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Data maturity in New Zealand: Most businesses are on the low end

A new Deloitte report shows most New Zealand business have low levels of data maturity, but agritech firm LIC shows what's possible.



By [Sarah Putt](#)

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What counts as useful data, and exactly how proficient they are at capturing and acting on data-driven insights, may come as a surprise to some Kiwi businesses. That's according to a Deloitte report which looked at data maturity across New Zealand and Australia.

According to the survey, the majority of New Zealand and Australian businesses are either at the beginner (44%) or basic (16%) levels of data maturity. While 38% are at intermediate to advanced levels, only 2% are considered at master level, although a quarter aspire to reach this top level in the next five years.

NZ's LIC agritech company on using data effectively

An example of a New Zealand company with an effective data strategy is LIC (Livestock Improvement Corporation). Its CIO Andrea Black says that while its business model—providing information to help 10,500 farmers better manage their animals—hasn't changed for over 100 years, how it captures the data has. "Data is core to what we do, it's the driving force," she says.

LIC invested [\\$16 million in research](#) in 2019, and Black notes that the company has a large R&D division, so the ability to move quickly and be "less constrained by legacy databases" is becoming increasingly valuable.

It is also necessary to be across global trends in agriculture, notably in the areas of sustainability, animal welfare, and the environment and the business is therefore required to "ingest information at a rapid pace."

LIC uses AWS technology in applications such as Space, which uses satellite imaging and machine learning algorithms to analyse farm images and deliver detailed reports for pasture management. Another application, Minda, enables farmers to access data about their cattle herds via a PC or smartphone.

Data maturity of local organisations varies

The Deloitte research, commissioned by Amazon Web Services, surveyed 275 businesses with more than 100 employees, of which 66 are based in New Zealand. It found that two in five businesses surveyed did not view customer or financial information as data, and the same percentage (25%) overestimate their data proficiency.

Among the useful data cited in the report are customer feedback ratings, call centre recordings, supplier information, video, customer information, imagery, industry research and IoT/sensor data.

“One problem may be overconfidence or businesses not knowing what they don’t know,” the Deloitte report notes. “Businesses with lower levels of data maturity were much more likely to over report. For example, 87% of businesses classified as basic over reported, compared to just 13% of intermediate businesses and 6% of advanced businesses.”

Each time a business goes up a level (for example, from beginner to intermediate), Deloitte calculates there is an “opportunity for an additional \$1.6 million in revenue (equivalent to a 12% increase) from increasing data maturity” and this revenue “could allow businesses to hire an additional 22 full-time employees in New Zealand.”

Each department of an organisation is likely to identify different top benefits for data use, for example while the data team may view improving productivity as the most important benefit, the board might rate mitigating risk the highest.

“More broadly, data in and of itself can be an asset for businesses,” the report notes. “For example, online recruitment boards use job postings to create employment reports, which are used to inform government and industry. Just under half (48%) of the enterprise value of the ASX-200-listed companies typically comes from internally generated assets such as data. Yet only 8% of businesses surveyed think ‘data as a revenue stream’ is the top benefit.”

The Deloitte report shows that New Zealand business are slightly behind Australian businesses in data maturity, while the most advanced sector in both countries is finance and insurance.

Meanwhile, the factors identified in the survey as hampering an organisation’s data maturity are data quality (17%), funding (15%), data access (13%), and workplace culture (12%).

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