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AI Success Isn't Magic, It's Built on Data Strategy

Peter Nebel writes, in *The Data Administration Newsletter*, that “among organizations with a clear data and AI roadmap, 66% report revenue growth directly tied to AI initiatives. 63% say AI has improved their insights and decision-making. Another 64% have seen operational efficiency gains, while an equal 64% report measurable cost and time savings. Meanwhile, 63% have improved their customer interactions and overall experience.”

These figures, he notes, “reveal a broader truth: AI success is less about adopting technology for technology’s sake and more about transforming data into actionable intelligence. Companies that invest in clean, well-managed data are seeing not only financial improvements, but also cultural and operational benefits. Time reduction, for example, has emerged as the most frequently achieved outcome, surpassing even cost savings. That reflects AI’s ability to streamline complex processes, accelerate workflows and free teams to focus on higher-value work.”

Nebel points out that “AI’s potential rests on the quality and accessibility of an organization’s data. A model trained on incomplete, inaccurate or siloed information will inevitably produce unreliable outcomes. Many executives underestimate how much effort is required to prepare their data for AI readiness. Establishing a clear data strategy means defining standards for collection, storage, quality assurance and governance, along with clear ownership and accountability.”

Yet, he adds, “despite the compelling evidence of AI’s value, many organizations remain hesitant to adopt it fully. Their reluctance rarely stems from a lack of ambition. Rather, it reflects legitimate concerns and structural obstacles.”

Security and privacy are the top worries, Nebel notes, saying that, “as AI systems gain access to larger volumes of sensitive information, companies must implement robust safeguards to protect against data breaches, misuse or unintended exposure.”

The second major challenge is talent. “34% of companies say they lack skilled personnel who can manage or operationalize AI systems. While the technology continues to evolve, the demand for data engineers, machine learning experts and domain specialists far outpaces supply.”

Nebel says that “about 30% of organizations resist AI adoption out of concern that it might upend established workflows. This hesitation is understandable. AI changes how decisions are made and how work is performed. However, companies that view AI as an enabler rather than a threat tend to adapt more smoothly.”

Finally, he says, “poor data quality remains a persistent issue for 25% of companies. Dirty, inconsistent or incomplete data can undermine even the best AI models. Addressing this problem requires disciplined data hygiene, standardized inputs and continuous monitoring to maintain integrity.”

Nebel believes that “overcoming these challenges begins with acknowledging that data is a strategic asset, not a byproduct of operations. Companies that treat data management as a core

competency, on par with finance, marketing, or R&D, create the conditions for AI to thrive. Establishing a clear governance structure, investing in data literacy and aligning data initiatives with business objectives are the first steps.”

He finds that “the organizations reporting the strongest AI outcomes tend to view their data strategy as a living framework that evolves with their needs. They continuously evaluate data sources, quality and compliance requirements. They ensure transparency around how data is used to train models and make decisions. Most importantly, they link AI investments to measurable business goals, ensuring accountability for outcomes.”

In today’s business environment, Nebel concludes, “the companies pulling ahead are not those that merely experiment with AI, but those that integrate it strategically. They understand that AI’s effectiveness depends on the integrity and coherence of the data beneath it. A clear data strategy is therefore not optional; it is the linchpin that turns AI from a promising concept into a tangible driver of growth, efficiency and innovation. AI is no longer about potential; it is about execution. And successful execution begins, always, with data.”

For considerably more, see [AI Success Isn’t Magic, It’s Built on Data Strategy – TDAN.com](#).