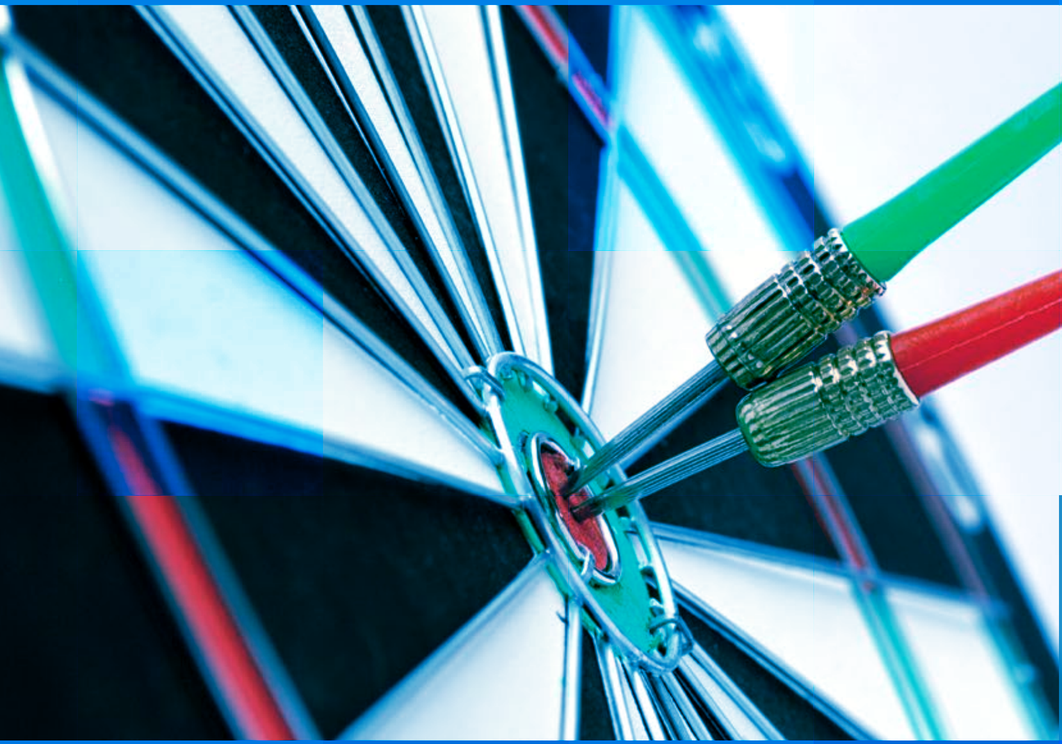
PERSPECTIVE

Analytics: Promises, Pitfalls, and the Path Forward

Ensuring success of your analytics strategy



Ravishankar Panchanathan

Abstract

Data is gaining importance and analytics is on the rise in business. But often, enterprises end up just adding to the noise factor and fail to derive the value from their data and analytics.

In this paper, we provide six techniques that focus on key performance indicators, breaking functional silos, operationalizing insights, creating a data-driven culture, and more, to achieve success with analytics.

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The rise of data and analytics

About two decades ago, the Internet opened up immense possibilities for businesses. It changed not just how and where business is done but also the way we track and record activity. Anyone could go online and upload or analyze data. Thousands of Web pages were created and businesses began collecting data – sites surfed, news read, stores shopped at, music listened to, movies watched, and more.

Social media tools such as LinkedIn, Facebook, and Twitter further added teeth as people began to volunteer private information about their work and social lives. Then came mobility with anytime, anywhere access and connectivity. All these have led to an accumulation of immense troves of quantifiable data – every minute, we send 204 million emails, generate 1.8 million Facebook likes, send 278 thousand tweets, upload 72 hours of video on YouTube and enter 2 million searches on Google.

Promises and pitfalls

Analytics provide insights from data that augment 'the gut' feeling that many leaders rely on to make decisions. Although it does not replace human judgment, it offers new insights for use in the decision-making process. It helps make fact-based decisions.

Sophisticated analytical tools promise a world of possibilities but not all analytics projects deliver the desired value. Only a handful have been successful, while the majority have fallen short in realizing useful value. In fact, in a recent report, Gartner predicted that 'through 2017, 60% of Big Data projects will fail to go beyond piloting and experimentation and will be abandoned'.

Six steps to move past the hype

1 Work towards getting holistic, big-picture views

Analytics starts with measuring action and understanding data from diverse sources, all toward achieving a business outcome. To do so, monitoring a process end-to-end is necessary. This means breaking down traditional silos of information, which often prevent a function or team from accessing key data that's stored elsewhere in the business.

Often, data is restricted to one department, team, or function — be it HR, finance, or marketing. But in the data world, each function needs to have robust access to each other's data sets so they can optimize working together. To truly use data, a big picture view of the business process that cuts across functional silos is essential. Running analytics programs in isolation from the rest of the business is a serious error. To get full visibility, a process or a sub-process must be viewed with the customer in mind, as must the handoffs from one sub-process to another.

2 Measure what matters

As the adage goes, what gets measured gets improved; it is important to keep sight of what needs to be measured. In the past, when only a little data was collected, often people had to decide at the outset what to collect and how it would be used. We do not have that limitation now. However, for analytics to be successful, domain experts will need to identify strategic and tactical KPIs that need improvement. Also, the KPIs identified must be made measurable by having the right parameters and data points to measure.

3 Know that analytics is a journey not a series of isolated projects.

Improving KPIs is an on-going process. Once identified and appropriate dashboards for measuring the metrics are set up, improving KPIs will be a continuous exercise.

4 Operationalize insights

Relevance to business decisions and strategy is key. So it is important for the business to ensure that both the data collected is relevant and the insights gained are used in the decision-making process.

5 Make it a part of the C-suite agenda.

The ownership of analytics must be on CXOs, not on the CTO or the CIO. As said earlier, for analytics to succeed, data and intelligence must emerge from the control of individual functions and departments. Data be must be democratized across the organization. And like any other change management initiative, usage of analytics calls for a culture change and hence, needs to be driven by the CXOs and their respective teams, who have clear vision on the KPI that needs to be improved.

6 Promote a culture of data-led decision-making

The data phenomenon is new. Until now, most enterprises relied on 'the gut' feel for decisions by their leaders. For

data-driven decision-making, a change in the enterprise culture is necessary – empowering employees to look at appropriate data and make objective choices rather than rely on experience. This requires training on using analytics and ensuring that the data collected matters. And of course, like all changes, analytics must be ingrained within the DNA of the enterprise.

Conclusion

Without doubt, analytics is on the rise. But to seize the opportunities that new insights and data-led decision-making offer, enterprises must establish a data-driven culture and a process for collecting relevant data. There's a lot to learn from the ocean of data and information generated today.

About the Author

Ravishankar Panchanathan

AVP and Head - Operational Analytics and Reporting Practice, Infosys BPO

Ravi has over 28 years of rich experience in the research and analytics space. He has been with Infosys since 2005. In his current role, Ravi heads the Operational Analytics and Business Reporting Practice, which helps in driving Business Outcomes for BPO clients of Infosys using Analytics and helps build their Business Reporting systems. Prior to joining Infosys BPO, he was an equity analyst covering Indian markets for 13 years. Ravi has covered several sectors as a sell-side analyst significantly with the British broking firm Cazenove and ICICI Securities and then headed investment research at Sundaram Mutual Fund for a brief period.

Ravi is a certified chartered accountant from ICAI and a cost accountant from ICWAI, India.

He can be reached at **ravishankar_p@infosys.com**

For more information, contact infosysbpo@infosys.com

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