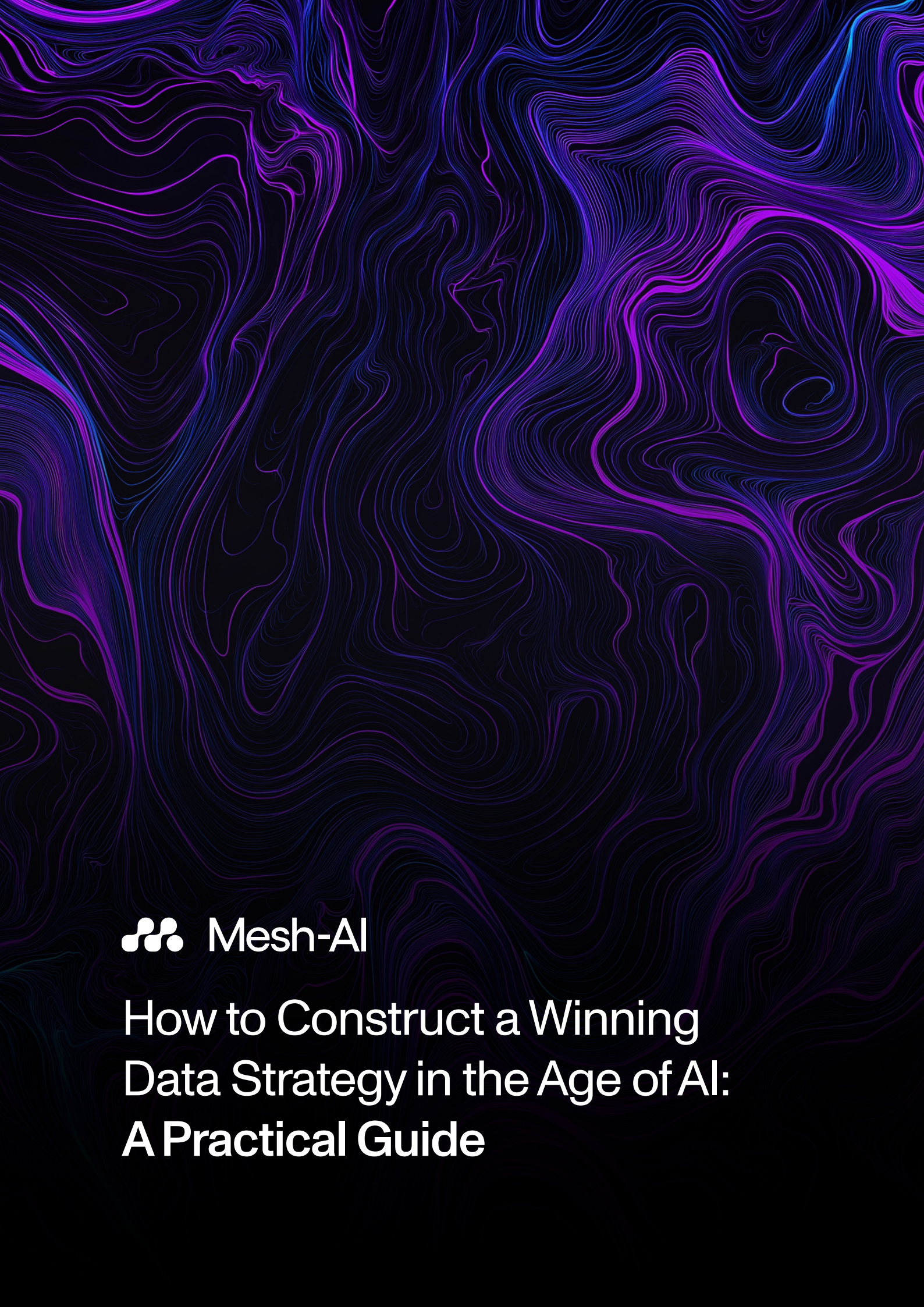
Mesh-AI
How to Construct a Winning Data Strategy in the Age of AI:
A Practical Guide

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Danny Ivatt
Product Director

Tareq Abedrabbo
CTO

Foreword

There has been renewed interest in investing in data, driven by the desire to adopt AI. This has many knock-on effects, but an organisation's data strategy is a foundational element that needs evolving to align with this goal.

