# From the 'what' to the 'why'

## How data storytelling is key to success

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**Content:**

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# Foreword

**Think about your last 24 hours…
chances are you'll have looked at or worked on a dashboard.**

**Huge volumes of data will have been processed within your organization to feed these reports. But will any of that actually lead to a positive change being made?**

**For several years, data has been hailed
as any organization's most valuable asset.
And it is.**

**But having – or hoarding – data isn't enough.
It is what you do with it that can make or break a business.**

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# It's time to bring data to life

**93%**

It should come as no surprise that organizations today should strive to be data-driven in their decision making across the board. This applies to all levels, but it is most important for the C-Suite and other business executives because their decisions impact the entire organization. This is why data storytelling is such a crucial element of the data strategy mix – without context, data insights fall flat, and most leaders will rely purely on gut instinct and past experience instead.

Data storytelling provides much needed context that paints a clear picture. It helps explain what the data is showing and why it matters. It translates data insights into a story that anyone can relate to and understand, making it easier for people to buy into data-driven decision making. Effectively, data storytelling bridges the gap between obtaining insights and interpreting them. I've seen first-hand how well this can work.

Over the course of my career, and in my role as Chief Data and Analytics Officer at Exasol, I have worked closely with communications teams to help tell stories with data in a way that everyone can understand. Throughout my years of experience in defining and implementing data strategies aligned to business needs, I have found that the best data teams have people from different backgrounds with various skillsets. Having the technical knowledge and advanced data science skills is important, but so is being able to interpret that for the rest of the stakeholders.

## My experience has taught me two things:

- Diversity is vital to business success
- Context is key to being able to harness the full power of data

Data storytelling is a universal language that everyone can understand – from people in STEM to arts and psychology. And Exasol's latest research quantifies its importance. We spoke to 500 leaders and data professionals from enterprises located in the U.S. with more than 1,000 employees. Not only does the research show that data storytelling can empower everyone within a business to make data driven decisions, but that it can also have a significant impact on the bottom line. In fact, 93% of companies agree that decisions made as a result of successful data storytelling have the potential to help increase revenue.

While every business can benefit from data storytelling, our research suggests that there are a number of factors inhibiting mainstream adoption. **Read on to discover how you can best position your organization for success.**

**Peter Jackson**
Chief Data and Analytics Officer at Exasol

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# Data is now everybody's business

In the span of just a few years, companies around the globe have transformed the way they operate thanks to the ability to access a volume of data that most executives would not have dreamed of a decade ago.

What's more, they've woken up to the fact that simply collecting data is not enough. They've realized that, for information to be turned into actionable insights at scale, data democratization is absolutely key.

Almost all of the business leaders we surveyed (90%) said that achieving data democratization is now a priority for their business and that they are taking the necessary steps to achieve it.

While this is reassuring, businesses cannot afford to get comfortable just yet. There's a new challenge on the horizon, brought about by the proliferation of a tool that was meant to open up access to data across an organization: the dashboard.

## 90%

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# The dashboard dilemma

## 82%

*of respondents say they are regularly using dashboards to share and communicate insights with colleagues at every level of the business.*

## 53%

*of the business leaders and data professionals that we surveyed agreed that dashboards are being disregarded because of the time it takes to interpret them.*

Eager to provide more of their employees with valuable insights, a large proportion of business leaders have rolled out dashboards to deliver key business data, metrics and KPIs in the form of graphs and structured reports.

In fact, 82% of respondents say they are regularly using dashboards to share and communicate insights with colleagues at every level of the business.

While the traditional dashboard approach can do a great job on tasks such as tracking inventory levels in real time, there are many instances when it is essential to deliver more than just the numbers. There are some key reasons for this.

First, the reports generated by dashboards can become so big that they are impossible to analyze. Over half (53%) of the business leaders and data professionals that we surveyed agreed that dashboards are being disregarded because of the time it takes to interpret them.

Second, and perhaps most importantly, **these dashboards fail to convey the most important piece of information that businesses need in order to act on data insights – the 'why'.**

For example, while it might be useful for a retailer to know that sales dropped by 10% last month, this information is largely useless unless they know why.
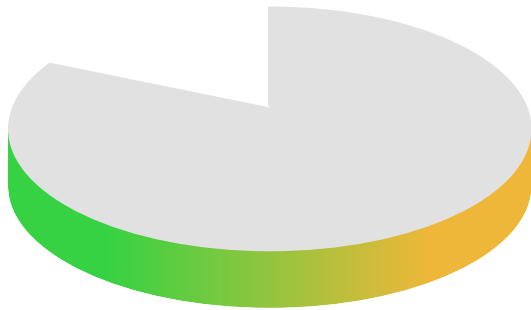
Of those who feel their organization is using dashboards ineffectively, 61% agreed that this lack of context is the biggest downside to dashboards, followed closely by trying to communicate too much (54%) and the inability to tailor them to each stakeholder (46%).

