

Building Your Data Product Machine: Less Tech, More Strategy

BY E. WALLACE

Data is vital to business but the process of getting from data to insights is often murky. Many on the business side may not even care how it happens but understanding this process matters. It matters a lot.

With this in mind, let's explore how to demystify the process of building your data-driven strategy, making it accessible and actionable. We'll uncover how you can transform data into a strategic asset that propels your organization forward without getting lost in the complexity of its creation. This approach simplifies the process and aligns it with your business goals, ensuring that your data strategy contributes directly to your organization's success and growth.

Making The Sausage – or Getting from Data to Insights

Imagine your favorite dish—it's probably perfect. But have you ever thought about what goes into making it? If you haven't, that's normal. There's a common saying about not wanting to know how the sausage is made, suggesting that the process behind many things we enjoy—be it our favorite food or the conveniences of modern technology—might not be as appealing as the end product itself.

This analogy rings especially true in the world of data. We all appreciate the insights and advantages of effectively using data in our businesses. However,

integrating data-driven approaches into our operations can seem daunting, primarily due to longstanding habits and traditional methods.

But a chef needs the right tools and ingredients to make that perfect dish, and businesses require a well-designed system—or “machine”—to harness the power of data efficiently. This machine enables us to “cook up” data in various ways, serving it as the base of decision-making processes, marketing strategies, or even product innovations, a lot like sausages can be enjoyed in hot dogs, pizzas, or sandwiches. The goal is to produce these insights quickly, consistently, and in the most beneficial form to your organization.

Transforming Data Complexity into Strategic Insight

At first glance, the process of transforming raw data into actionable insights can seem daunting. The journey from data collection to insight generation often feels like operating a complex machine shrouded in mystery and uncertainty. Questions like “What is happening to my data?” and “Will the outcomes be reliable?” frequently arise. Concerns about the “black box” effect—where the process is opaque, leading to potential issues in downstream applications—are common. Yet, understanding and demystifying this process is crucial for making informed decisions.

Embracing a Product Mindset for Clarity and Confidence

Companies need a practical product mindset. Just as understanding the nuances of a sophisticated machine makes its operation less intimidating, recognizing the fundamental properties of data products can reveal their potential for transparency, confidence, and value. This approach shifts the focus to its strategic utility.

A vital distinction in this mindset is recognizing the difference between treating data as a project and treating it like a product. Projects are often defined by scope, timeline, and budget, with success measured by these internal metrics. In contrast, a product-oriented approach measures success by how well it meets external business metrics, such as user adoption, revenue, and cost savings. This perspective encourages continuous improvement based on feedback, making the data product more aligned with consumer needs and more integral to the business's success.

By adopting this product mindset, we make the data process less mysterious and better align it with strategic business goals. It encourages frequent releases based on real-world feedback, transforming data from a static resource into a dynamic asset that drives business growth. This shift enhances visibility and ownership over data processes and promotes creativity and efficiency. Now, we've reduced waste and maximized value.

Crafting a Blueprint for Data-Driven Success: A Nod to the Sausage Factory

In the realm of data, the difference between projects and products mirrors the distinction between a fixed recipe and the adaptable process of sausage making. Projects,

when confined within pre-defined success criteria, lack the flexibility to adapt to changing tastes and needs. However, like the craft of sausage-making, products are inherently evolving, designed to meet the consumer's changing preferences with agility and foresight.

Let's consider what it takes to set up a successful sausage factory, paralleling the strategic elements necessary for robust data product development:

Collaboration: Just as a sausage factory relies on suppliers, distributors, and skilled operators, developing data products requires a team effort, incorporating diverse expertise and perspectives.

Value Proposition: Aiming for consistency, high production, and responsiveness to feedback mirrors the goals of data product development, emphasizing the importance of meeting and exceeding user expectations.

Design and Build Plan: Planning the production line with an eye for both current needs and future adaptability reflects the strategic approach needed for data architecture and processes.

Launch and Evolution: Quality assurance and a commitment to continuous improvement are as crucial in sausage making as they are in data product iteration, ensuring that each new version is better than the last.

Distribution and Metrics: Understanding the most effective ways to bring products to market and measuring success with relevant metrics is essential for both sausage factories and data products alike.

These considerations underline the shared principles of product development: adaptability, quality, efficiency, and customer focus. For data products, embracing these principles requires a shift in mindset, recognizing the value of treating data not just as an asset to be managed but as a product to be crafted, refined, and enjoyed.



Embracing the Data Product Factory Mindset

Shifting our perspective to view data through the lens of a sausage factory—where efficiency, quality, adaptability, and customer satisfaction are paramount—challenges the conventional project-based approach to data. It encourages us to see data as a dynamic resource that can lead to innovative solutions and strategic advantages when managed and utilized creatively.

Adopting a product mindset towards data urges us to rethink how we harness its potential, turning raw data into a delicacy that feeds business growth and customer delight. By conceptualizing our data management efforts as a “Data Product Factory,” we commit to a process that values speed, adaptability, and the continual pursuit of excellence—ingredients for success in today’s fast-paced digital landscape.

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