

HOW TO DEVELOP A FIRST CLASS ANALYTICS PRACTICE



"It is a capital mistake to theorise before one has data"
Sherlock Holmes - A Study in Scarlet (Arthur Conan Doyle)

A Guide to Building your Team

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HOW TO DEVELOP A FIRST CLASS ANALYTICS PRACTICE

Do you want to get real value from your data analytics?

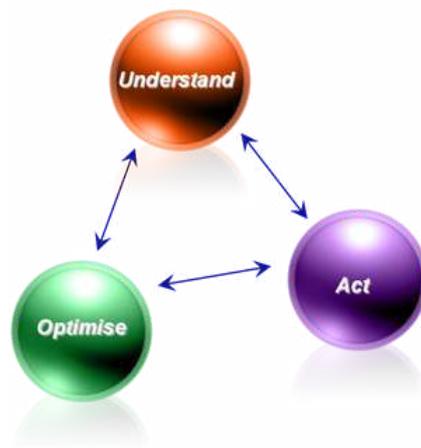
If so, then this brand new guide outlines the requirements and features of a data analytics practice that delivers profitable insights and potentially transformative power to the business. Before we start ask yourself these 3 questions.

How important is fast and reliable data to your business? Is your data analytics practice as effective as it needs to be? What foundations need to be in place to ensure Data Analytics drives business success?

Many businesses cannot satisfactorily answer all of these questions but if you follow the framework I will shortly unpack, you will be in a position to start or accelerate your journey to success.

It is important as a minimum, to understand that it doesn't matter whether you are an online retail operation, a small or medium sized business or a multinational company - your data can be your most valuable resource. But only if you take the time to develop a data and analytics capability that can take advantage of it!

Once this is understood, the key to developing a first class analytics practice is to approach any data issue or project from 3 perspectives. You need to create a disciplined approach to Understand, Act and Optimise.



Understand

First you need to understand what problem or opportunity you want to solve and how important it is by asking some simple questions like:-

- What has happened?
- Does it matter?
- Why did it happen?
- How did it happen?
- What is the impact?

Act

Secondly, look at the options you have and understand what action needs to be taken.

- Determine if we need to act.
 - If so what needs to happen?
 - When does it need to happen?
 - Undertake the action.
 - Monitor and analyse outcome.
 - Create feedback mechanism.
-

Optimise

Finally, once initial actions have been taken how do you ensure you are optimising the situation?

- Monitor current outcomes from current action
 - Develop What if scenarios
 - Implement new actions as required.
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Companies that use data and business analytics to guide decision making are more productive and experience higher returns than competitors who don't.

In essence, by creating a data and analytics led fact based outcome approach, you are laying the foundations to help you start building a first class analytics practice. Added to this by building the right culture which can enable the business and those operating within the business to make the best decisions possible, you give it the best possible chance of succeeding.

KEY ENABLERS FOR A FIRST CLASS ANALYTICS PRACTICE

Laying the Foundations

After laying the foundations for a first class analytics practice, it is important to understand and develop the three key enablers, People, Process and Technology that turn Analytics into that critical function that is required by any world class organisation.

Perhaps not a new concept but an important one nonetheless.



People

It is important that you have individuals with the right investigative attitude and skill set who are also commercially savvy and technically proficient. Then you can create a lean structure that has continuous improvement at its centre and one which enables individuals within it to believe and practice core values.

People with a can-do attitude, that believe in analysis and the importance of extracting information that adds value to the business, can and will add real value as long as you support them with appropriate process and technology.

Process

Like any other part of the business, it's important that the right processes are in place to help prioritise activity based on a value assessment. This enables you to create an appropriate analysis process and research library with established methodology for others in the team to follow.

Clearly, an appropriate project management system should be engaged together with a common analysis methodology and continuous training programmes. Simply put, the process should begin with the end in mind and be methodological in its approach.

Technology

The technology you put in place should be appropriate to the current and near future requirements of the business. You need to look at the options and compare systems based on such elements as Speed of Analysis vs Accuracy, Standalone best of breed vs a Complete solution vs In-house build, Complexity vs Maintenance vs Benefits and Future Proofing or Scalability.

Once in place, core analytical modules can then be developed to undertake complex analysis such as modelling, segmentation, or cross product optimisation. These key enablers combined with continuously developing your people, processes and technology provide a way of turning Data into Profit.

This of course requires the data function to be properly aligned to the business, supported by good process, analytical skills and technology capable of managing complex data.

