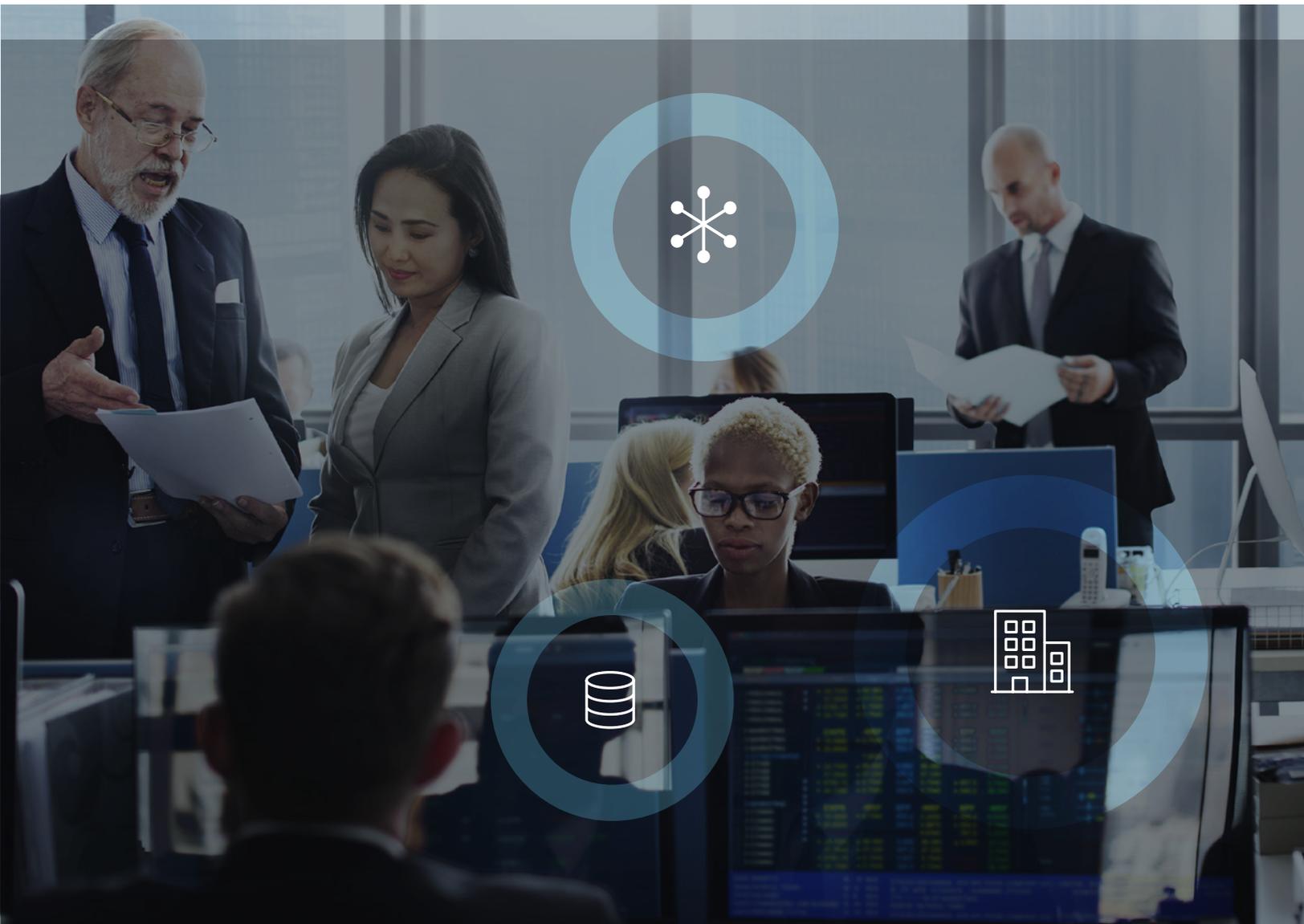snapLogic®

PART ONE IN A TWO-PART SERIES

The high cost of disconnected data

New research conducted by **Vanson Bourne** uncovers how disconnected data is costing organizations billions and negatively impacting innovation and customer experience. The time for businesses to change their approach to data is now, before it's too late.

