

A city skyline at sunset, with buildings illuminated and reflected in the water. A large white diagonal line cuts across the image from the top left to the bottom right.

FORRESTER®

Data And Analytics: The Key To Driving The Business During Challenging Times

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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY ALTERYX | OCTOBER 2020

Data And Analytics Are More Important Than Ever, But Many Firms Fall Short

Now more than ever, modern businesses understand they must level up the entire workforce to harness data and analytics as a strategic asset that drives business outcomes. However, many still struggle to embed analytics throughout the organization and enable a democratized and insights-driven approach. Those that are successful have adopted platforms with broad self-service functionalities including analytics, data science, and process automation. They are experiencing substantial benefits to the business and a competitive advantage. To better understand this issue, Alteryx commissioned Forrester to conduct a study investigating organizations' key business objectives, how they currently approach data science and analytics, and the challenges and opportunities of harnessing data and analytics as a strategic business asset.

Key Findings



In economic downturns, most companies invest more in data and analytics. This, of course, depends on the nature of the downturn.



Data and analytics programs suffer from silos, inadequate data literacy across the organization, and a lack of data democratization. Addressing these issues is key to accelerating business outcomes.



Successful organizations embed data and data-driven processes throughout the enterprise and use well-integrated platforms to automate the business and focus on outcome-first analytics programs.

Data And Analytics Drive Key Business Initiatives

Insights-driven businesses outperform competitors. They embed analytic processes into business functions and make the required investments in data, technology, and people to create a culture of data-driven decision making and automation everywhere in the firm. Data and analytics drive key business objectives. Our respondents said the top objectives of their data and analytics programs are increasing efficiency, growing revenue, and improving customer experience.

A converged approach to analytics, data science, and process automation defines the ability of organizations to thrive in a strong economy and stay resilient in a rapidly changing environment. This requires automating business processes that democratize access to analytics, powering data-centric applications, and upskilling the entire workforce to create a culture of data and analytics across the organization.

“What are the key objectives your organization hopes to drive through its use of data and analytics?”

(Top 8 objectives shown)



Data And Analytics Are Critical Even In Tough Economic Times

Businesses prioritize spending on data and analytics technology during both challenging and favorable times. Nearly two-thirds of organizations spend more on data and analytics innovation, predictive analytics, and data science in times of rapid economic downturn, and three-quarters will increase investment during economic upswings. Data and analytics have become solutions not just to improve an organization when it's thriving, but also to help it recover, optimize process efficiency, and spend wisely during difficult times. But if an organization's revenue is down and spending on data goes up, it is even more imperative that investment in this technology is efficient and effective.



Nearly two-thirds of organizations spend more on data and analytics during economic downturns.

“During times of rapid downswing/upswing in the macroeconomic environment, how does your investment in each of the following data and analytics areas change?”

(Showing “invest somewhat more” and “invest significantly more”)

DOWNSWING



New data and analytics innovation



Predictive analytics



Data science

UPSWING



Data science



New data and analytics innovation



Predictive analytics

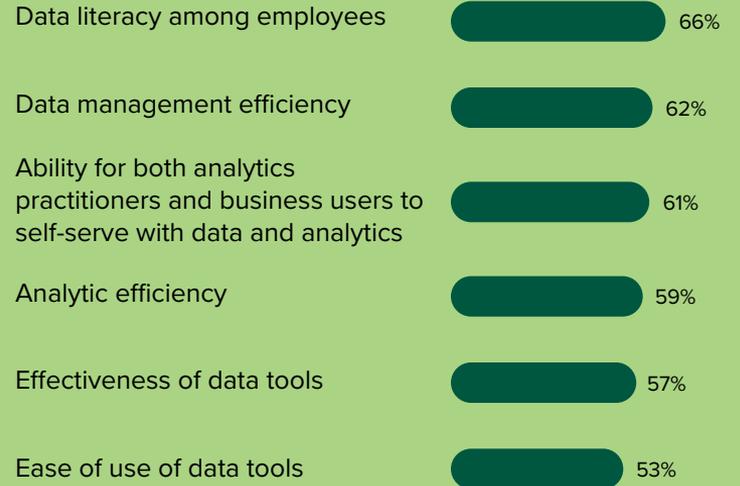
Data Isn't The Problem; People Are

Companies struggle to apply data and analytics for decision making throughout the organization unless it's oriented toward self-service, including self-onboarding. The top two challenges decision makers cited are people-based: a lack of employees with data skill sets and a lack of skills among business users who must use insights from data. Having poorly integrated tools is also a top obstacle.

Looking to the future, decision makers cited similar areas for improvement: Two-thirds put data literacy among employees as a top concern. Data management efficiency is also a priority for improvement as the second-highest concern. And coming in at a close third is the ability for both analytic practitioners and business users to self-serve with data and analytics. These are not disconnected issues. A lack of automation in tools makes self-service far more challenging and prone to errors.

“To what extent does your organization need to improve each of the following aspects of your data and analytics program?”

(Showing “needs significant improvement” and “needs complete overhaul”)



Silos Also Hold Firms Back

Enterprises leave money on the table by working in silos — both walled-off skill sets and siloed technologies. Over two-thirds of decision makers said their organization takes a specialized skill set approach for each type of analytics and data science. But they are looking for solutions that are easy to use and enable faster democratization. In the survey, 55% reported using an integrated analytics and data science platform, while 45% use a mix of point solutions. One factor that influences the siloed point tool approaches is that those organizations take a data-first approach, as opposed to an outcome-first approach to working with data and analytics.

Nearly half (45%) already take an outcome-first approach by starting with business users' needs and business goals and analyzing data to meet business case priorities.

