



Monetize Dormant Data: 3 Steps for C-Suite Executives to Integrate Analytics into Decision Making

► Binesh Nair

Senior Consultant in Analytics and Information Management in Deloitte, Ireland. Email: binesh.nair3@gmail.com

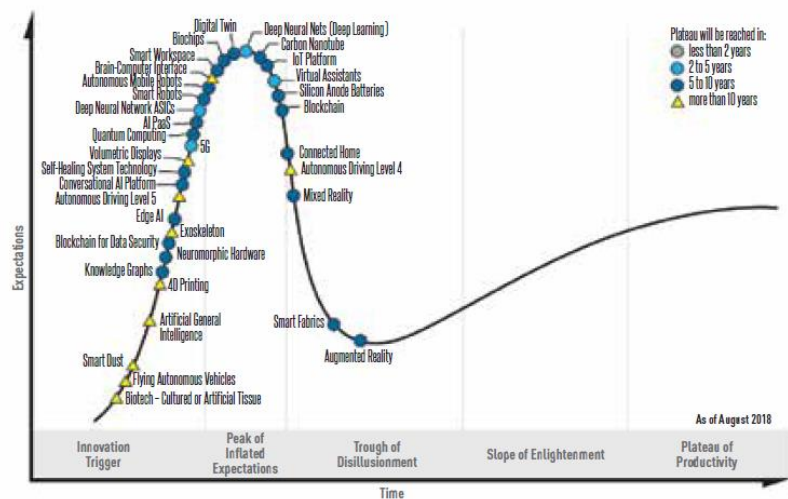
Although data analytics seem to be ubiquitous; the reality is that many organizations are still grappling to find value from the data lying dormant within them. A 3 - pronged approach presented in this article-creating SMART business use cases, building a well-balanced analytics team and establishing an insight-driven culture; can help organizations to capitalize on the insights generated from underlying data to drive business growth.

Organizations are often clueless when it comes to making sense of the endless list of “next big thing” technologies that seem to appear every other day in the industry. These technologies are often eulogized in conferences by key note speakers and trumpeted in industry-recognized publications. At the same time, it is amusing when each of these technologies is said to ‘revolutionize’ or ‘disrupt’ the industry! While many of these technologies may have the potential to revolutionize the industry over the next decade or so; unavailability of any reasonable business use cases makes it strenuous for organizations to estimate the impact these technologies will have on the industry in general and on the organization in particular. Gartner has brilliantly identified and visualized the stages of the emerging technologies in the Hype Cycle 2018 (see Fig. 1).

Gartner had dropped data analytics from its hype cycle for emerging technologies in 2015. Although this can be inferred as analytics as a technology being ubiquitous in 2019; the reality is that many organizations are still grappling to find value from the data lying dormant within them.

If your organization is still waiting to adopt analytics and is clueless about how to go about it; then you can take the following three steps to reap the full potential of your most valuable and at the same time grossly under-utilized

Hype Cycle for Emerging Technologies, 2018



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Fig. 1: Hype Cycle for Emerging Technologies

asset: “data”. This 3-pronged approach can act as a roadmap for integrating analytics into your business.

Creating SMART Business Use Cases

Many organizations are often forced to implement emerging technologies in order to overcome the fear of being disrupted by the technology or being outplayed by the competitors! However, most of the times the stakeholders in such organizations either do not have a business case in hand or have only a

vague understanding of how emerging technologies can solve a business issue in hand.

The obvious challenge in implementing any ‘half-backed’ technology is that, it becomes too difficult to measure the impact of the technology and hence, becomes even more unreasonable to communicate the ROI on this technology!

Hence, in order to avoid costly mistakes, not just in terms of costs

but also, in terms of intangibles like, employee engagement, brand reputation or customer experience; it is paramount not only to identify a business use case but also, ensure that it adheres to the SMART framework. In other words, a business use case must be Specific, Measurable, Actionable, Relevant and Time-bound.