The Data Misconception

In today's digital age, data is the organization's lifeblood. Whether onboarding new employees, acquiring new customers, or closing the books every month, data keeps everything running smoothly. It enables organizations to innovate, make smart and timely decisions, and maintain a quality level of customer service. Many of us are data workers, reliant on information and data in various guises in order to complete day to day tasks, often without really giving it a second thought.

For many, benefitting from this data is easier said than done, as disconnected data is blighting businesses around the world.

We recently commissioned a survey of IT leaders and business users across the US and UK with independent market research company Vanson Bourne to determine the impact of disconnected data, how prevalent it is, what's causing it, and the problems it's posing to businesses.

Organizations in the US and UK are losing $140 billion each year in wasted time and resources, duplication of effort, and missed opportunities as a result of disconnected data.

Key findings

- **Organizations in the US and UK are losing $140 billion each year** in wasted time and resources, duplication of effort, and missed opportunities as a result of disconnected data.

- **Forty-seven percent (47%)** believe this disconnected data is negatively impacting their organization's ability to innovate, develop new products and services, and get them to market quickly.

- **Forty-six percent (46%)** also state that disconnected data is impacting their ability to engage, support, and meet the needs of customers.

- **For over four in ten (41%),** critical company data is trapped in legacy systems that cannot be accessed or linked to cloud services. Seventy-six percent (76%) of respondents have at least some data trapped in this way.

- **Nearly three quarters (72%)** of respondents feel that their organization is missing out on opportunities as a result of disconnected data.

- **Data silos and ineffective collaboration** are to blame. Over half (56%) feel that these silos are building barriers between them and their business objectives. While a lack of collaboration between business departments is a challenge facing more than four in ten (44%) of respondents' organizations when attempting to unite and integrate all company data.

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Disconnected Data Damages

Data silos are one of the primary causes for disconnected data. More than half (57%) of respondents in our study recognize that their organization is struggling with this. Furthermore, a similar percentage (56%) agree that data silos are a barrier to meeting their organization's business objectives. Notably, nearly half (47%) are seeing thousands of employee work hours wasted each year as a result of data silos (fig. 1).

The impact of data silos in an organization

FIGURE 1:
Analysis showing the percentage of respondents who agree with the above statements relating to data silos, asked of all respondents (500 respondents)

| 57% | 56% | 47% |
| My organization struggles with data silos | Data silos are a barrier to meeting our business objectives | Thousands of employee work hours are wasted each year in my organization as a result of data silos in the cloud |
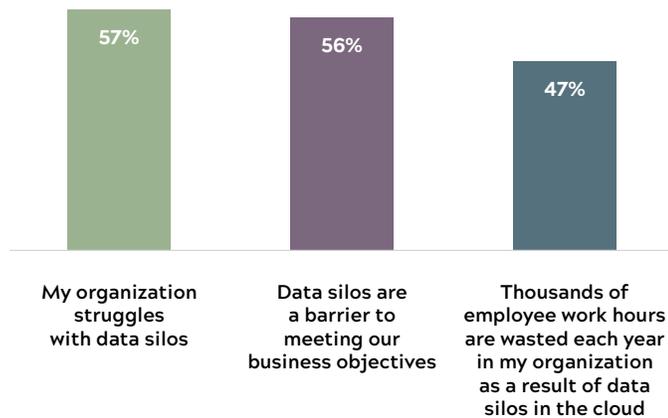
Business user respondents spend, on average, seven hours per week making decisions based on data. Alarmingly, they also lose eight hours over that timeframe simply searching for, acquiring, entering, or moving data.

Similarly, on average IT decision makers are spending an equal amount of time connecting, integrating, or maintaining data (5 hours) as they are focusing on new, more strategic initiatives (5 hours).

