Revenue-Generating Benefits

We've created the following benefit analysis examples to illustrate how a mid-size national enterprise in retail financial services might calculate potential ROI on a data-driven analytics initiative. You might have different goals, but we have selected "growing revenue" because it is the most common goal we hear from customers.

Below is a summary of key metrics as they stand today, before the implementation of a proposed data initiative. We can then look at the potential impact of the initiative against our five benefits, with a spread of conservative, optimistic, and likely return projections.

Current State Data

Number of active customers	17,500,000	
Total revenue	\$21,086,750,000	
Net income	\$5,764,250,000	
Net margin	27.3%	
Number of opportunities / year with new prospects	169,903	Benefit #1
Current close ratio	31%	
Average annual revenue / customer	\$1,205	
Annual YOY churn	6%	Benefit #2
Number of contacts / year from current customers	3,858,910	Benefit #3
Average revenue / accepted offer	\$153	
Current state likelihood to recommend	18%	Benefit #4
Avg number of friends to receive recommendation	2.1	
Number of new product introductions / year	6	Benefit #5
% of new product introductions that meet revenue targets	40%	
Average additional revenue / year for successful products	\$3,000,000	

1. Better understanding of customer attributes and behaviors leads to **better win rate**.

The more you understand about what motivates a prospect, the more frequently you'll convert them into customers. And even before you move the dial on average customer revenue or margin, this boost in customer acquisition rates gives a healthy return, even on the conservative end of the projection range.

	Conservative	Likely	Optimistic
Number of opportunities / year with new prospects	169,903	169,903	169,903
Current close ratio	31.0%	31.0%	31.0%
Future state close ratio	31.10%	31.15%	31.20%
Additional sales/year	2,039	3,058	4,078
Average annual revenue / customer	\$1,205	\$1,205	\$1,205
Additional revenue / year	\$2,456,709	\$3,685,063	\$4,913,417
Net margin	27%	27%	27%
Annual associated value	\$671,563	\$1,007,345	\$1,343,126

2. Better understanding of customer attributes and behaviors leads to **improved retention/reduced churn**.

They say the easiest person to sell to is someone you've sold to before, but delivering customer service that keeps them coming back is still hard work. Make it easier with enhanced knowledge of customer attributes. If you're an enterprise with many active customers, like in our example, then even a few decimals on a percentage point can add millions to the annual bottom line.

	Conservative	Likely	Optimistic
Number of active customers	17,500,000	17,500,000	17,500,000
Annual YOY churn	6.00%	6.00%	6.00%
Future state churn	5.95%	5.90%	5.85%
Additional customers retained / year	8,750	17,500	26,250
Average annual revenue / customer	\$1,205	\$1,205	\$1,205
Additional revenue / year	\$10,543,375	\$21,086,750	\$31,630,125
Net margin	27%	27%	27%
Annual associated value	\$2,882,125	\$5,764,250	\$8,646,375

3. Better understanding of customer attributes and behaviors leads to **improved upsell rate and higher deal value.**

You know what your customers are buying, but do you know what they should be buying? With the right intelligence, you can create targeted upsell campaigns to tempt them to alternative or additional high-margin products to increase average order values.

	Conservative	Likely	Optimistic
Number of contacts / year from current customers	3,858,910	3,858,910	3,858,910
% of contacts to get targeted upsell offer	5.00%	7.50%	10.00%
Number of targeted upsell offers / year	192,946	289,418	385,891
% of accepted offers	10%	15%	20%
Additional accepted offers / year	19,295	43,413	77,178
Average revenue / accepted offer	\$153.00	\$153.00	\$153.00
Additional revenue / year	\$2,952,066	\$6,642,149	\$11,808,265
Net margin	27%	27%	27%
Annual associated value	\$806,973	\$1,815,690	\$3,227,894

4. Better understanding of customer attributes and behaviors leads to **improved customer satisfaction and likelihood to recommend.**

To achieve a great ROI, you can't do much better than free marketing. Which is what happy customers do for you when they recommend you to others. So you should take any opportunity you get to make them happier by using data to understand their needs better.