However, many still take a technology-centred approach, focusing on acquiring new capabilities for AI. While understandable, the main obstacle to effective data strategies is the unmanageable complexity that large organisations face. No matter how clear the vision, success depends on navigating both existing and added complexity.

Addressing Inherent Complexity

Where does this complexity come from in the first place? Simply, the increased complexity of data mirrors the increased complexity of modern businesses. Data cannot be detached from the business; as business operations become more intricate and their goals become more sophisticated, the data generated follows suit.

Adding new capabilities to the data estate without addressing complexity directly is unlikely to succeed. Many organisations are still grappling with traditional data management approaches that struggle to keep up, alongside existing issues like siloing, fragmentation, legacy systems, and poor data quality.

Thinking Differently

With data elevated to a top level strategy and made a priority by the C-suite, data strategies have moved from focussing on high level data principles to having the right data to service AI.

Businesses need a reimagined approach to data strategy that's fit for the AI age, and data leaders need to have a greater impact on the organisation and be able to respond to the increased questions and interest from the C-level. In doing so, they will only enhance their own credibility.

All of this requires that 'data custodians' think differently about data strategy. It's about shifting the mindset from data strategy as a paper exercise to the link between strategy and initiatives. Plugging the 'Value Gap' that exists in many organisations, the disconnect between day to day work and decisions and the organisation's overall value creation. It's about defining and guiding implementation so data strategy is adopted, instead of viewed once and discarded.

In this manual, we'll demonstrate how to devise a data strategy that enables direction setting, investment and execution towards agreed goals. We identify how devising data strategies has traditionally failed and how to adapt your approach to data strategy to capitalise on the opportunities provided by AI.

Mirroring some of the norms for how effective business strategy is formulated and communicated, we'll apply these principles to data strategy. Identifying how it should work for your business, the critical considerations prior to devising your strategy, and what value you should expect when rolled out.

Why Data Strategies Have Failed

For years, data strategies have been predominantly technology-centric, focusing on upgrading platforms or acquiring the latest data-related products. While grounded in good intentions, these strategies often suffer from a siloed perspective and lack tangible relevance to the organisation's unique needs and opportunities.

Consequently, they fail to address deep-rooted issues like data quality and overlook the need for forward-looking investments in foundational data capabilities, often due to a perceived lack of immediate value. So how have enterprises fallen into this trap?

The first few decades of digitisation in the Enterprise was characterised by the technology development to replace offline processes, connect systems and create digital customer facing touchpoints. This work was typically informed by a qualitative and less granular understanding of problems and opportunities.

As these organisations have become ever more digitised, the opportunities have become more about understanding, optimising, predicting, collaborating and achieving more incremental gains.

AI has placed a boardroom emphasis on data and all these drivers lead organisations to understanding that data is the currency that will enable these new sets of objectives, but in many organisations, the development of a data strategy leads to challenges and repeated failures to launch.

A Typical Failed Journey

In a typical large enterprise the office of the CDO, responding to these challenges, commissions or develops a data strategy. Their goal is to secure investment and to understand how that investment will be spent. Defining both the the target state and the certainty of how to get there.

This 'strategy' will then be signed off and approved by fellow C-suite members, senior business and technology leaders who will be involved in its execution.

Data leaders and teams or external vendors are tasked with the development of this data strategy. Data has been given new prominence in the organisation and teams excitedly prepare descriptions of target capabilities and how to get there. The technical excellence of contributors is visible through detailed definitions of target architectures.

