BEST PRACTICES FOR ANALYTICS CENTERS OF EXCELLENCE

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DISCUSSION TOPICS

- Industry Trends
- Information & Organization Challenges
- Organization Maturity Journey – Structured Approach
- Business Transformation & the role of Enterprise Centers of Excellence
- Case Study
Survey by MIT Sloan Management Review - in partnership with SAS Survey

- 2037 Respondents - business executives, managers and analysts
- 25 Industries
- Various organizations – revenue range $250 million to $20 billion
COMPETITIVE ADVANTAGE FROM ANALYTICS LEVELS OFF

The percentage of companies gaining a competitive advantage from analytics in 2013 was smaller than in 2012.

MORE MANAGERS HAVE THE DATA THEY NEED

A jump in access to more useful data is helping managers make key decisions.

How often do you feel you have all the data needed to make key business decisions?

- Always: 2012 - 5%, 2013 - 9%
- Frequently: 2012 - 30%, 2013 - 35%

How has your access to useful data changed during the past year?

- Significantly increased: 2012 - 17%, 2013 - 28%
- Somewhat increased: 2012 - 53%, 2013 - 47%
FIVE KEY QUESTIONS

- Is my organization open to new ideas that challenge current practices?
- Does my organization view data as a core asset?
- Is senior management driving the organization to become more data-driven and analytical?

- Is my organization using analytical insight to guide strategy?
- Are we willing to let analytics help change the way we do business?
CHALLENGES TO THE USE OF ANALYTICS

INFORMATION AND ORGANIZATIONAL
Most organizations follow this process:

- A business problem becomes a priority...(Reactive)
- Technical team is assembled
- Data is gathered and analysis is done
- Project is completed
- Expand team, build more teams, repeat steps....
Valuable improvements are only possible when

Enterprise approach to address both to achieve Organization Alignment

**Information**
- Growth & Complexity
- Quality & Consistency
- Security & Access
- Information Silos
- Infrastructure scalability

**Organizational**
- Competing Priorities
- Business Unit Alignment
- Information Processes
- Skills and Culture
- Innovation
CHALLENGES TO THE USE OF ANALYTICS

APPROACH
SAS Research & Publications

Organizational Assessment & Alignment

Initial Framework for Centers of Excellence

Business Analytics for Decision Making

Business Transformation Roadmap
THE JOURNEY TOWARDS THE TARGET

- Change from a “Project” to a “Program” mentality
- Change from a “Tactical” to a “Strategic” approach
- Provide business and IT with shared-ownership of the enterprise information environment

“Enterprise centers of excellence should support the effort…”
ORGANIZATIONAL PILLARS
SAS Information Evolution Model (IEM)

Five Levels of Evolution

5: Innovate - Expand top line
4: Optimize - Optimize bottom line
3: Integrate - Enterprise view
2: Consolidate - Departmental silos
1: Operate - Individual focus

4 Critical Pillars

- Human Capital
- Knowledge Processes
- Culture
- Infrastructure
CHARACTERISTICS OF “TARGET” ENVIRONMENT

- Ensure buy-in from business & IT
- Re-use standard processes (leading practices)
- Leverage skills and promote ongoing learning & sharing
- Objective analysis – ask questions that have not been answered
- Reduce complexity – one version of the truth
- Ensure necessary changes are done on time
FOUR KEY PILLARS  ORGANIZATION DYNAMICS
Key to Alignment

Organizational Pillars

Business Analytics Skills & Resources

Information Environment & Infrastructure

Internal Processes

Organizational Culture
Business Analytics Skills & Resources

- Analytical, Technical & Interpersonal Skills.
- Training, Career Advancement to Attract and Retain Talent.
Information Environment & Infrastructure

- Relevant, Accurate, Consistent & Timely Enterprise information.
- Advanced, Scalable and Capable Enterprise Information Infrastructure.
Key to Alignment

Internal Processes

- Well defined set of Processes to identify, prioritize and address Information & Analytical Requirements.
- Coordinate support from IT, Analytical Resources & Computing power.
Organizational Culture

- Understand, Value and Demand Fact-based Decisions & Strategies.
- Communicate Value of Analytics, Fund Staffing, and Reward proper use.
THE JOURNEY TOWARDS HIGHER MATURITY

“TARGET”

FACT-BASED & ANALYTICALLY-DRIVEN ORGANIZATION
An executive vision to demand an information-driven organization and culture

Focus on key organizational dimensions

- Human Capital
  - Internal Information Processes
  - Technical Infrastructure
  - Organizational Culture

Continuous alignment with business objectives

- Supported by an enterprise BA Center of Excellence
DEFINITION & ROLE OF CENTERS OF EXCELLENCE
What is a Business Analytics Center of Excellence?

An internal strategic team of experts with a specific focus on facilitating and promoting the use of analytics to achieve business objectives across the enterprise.
Centers of Excellence Functions

Enterprise Business Analytics Program

Information Architecture Technologies

Data Stewardship and Governance

Internal Processes

Data Management

Operational Data Sources

Data Quality Master Data Mgt

Information Schema

Information Delivery

How BI & BA are used

User training & support

Data marts structure & content
CENTERS OF EXCELLENCE FOCUS

- Data Integration, Quality, Master Data, EDW Schema, etc.
- Financial Reporting, Customer Intelligence, etc.
- Early Warning Triggers & Organizational Exposure
- Enterprise Query & Reporting
- Enterprise & BU metrics, C-level metrics, external reporting
- The use of analytics to support decisions & strategy
- Specific technology
CENTERS OF EXCELLENCE CHARACTERISTICS

- Sponsored by the executive team
- Includes IT, business domain and analytic expertise
- Has well defined charter, responsibilities, and processes
- Collaborates with ALL appropriate stakeholders
- Focuses on making analytics a repeatable process
Develop and evolve the Business Analytics infrastructure - *Link investments with business value & priorities.*

Improve Infrastructure & Business Efficiency – *Identify & reduce duplication of efforts and shorten “time-to-value”.*

Promote collaboration and leading practices - *Accelerate progress & adoption of leading practices by both business & technical communities.*

Drive growth, cost reduction, and profitability – *With proper CoE focus & performance KPIs.*
FOUR KEY PILLARS

SAS APPROACH
**Implementation Methodology**

**Assessment**
- Understand Vision, business objectives and priorities of the executive team
- Assess current environment and capabilities including Infrastructure, People, Process and Culture using SAS’ IEM Model
- Benchmark current information maturity and compare to competitors

**Gap Analysis**
- Analyze desired capabilities vs. current capabilities
- Conduct a Gap Analysis between desired and current capabilities in each of the four organizational dimensions

**Recommendations**
- Develop detailed recommendations, initiatives, and roadmap to achieve the desired capabilities
- Identify potential BA CoE role
- Develop role, structure, required skills, processes, roadmap, training, change management, etc.

**Ongoing Support**
- Support client in the implementation & operation phase
- Monitor and make adjustments if necessary
- Provide enterprise best practices