	Conservative	Likely	Optimistic
Number of active customers	17,500,000	17,500,000	17,500,000
Current state likelihood to recommend	18%	18.0%	18.0%
Future state likelihood to recommend	18.05%	18.075%	18.10%
Additional customers likely to recommend	8,750	13,125	17,500
Avg number of friends to receive recommendation	2.1	2.1	2.1
Total parties receiving recommendation	18,375	27,563	36,750
Future state close ratio	31.1%	31.2%	31.2%
Additional customers	5,715	8,586	11,466
Average annual revenue / customer	\$1,205	\$1,205	\$1,205
Additional revenue / year	\$6,885,878	\$10,345,423	\$13,816,039
Net margin	27.3%	27.3%	27.3%
Annual associated value	\$1,882,316	\$2,828,013	\$3,776,737

5. Better awareness of market trends leads to **product development that is more likely to meet customer needs.**

Long-term success relies not only on the success of your current portfolio but also on your ability to anticipate future demand and respond with the best products to satisfy it. Your data analytics initiative should make sure your market research activity feeds your research and development. With analytics guiding the future of your product portfolio—and therefore your whole business—it’s hard to overstate the importance of data quality. Strategic investment in smart data management today will have a lasting impact on the success of the enterprise in future.

	Conservative	Likely	Optimistic
Number of new product introductions / year	6	6	6
% of new product introductions that meet revenue targets	40%	40%	40%
% of future product introductions that meet revenue targets	50%	55%	60%
Additional product introductions that meet revenue targets	0.6	0.9	1.2
Average additional revenue / year for successful products	\$3,000,000	\$3,000,000	\$3,000,000
Additional revenue / year	\$1,800,000	\$2,700,000	\$3,600,000
Net margin	27.3%	27.3%	27.3%
Annual associated value	\$492,046	\$738,069	\$984,092

Benefit phasing

Your benefits may be realized across a number of quarters or years. Be prepared to show the full range of benefits over time.

Getting Specific: Building Your Case

Identify Executive Sponsor

Before you can craft a persuasive business case, you need to know the financial health of the organization, its strategic goals, and the goals of the executive you're trying to convince.

Ask yourself a few questions:

- What pressing business strategy or initiative can your efforts support today?
- Who is the business driver?
- Who is the analytics driver?
- What are their goals, and by what metrics will the success of the initiative be judged?
- How can I show the part played by great data in achieving these goals?

Answer these questions and you'll have a better idea of who your key stakeholders are, how you can tailor your case to address their concerns, and what metrics will convince them that the ROI will be meaningful.

Sit down with the stakeholders you identify—and anyone who can give you more material to build your case. Hard figures are always the most effective proof, but at this stage anecdotal information is also useful.

Above all, remember your best practices: be transparent in all your communications (and later in your calculations), cite all sources of data, and show a range of potential benefit returns from conservative to optimistic.

Plan and Conduct Stakeholder Interviews

Here are some questions you can ask in conversation with the stakeholders you've identified on the business and IT sides:

Sample Business Questions

- What are the business goals of your analytics initiative?
- How will success be measured: What are the top three KPIs?
- What is the scope?
 - Enterprise-wide
 - Significant initiative
- What is the goal of your initiative?
- Who consumes the analytics?
- How is the data currently used, and how might it be used if users had access to more reliable, customizable, and real-time data?
- What is the result of failure?
- How will you measure success?
 - Increased Revenue
 - Increased customer revenue
 - Increased customer retention
 - More accurate customer targeting
 - More targeted customer interactions
 - More effective customer cross-selling
 - Increased asset utilization
 - Faster product introduction
 - Faster and more accurate collections
 - Reduced cost
 - Improved IT developer–business analyst productivity
 - Fewer wrong email or physical mail addresses
 - Reduced data errors
 - Optimized operations for example: truck routing, service assignments, and capacity utilization
 - Retired legacy systems
 - Fewer data integrations to maintain after simplification or rationalization of the architecture
 - Improved regulatory compliance
 - Greater innovation by business analysts
 - Intrusion detection
- What would be the monthly cost of a delay, in terms of missed business opportunity, inability to respond to competitors, and incremental IT costs?
- What percent of the budget is allocated for data management?

