



Welcome to a new era of data

The CFO's guide to data assetization and monetization

Bring your balance sheet into the present

As Chief Financial Officer (CFO), you're responsible for knowing what makes money and tracking it on your balance sheet. You've got numbers for inventories, physical equipment, real estate, even goodwill—but how do you value data? You don't keep the books on '97 spreadsheets anymore, so why are you using a 1997 approach to your balance sheet?

1997 called. They want their balance sheet back.

Data's growing ubiquity is revolutionizing the ways organizations use it to make money. Thanks to the trail of data attached to every online activity and device, data can be used for transactional, informational, and analytical purposes.

Three types of value created with data

- Transactional value—understand and execute business transactions
- Informational value—describe past performance and infer conclusions
- Analytical value—automate activities, guide decisions, and predict outcomes

Leaders today look to CFOs to help them understand the real and potential value of data and its analytical uses. Your colleagues in IT and Operations can figure out how to make the technology work, but it's up to you to figure out if it's worth doing.

So, how do you help your company create new lines of business using data? How do you expand your purview from governing just financial data to including customer, market, operational, and other data—relational and nonrelational, structured and unstructured? And how do you value a bunch of ones and zeroes stored as superimposed electrons in the ether?

Beat the learning curve

Accenture and Amazon Web Services (AWS) can help you modernize your business and your balance sheet, using data to create value. Our experts work alongside your team to plan, test, and build solutions that optimize your digital assets. We also offer help establishing a framework and systems that you can use to monitor and secure the ongoing value of your investments.

In this paper, we'll describe four data asset models that push the boundaries of business; discuss how technology enables you to apply traditional asset principles to your data; and provide some tactical suggestions to help you get started.

Create value for your business using a proven data asset model

Whether your business is already cloud-based or still housed in a datacenter, you can create digital assets predicated on data and analytics. A key step is to understand what fundamental question you're using data to answer.

Today's market leaders, industry disruptors, and promising new start-ups have proven four data asset models to drive positive financial outcomes through effective data use:



Monetizing excess capacity

Improve a customer's experience of a commodity, service, or product

Find empty houses for travelers without managing hotels or properties



Match empty cars with nearby riders without managing vehicles or a workstaff



"What connections can you make that can transform the experience of your customers?"



Monetizing speed

Realize a significant advantage for customers by being faster

Enable adtech clients to place bids faster and give them better access to advertisements



Allow users to maintain a virtual place in a line while they do other activities



"How can you accelerate your customers buying or product usage experience by reducing friction?"



Monetizing in-depth knowledge

Tell customers what they'd like to know more of about a service or product

Improve marketing and targeting capabilities as well trusted reviews and customer feedback



Provide personalized estimates for crop yield, risk, and insurance



"What information about your service or product do you have, or could you get, that your customers might value?"



Creating internal efficiencies

Identify bottlenecks and money pits in your process

Optimize working capital by predicting equipment maintenance and avoiding downtime



Improve operational efficiencies to reduce expenses



"What processes or activities negatively impact the ability of my team to focus on adding value?"

Apply traditional asset principles to data

Many CFOs and their teams apply the principles of provenance, curation, and utilization to help them transform data into a digital working asset. This process follows a similar methodology to that used for managing tangible assets, such as tracking the source of fresh produce or the location of a products manufacturer.

Provenance

In order to use data to make a business decision, you must have complete trust in it. Data provenance is the first crucial step for any CFO to ensure their data has been managed correctly from its point of origin and is not being taken out of context. The same logic you use to trace the audit trail for financial outcomes can be applied to data provenance.

Data provenance

At Accenture, we use, log, monitor, and retain all data activity related to business actions across our client's AWS account. Accenture provides detailed event history of all the data accessed to support governance, compliance, and operational and risk auditing. At Accenture, we use, log, monitor, and retain all data activity related to business actions across our client's AWS account. Accenture provides detailed event history of all the data accessed to support governance, compliance, and operational and risk auditing.

Utilization

Your management colleagues look to you to provide clear-cut numbers that describe how effectively different assets are being utilized and which ones are making the most money. They use these numbers to decide how to allocate resources and prioritize future investments. By establishing effective data utilization practices, you can easily evaluate your data sets to see which are the most useful to your organization and determine how profitable they are.