Almost half of respondents say that either their organization's ability to innovate and develop new products/services and get them to market quickly (47%),

or their ability to engage, support, and meet the needs of customers (46%) is negatively impacted by disconnected data (fig. 2).

How innovation and customer experience suffer

FIGURE 2:
Analysis showing the negative impact disconnected data is having in the above areas of respondents' organizations, asked of all respondents, split by respondent type (500 respondents)
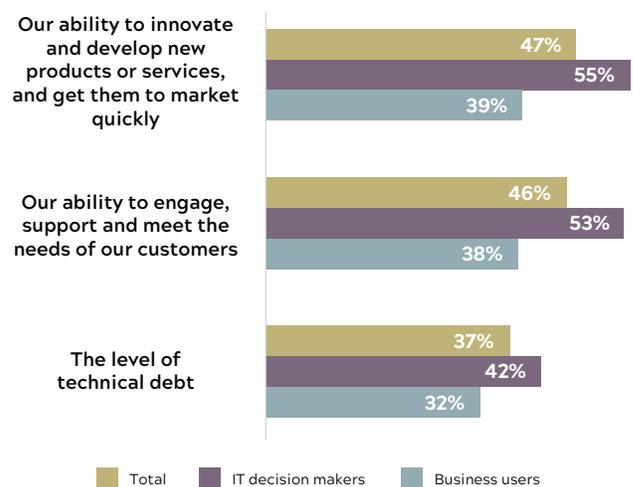

This lost time is also having a significant financial impact, with respondents estimating their individual organizations are losing an average of just under $6 million each year due to wasted time and resources, duplication of effort, and missed opportunities as a result of disconnected data. Those in the US estimate a larger penalty than those in the UK ($6.5 million vs. $5 million, on average) (fig. 3). When we consider the number of organizations with 500+ employees in these markets the financial impact is much greater, resulting in $120 billion[1] lost across the US and $20 billion[2] lost across the UK.

[1] Based on SBA Office of Advocacy statistics for size of organization in the United States https://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf

[2] Based on ONS UK Activity Size and Location Report https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocationTeams and Technology

The annual financial impact of disconnected data

FIGURE 3:
Analysis showing the average estimated annual financial costs (in lost time, resources, duplicated effort, missed opportunities etc.) as a result of siloed data (USD), asked of all IT decision maker respondents (250 respondents)

Total	$5,962,775
US	$6,522,640
UK	$4,993,455
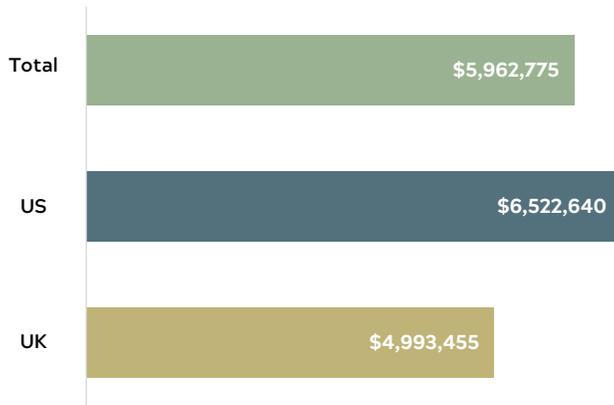
Unsurprisingly, this means that nearly three quarters (72%) of respondents feel that their organization is missing out on opportunities as a result of disconnected data, with a third (33%) reporting that their products/ services are not as innovative as a result.
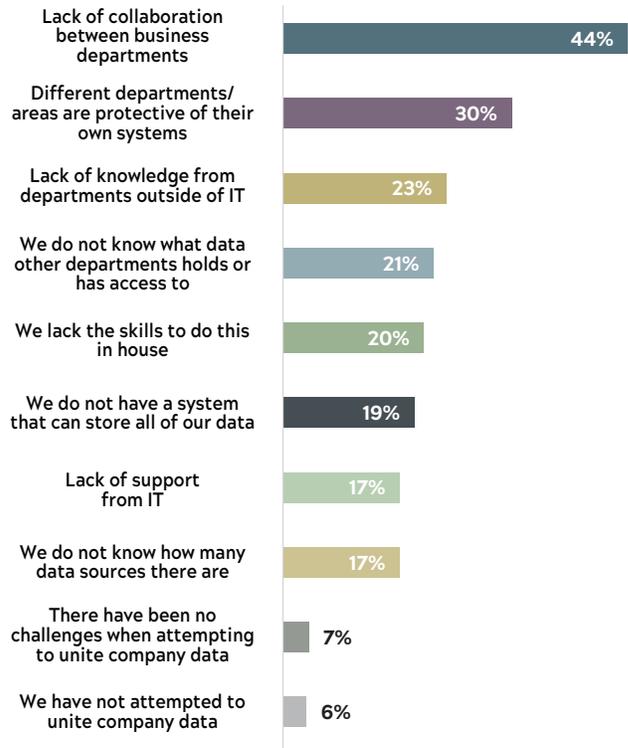
Teams and Technology