While data analytics appear to have been democratized with the availability of tools, talent and reproducible business use-cases; many organizations still seems to be clueless on how to gain actionable insights from data. For instance, more than 70 per cent of the organizations which participated in the 2018 Deloitte Insight Driven Organization (IDO) survey have challenges in generating value from data; with most of the efforts being ad-hoc and in silos. This is substantiated by the fact the most of the organizations are struggling to manage data; 66 percent of the respondents in the IDO survey identify data management as a key barrier to the adoption of analytics.

How can organizations create a use case? In order to answer this question, an organization has to identify an issue which is challenging the business growth. A business issue can either be a 'visible' business problem that is affecting the business like, consistent drop in sales or consistent churn of customers etc., or it can be an 'invisible' problem that is not directly affecting the business currently but, is rather stopping the business from delivering on its full potential. An instance of an 'invisible' problem is a scenario wherein the customer support team is working overtime to address customer's issues. While on the surface it may appear that the issue is a poor customer support team and hence, an impulsive solution will be to develop an innovative model to reduce the time taken to address a customer issue. However, an analytical approach is to do a 'root-cause' analysis to answer questions like, why there are many issues with the product in the first place? Are these issues redundant? Are there any hidden patterns?

Once a business issue has been identified and well-defined, it is important to identify if analytics can be used to address the issue? For instance, it may even be an issue with

the business process rather than lack of insights! If the solution requires data to be crunched then the first step will be to define objectives that can be monitored once an analytics solution has been implemented. In other words, it is critical to explain what deliverables will look like, preferably in business parlance. This essentially will help in communicating to a wider business audience without the fear of being lost in translation.

While any organization will have multiple key issues at any point of time, a best practice is to identify a pilot project from a set of potential projects based on cost, feasibility, time and resource restrictions against the potential business impact the project can make; as shown in Fig. 2. One of the benefits of this visualization is that, it allows the organization to prioritize the issue based on various parameters. For instance, if the purpose is to taking majority of the stakeholders into confidence, then it may be ideal to choose a project which can make a bigger impact. Similarly, if cost is a concern then the organization can choose smaller projects which can deliver quick wins.

A pilot project is also an effective way to gain the stakeholders' confidence in analytics and it also provides them enough teeth to buy-in other stakeholders or to communicate the potential impact to a wider organization.

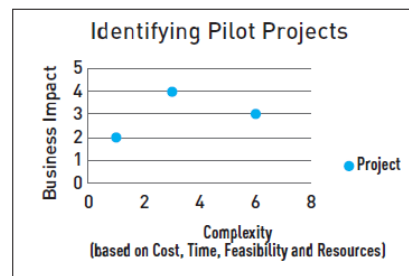


Fig. 2: Identifying Pilot Projects for demonstrating Impact of Analytics

Building the Right Team

Once the business issue has been identified and it has been translated into an analytics use case with well-defined deliverables; it is time for the organization to identify and define the required capabilities. Three broader capabilities will be required by any organization to integrate analytics into decision making: capability to plan and

execute the analytics strategy; capability to translate the business requirements into analytics problems and capability to communicate analytical findings as business insights. Some of these capabilities will be hard to find, based on the sector and the market in which the organization operates. While supply is definitely a concern for these multi-disciplinary skillsets; organizations also have to align their recruitment strategy and process to the analytical needs of the organization. For example, only 31 percent of the organizations in the 2018 Deloitte IDO survey have broken their analytical needs at a capability level and proactively embedded this into their hiring and talent development strategies and processes.

Capabilities can be present either within an organization or need to be acquired from the market. If capabilities are present in-house; then the organization will have to identify the level of training that will be required in order for the resources to start delivering on the project. Ideally, in a context wherein the organization itself is testing water in terms of integrating insights from an analytics solution into decision making; it is advisable to have atleast one senior leader who has both business know-how and technical knowledge in analytics. He will be the face of analytics in the organization and will play a key role as a translator between business stakeholders and technical analytics resources. Additionally, it is a best practice to have a data evangelist; typically a senior leader from the business side - who understands analytics, appreciates the impact that analytics can make in terms of delivering business outcomes and can manage the various stakeholders in the business.