Something needs to change. Teams need faster access to tools that help them understand the story behind the data, and critically, they need to be able to communicate that story effectively to the C-suite and key stakeholders.

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# The next step: data storytelling

## 82%

*of IT and data decision makers are familiar with data storytelling.*

"A good storyteller knows how to get attention, inject a little suspense, exhibit a little of their  character's character, and dangle a carrot," US writer and editor Art Spikol famously said. "The facts are never enough, they never are."

This logic holds true when it comes to working with data.

**According to TDWI, data storytelling is "the practice of building a narrative around a set of data and its accompanying visualizations to help convey the meaning of that data in a powerful and compelling fashion."**

Bringing far more to the table than relying on dashboards alone, data storytelling is increasingly being recognized as the key to explaining the 'why' instead of just the 'what'. What's reassuring is that it's a relatively well-known technique – according to our research, 82% of IT and data decision makers are familiar with it.

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What's also promising is that the majority (71%) of the business leaders and data professionals we surveyed agree that data storytelling skills are very important when reporting results to the C-suite or other key stakeholders. And almost all respondents (92%) agree that data storytelling is an effective way of communicating or delivering data and analytics results.

Executives believe that being able to focus the story (72%) and to provide context (64%) are the main benefits of this approach – and it's easy to see why.

Communicating insights from data in a way that more people understand opens the door to new and more varied ways of thinking. Any organization can benefit from greater diversity in perspectives and experiences, especially from those people on the leadership team making strategic business decisions. Ultimately, if members of the C-suite can't interpret the data, then they're not going to be able make data-driven decisions for the business.

## 71%
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## 92%
*agree that data storytelling is an effective way of communicating or delivering data and analytics results.*

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# So why isn't everyone doing this already?

While it's clear that business executives recognize the value that comes from data storytelling, more work needs to be done before it is widely used to communicate insights. In fact, our research found that one in four respondents are familiar with the term but don't currently use the technique.

**There are a number of reasons for this.**

**Speed.** Effective data storytelling requires faster access to data. 89% of the business leaders and data professionals we surveyed agree that faster access to data would help their organization make decisions based on data insights.

**Skills.** Data storytelling requires domain expertise, compelling communication skills and good levels of data literacy. Our research found that in more than 3 out of 4 cases (77%), the people in charge of data communication are both data literate and understand the business.

**Therefore, the main challenges when moving to data storytelling are:**

# 49%

*Feel their organizations lack storytelling skills, irrespective of whether employees are data literate or not.*

*The fact that non-data literate people won't be able to understand data stories (48%).*

*A lack of time to dedicate to developing stories from data (47%).*

This is where the biggest change needs to happen. It's impossible to be data-driven without fast access to data. And if your employees aren't data literate, then you are on the back foot from the very beginning.

It is evident that employee education is of paramount importance. Businesses need to make sure they are doing all they can to improve data literacy, and at all levels of their business. Data storytelling can play a significant role here, enriching an organization's data culture and more effectively cultivating the understanding that employees require to interpret complex information on their own, act on their findings, and then tell their own data stories.

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# Data storytelling creates data-driven organizations

Despite the roadblocks, it's clear that a focus on data storytelling will deliver real business value, and in three key ways. It will help organizations to:

### 1. Communicate better
Data stories are far more compelling than stacks of numbers. Capture key stakeholders' attention, and better, more valuable conversations can be had. Our survey revealed that **nearly 3 in 4 executives (71%) think data storytelling skills are very important when reporting results to the C-suite or other key stakeholders.**

### 2. Make better decisions
Those that unleash the full power of data and analytics through data storytelling will have access to actionable data insights that will help them tackle complex problems and make better business decisions as a result. According to our research, **87% of respondents agree that their organization's leadership team would make more data-driven decisions if insights were presented in a simpler/ more understandable, clear way.**

### 3. Increase revenue
Almost all (93%) of the business leaders and data professionals that we surveyed agree that decisions made as a result of successful data storytelling have the potential to help increase revenue.

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**Want to know more?**

Learn how you can equip yourself with the tools necessary to unlock the benefits of data storytelling here:

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