In light of this, one would think that eliminating data silos and uniting company data would be a priority, however, the majority (87%) of respondents stated that their organization has seen challenges when trying to unite company data.

For over four in ten (44%), a lack of collaboration between business departments has been a challenge, while three in ten (30%) have found that different departments are protective of their own systems and data. Unsurprisingly given this lack of collaboration, over a fifth (21%) claim to not know what data other departments hold, and one in six (17%) do not know how many data sources even exist (fig. 4).

## The challenges faced by organizations when bringing data together

FIGURE 4:
"What challenges face your organization when attempting to unite and integrate all company data?", asked of all respondents (500 respondents)

Lack of collaboration between business departments	44%
Different departments/ areas are protective of their own systems	30%
Lack of knowledge from departments outside of IT	23%
We do not know what data other departments holds or has access to	21%
We lack the skills to do this in house	20%
We do not have a system that can store all of our data	19%
Lack of support from IT	17%
We do not know how many data sources there are	17%
There have been no challenges when attempting to unite company data	7%
We have not attempted to unite company data	6%

Uniting company data is a difficult task for organizations, especially when data silos are such a common occurrence. However, for just under a quarter of respondents' organizations (24%) all, or the majority, of linking or connecting of systems is done manually, compared to 42% for whom the majority, or all, is automated by software (fig. 5).

## The breakdown of connecting systems in a manual vs automated way

FIGURE 5:
Analysis showing the percentage of respondents' organizations where the linking or connecting of systems is mostly manual vs. mostly automated. Not showing respondents who selected "don't know". Asked of all IT decision maker respondents (250 respondents)

All, or the majority of linking or connecting of systems is manual — 24%

The linking or connecting of systems is equally manual and automated by software — 33%

All, or the majority of linking or connecting of systems is automated by software — 42%
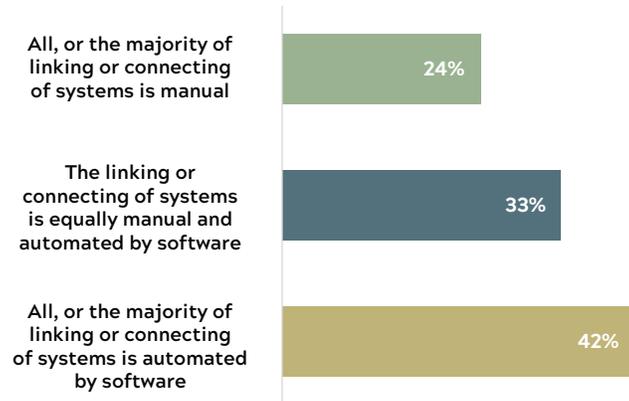
Technology isn't always helping with this. For over four in ten (41%), critical company data is trapped in legacy systems that cannot be accessed or linked to cloud services. Eighty-three (83%) of respondents in the UK have data trapped in this way. Organizations are struggling to unite their disparate systems (fig. 4), with older legacy systems not linking with newer systems. All of which is leading to time lost each day for employees (fig. 6) or a temporary quick fix that is not sustainable over time (fig. 7).

