Business leaders know that data affects performance. But how strong is the association between having more accessible, better quality business insight and important business outcomes?

We examine how improving your business' insight can impact your revenue growth, profitability, efficiency and market penetration.

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Contents

Growth, profitability and efficiency. Regardless of your business size or industry, these key outcomes are what every organisation strives to improve.

In this guide, Sage examines how improving four aspects of your business insight, specifically its accessibility, usability, quality and intelligence – can hugely impact your business outcomes.

In a study of medium-sized businesses, Sage, along with IDG Research looked at how businesses like yours can see real improvements to their business outcomes by improving the information they have to hand about their business.

Defining what we mean by business outcomes.

- Time to market
- Upsell opportunities
- Resource optimisation
- Operating abroad
- Time spent on nonproductive tasks
- Accurate risk evaluation
- Planning and forecasting
- Timely/accurate reporting

- Delivering consistent quality to customers
- Compliance
- Revenue due to new products (innovation)
- Revenue due to new customers (market penetration)
- Revenue growth
- Profitability growth

Business outcomes

Defining the data attributes

Within each of these multifaceted attributes are several separate, but related, characteristics that significantly affect the ability of decision makers to act quickly and effectively.

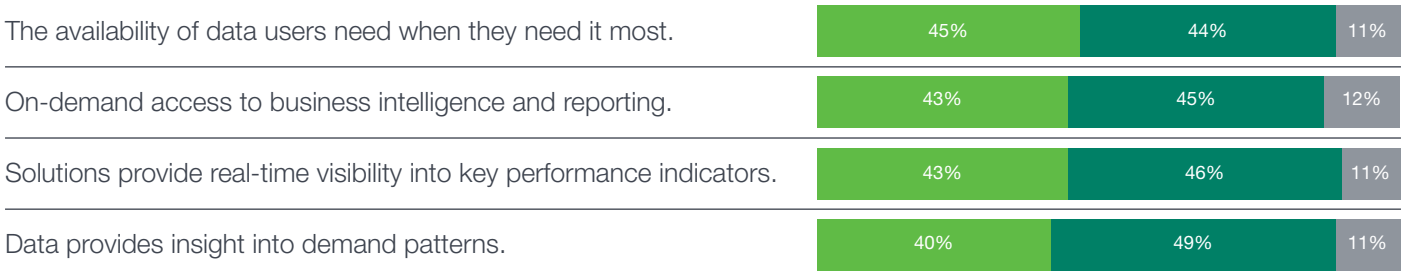|	**Accessibility**	• The extent to which users can access data remotely • The extent to which users can access data from mobile devices • The extent to which salespersons can access customer data/process demands from a mobile device
	Usability	• The extent to which users can personalise the way data is presented • The ease with which data can be shared with external partners
	Quality	• The extent to which data is accurate • The extent to which data available is sufficient to cover most users' inquiries • The extent to which data is received on time to take action/make decisions • The degree to which data is up to date
	Intelligence	• The availability of data users need at the time they need it most • Data provides insight into demand patterns • Solutions provide real-time visibility into key performance indicators • On-demand access to business intelligence and reporting

Which attributes do medium-sized businesses consider most important to performance?

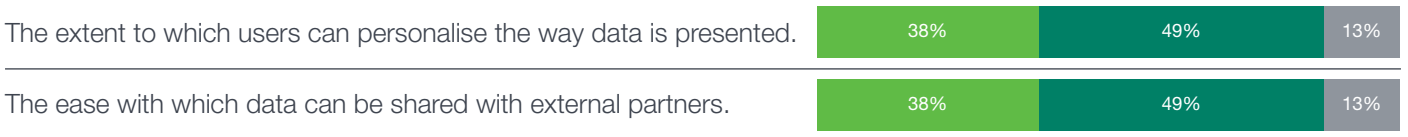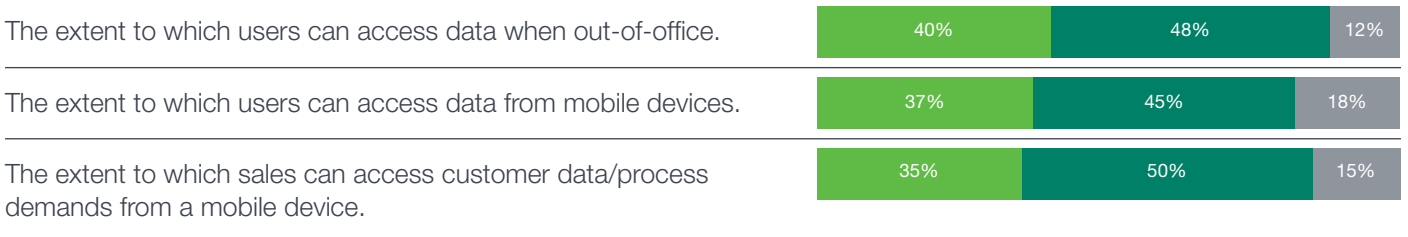As illustrated below, quality ranks first, while accessibility ranks last.

