

THE DATA MANIFESTO

To reach the transformational power of data, a clear understanding and mindset must be implemented throughout the entire retail organisation. **The data manifesto suggests five principles that are core to evolving to become a leading data-driven, agile and innovating retailer.**



(I) DATA IS A PILLAR OF STRATEGY

- **Data needs to be on the CEO's agenda.** If it's not, any data-led initiatives are highly likely to fail.
- **Data is a source of innovation.** The enterprise must see data as a catalyst for thinking differently. If you end up making the same decisions on the same frequency, in the same silos, with the same data, same logic, by the same people with the same incentives...nothing will change.

(II) DATA IS A CRITICAL ASSET

- **Data is the new oil.** Data is a critical corporate asset that needs to be discovered, mined, extracted and refined to turn into something useful, and then be joined across systems. In particular, data cannot reside in a system or organisational silo.
- **'Good enough' data is hugely valuable.** Data does not need to be perfect or complete, but it does need to be insightful and studied to develop a clear path to action.
- **Make sense of the digital data tsunami.** The plethora of digital data can be overwhelming, but it is critical to understand customer intent and exposure. Understanding what's useful is not straightforward.

(III) MANAGERS USE DATA TO MAKE GOOD DECISIONS

- **Not all decisions are equal.** "Decision agility" is needed to take advantage of new insight and opportunities. The challenge is that many retailers still apply a one-size-fits-all approach to decision making.
- **Make "good enough" decisions.** The objective is not to achieve perfection, but should be "how do we make the best decision possible given the available data?"
- **Celebrate mistakes as an opportunity to learn.** It is impossible to improve if the retailer conceals failure and hides waste. The key is to minimise the loss, learn quickly and avoid making the same mistakes again

(IV) ORGANISATION AND PEOPLE MUST ALIGN AROUND DATA

- **Data is not one role.** A variety of skills are required to make sense of data: data architects, analysts, algorithm designers, mathematicians and statisticians bring different skills to the table. A Chief Data Officer—or similar—is critical to act as a conductor of this new data-driven world.
- **Rethink silos.** Many of the critical decisions of digital commerce can no longer be optimised in the organisation silo.
- **Introduce decision product managers as a new role.** They intermediate between the production and logistics owner, and the data scientists. Often called a "decision engineer" or "business performance manager," they translate a business question into a math problem, and then interpret the results.
- **Plan for change management.** Managers may not immediately encourage new approaches to data, as these new approaches can be unfamiliar or threatening. They could feel like their jobs are at risk.
- **Be clear on who the decision maker is.** Everyone has an opinion about data. It is typical that any discussion around data ends up with 20+ people in the room with varying opinions, subtly conflicting objectives, and no obvious decision maker.

(V) DEVELOP NEW ANALYTICAL CAPABILITIES

- **Everything is an algorithm in digital commerce.** This results in the application of logic to data.
- **Averages are the enemy.** They are often misleading and rarely representative. Outliers, deciles, dimensions and stratification are critical tools for unraveling averages. Whenever you are presented with an average/ratio/percentage, a good question to ask is "what's the distribution"?
- **Instill a culture of analytical curiosity and constructive challenge.** Many people think they are "good at data." In practice, the best data scientists are the most humble. Data science is hard, messy, easy to get wrong and easy to misinterpret. Beware of certainty and defensiveness.
- **The devil is in the detail.** Leadership teams often become detached from the detail. In the digital world, the aggregated or simple story will often muddle the real story.