However, this creates a number of challenges:

- Data strategy becomes highly detailed with technical implementation plans that only deliver value when taken to conclusion.
- This level of detail exposes the data strategy to an ever widening group of stakeholders who all must give their approval. Sign off becomes a lengthy process and in many cases becomes impossible.
- The original driver behind the data strategy, to seek investment that can enable core business objectives, gets lost.
- The communicability of the data strategy gets lost, it becomes impossible to explain data strategy in terms that actually resonate across the organisation, leaving teams without a sense of direction that can inform decisions.

To develop data strategy that enables direction setting, investment and execution towards agreed goals, organisations must understand where to build certainty. Not in the specific plans and technical description, but certainty in the kernel of what an effective data strategy should be.

How to Think About Data Strategy

Strategy in its broadest sense is a discipline that is often misunderstood. To approach data strategy correctly, it makes good sense to revisit what strategy is, how strategy should be developed, what it should contain and the principles and practices that translate strategy into execution.

Many of the pitfalls from thinking incorrectly about business strategy also translate into data, however these pitfalls can often end up magnified due to the inherent complexity and uncertainties of data in large organisations and a need in many organisations to include detailed technical plans for execution in what is termed 'data strategy.'

Strategy as a way of thinking enables the coordination of efforts, with sign off and approval that can lead a granular definition of plans and actions. To avoid some of the above pitfalls when developing data strategy, it's important to remind ourselves of the kernel of what strategy is:

Diagnosis of the problem
The data challenges that will mean that broader organisational business objectives are going to be challenging, unlikely or impossible to achieve. To diagnose the problem means deep immersion in business challenges and objectives.

Policies
A clear direction for solving the problem. Driving investment decisions and aligned to a subjective direction for data. The things the organisation will do and the things it will not do. The chosen paradigm for how data is handed in the organisation.

Coherent Action
Definition on how to execute on each area of policy. This could include a focus on foundational access to data, organisational change and capability building. Coherent in terms of prioritising execution to compound value such that each action builds upon the previous.

Importantly, framing data strategy in this way can help avoid many of the lengthy documented plans and architectures that can often limit buy-in and approval, as ever more stakeholders are needed to sign off documentation that contains a granular technical description of a target state and all its components.

A Data Strategy Isn't a Plan

Good strategy is also defined in a way that enables a sequence of corresponding initiatives and events, but does not cover all bases.

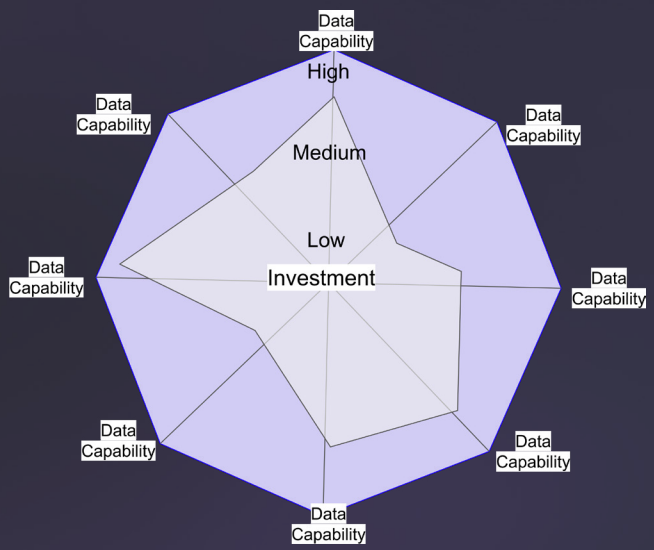
Data Strategy is best defined not as a plan, but as a series of components that enable the development of plans. Seeking to avoid conflating strategy with planning and execution is important, particularly since most organisations allocate budget annually and the reality of execution is only exposed by the execution itself.

