

Data literacy

How data skills are a key component to business operation



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Introduction

In today's unpredictable economy, businesses are leaning on their data to help inform decision-making and stay ahead of the competition. We are operating in new digital environments, managing a remote workforce, adapting to ever-changing consumer behaviors, all while dealing with fewer resources. To streamline these operations and understand the customer, we need trusted and reliable access to data insights.

For many of us, access to data means robust technology and processes, paired with a talented set of data practitioners. However, there is another important element of success that is often overlooked. The data skills across the entire enterprise is critical as organizations look to be data driven. Introducing: Data literacy.

Data literacy is defined as the ability to read, write, and argue with data. This is a relatively new concept that is starting to take hold across many organizations. For years, organizations have not been able to properly leverage their data assets. While there are many factors to this, a key element is data literacy. All staff members need to be able to understand the insights and the data in front of them, and question it when needed, in order to act on the data.

Teaching data skills across the business will enable team members to boost their data confidence, leverage the insights effectively, and align on business initiatives. A data-literate workforce means more informed conversations from the marketing department to the sales floor and beyond.

We're here to help you discover the impact of a data-literate workforce and get you started.

“70% say a lack of data literacy skills in the business is impacting the value they get from investment in data and technology.”

- 2020 Data democratization report



The big impact of data literacy

As organizations accelerate digital transformation efforts and cope with a rapidly changing business environment, there has been a move to better leverage data assets. Organizations as a whole want to make data available to a wider group of stakeholders. This is often called data democratization.

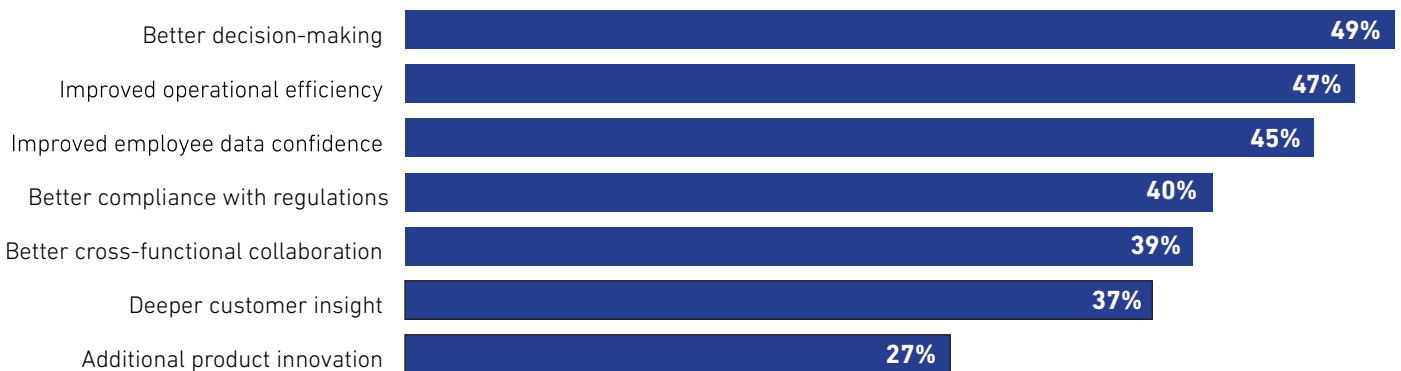
However, a frequent challenge is that individuals may not fully understand the data put in front of them, especially if it challenges pre-existing norms. A data literacy program is the key that unlocks the success of many business initiatives tied to data insight. In a recent Experian research report, [Data democratization: how a data-driven culture is key to organizational success](#), we found that 85 percent of business leaders we surveyed say DataOps and data literacy are essential to achieving data democratization.

A lack of end-user expertise in using data insights is a huge challenge as individuals are often unsure how to read or leverage those materials. When employees are confident in their data skills, they are able to support initiatives with reliable trends.

Teaching data skills gives businesses the opportunity to get the most out of their data. Business-wide data accessibility backed by in-depth data management and analysis means that employees have better access to reliable intelligence to make the right decisions. That's why half of the organizations we surveyed are already underway with a data literacy initiative.

When we take a step back to envision where these benefits make an impact on the greater business, data skills make a difference by increasing your data maturity and directly effecting key areas like customer experience, operations, and compliance regulations.

Benefits of data literacy



Maturity of a data literacy program

To date, half of businesses are underway with a data literacy program. However, these programs show varying degrees of maturity and involve different parts of the organization. They are often reflective of data management practices within the existing business. For example, we found that organizations who have data democratization initiatives underway are six times more likely to have a robust data literacy program in place.

Very few businesses have what we would define as a robust data literacy program. Only 4 percent of organizations have a robust, formal data literacy program in place today. However, there are many who have made progress toward an official program. This progress takes shape through pilot programs, training techniques across employees, dedicated staff focused on data literacy, access to online portals, and more. A lack of end-user expertise in using data insights is a huge challenge as individuals are often unsure how to read or leverage those materials. When employees are confident in their data skills, they are able to support initiatives with reliable trends.

Some of the level of data literacy maturity is also dependent on where the program resides. We found in our research that 53 percent say IT is responsible for data literacy, while 40 percent cited the office of the CDO and 31 percent listed HR.