THE MULTI DIMENSIONAL CHALLENGE OF A DATA LED BUSINESS

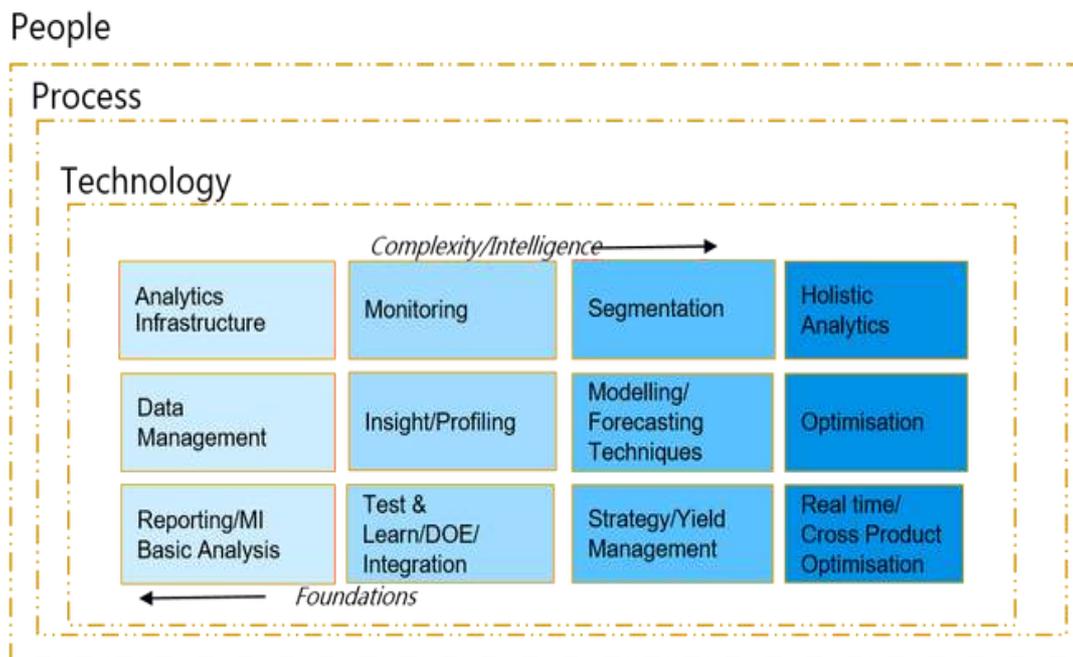
We have just talked about how important it is to remember that while all businesses should be data driven, it is critical that the data referred to is *'business driven'*.

And by that I mean that having the right data, structured in the right way is essential to help you to facilitate and better inform your important business decisions. In order to develop this, you need to recognise the multi-faceted or multi-dimensional challenge that every business faces when trying to turn data into profit.

We have already talked about laying the foundations and ensuring that the right people, process and technology are put in place for what the business wants to achieve.

Now we look at the 12 core analytical elements.

12 Core Elements



These modules range in increasing complexity from simply putting the infrastructure in place to developing insight and real time business decisions.

A first class Analytics practice will address these 12 core analytical modules as appropriate for their business issues whilst also continuously developing their *people, processes and technology*.

In order for this to work however, it is important that the business leadership is fully supportive of the challenges that such a function faces when dealing with the continual demands for information from other business departments and the cost implications of incorrect prioritisation.

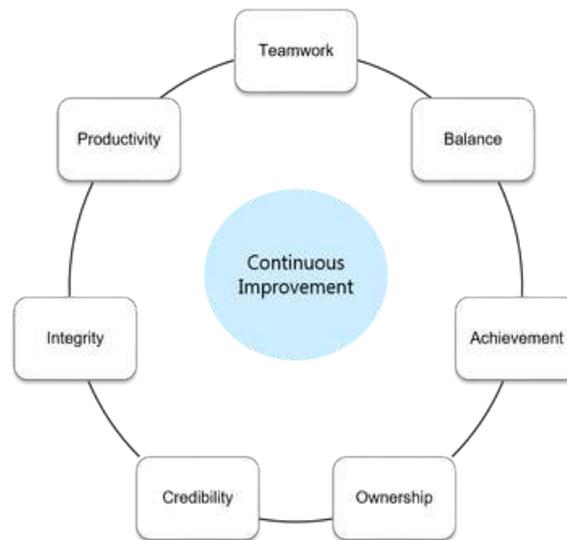
The best businesses in the world manage these challenges and that is why they are able to take that raw data the business generates and turn it into not just knowledge, but profit.

It is important to remember though that it is not just about technical prowess and that a major element in creating a first class analytics practice is something that all good businesses and departments should follow, but many don't - Continuous Improvement and the reinforcement of company Core Values.

