PERSPECTIVE

Making Analytics Work for You
How to get started and achieve business-relevant outcomes from analytics

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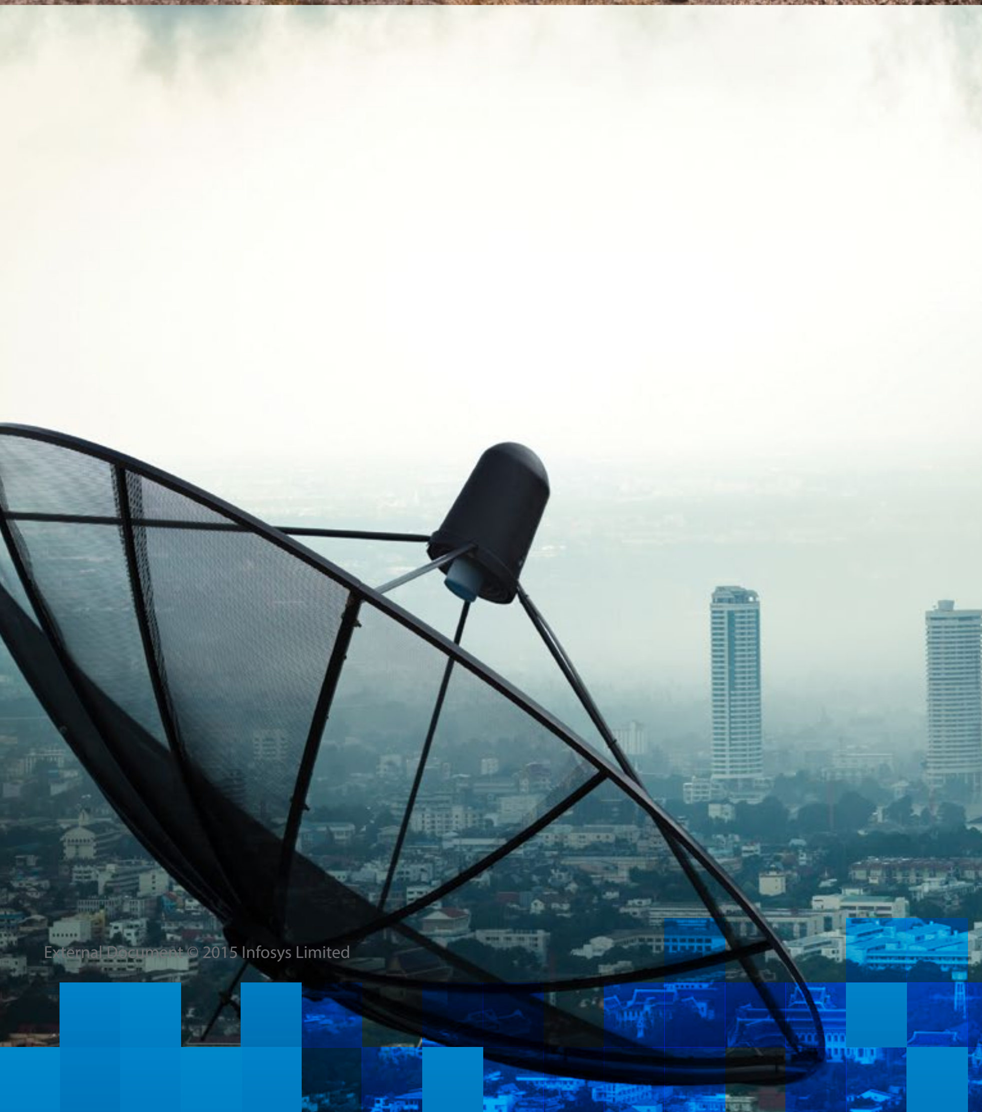
Abstract

Data has gained importance in recent times and made analytics indispensable to an enterprise's business growth. But by itself, data has little or no value for a business. To create value, organizations must not just focus on capturing more and better data but also on outcomes and aligning their analytics strategy with KPIs which are essentially, a measure of business performance.

Data is key to your analytics strategy

Data today is huge, fast, and growing. In every industry, companies are realizing the importance of leveraging data-driven strategies to compete and innovate. Thanks to advances in digital technologies, it is now easier to capture and analyze data about products and services, buyers and suppliers, and consumer preferences. This data holds the promise to deliver valuable customer and business insights, helping predict the future and finding new opportunities. The four Vs – Volume, Velocity, Variety, and Veracity, of data – combined with the declining cost of computing are driving this phenomenon.



But outcomes matter too

Capturing and analyzing data is important but it is even more vital to have a clear idea of the desired business impact or outcome. Improvements and competitive advantage arise only when the gathered data is used properly to generate relevant insights. So the outcome must shape how the data is sourced and used. This would help take a holistic view, mobilize resources and corporate focus, and determine a path to achieve the desired outcomes.

A five-step plan to ensure a successful analytics strategy

Start with identifying the outcome, not with the data

Begin by understanding the value delivered – revenue growth, improved profit margins, higher CSAT, improved cash flow, higher market share, or even improved ability to meet regulatory norms – at the end of the process. Here, the process owners play a critical role in clearly identifying the desired outcome that they hope to achieve out of the process.

Remember that KPIs are at the core of a successful analytics strategy

KPIs are a measure of performance and business success. For any data to be meaningful and relevant, it must remain in the context of business success, measured by KPIs. Therefore, align your data to the KPIs which are set to be monitored or improved. This aligns the business intelligence (BI) strategy to the analytics strategy. But doing this calls for a seamless flow of data that breaks the functional silos that afflict most global enterprises. Data flows must cut across functional domains with each process owner supporting her / his downstream partner to achieve their goals, while maximizing data flow around her / his KPI. To achieve this, the key is to start small – first integrate enterprise data around KPIs and then bring in unstructured data from outside the enterprise.