“For each of the following, which better describes the way that your organization approaches analytics and data science today?”



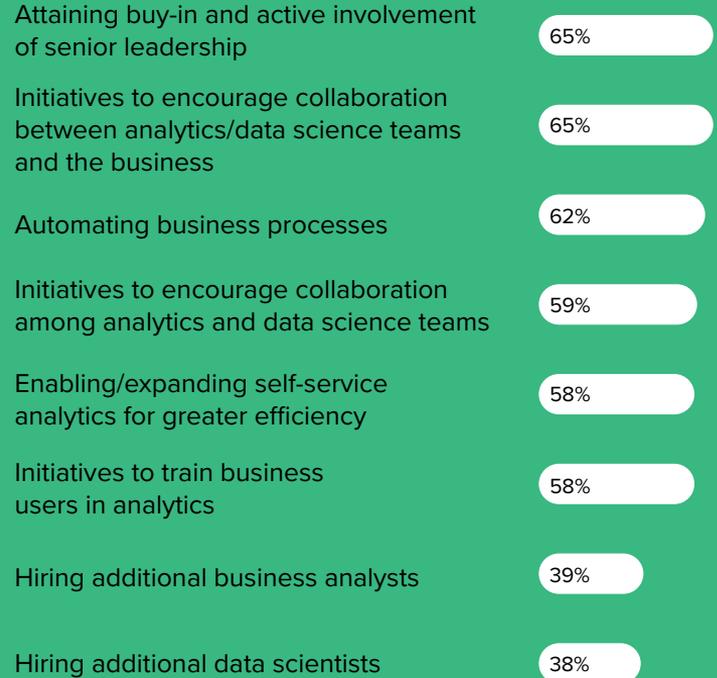
There's Progress: Firms Are Taking Actions That Support Data And Analytics Work

Although most organizations have not yet built mature analytics programs, there is clear understanding of their shortcomings. Two-thirds of organizations currently have initiatives to encourage collaboration between analytics/data science teams and the business, and 62% are working to automate business processes. There is also widespread acknowledgement of the need to infuse data into the entire organizational ecosystem and to automate analytic processes by building well-integrated, outcome-first analytics initiatives.

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“Which of the following organizational actions are you undertaking to support your data and analytics initiatives?”

(Showing “we are currently doing this”)



Base: 250 global data analytics decision makers
Source: A commissioned study conducted by Forrester Consulting on behalf of Alteryx, June 2020

Businesses Benefit From An End-To-End Analytic Process Platform

Those that are further along in the journey of building a robust data and analytics program and are already using end-to-end analytics process technology are seeing substantial business benefits. These firms see improved decision making and a better ability to plan for the future. This technology also enables democratization by providing greater access to data and more analytics and data science proficiency in and across departments. Organizations that are using these integrated automation platforms with wide breadths of functionality are setting themselves up for the future and creating a culture of outcome-based automated analytics where all employees have access to and the ability to use the data they need.

“Which of the following benefits has your organization achieved through use of an end-to-end analytics process automation platform?”

(Top 8 benefits shown)



What Organizations Want Most In Data And Analytics Technology

Those using a data and analytics platform today prioritize technology that is:

- **Powerful:** Eighty-six percent of decision makers expressed a need for technology with a wide breadth of functionality.
- **Flexible:** Eighty percent said it's important to have support for diverse data sources, and nearly three-quarters said it's important to support diverse data types and publishing outcomes to multiple outputs including applications that power continuous process automation.
- **Easy to use:** Seventy-seven percent cited the importance of ease of use and self-service, and 75% said it is important to have easy user training.
- **Cost effective:** Especially during an economic downswing, it's more important than ever that data programs provide a significant return on investment.

“How important are each of the following when choosing a data and analytics platform?”

(Showing “important” and “very important”)



Breadth of functionality **(86%)**



Cost **(82%)**



Support for diversity of data sources **(80%)**



Ease of use and self-service **(77%)**



Ease of user training **(75%)**



Support for publishing outcomes for multiple outlets **(74%)**



Support for diversity of data types **(74%)**

Conclusion

Firms in all industries have long understood the importance of data, but few have realized its transformative potential. This is changing fast. The ability to stay resilient in a rapidly changing environment using effective data and analytics with integrated data science and process automation will shape the businesses of the future. Platforms that unify analytics, data science, and process automation will enable the rapid democratization of analytics capabilities. As more firms see the benefits of effectively embedding data-driven decision making and data-driven process automation, data democratization and building a culture of analytics will grow in importance. Those that successfully enact these initiatives by implementing easy-to-use, efficient, and well-integrated data and analytics platforms can see substantial benefits.

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Forrester's Customer Insights
research group

Methodology

This Opportunity Snapshot was commissioned by Alteryx. To create this profile, Forrester Consulting supplemented this research with custom survey questions asked of 250 analytics decision makers in North America, Latin America, Asia, and Europe. The custom survey began and was completed in June 2020.

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Demographics

COMPANY SIZE

31% \$500M to \$999M

43% \$1B to \$5B

26% >\$5B

TITLE

32% C-level executive

10% VP/undersecretary

25% Director or agency department head

33% Manager

INDUSTRY (TOP 4)

18% Financial services/ insurance

14% Manufacturing and materials

10% Tech/tech services

9% Retail

DEPARTMENT (TOP 4)

31% Data and analytics

27% Operations

17% Finance/accounting

14% Digital transformation

A wide-angle photograph of a city skyline at dusk, viewed from across a body of water. The sky is a deep, dark blue with wispy clouds. The city buildings are illuminated with warm, golden lights, and their reflections are visible on the water's surface. The word "FORRESTER" is overlaid in the center of the image in a white, serif font with a registered trademark symbol.

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