THE IMPORTANCE OF WORKING ON CORE VALUES

Continuous Improvement and the importance of reinforcing Core Values

No matter how good your data analytics practice is there needs to be a consistent approach to building the best team possible to derive the best value from your data analytics. To do this, there are a number of key elements that you need to put in play.



Teamwork

It's important that all within the data analytics team work together for the common goals of the business and that they proactively share their skills and knowledge to support each other.

Balance

While you should expect your teams to work hard, you also need to be flexible to balance the needs of individuals with those of the business. Prioritising and getting the balance right between BAU work, projects and critical work allows you to maintain the balance between getting it right and getting it done.

Achievement

Strive to be successful and deliver what you promise, recognise that team success is as important as individual success and always recognise success and reward it appropriately.

Ownership

Ownership is important and individuals should be encouraged to look at the business and its values as their own and take responsibility for what they do and to be proactive in making things happen.

Credibility

It is also important for the business that all are encouraged to look for inspiration inside and outside the business and that individuals aim to proactively learn new techniques and methods. This could then lead to individuals aiming to solve problems and offer possible options for resolution, rather than simply bringing a problem for someone else to resolve.

Integrity

A key element of almost any set of values is integrity. Yet it is often one that senior leadership forget when looking at managing their patch of turf. Clearly what should be in play is that all should aim to do the right thing, to tell it how it is, promise what you can deliver and then deliver it.

Productivity

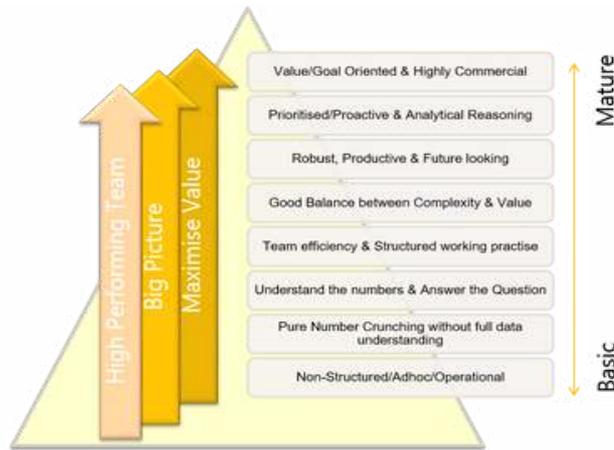
At the end of the day it's the outputs that count. Therefore, it's important to instil the right values to aim to get it right first time by thinking ahead and juggling priorities to make sure you get the most out of each hour. Any business that can deliver continuous improvement using some or all of the above has more than a good chance of creating a world class business and a first class data analytics practice.

A great example of Managing Core Values and Continuous Improvement can be seen with Liverpool Football Club in the English Premier League. they have embraced sports science and data in a way that no other English club has done and now it is paying dividends as they run away with the League title.

The data science team at Liverpool has been in place for the past 5 years and it was solely responsible for the selection of Roberto Firmino, Andy Robertson, Philippe Coutinho and Fabinho purely from their data stats achieved in games. accessing over 1.5 million data points per game and creating data models has enabled Liverpool to continuously improve both on the pitch and with their transfer policy.

It is therefore not a major surprise that the club with the most advanced data science team is now firmly ensconced at the top of the league.

FROM BASICS TO MATURITY



Understanding what analytics capability you need as a business is important and once done, you also need to understand where you are and how you can upgrade your team to the level required. In essence, you need to understand the business big picture in order to build a high performing team that allows you to maximise business value.

Mature analytics teams are those who demonstrate that they are:

- Goal oriented and highly commercial
- Prioritised, proactive and have analytical reasoning capability
- Robust, productive and future looking
- Have a good balance between complexity and value

Whereas less mature teams have the basic skills but are:

- Pure number crunchers
- Limited understanding of the data and its value
- Unstructured and ad-hoc in approach
- Task rather than strategically focused

It is key when looking at this that you establish what level of maturity and capability you and your team are at and where you need to be. Once you have a view, you should identify how to move your team through each level to reach the level your business needs it to be and the time that journey might take. Finally and critically,