Quality

The data available is sufficient to cover most users' inquiries.	54%	37%	9%
The extent to which data is accurate/error-free.	50%	43%	7%
The extent to which data is received ontime to make decisions	50%	42%	8%
The degree to which data is up-to-date	49%	45%	6%

Intelligence

The availability of data users need when they need it most.	45%	44%	11%
On-demand access to business intelligence and reporting.	43%	45%	12%
Solutions provide real-time visibility into key performance indicators.	43%	46%	11%
Data provides insight into demand patterns.	40%	49%	11%

Usability

The extent to which users can personalise the way data is presented.	38%	49%	13%
The ease with which data can be shared with external partners.	38%	49%	13%

Accessibility

The extent to which users can access data when out-of-office.	40%	48%	12%
The extent to which users can access data from mobile devices.	37%	45%	18%
The extent to which sales can access customer data/process demands from a mobile device.	35%	50%	15%

■ 8 to 10 (Excellent)   ■ 5 to 7   ■ 1 (Poor) to 4

0%   20%   40%   60%   80%   100%

5

How strong is the association between the data attributes studied and important business outcomes? Here's what the research showed.

Companies with more effective data grow 35% faster.[1]

Improving performance on all four data attributes drives positive financial returns. In fact, a high performing company can expect to gain 35% more in incremental revenue year over year than a low-performing company.[2]

The single data attribute with the strongest positive relationship to revenue/profit growth: intelligence.

According to the research, each of the data attributes has an impact on various business outcomes.

- **Accessibility:** Direct and positive impact on innovation and market penetration

- **Usability:** Direct and positive impact on time spent on nonproductive tasks, resource optimisation to improve sales, and operating abroad

- **Quality:** Direct and positive impact on delivering consistent quality to customers, compliance, risk evaluation, and timely/accurate reporting

- **Intelligence:** Direct and positive impact on revenue and profitability growth, time to market, mobilising sales, planning/forecasting accuracy, and upsell opportunities

It's important to note that there is some degree of interdependency among the four attributes. Data accessibility, for example, does not occur in a void and often occurs in conjunction with usability, quality, and intelligence. The close relationship among the four data attributes means that all four will play a role in building a successful environment.

Furthermore, business management software solutions that improve data attributes will have a positive impact on key customer-focused or operational outcomes (i.e. time to market, upsell opportunities, or innovation). The right solution can improve data accessibility, usability, quality, and intelligence, enabling businesses to analyse performance and identify opportunities to enhance customer relations or operational efficiency

1. A top-performing company improving performance in data accessibility, quality, intelligence, and usability can expect a net gain of 35%more in incremental revenue year over year than a low-performing company.

2. A low-performing company is defined as one among the bottom third of companies for performance on all four data attributes combined.

How data can address business pain points

According to the research, medium-sized business strengths include consistently meeting compliance, delivering consistent quality to customers, and delivering products/services on time. Their challenges?

Operating abroad or in the global market, reducing time spent on non-productive tasks, mobilising sales, and improving time to market.

Understanding which data attributes positively impact business outcomes can help address the challenges and pain points of medium-sized companies.

Only 40% of companies rate their ability to process customer demands on the road as excellent.

Data intelligence

How does improved data intelligence affect business outcomes at medium-sized businesses?

Of the four data attributes, intelligence positively impacts the broadest set of business outcomes, including revenue and profitability growth, time to market, mobilising sales, forecasting accuracy, and upsell opportunities.