Sample IT Questions

- What does IT spend on data integration and data quality today, across the organization?
 - Are you able to meet the demands of the business?
 - How long does it typically take you to stand up the data environment for a new analytics initiative?
 - How quickly does the business typically require these projects to start?
- How long does it take you to onboard a new data source and make it available for business analysts?
 - How does this compare for an internal source versus an external source?
 - How many requests do you get per month?
 - What is your backlog?
 - How much time do you spend iterating on requirements between IT and business?
 - What are the cost of a full-time developer, business analyst, and supporting business user?
- How long would it take to stand up a new analytics platform and populate it with data for a new business initiative as appropriate?
 - Data warehouse
 - Data warehouse appliance (SAP HANA®, Oracle® Exadata, Teradata, etc.)
- Is your data delivery to the business slowed down by the fact that your data is locked up in data silos?
- How much faster do you think it would be if you had a single source of data to draw from as you provision data to your business analysts?

Analyze Your Findings

Your stakeholder interviews provide you with the raw materials for your business case. The next step is to analyze the potential benefits and give an indication of achievable ROI.

As in the representative case shown earlier, this should include:

- Potential benefits
- Metrics/KPIs for each benefit
- Range of projected financial values for each benefit

In building your business case, you'll be basing your calculations on assumptions—that's normal. When in doubt, start with conservative assumptions.

If the analysis gets complex, we can help you tease out the figures and explore what conservative and aggressive returns might look like.

Remember also to consider additional IT costs like those you might incur to staff, implement, and operate Hadoop:

- **Headcount—permanent and temporary**
- **Software—for use in this project only, or many?**
- **Storage costs—with a plan for scaling up when you operationalize**

Here's a reminder of the five key revenue-benefits it may be useful to lead with.

Benefit summary

	Conservative	Likely	Optimistic
Benefit #1: Better Understanding of Customer Attributes and Behaviors Leads to Better Win Rate	\$671,563	\$1,007,345	\$1,343,126
Benefit #2: Better Understanding of Customer Attributes and Behaviors Leads to Improved Retention	\$2,882,125	\$5,764,250	\$8,646,375
Benefit #3: Better Understanding of Customer Attributes and Behaviors Leads to Improved Upsell Rate	\$806,973	\$1,815,690	\$3,227,894
Benefit #4: Better Understanding of Customer Attributes and Behaviors Leads to Improved Customer Satisfaction and Likelihood to Recommend	\$1,882,316	\$2,828,013	\$3,776,737
Benefit #5: Better Awareness of Market Trends Leads to Product Development That is More Likely to Meet Customer Needs	\$492,046	\$738,069	\$984,092
Annual Associated Value	\$6,735,023	\$12,153,367	\$17,978,224

Adding projected costs to the mix, we can draw up an overall ROI analysis that gives you an indication of possible net benefits across the life of your initiative.

Five year projected cash flow in the “Conservative” benefit scenario

Financial Metrics	
Net Present Value (NPV) at 10%	\$21,364,056
Return on Investment	831%
Approximate Payback (after deal signing)	8 months

Projected Benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Benefit 1	\$447,709	\$671,563	\$671,563	\$671,563	\$671,563	\$3,133,961
Benefit 2	\$1,921,417	\$2,882,125	\$2,882,125	\$2,882,125	\$2,882,125	\$13,449,917
Benefit 3	\$537,982	\$806,973	\$806,973	\$806,973	\$806,973	\$3,765,876
Benefit 4	\$1,254,877	\$1,882,316	\$1,882,316	\$1,882,316	\$1,882,316	\$8,784,141
Benefit 5	\$328,031	\$492,046	\$492,046	\$492,046	\$492,046	\$2,296,214
Total Benefits	\$4,490,016	\$6,735,023	\$6,735,023	\$6,735,023	\$6,735,023	\$31,430,109