Data utilization

Accenture provides CFOs with an in-depth, real-time understanding of data use by tracking relevant metrics about stored data, including the size of data sets and the number of requests made for each data set.

Curation

Using the right data sources in the right way can change your model's productivity and value. A data operations team charged with curating data and making it available and accessible to all users significantly improves data utilization and outcome optimization. Likewise, establishing curation protocols helps ensure you meet data compliance standards such as safeguarding personal information.

Data curation

Accenture helps companies ingest, process, and label data at any scale regardless of the data's structure, schema, or transformations. We automate the process for sorting scanned data into a curated data catalog and applying security protocols, so CFOs can make the catalog available to users across the company for descriptive and predictive analytics.

Implement best practices for digital assets

In addition to identifying a data asset model and applying asset principles to your data, it's important to consider how digital assets are produced and valued among the people within your organization. Below are some best practices around culture, process, and public standards that you and your IT team can use to better align your entire organization.

Foster a data-driven mindset in your culture

- ✓ Educate your team about the types of opportunities data can offer and demonstrate how to use digital assets to create value
- ✓ Guide data producers and data users to help them harmonize their efforts
- ✓ Encourage everyone to consider how data can be used to create deeper insight into business performance
- ✓ Ask HR to include data science courses and certifications in career development guidelines and recommendations

Establish a process for creating digital assets

- ✓ Start with a use case that can provide a quick win
- ✓ Create a data lake for the use case if you don't have one
- ✓ Prove the value of your use case through two sprints
- ✓ Provide all stakeholders with visibility into the process
- ✓ Give stakeholders access to the curated data
- ✓ Build trust among stakeholders for the process

Standardize how you develop and track digital assets

- ✓ Create a data operations team that provides stewardship over the provenance and curation of the data lake
- ✓ Establish a center of excellence for machine learning and deep learning
- ✓ Set benchmarks you can use to help evaluate ideas
- ✓ Consider creating a separate unit, a subsidiary, or a joint venture to create and monetize new digital assets

Form an alliance with your business teams

Up to now, a disconnect between the data and line-of-business (LOB) teams has had you working in parallel—but not in step—with each other. It's time to break down those departmental siloes and form alliances across your organization.

You need to prove to your LOB teams that data doesn't trail business anymore—it can lead it.

In order to be accepted by the LOB managers as strategic partners, you must prove that your data is clean, reliable, and trusted and that your team is nimble and responsive. This requires your data team to build trust and a clear line of communication with the LOBs. You'll also need to implement systems for testing ideas quickly that include ways to track and monitor resources. And you'll want to establish a continuous feedback loop that everyone can use to understand the incremental value of digital assets.



Build a strong alliance through:

- Trust and communication
- Systems for testing ideas
- Continuous feedback loop

Storm the cloud for cost-effective capabilities

In order to build credibility and prove the value of your data to LOBs, you need to change the role technology plays in your business—from that of an administrative support tool to a strategic business driver.

As such, you need to enable machine learning and AI over relevant sources such as GRAPH, time series, key value, and blockchain databases.

The cloud makes these capabilities attainable and cost effective in ways they've never been before.

Build for the future with help from Accenture and AWS

One of the largest obstacles to creating digital assets has been knowing what opportunities to invest in and how to prioritize them. Accenture provides industry, operational, and functional experts who can make informed recommendations about how to prioritize data investments and create a roadmap to put data at the core of your value generation.

Another common challenge has been the steep upfront costs and long lead times (typically 18-24 months) needed to establish infrastructure and technology before observing enough results to know if digital investments are viable. AWS cloud services offer you instant access to easy-to-use and cost-effective tools that allow you to spin up resources and test ideas in hours, not months.

About the authors

David Axson is a Managing Director with Accenture Strategy and leads the firm's global CFO Strategies practice. He has more than 30-years' experience working with clients in more than 40 countries specializing in strategy, finance, and technology.

Carlos Escapa is a Senior Principal of Business Development at Amazon Web Services where he leads the global consulting partner network for Machine Learning and Data Science. He specializes in building global operations for software and cloud companies.

Learn more about the Accenture AWS Business Group

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