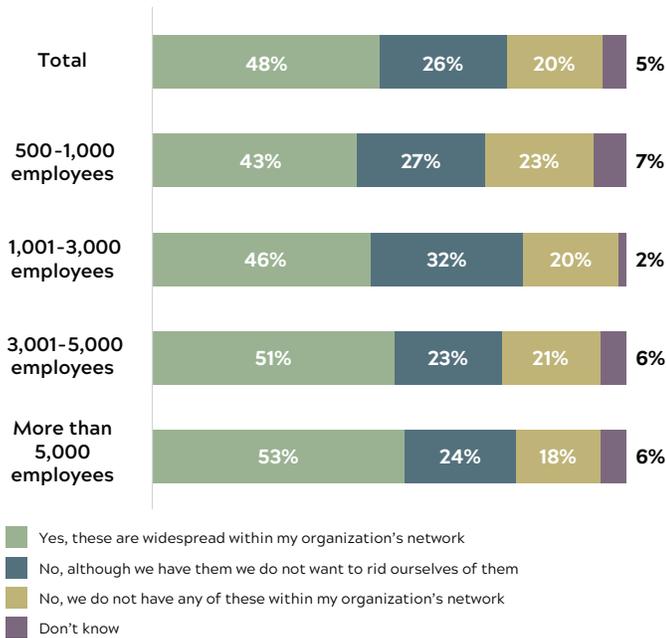## Time (minutes) spent daily moving data to other systems

FIGURE 6:
Analysis showing the average number of minutes spent each day moving data from one system to another, asked of all respondents, split by respondent country and respondent type (500 respondents)

Total	US	UK	IT decision makers	Business users
32	35	28	31	34
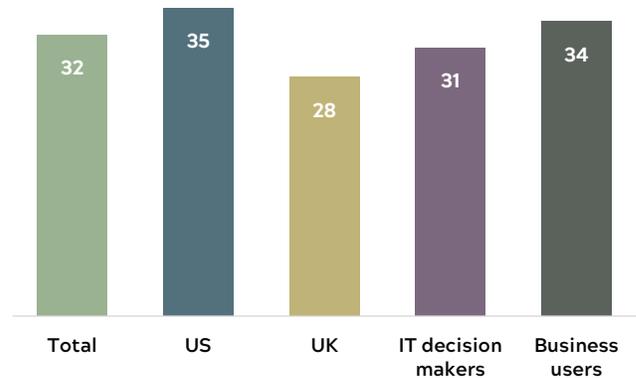
Nearly half (48%) of respondents' organizations have quick fixes linking systems throughout their network that they would like to get rid of, and this is more likely to be an issue the larger the organization (fig. 7). What is more, nearly a third (31%) of respondents have experienced errors, data loss, or privacy violations in their organization as a result of manual moves or ad hoc coding to integrate data. This is more prominent for those in the US (35%) (fig. 8).
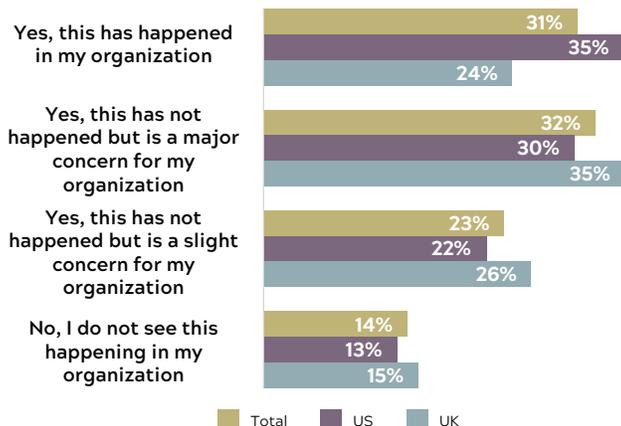
How organizations regard quick fixes to link system

