

# Winning with Value-Focused Analytics

BY SRINIVAS SOMAYAJULA

Since the debut of Tom Davenport's notion of *Competing on Analytics*, the idea that organizations can enhance their decision-making capabilities and achieve a distinctive advantage with business analytics has been at the forefront of strategic objectives worldwide.

Analytics adoption has increased, and according to Bloomberg Businessweek Research Services, only one in four organizations believe its use of analytics has been "very effective." In order to extract maximum value from analytics, organizations must remain laser-focused and maintain momentum on three critical success factors:

1. Showcase value and create advocates (and then, stay the course)
2. Hire the right talent
3. Motivate a data-oriented culture

## SUCCESS FACTOR #1:

### SHOWCASE VALUE AND CREATE ADVOCATES (AND THEN, STAY THE COURSE)

---

Because analytics teams remain challenged with defining their value in most organizations, it's crucial for the teams to showcase their worth by providing executives with focused insights that help exceed their performance objectives. This requires analytics teams to work closely with executives to understand their key performance objectives. Each performance objective should be viewed as an opportunity for the teams to flex their muscles and provide value-adding insights. Done successfully, executives turn into advocates who commit to continued investments in analytics. Stay the course and continuously showcase value to remain a strategic asset and avoid being viewed as a cost-center.

## SUCCESS FACTOR #2:

### HIRE THE RIGHT TALENT

---

To keep up with the current velocity of business, executives have little time to make critical decisions. Analytics teams can support this paradigm, but need the right talent in place to set up the necessary infrastructure. At a minimum, the following categories of talent are required to maximize success:

- *Data-driven executives* must be at the helm of driving analytics success. The new executive not only brings a wealth of experience, but also an analytical, data-driven mindset to rationalize and derive the right decisions.
- *Technology professionals* remain critical. They must have a willingness to continuously learn and increase their awareness/exposure to newer technologies such as: memory analytics, no SQL data structures, and private cloud storage mechanisms for quick data access.
- *Data scientists* are inherently curious, interdisciplinary professionals motivated to work with executives and challenge the status quo, structure research questions, and ultimately, collect and analyze data and derive value-added insights.

Without the right talent in place, the analytics team risks its value being questioned and is, ultimately, not designed to succeed.

**SUCCESS FACTOR #3:**  
**MOTIVATE A DATA-ORIENTED CULTURE**

---

Organizations who have repeatedly extracted value from business analytics motivate a data-oriented culture. They've instilled routines, norms, and practices that position data as a critical decision support component within the organization. To achieve this, the first step is to make business analytics a strategic imperative and transition the imperative into strategic assets (e.g., relevant data to support current and future business strategy and analytical models/algorithms that provide value-adding insights about customers and operations). The second step is to turn detractors into promoters by showing how business analytics helps them achieve their performance objectives. And finally, they must share the discoveries and insights throughout the organization. These serve as a means to, not only showcase success, but also motivate others to use those insights or contribute new ones.

**BRINGING IT ALL TOGETHER ...**

---

According to a recent report by the International Data Corporation (IDC), 40,000,000,000,000,000,000 bytes (or more concisely put: 40 zettabytes), is how much digitally stored data humankind will possess by 2020. All that data is bound to possess deep insights that align to a myriad of benefits — financial gain, medical advances, and much more. Armed with a solid business analytics program, organizations can succeed in extracting value, but must remain focused on showcasing value and creating advocates, hiring the right talent, and motivating a data-oriented culture.

© 2013 JABIAN, LLC. ALL RIGHTS RESERVED.



**SRINIVAS SOMAYAJULA**  
*srinivas.somayajula@jabian.com*

*Srinivas is a Director and has helped build Jabian's advanced analytics capabilities*

## Top 3 Executive Concerns with Analytics:

1

**“You’re not telling me stuff I care about.”**

Analytics professionals must spend time understanding business executives' key value metrics. Discussing data or research results that are not aligned with key value metrics is a sure way to lose your most important audience. For example, don't tell an executive responsible for customer satisfaction about sales forecasts unless the sales forecasts tie back to customer satisfaction. To solve this problem, try creating a simple matrix that connects business executives to key value metrics. To find out what metrics matter, just ask the executives or see if your organization uses scorecards. The goal is to position analytics professionals as strategic partners who care about your most important value metrics.

2

**“I don't trust the data.”**

One common and valid point is that, if you don't trust the data, the only other option is to make decisions based on experience. However, we all know that some data is better than no data at all, but how do you convince the executives? Simple — make them a part of the data collection process. Once you've understood the key value metrics, ask the executives which data sources they'd like you to use. If they can't pinpoint them, suggest some and work with them to get buy-in upfront. Don't wait until you are done with your analysis! Have multiple checkpoints to gain trust and confidence. Again, the goal is to position analytics professionals as strategic partners who work with the business.

3

**“Your data analysis doesn't match my experience.”**

This one is hard to tackle, but there are subtle and creative ways to do so. An executive who delivers consistent results using experience-based decision-making is hard to challenge. Use every opportunity you get to discuss a data-driven insight and deliver it in a manner that highlights the gap between an action taken based on experience versus an action based on data. Don't call out the difference — let it speak for itself.