A 20% improvement in data intelligence[3] will result in:

2.6% increase in year-over-year revenue.
This increase is solely due to improved data intelligence and is in addition to changes in year-to-year revenue that may have occurred due to other factors.

11.6% improvement in time to market.
Based on this data, a company that currently takes 12 months to launch a new product or service could expect to reduce that time by 42 days.

In addition, improvements in data intelligence positively impact outcomes[5] such as:

- Enabling sales to directly process customer demands anywhere, anytime.

- Improving forecasting accuracy.

- Optimising inventory levels to minimise costs.

- Maximising revenue through upsell opportunities to existing customers.

Companies with better intelligence are four times more likely to optimise inventory levels[6]

Companies with better data intelligence are 2.2% more profitable.[4]

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3. An improvement of 2 points on a 10-point scale where 1= poor and 10=excellent.

4. A 20% improvement in data intelligence will result in a 2.2% increase in year-over-year profitability.

5. For each of these, a 2-point improvement in data intelligence on a scale of 1 to 10 will result in roughly a 1-point improvement on a scale of 1 to 10 for each outcome.

6. Top-performing companies (defined as those in the top third for overall data attribute scores) achieved excellent company performance in optimising resources or inventory levels to minimise costs 71% of the time compared to low-performing companies (defined as those in the bottom third for overall data attribute scores) at 16%.

Data quality

How does improved data quality affect business outcomes at medium-sized businesses?

Data quality directly and positively impacts several important business outcomes—in particular, delivering consistent quality to customers, compliance, and reporting.

A 20% improvement in data quality[7] will result in:

9% improvement in delivering consistent quality to customers.
A medium-sized business that delivers consistent quality to customers 70% of the time could expect that to increase to 76% with better data quality.

6.4% improvement in consistently meeting compliance requirements.
A medium-sized business that consistently meets 85% of regulatory/compliance requirements now could raise that to 90%.

In addition, improvements in data quality positively impact outcomes[8] such as:

- Increasing risk evaluation accuracy.
- Improving reporting timeliness and accuracy.

Companies with better data improve consistent quality delivery to customers by 9%.[9]

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7. An improvement of 2 points on a 10-point scale where 1= poor and 10=excellent

8. For each of these, a 2-point improvement in data quality on a scale of 1 to 10 will result in roughly a 1-point improvement on a scale of 1to 10 for each outcome.

9. A 20% improvement in data quality will result in a 9% improvement in delivering consistent quality to customers.

Data usability

How does improved data usability affect business outcomes at medium-sized businesses?

Improving the ability to personalise and share data positively impacts productivity, resource optimisation, and inventory management.

A 20% improvement in data usability[10] will result in:

10% improvement in time spent on nonproductive tasks.
A medium-sized business employee who spends a third of his monthly work hours—about 53 of 160 hours—on administrative or nonproductive tasks would cut that time to 48 hours.

In addition, improvements in data usability positively impact outcomes such optimising resources or inventory levels to improve sales and operations in global markets.

6.4% improvement in consistently meeting compliance requirements.
A medium-sized business that consistently meets 85% of regulatory/compliance requirements now could raise that to 90%.

In addition, improvements in data quality positively impact outcomes[11] such as:

- Increasing risk evaluation accuracy.
- Improving reporting timeliness and accuracy.

Companies with more usable data increase productivity by 10%.[12]