FIGURE 7:
"Are there any temporary quick fixes currently linking systems within your organization that you would like to get rid of?", asked of all IT decision maker respondents, split by organization size (250 respondents)

Total	48%	26%	20%	5%
500-1,000 employees	43%	27%	23%	7%
1,001-3,000 employees	46%	32%	20%	2%
3,001-5,000 employees	51%	23%	21%	6%
More than 5,000 employees	53%	24%	18%	6%

■ Yes, these are widespread within my organization's network
■ No, although we have them we do not want to rid ourselves of them
■ No, we do not have any of these within my organization's network
■ Don't know

Respondants who feel ad hoc integrations increase risks in their organizations

FIGURE 8:
"Do you think that manual moves or ad hoc coding to integrate data increases risks such as errors, data loss and privacy violations for your organization?" asked of all respondents, split by respondent country (500 respondents)

	Total	US	UK
Yes, this has happened in my organization	31%	35%	24%
Yes, this has not happened but is a major concern for my organization	32%	30%	35%
Yes, this has not happened but is a slight concern for my organization	23%	22%	26%
No, I do not see this happening in my organization	14%	13%	15%

■ Total ■ US ■ UK

Organizations are struggling with data silos (fig. 1) and to overcome these challenges, shortcuts and quick fixes are being taken that may temporarily solve the problem, but also may cause more problems in the future.

> Disconnected data is reaching the point where it is stopping organizations from running effectively and they need to be addressing this problem now, before it's too late.

It's not too late

The fact that so many organizations still struggle to manage and benefit from the data they have is highly concerning. New technology and services are coming out all the time and with it bringing new streams of data from which organizations can potentially benefit. Data is becoming more and more valuable to every organization. But only when insights are gained, something that can't be achieved if each stream of data is looked at in isolation.

Disconnected data is reaching the point where it is stopping organizations from running effectively and they need to be addressing this problem now, before it's too late. After all, if they aren't able to innovate, provide a quality level of customer service or deliver products to market in a timely manner they're not going to continue to be a successful business for much longer.

Next steps

If your company is struggling with disconnected data, learn how the SnapLogic Enterprise Integration Cloud can empower your IT and business leaders to connect your systems.

Contact SnapLogic today: snaplogic.com/about-us/contact-us

Research scope and methodology

The research was conducted by Vanson Bourne, an independent specialist in market research for the technology sector, between April and May 2017.

Five hundred interviews for this research were conducted, comprised of 250 IT decision makers and 250 business users of cloud-based or externally hosted applications.

Respondents came from the US and UK:
- US - 300 interviews
- UK - 200 interviews

To qualify for the research, respondents' organizations could be from any sector and their organization had to have at least 500 employees.

Respondents were interviewed using an online methodology and a robust multi-level screening process was used to ensure only appropriate respondents participated in the project.

About Vanson Bourne

The research was conducted by Vanson Bourne, an independent specialist in market research for the technology sector. Their reputation for robust and credible research-based analysis is founded upon rigorous research principles and an ability to seek the opinions of senior decision makers across technical and business functions, in all business sectors and major markets. For more information, visit vansonbourne.com.

VansonBourne

Intelligent Market Research

About SnapLogic

SnapLogic is the global leader in self-service integration. The company's Enterprise Integration Cloud makes it fast and easy to connect applications, data, and devices with no coding. Hundreds of customers across the Global 2000 - including Adobe, AstraZeneca, Box, Capital One, GameStop, Verizon, and Wendy's - rely on SnapLogic to automate business processes, accelerate analytics and drive digital transformation. SnapLogic was founded by data industry veteran Gaurav Dhillon and is backed by blue-chip investors including Andreessen Horowitz, Capital One, Ignition Partners, Microsoft, Triangle Peak Partners, and Vitruvian Partners.

Learn more about how SnapLogic can deliver fast time-to-value and help future-proof your integration platform for growth and scale.

Contact us at **888.494.1570** or **info@snaplogic.com**.