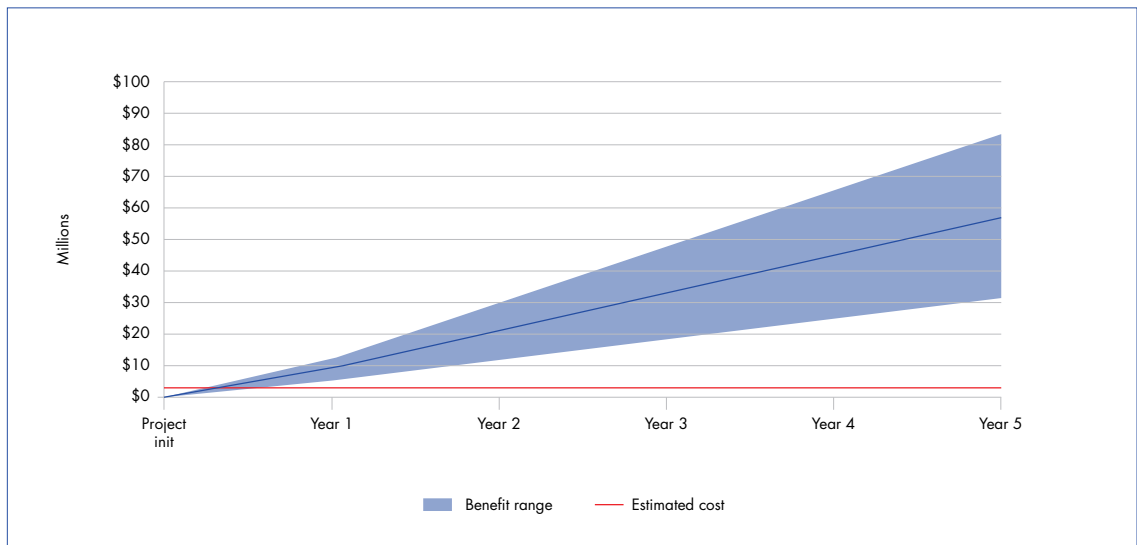
Estimated Costs	Project init.	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Software	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Maintenance	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
Infrastructure Costs	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
Professional Services	\$220,000	\$0	\$0	\$0	\$0	\$0	\$220,000
Subscription	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Training	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000
Other (non Informatica) software	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Personnel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Estimated Investment	\$1,875,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$3,375,000

Net Benefit	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net Benefit	(\$1,875,000)	\$4,190,016	\$6,435,023	\$6,435,023	\$6,435,023	\$6,435,023	\$28,055,109
Cumulative Net Benefit	(\$1,875,000)	\$2,315,016	\$8,750,039	\$15,185,062	\$21,620,086	\$28,055,109	

Taking into account the planned phasing, plot your projected benefits over time to show the growing difference between funds invested and money made thanks to the positive impact on the five revenue-generating benefits.

