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BBC NEWS**BUSINESS**

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Analytics must be put centre stage in decision making

Viewpoint by Stacy Blanchard

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In today's volatile business environment, organisations must be ready to reconfigure their strategic priorities at speed, and with certainty.

Crucially, instead of basing major business decisions on intuition, they need to mine the data and information at their disposal to drive rapid decision making.

This is why analytics - the use of data, statistical and quantitative analysis, explanatory and predictive models - has moved centre-stage.

According to market research firm IDC, the market for business analytics software grew 14 percent in 2011 and will hit US\$50.7bn by 2016.

Of course, analytics itself is nothing new.

Organisations such as Google, Tesco and Caesars Entertainment are well recognised for their ability to predict market trends, customer behaviours and workforce staffing requirements and turn these into top-line growth and/or bottom line savings.

But for the many other businesses now seeking to take advantage of analytics, there continues to be a lack of clarity around certain fundamental questions.

What is analytics? How can it propel and improve an organisation's competitive positioning or effectiveness?

What does it mean to truly become an analytical organisation? And how does an organisation set out on this critical journey?

Although the development of analytical capabilities and capacity is obviously important, a focus on data, methods and technology alone will not magically deliver the insights needed for competitive edge.

Meaningful actions

The first step is to identify the information that must be harnessed, before establishing where it resides within the business, and under whose responsibility.

Equally important is understanding how this information can be captured effectively, and what needs to happen to turn insights into

meaningful actions for the business.

Also essential, businesses must recognise that technological tools, sophisticated models and differentiating data count for little unless the organisation has the enterprise-wide capability and commitment to capitalise on them.

At a fundamental level, this means ensuring that analytics is not a siloed function. Only when it becomes truly integral to the business can it begin to support the broader strategic agenda.

How can this be achieved? Analytical leaders know that they must pull and align a number of levers to ensure the success of any analytics implementation.

Throughout the business, processes, talent, leadership, metrics and accountability all play a vital role and influence the outcome.

Clearly, companies making a foray into business analytics face a steep learning curve. Moving to fact-based decision-making requires a cultural transformation involving both top-down leadership and grassroots adoption of new behavioural norms.

It should be planned, addressed and measured just like any other change to the business. In other words, understand what needs to change, take a sequence of implementation actions and follow through to make the changes sustainable.

The market is already flooded with training on how to use the various applications required to carry out analytics work.

The result? Although many analysts are well equipped to use the software, higher level capabilities related to model development, impactful data interpretation and how best to take advantage of analytics are left to on-the-job training and, worse, to chance.

A closer look at the analytics talent gap, based on Accenture's practical experience and research, indicates that all levels of the organisation must move to develop certain core skills.

A company's leaders need to be able to create, champion and sustain an analytics vision. Managers need to be able to lead an analytics agenda and create a lasting impact for their team.

And front-line practitioners need to combine their technology abilities with problem solving and data analysis skills to increase their effectiveness and deliver bottom-line business benefits.

At an enterprise-wide level, businesses build analytical orientations by demonstrating a profound respect for data and fact-based decision-making.

Fundamentally curious

Crucially, however, their executives do not study things to death or delay decisions. They are willing to make tough calls based on the information available.

Analytical organisations are fundamentally curious. They find out what their peers are doing, they scrutinise performance patterns. And they identify new and better ways of working. If metrics suggest that a practice or process is no longer effective, the analytical organisation is not afraid to change them.

Analytical cultures are marked by collaboration and information sharing across organisational boundaries. If people hoard information and distributed groups of analysts cannot work together, the business cannot capitalise on the big opportunities for analytics.

Last but not least, individuals should be recognised and rewarded for their analytical capability - not just the quality of analyses and insights, but also the breakthrough business results achieved by putting them into action.

Realistically, at least in the early stages of an analytics implementation, many of these changes will take place in back-office functions.

Provided they keep abreast of these developments and work out how to complement them throughout the rest of the business, HR departments that have a strategic seat at the table will be key to advancing and supporting analytics implementations at scale across the business.

Equally important, CEOs and senior leadership, along with HR, will move to ensure that analytical talent - an increasingly precious resource - is engaged, retained and working on the most important growth opportunities and problems facing their organisations.

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