Once data strategy is established in a way that enables an understanding of north star problems to be solved and a guiding direction to deliver value, teams can pivot and iterate, continuing to work towards a goal, even if budgets or market dynamics change or there are unforeseen challenges in execution. Plans can be adjusted and budgets can be refined, but without compromising the kernel of the data strategy.

Reimagining Your Approach to Data Strategy

Identify both what you're going to do and not do: A data strategy is as much about saying what you're going to prioritise as it is about what you're going to avoid or actively not tackle. Trying to do too much will stop your data strategy from being effective. You need to introduce focus and determine what is not a priority - providing clarity and therefore gaining credibility. A new reporting tool might satisfy some stakeholders, but improving data quality to support AI may have a greater impact.

Prioritise data infrastructure investment options: No organisation has a limitless pool of resources. Strategy is about making trade off decisions for how you're going to split those resources according to your priorities. This prioritisation will help determine where resources are needed more efficiently.

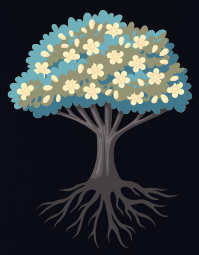


No organisation has unlimited funding or capacity, and your data strategy should be thought of as a way of making trade off decisions. Prioritising investment in a subjective way to align with the capability areas your organisation needs to achieve its goals

Diagnose the blockers and indicate a route forward: An effective data strategy is as much about the actions you identify as the objectives. Understanding these blockers will allow you to understand why certain things have not been possible in the past and how you're going to change them (and not something else).

Clarify data capabilities: It's difficult to understand what implementation options would solve business problems without going through this prioritisation. Identifying the specific capabilities needed to make the data strategy successful and mapping them to business needs and outcomes is critical. This may include a revamped data platform, streaming real-time data, federated models, an emphasis on redefining approaches to internal BI and analytics, or conversely a focus on data to drive personalisation of external customer experiences - these capabilities being a subjective view of where and how to invest, aligned with the organisation's specific needs.

Address the needs of the whole organisation: Having established the thread up to technical implementation, you should broaden the view to the whole organisation and how it will benefit them. Who is going to consume this data? How will this affect day to day? What changes need to be introduced? What tools do they need?



Confirming funding and communicating your strategy: We advocate for testing draft data strategies with target audiences by asking a series of questions to ensure clarity of message. How is investment being split according to your priorities? How are we justifying the investment and realising value? Who is going to see value first? How does this fit with other strategies? Answering all these questions as part of a communications plan for your strategy will help sell this to the wider organisation and thereby ensure a smoother adoption.

A Data Strategy's Critical Considerations

Successfully embedding AI within organisations requires more than minor refinements to existing data processing capabilities—it demands a significant shift in approach. To enable advanced analytics at scale, future data strategies must account for several critical considerations:

Modern Data Infrastructure: AI requires large, diverse datasets and advanced infrastructure. Adopting modern data processing paradigms-such as data streaming-enables the handling of high-quality, timely data essential for AI applications.

Data Quality and Bias: High-quality, unbiased data is crucial for fair and accurate AI outcomes. Ensuring data is fit for purpose starts at the source.

Governance and Ethics: AI demands a fresh approach to data governance, compliance, security, and ethics, given the complexities involved and the significant impact on individuals and society.

Data Literacy and Culture: Enhancing data literacy is vital, as employees need the knowledge, skills, and tools to interact with data effectively and understand how to utilise AI in their day-to-day roles.

Your Data Strategy Elevator Pitch

A useful measure for understanding how closely your organisation has adhered to good data strategy practice is the elevator pitch. The kernel of your data strategy. The why, how and where of your data strategy, that should resonate at all levels of the organisation, helping to plug the value gap. Something that can be explained and understood during a short elevator ride at HQ in a way that resonates with everyone, from boardroom to boiler room.

There are a few notable considerations when doing this.