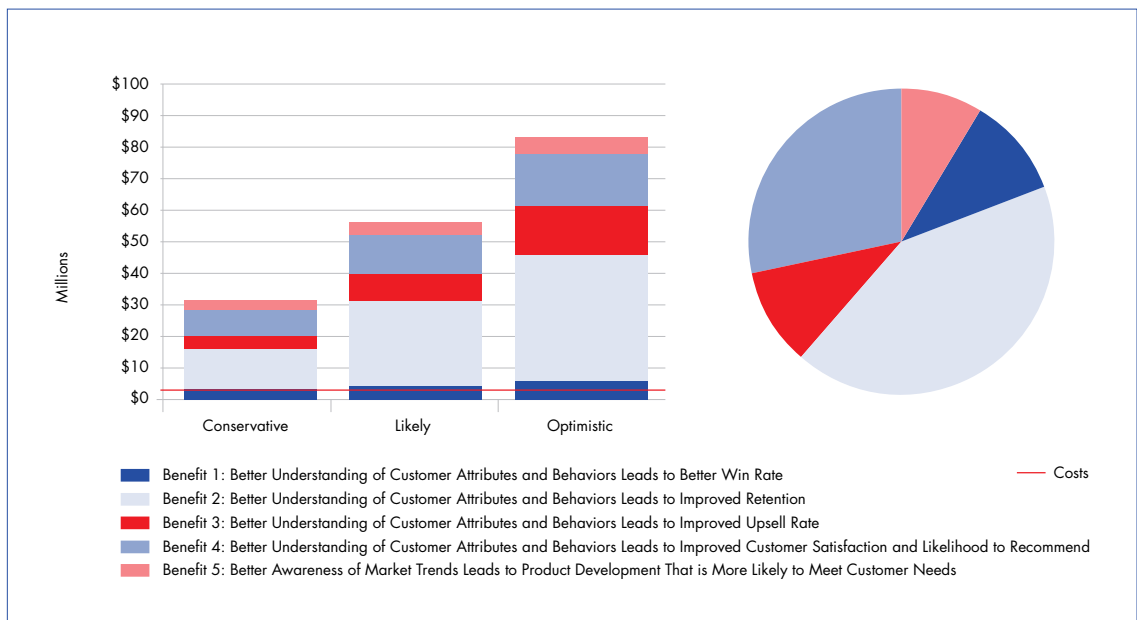
Remember, a picture is worth a thousand words with executives. Have the detailed tables for backup detail but present the big picture (literally) first.

Benefit Range Across Scenarios vs. Estimated Costs



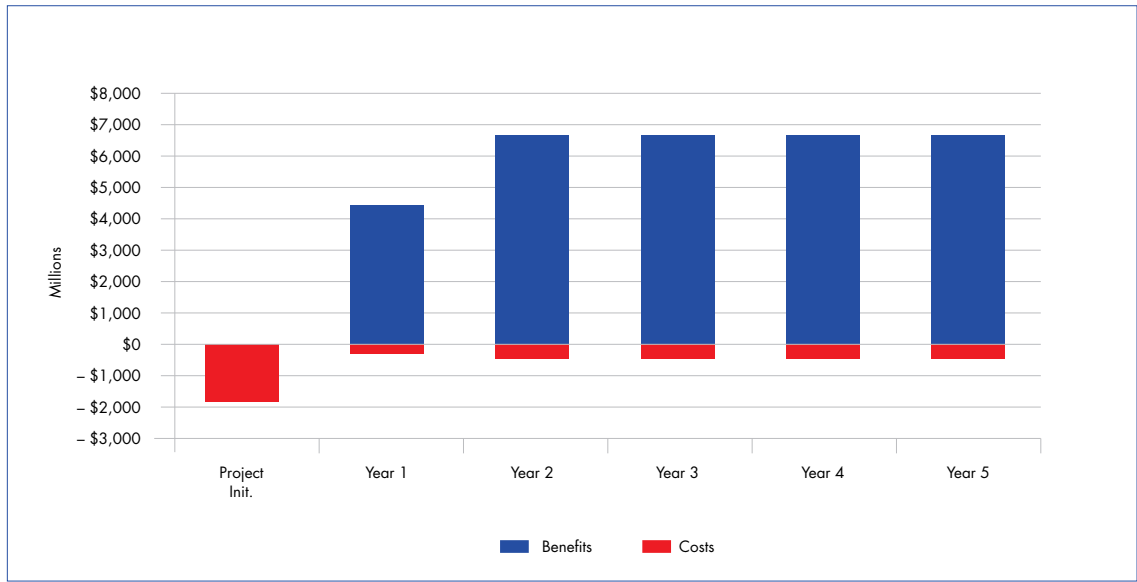
Show also the breakdown of these benefits, so you can see what share each area contributes.