Build in-house capabilities

A vital component of a successful analytics strategy is the people strategy. Delivering outcomes in analytics typically requires three different skills in a variety of combinations:

- Technological capabilities to pull data from across the silos using the BI infrastructure and present the data smartly and quickly using the right visualization methods
- Domain capabilities to understand the range and quality of data required – from master data management to monitoring transactional data
- Data science capabilities to build models to develop predictive and prescriptive insights

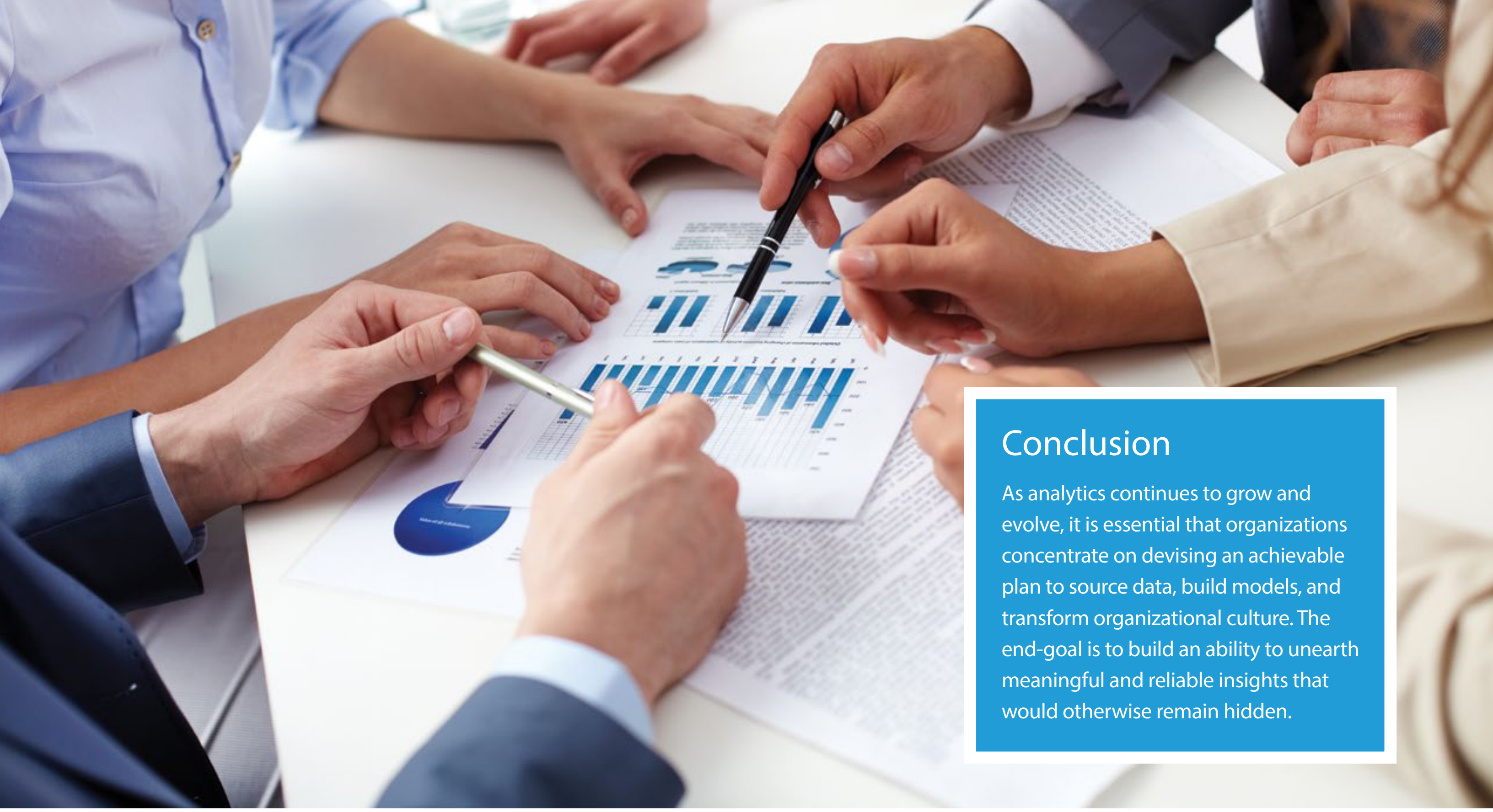
Finding these skills is one of the most pressing challenges that many organizations face today. But to benefit from analytics, organizations need to invest in building these skill sets.

Promote synergy

Analytics only delivers insights. These insights must be used by the operations team to make relevant data-based decisions. So, working hand in hand is essential to ensure that consistent business-relevant insights are provided. Conversations with frontline managers will ensure that analytics complement the existing decision making processes and the required ROI is derived from analytics investments.

Work on the organizational culture to foster ownership

Often, analytics fail because managers don't understand or trust insights given by the analytics team and consequently, don't use them. Such problems arise because the organization's existing culture does not support emerging tactics to use analytics successfully. To overcome these issues, analytics must be driven across the value chain and made a part of the fabric of daily operations. Ownership and governance must be clearly laid out to enable the different silos in a process to work together, and everyone understands the goals.



Conclusion

As analytics continues to grow and evolve, it is essential that organizations concentrate on devising an achievable plan to source data, build models, and transform organizational culture. The end-goal is to build an ability to unearth meaningful and reliable insights that would otherwise remain hidden.

About the author

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Ravi has over 28 years of rich experience in diverse industry sectors. He has been with Infosys since 2005. In his current role, Ravi heads the Operational Analytics and Business Reporting Practice, which is instrumental 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.

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