1. **Narrative:** Most (good) case studies follow the same narrative format, detailing the overarching vision, the challenges blocking that vision, the solution to solve those challenges, and the outcome from harnessing that solution.
2. **Audience and Objectives:** Creating anything that caters to the entire organisation is made difficult by the number of different stakeholders all with their own objectives and priorities. Identify those that are shared across the organisation, or targeted by the business at large, and align your communication of the new data strategy around them.
3. **Communications:** Effectively demonstrating the importance of the data strategy can't be limited to one company message or email. Use town halls, division meetings, internal meetups and any events you can to outline the journey that culminated in your new data strategy. Layer this with how the different stakeholders will be impacted and what they can do differently. This will help land your data strategy and make it more adoptable, where the actions are taken on board.

What a Data Strategy Should Allow you to Do

A data strategy should allow you to inform how you build your technology and business capability to allow the business to deliver on its strategic goals through data (&AI). Fundamentally, it should convince the business to fund the actions you propose.

A data strategy should inform what capabilities need to be built in order to achieve business goals. As such we need to understand what these goals are, identify common themes, identify capabilities that are mapped to these themes and then come up with implementation options.

These implementation options can then be prioritised to deliver both short term value and provide long term value as well. This allows us to plot a thread from funding of strategic initiatives to tangible actions.

In our experience this is the only viable way to fund new capabilities that do not have an obvious short term direct value, but have value in terms of the opportunities they will enable.

We've seen funding for AI initiatives but have also seen an equivalent number fail due to shortcomings in data. A data strategy needs to address these foundations to enable AI adoption to succeed. This is much more than buying a new AI capability.

Effective Data Strategies in the Real World

We've worked with a number of enterprise organisations where data is a foundational asset, but has traditionally been of a low quality or difficult to access and harness.

We worked with two organisations who had different priorities, but shared a similar challenge in translating high-level strategic goals into an understandable and executable set of actions.

Both businesses had developed strategy to the level of 'policy', but had not seen widespread understanding of their data strategies and had clear value gaps, with no clear link between initiatives and higher level goals. Their data strategies were stuck as a paper exercise without corresponding action.

Bringing Cohesion to an Energy Firm's Data Approach

Challenge:

- This business plays a critical role in the energy system and therefore has ambitious goals to help achieve net zero.
- Data was at the centre of that to support more effective decision making, planning, resource optimisation etc.
- Their data strategy set the foundations for a more scalable and democratised approach to data. It diagnosed the blockers to make data more accessible and detailed a broad range of actions.

From Solution to Business Value:

- The solution was to capture the diagnosis and policies and seek C-suite validation of them
- The actions were then adapted to each internal group, separating this from the high level strategy, making it more applicable for different teams and demonstrating its implication for them.
- This moved the business away from data strategy as a theoretical exercise. The data strategy is now more adoptable and the organisation more cohesive in its approach to data.

Solving Legacy Issues for a Global FS Enterprise

Challenge:

- A number of inherent problems needed resolving for this global group, with operations distributed across multiple geographies, and operating under various regulatory and compliance requirements.
- The international group needed to introduce a strong governance to complement and action their data strategy.
- Their data strategy included sensible policies but did not consider the implementation and the adoption of these policies.
- The policies they formulated were difficult to adopt because they were abstract, and numerous. Without definitive actions, stakeholders were left confused how to adopt the data strategy.

From Solution to Business Value:

- The only way these policies were going to be actionable at scale was through automation.
- We advised the organisation to reformulate them so that they can be automated and embedded into the shared platform resources making the right thing the easy thing.
- Data governance was stronger and easier to implement, thereby derisking the development of new products, and making data more accessible to those who needed to consume it in new initiatives.

Mesh-AI is a transformation consultancy that exists to reimagine how enterprises operate, making data and AI their competitive advantage.

We turn enterprises into data-driven and AI enabled organisations, unleashing business growth and accelerating outcomes.

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mesh-ai.com | hello@mesh-ai.com