Distribution of Benefits

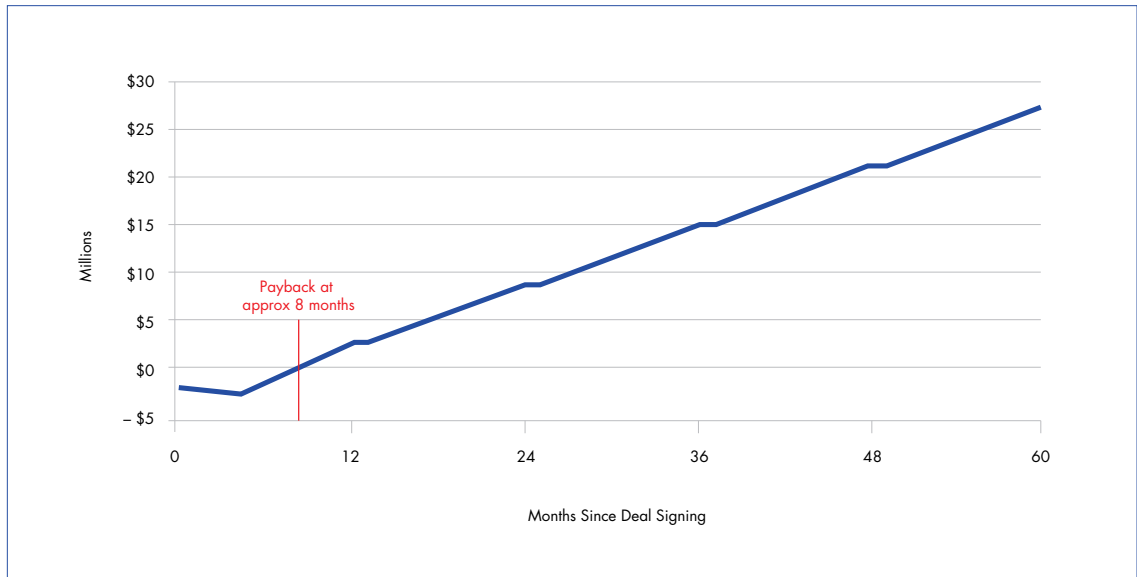


Finally, remember to show all relevant costs and the projected timelines for break-even and profit. A business case with this roadmap marked out will serve you well in the first 12-18 months especially, when the overall financial impact may be negative before the returns really kick in.

Annual Investment Costs / Benefits



Payback in Conservative Scenario



Prepare Your Business Case

Finally you need to put everything together in the final business case, ready for presenting to your stakeholders. A good structure to follow looks something like this:

- **Executive Summary.** Outline the market forces driving your organization's need for better decision making; summarize the benefits that can be achieved with analytics fueled by great data; and outline the initiative you propose to deliver that analytics capability.
- **Major business use cases.** Describe the real business processes your initiative will affect and the tangible benefits you expect to see. Go for high-value but realistic wins that, above all, can be measured to show the impact of great data.
- **Qualitative findings and interview quotes.** This is where you introduce your findings from the stakeholder interviews and other anecdotal evidence that will give your business case authenticity.
- **Business value quantification.** Include data that shows the current state of play in your chosen area, then the projected future state. Assess the difference in a transparent and credible way before illustrating how your projections will positively affect cash flows.
- **Benchmarking vs. peers.** Take a look at what your peers are up to with data analytics and, where possible, the results they're seeing—both in other departments of your own company and in competitor businesses.
- **Proposed solution.** Take everything you've learned and all the evidence you've gathered to support your idea, and outline in detail how your proposed solution will deliver on the promises you made in your executive summary.
- **Analyst research.** Where possible, seek the expertise of external authorities that support your thinking. Look around for existing research and, if your budget allows, consider commissioning original research for your enterprise to own and use.

Case Study: Financial Services

Funding IT Transformation for Long-Term Business Benefits

An Informatica customer in the financial services space provides a broad range of solutions to individual investors, employers, institutions, and intermediaries around the world. The leading provider of workplace savings plans and individual retirement accounts in the U.S. in 2013, it served over 20 million individual and institutional customers, and worked with over 5,000 intermediary firms.

Independent Teams, Duplicated Effort

In 2013, the company was made up of five independently run business units, each of which in turn was made up of smaller parts. One of the five units, Asset Management, was served by multiple siloed IT teams.