Not all organizations have a data office to date, but many are starting to adopt this center of excellence. As more CDOs exist within organizations, more will start data literacy programs as a way of proliferating data usage throughout the organization. We do believe that more mature organizations will have the CDO office executing data literacy initiatives.

Over the next 12 months we expect the level of data literacy maturity to continue to increase. Many are starting with a pilot program around literacy and expanding. From our research we see 47 percent of organizations plan to develop a formal data literacy plan for the business. Other businesses expect to standardize employee training related to data literacy, create custom programs for different users, add new roles and departments to their training, and to hire data literacy specific roles.

As organizations start to better leverage data, we believe it will be an indication that data literacy programs are also maturing to develop a formal data literacy plan for the business. Other businesses expect to standardize employee training related to data literacy, create custom programs for different users, add new roles and departments to their training, and to hire data literacy specific roles.

Mature data literacy programs

60%

Have access to online training portals.

56%

Have informal internal trainings.

59%

Have formal training from consultants.

37%

Have ad-hoc support from specialized data experts.

Data skills to teach

Eighty-four percent of business leaders see data literacy as a core competency that all employees need to have in the next five years.¹ A data literacy program means investing in your employees by teaching data skills across all roles.

As stated previously, the office of the CDO is a common hub for data literacy. For those businesses that already have a data office, they are making an investment in data with specific roles and often in a more data-informed mindset across the business.

The challenge is that these data professionals are often the target of data literacy activities. We see from our research that data professionals are the primary audience for data literacy programs. As part of data literacy, business leaders should be focused on teaching data skills to all employees. In today's environment, all employees use and create data. Therefore, understanding data insights in more depth will allow them to better serve the organization. Individuals like marketers, operation analysts, product managers, and even call center operators can benefit from a better understand of data.

Here are the [top data skills we found to be relevant when teaching business users](#):

- Critical thinking
- Analytics
- Communication
- Data visualization
- Presentation

Erin Haselkorn, Head of Market Research for Data Quality, Experian NA, says in our [2020 Global data management research](#), "A lack of data storytelling related to the full impact of poor data has caused organizations to underinvest in these areas [data quality] and not fully understand the impact."

These skills are not as technical as you may think. The key is to be able to tell the story around data. For example, your marketer should be confident when analyzing consumer trends, think about what the data means for the business, and present on what the department should do next in response to these trends. What's more, that same marketer should be able to collaborate with their product manager on ways to innovate based on the consumer trends.

84% of business leaders see data literacy as a core competency that all employees need to have in the next five years.

- 2020 Global data management report

How to get started with data literacy

The goal of data literacy is to create a life skill which employees can leverage to inform business decisions versus a one-off exercise.

As you think about your data literacy program, it's important to think about going back to basics with your training, what tools and technology is needed to provide continued access to the right data, and how users can tell a better data story.

These are four key areas to consider when starting data literacy:

1. Determine program ownership.

Program ownership can change business to business depending on how mature the organization is. For those who have a central data office and chief data officer (CDO) in place, it would make sense for a data literacy program to fall into that remit. However, since it's not unusual for businesses to not have a CDO in place, training could fall into the responsibility of IT or HR.

2. Select audience.

In our study, we found that data professionals, business users, and technical users are the targeted audiences for data literacy programs. Figure out which audiences you want to start with your data literacy efforts. However, the goal is to be more inclusive as many roles across the organization leverage data, not just data practitioners. Including a variety of roles in data literacy training will grow skills and connect new data knowledge to key business initiatives.

3. Provide resources.

When starting a data literacy program, it's important to think about what resources are needed to support an educational effort like this. Our study found that some of these resources include access to online training portals, informal internal trainings, formal trainings from consultants, and ad-hoc support from specialized data experts.

4. Scale your program.

Data literacy programs need to start somewhere. Whether it's a pilot program or small assignment, it's important to recognize the action items that are needed to grow your program. For businesses who are scaling their data literacy program, next steps may include development of a formal plan, working data literacy into standard training practices, and creating custom programs that vary for different users.

Think about what these four areas look like within your organization and take the next step to develop data literacy skills across your team.

Conclusion

Organizations have been searching for the key that unlocks data-driven success. The answer: Data literacy. The ability to read, write, and argue with data gives team members the knowledge and confidence necessary to leverage insights efficiently and effectively. In turn, empowering individuals to have more collaborative, data-driven conversations means streamline operations, improve customer experience, and better compliance regulations.

We surveyed over 500 business leaders on how they've found a data-driven culture to be key to organizational success.

[Get the research today](#)



About Experian

Experian enables organizations to unlock the power of data. We focus on the quality of our clients' information so they can explore the meaningful ways they can use it. Whether optimizing data for better customer experiences or preparing data for improved business intelligence, we empower our clients to manage their data with confidence.

We have the data, expertise, and proven technology to help our customers quickly turn information into insight. We're investing in new, innovative solutions to power opportunities for our people, clients, and communities. To learn more, visit www.edq.com.

¹ Experian. (2020) 2020 Global data management research. Retrieved from <https://www.edq.com/globalassets/white-papers/2020-global-data-management-research.pdf>

² Experian. (2020) Data democratization report. Retrieved from <https://www.edq.com/resources/data-management-whitepapers/data-democratization/>

