



Is Data the new Capital? 4 Paradigms Needed

By Chris Pehura

Data's impact has gone far beyond operational efficiencies. Data is now capital, a financial resource that is convertible to cash and accounts receivable. Not only that, data capital protects and maximizes revenue, profit, and cash flow by supporting the right risk management, right business planning, right corporate strategies, and the right leadership development. Like having the right executives, the right data capital too is a force multiplier that multiplies our returns on our investments. Data capital multiplies our impact, our productivity rates, and our revenue and revenue growth. Data is no longer just information flowing through our wires. Data is now a strategic cornerstone to our organization. To make data work as our capital, to make data work as our force multiplier, we must establish four fundamental paradigms.

Paradigm 1 – Data is its own capital. For data to be our capital, we must separate data, A.I., and algorithms from all our other capital. Data capital is a separate investment from our IT capital, separate from all our traditional capital. On top of that, our data capital must be connected to and correlated with our business ratios, sales ratios, policies, risks, and processes. Our capital analysis must include data capital, allowing apple-to-apple comparisons between our data capital and our traditional capital. Without this inclusion, without this support, our data capital will degrade down to data utilities, operational efficiencies, and cost containment. And when this happens, data capital will not take root in our organization.

Paradigm 2 – Data capital, customers, and human capital are connected. Customers and human capital consume and share data. Their activities drive our organizational structure, our responsibilities, and our skills needed for our organization to be successful in the market place. How data is received, how data is structured, and the level of knowledge used to analyze and act on our data are fundamental factors that drive our cash flow, our customers, and our human capital. And because people support data and data supports people, our valuations and multipliers for our data capital, customers, and human capital are tightly interrelated. For our data capital to work, for its force multiplier to work, we must acknowledge, understand, and respect these fundamental connections.

Paradigm 3 – Data capital is executive friendly. For data capital to work, we need our board and our executives to accept data capital. Just like with our traditional capital, our data capital must use the same business ratios, the same business reports, the same visuals, and the same business language. And when going into the details we must set strong expectations on how our data capital feeds into and is a force multiplier for our innovation, our strategic change, our culture change, our cost-accounting, our revenue growth, and our human capital development. For our data capital to work it must be executive friendly. It must be executive board friendly. And we must reinforce all of this with strong executive leadership.

Paradigm 4 – Data capital is culture friendly. To make our data capital and its force multiplier work, formal policies and procedures must be enforced to change our work styles, our culture, and our leadership so the organization is friendly towards our data capital. Our data capital

must be instilled in our corporate DNA so any changes in our politics, leadership, and target markets don't dismantle and degrade our data capital down to data utilities. Only with board support, executive support, and the right leadership development programs will we keep our data capital as a strategic cornerstone and force multiplier for our organization.

Data capital is our new capital, our new force multiplier. With our data capital we will be more agile and more innovative in the market place. We will maximize our returns on our investments, stabilize our cash flow, focus on our right customers, move into the right industries, and invest our dollars in the right capital... may that capital be our traditional capital, human capital, or data capital. Data is no longer just information flowing through the wires. Data is now our new capital, our force multiplier for our profitability and revenue growth.

We just need the right data leadership, the right Chief Data Officer, to make it all happen.

About the Author



Chris Pehura

Data-centric Business Management



Chris is a management consultant with a data emphasis helping Fortune 100/1000 companies strategically evolve and reinvent their businesses to maximize their revenue growth. Through realignment, to overhauls, to rebuilding things from the top down and ground up, he integrates and solidifies leaders, strategies, and solutions into all aspects of the organization. As practice director for [C-SUITE DATA](#), a Canadian based consulting firm specializing in data and Big Data, Chris serves as a coach, trainer, and the voice for how data is the new capital that drives, multiplies, and maximizes revenue growth.



where leaders, business management, and data converge