4 Zen Principles of Operationalizing & Embedding Analytics

What is the sound of one hand clapping?

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About the Authors

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Prior to XTIVIA, Steve held IT positions in Fortune 500 companies including Hewlett-Packard, Agilent Technologies, and Sprint / Nextel... as well as a number of start-ups in BI and Analytics Services. Steve will tell you he's held positions from software development and IT Management to blog writer and Janitor.

Mangesh Mharolkar has worked with Information Systems for more than 17 years, and currently heads the Business Intelligence practice at XTIVIA. He has been with XTIVIA for more than 13 years. Prior to coming to XTIVIA, Mangesh worked in a technical leadership role at Tata Consultancy Services. He has worked in various roles for client firms of all sizes, including Fortune 500 companies, building industry-leading data warehousing and Business Intelligence solutions. Having served in a variety of roles, he brings a hands-on, practical approach to both strategic and tactical decision making. Mangesh holds a Bachelor of Engineering degree in Electronics and Telecommunications, and a Masters degree from the University of Colorado with an emphasis on finance and international business, as well as various technical/sales certifications from various industry leading vendors.

Introduction

Are your dashboards doing their jobs?

The days of your gut-feel telling you what to do are almost over! Today, most organizations rely heavily on data to drive daily, monthly operational decisions.

For most organizations, these data driven decisions are not however fully integrated in the operational processes. Take for instance a services company providing care coordination for elderly customers. This organization uses salesforce.com for CRM needs and QuickBooks for accounting needs. However, it is not easy to generate reports for their sales team to ensure that quality care is provided to customers AND billing processes are completed on time.

Most organizations have some form of business intelligence – mostly in the form of operational reports or dashboards. However, these organizations still rely on a "standalone" system that requires forcible adoption.

What our customers are saying?

"We are not sure which KPIs to track – some KPI Dashboards we have built are losing adoption" – Food Importer and Logistics Company

"We would like to send commissions reports to each person, we spend way too much time integrating and distributing these reports" – Real Estate Management Company

"We would like to enable our sales staff in our stores to analyze integrated sales, expenses and inventory balance data – while we are completing a sale" – A Bicycles Retail company

"We would like to analyze customer churn. We want to empower our retention customer representatives with this information so that we can keep our customers" – A regional telecommunications/cable company

If your perspective matches one or all of these XTIVIA customers, then this report will provide some practical advice. We hope you find this useful.

Zen Principle #1

So where to begin?

We were hard pressed to find a single business driver when it came to operationalizing data-driven decision making. More often than not though, increasing operational efficiency is a primary goal. Business process optimization is a close second followed by increasing revenues and customer outreach.

Most organizations crave consistent decision-making, which requires a deeper understanding of the business problems. Decision automation is also quite desirable and the final frontier, such as being able to predict events and resolutions.

Our recommendation is focused on the following "WH" questions – the first three are obvious but the fourth one is almost always ignored.

? WHO » ? WHY » ? WHAT » ? WHERE

You might have a sound understanding of who needs to make decisions and why. You also might have a pretty good understanding of what data would be required and also the timing, but have you considered the "where"?

You will quickly notice a pattern. The drivers and segmentation of actions, decisions and feedback all intersect at a particular point.

Zen Principle #1: The convergence point of decisions, action and feedback is where you should look to begin. Adoption will be easier and justifying technology investments becomes simpler.

Zen Principle #2

How to coalesce feedback?