On the local level, this enabled speedy response within the group in support of its standardized technology. But taken together, the approach led to duplication of effort, data, and applications across business units. And as IT needs grew in scale, so too did the overlaps across 250 databases. For example, at one time, when most work with a single security reference, the company had 81 instances.

When a new president took charge of Asset Management in 2010, he had his work cut out for him. Data management problems weren't just affecting cross-business efficiency—there were issues just keeping the technology up to date.

With IT budgets under scrutiny, siloed teams favored investment in new, innovative new solutions over projects that managed obsolete ones. Back in 2007, 45 percent of Asset Management applications were legacy, and 76 percent ran on at least one obsolete technology.

To bring a strategic focus to Asset Management's IT function, the company's president set out to create a shared business environment that would unite the work of separate business units. This would complement ongoing efforts by Asset Management IT to create a common technology environment.

Investing in Transformation

An IT Transformation initiative was established with the goal of cutting \$1 billion from IT spend—more than 20 percent.

As well as cost savings, the business case for transformation was supported by the promise of upside benefits. Adoption of a shared infrastructure environment would help the company to meet growing customer demand for integrated solutions.

But there were two hurdles to jump:

Habit. Each business unit had found its own rhythm, developing systems based on the demands of its particular asset class and client needs. To achieve IT integration across the board, individual teams would have to break old habits.

Funding. Budget holders were happy financing projects that boost the bottom line quickly and clearly. Technology infrastructure projects, where resulting business benefits are not so easily demonstrated, were a distant second choice.

To overcome these impediments, the Asset Management business unit had to perform a culture overhaul without making the IT teams feel like they'd been stripped of cost control.

Selling a Product-Based Approach

A key driver of this culture change was the reorganization of IT around products—a product being defined as a group of processes supporting a specific business activity, such as research, portfolio management, or investment compliance.

“In the case of research, around 2007 every single investment team had significant allocations in their budget to rebuild their research system, and we had the benefit of seeing across that. Given our bird’s eye view, we said “That’s crazy! We could save a lot of money.”

– Senior Vice President

The Asset Management group identified 20 products and worked to create a single technology platform for each of them. For example, this would involve replacing all applications used for research across business units and replacing them with one research platform.

A Shared Map for a Long Road

To demonstrate the benefits of the project-based approach, and to keep all stakeholders on the same page, the Asset Management team developed a five-year product roadmap. The roadmap helped IT predict resource requirements while showing up-to-date costs against expected benefits in multi-year projects.

The roadmap would inform interaction with key business stakeholders throughout the process.

“I think our first major milestone was when we first published Version One of the architecture and roadmap, to say we have a plan. It may take years to accomplish, but it is a framework, it is well thought out, it fits together, and there is an increasing level of buy-in from the business.

– Enterprise Chief Technology Officer

In developing the Asset Management architecture and roadmap, the company established two key mandates for 2015:

1. There will be fewer than 10 databases, with a single instance for each type of data.
2. All new development would be on a single standard stack.

By 2013, 95 percent of Asset Management developers were on a single delivery team, and most delivery teams stayed together for at least a year. With a standard stack defined, and a lean architecture in place, the group operated a single data management platform to serve its needs.

Shaping IT Demand

Advisor Leads were appointed to support each of the five business units, and IT product managers worked together with business leaders year-round to match business needs with IT capabilities. This close coordination would also help identify where technology changes had led to process inefficiencies—and how IT could get them back on track.

Delivering on the Plan

As the program progressed, backlogs inevitably persisted but the roadmap helped to prioritize projects that would deliver the greatest capabilities to the company.

To satisfy its two key mandates, the Asset Management team set out to create a common data environment and a common development platform, called a platform as a service.

By following the project roadmap—and continually updating it—the business unit has achieved increasingly strategic use of IT through:

- Ongoing assessment of business value derived from IT investment
- Leaner architecture and data management
- Better IT cost transparency
- Closer collaboration between IT and business on product development

The program has been so successful for the Asset Management group that the company is now rolling the architecture out to other divisions worldwide.