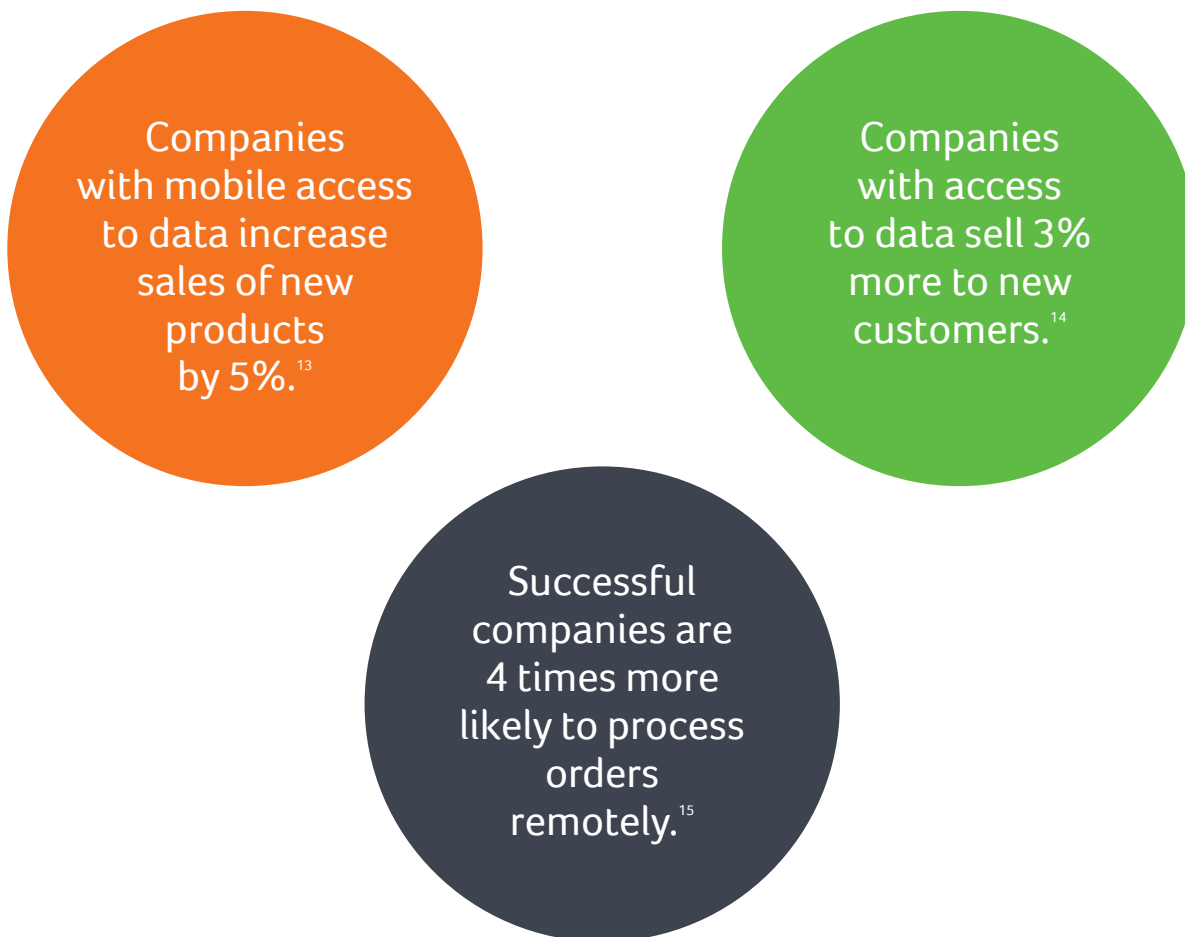10. An improvement of 2 points on a 10-point scale where 1= poor and 10=excellent

11. A 20% improvement in data usability will result in a 10% improvement in time spent on non-productive tasks.

Data accessibility

How does improved data accessibility affect business outcomes at medium-sized businesses?

Improving data accessibility—specifically out-of-office and mobile access—directly and positively impacts the ability to innovate by selling new products and services and to penetrate new markets.

A 20% improvement in data accessibility[12]

Companies with mobile access to data increase sales of new products by 5%.[13]

Companies with access to data sell 3% more to new customers.[14]

Successful companies are 4 times more likely to process orders remotely.[15]

12. An improvement of 2 points on a 10-point scale where 1= poor and 10=excellent.

13. A 20% improvement in data accessibility will result in a 5% increase in sales of new products/services.

14. A 20% improvement in data accessibility will result in a 3% increase in sales to new customers.

15. Top-performing companies (defined as those in the top third for overall data attribute scores) achieved excellent company performance in enabling sales to process customer demands on the road 73% of the time compared to low-performing companies (defined as those in the bottom third for overall data attribute scores) at 18%.

Conclusion

Even marginal improvements in the accessibility, usability, quality, and intelligence of data have a direct and positive impact on critical business outcomes.

Moreover, companies with business management software that provide more usable and accessible data are more likely to realise these outcomes; in other words, companies with highly effective solutions will be more profitable, enjoy a sharper upswing of revenue growth, and benefit from improvements in key operational outcomes such as time to market, upsell opportunities, or innovation with new products or services.

About IDG Research Services
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