If the capabilities is being searched outside, it is important to understand the kind of skills required in the analytics team. For instance, it is important to understand the distinction in the roles of a data engineer, a data scientist and a data analyst. While tool knowledge may seem to be important for a data engineer; attributes like critical thinking, business sense, ability to translate business requirements, telling stories using insights will be more important for a data analyst.

Organizations should restrict themselves from defining generic job descriptions without understanding the key capabilities required for that position.

Analytics is not about technology or tools; it is about being able to translate the business requirement into an analytics problem and being able to communicate the insights to business and also being able to convince the stakeholders to act on these insights.

Setting up an Insight-Driven Culture

Culture within an organization is defined by its people; which in turn is decided by the organization itself. One of the ways to identify priorities within an organization is to identify the influence of people who are in-charge of these priorities and the visibility of their business functions. For instance, high priority business functions will have influential people and high visibility. As per the 2018 Deloitte IDO survey, only 15 percent of the respondents have a Chief Analytics Officer or a Chief Data Officer. Only 37 percent of the organizations have a C-suite member with a formal mandate to drive analytics across technology, people, process, data and strategy. Organizations must evolve beyond unstructured and siloed analytical capabilities and rather develop and maintain a thriving ecosystem for analytical capabilities to interact with rest of the business units in order to produce tangible results.

One of the approaches is to design a hub-and-spoke model wherein the analytics team is established as a Centre of Excellence (COE) - interfacing with various business units to solve specific use cases. One of the advantages of having such a model is that, business units can come together to solve problems which will be inter-functional and will also require them to share their departmental data. For instance, in order to have a 360-degree understanding of a product's performance, the COE may have to obtain data from the marketing department to identify the cost invested on various marketing channels, obtain data from the customer support department in terms of the number of calls they receive from the Customers for various products, obtain data from organization's social media page etc.

Fig. 3 provides an organizational

structure for a typical analytics COE. The analytics champion(s) should report directly to the CEO, CMO, COO or CFO. This serves dual purpose. From the business perspective, the C-suite executives will be able to see the transformational change resulting from the use of analytics. From an analytics team's perspective, it helps them to keep the business impact in mind without getting lost in the technical intricacies. Additionally, this approach also has the advantage of earning the confidence of top management at an initial stage, compared to fighting the way upward, by overcoming inter-departmental conflicts. It can even smoothen the cultural transition towards an insight-driven organization.

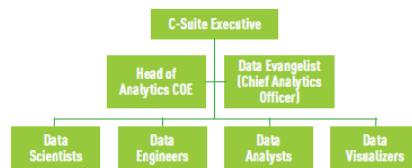


Fig. 3: Typical Organisational Structure of an Analytics COE

Further, every analytics project should be communicated to the wider organization during review meetings or through periodic newsletters so that, every department is aware about how the organization is leveraging the analytics services being provided by the COE to solve some of their challenges or to gain insights from data which were not directly visible to them. For instance, the marketing team may benefit immensely if they are given insights on how a campaign is performing across various age groups in different locations. This feedback can possibly help them to improve their target marketing strategies.

One of the effective ways to spread analytics to every department is by having one of their representatives working intermittently in the COE as a domain expert. This domain expert

can be a business unit head. This will help COE to communicate what it does to the wider department though this departmental nominee rather than the former explaining their work! This approach can even facilitate in improving the explainability of analytics as a technology.

Finally, every successful project which used analytics at any stage of the decision making should be celebrated. The concerned stakeholders and the COE should even communicate the scale of impact; for instance in terms of increasing revenue, improving the sales, increasing the customer retention, or reduction in the time taken to make a decision etc.

Conclusion

Monetizing data present within an organization will require C-Suite executives to embrace the fact that data is an asset rather than a liability. Also, it is equally important to align analytics deliverables to tangible business goals. Finally, solving business issues by collaborating with a centralized analytics COE can not only overcome inter-departmental conflicts but also, expedite the organization's journey towards being an insight-driven organization.

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About the Author



Binesh Nair is a Senior Consultant in Analytics and Information Management in Deloitte, Ireland. He has over 6 years of experience in Consulting and Analytics; collaborating with big and small businesses across diverse domains. He was a Government of Ireland Scholar in 2014/15 and has published 20+ papers in applied data analytics.