Data integration is usually a big problem. Most organizations consider data warehousing as the only option and begin building one. It takes time to understand, integrate and govern data. The delay usually means several missed opportunities and low adoption rate.
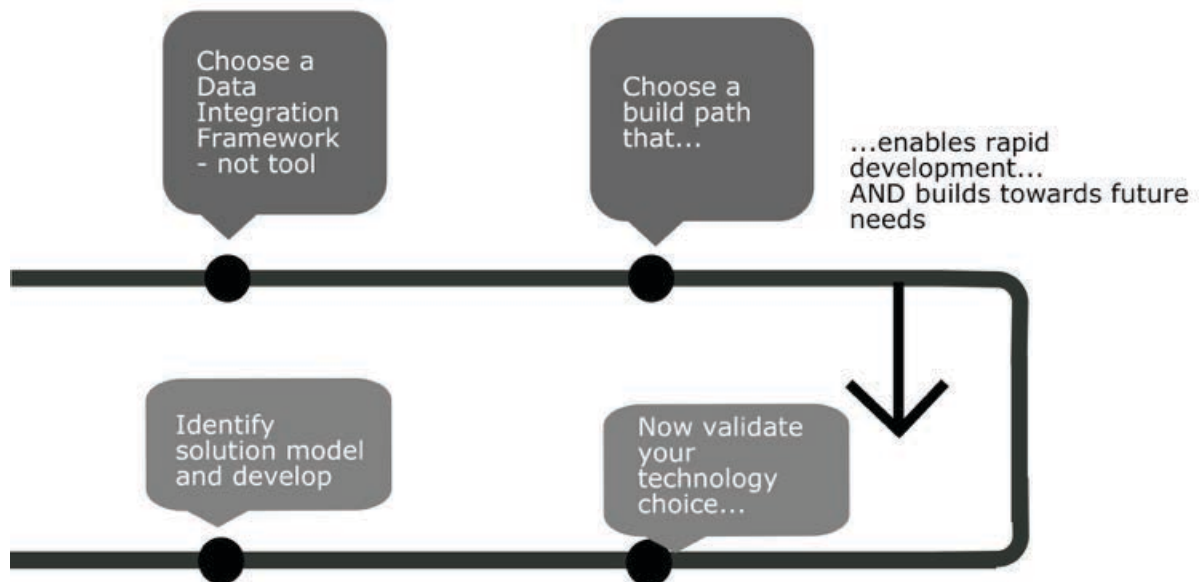
Zen Principle #2: Agility is key – choose a data integration framework and a built path. Delivering on lowest hanging fruit is best. Deliver same operational but governed data quickly. Once your build path and framework are chosen, validate your technology choices and the corresponding solution model.

Zen Principle #3

How to enable daily actions?

Almost all organizations have a manual process to take action (usually after a reading of tea leaves!). This is okay during the initial phases but over a period of time, the approach loses steam.

A better way to enable actions is to put the report or dashboard/chart in context, readily accessible by an end users right in the application/s they tend to use on a daily basis. Going back to our bicycle retailer company, XTIVIA enabled the access to dashboard on mobile devices used during the sales process. This resulted in quick access to inventory information **while a sale was in process**.

Another approach involves easy to read and distribute (across multiple devices) alerts that are generated from the analytics system.

The alerting mechanism works really well. First and foremost it makes people accountable. For instance, when a lead comes in through online marketing, a sales person should jump on it within the hour. Any longer and the prospect may move on to another vendor resulting in loss of revenue. The technology available today can do this with relative ease.

Zen Principle #3: : Build and deliver meaningful alerts to your users. Real-time or near real-time delivery of smaller data sets can be achieved quickly.
Put the reports/dashboards in daily operational context, not as a standalone system.

Zen Principle #4

How to enable daily decisions and predict events?

We have found that context is critical to adoption and operationalization of analytics in an organization. The context type drives usage, adoption and evolution of the analytic mindset. The business context sets the tone for drivers and value realized. The application or organization context determines how well analytics are adopted. However, in our opinion, the most important is the decision context. This context is essentially your understanding of how the decision making process will be improved due to the adoption of analytics.
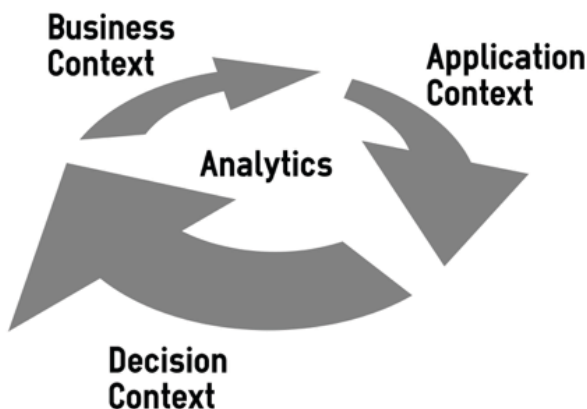
The key is to decompose the decision making process, what information is needed to make a decision, when and if the decision making process can be automated. This is where "the rubber meets the road" for the most organizations and will be a critical factor to determine whether your analytics program is a roaring success or lukewarm "also ran".

The final frontier fits well into this context model. It does indeed take longer to operationalize predictive models in the business process & operations. It is important to focus on not only the predictive model but also rules and policies (metadata). With an agile approach to building the model and metadata, a lot can be accomplished. Care should be taken that the model stays fresh.

Zen Principle #4: Document analytic context. Pay attention to the business & application context as well. Adopt predictive modeling in a stepwise process. Make sure model and metadata go together.

Got Questions?

We have the answers!

XTIVIA has been helping customer leverage analytics for a number of years. Our deep knowledge and know-how has been honed with each project we build for our customers. We know the technology needed to implement analytics but also the drivers and trade-offs.

Contact us today:
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