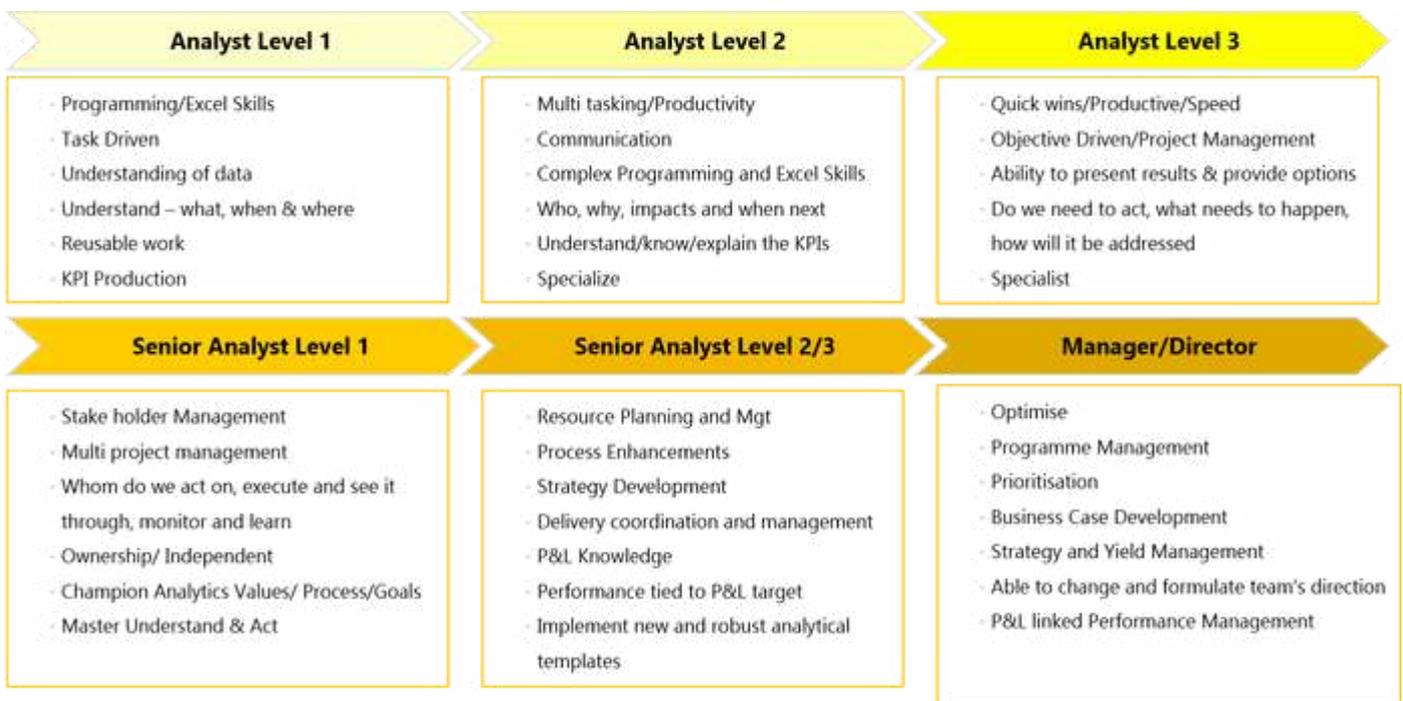
Having senior management commitment to developing a mature analytics function is key to building a high performing team that is value conscious, goal oriented and commercially savvy.

SKILL LEVELS OF ANALYTICS TEAMS

Clearly it is important to understand what level of maturity your analytics practice is at.

Once done you should then look at the different skill sets that are found at different levels of analytics departments to help you understand where your team is.

You can see below that it has been broken down into 6 different levels, but ahead of that, it's worth remembering that in order for you to develop a great team it is vital that the team have transparency in terms of progressing their careers and the core skills they would need to master to get there.



As you can see from the above chart, as you move through each level we move from seeing individuals who have basic programming and Excel skills, to those who are objective driven and specialist operators that understand the importance of why and how the objective benefits the business.

Eventually, having good operators isn't enough. You also need analysts who are good stakeholder managers, who champion analytics values and who are capable of multi project management. Clearly having the skill sets is critical, but skills alone won't make enough difference.

In order to develop such a team, you also need a strong leader or leadership team who understand the value that data can bring in supporting the business strategy and an analytics lead who has the ability to influence at senior levels.

THE DIFFERENCE A STRONG LEADER MAKES

The softer skills in Analysts play a dominant role in creating a first class forecast that is dependable and instils confidence within the business. and this where a strong leader can make the difference.

By now you would have established a knowledge of skill sets within your analytics practice and gained an understanding of the benefits an *analytics leader* can bring to the party versus a good manager.

Nowhere is this more apparent than when considering and delivering forecasts. Having spent considerable time working for businesses in different industries and markets, I have seen the difference that adding soft skills to core technical requirements can make to delivery of a forecast.

A good forecast will deliver a technical model with a low percentage error, will be robust, stable and scalable and fix any divergence. All of which are great but in order to get traction within the business it needs to be believed.

A first class forecast is not only technically sound and accurate but is also communicated succinctly and timely, is believable and convincing and able to flex to business strategy.

This is only achievable with a strong leader who is proactive and eager to understand everything at the most granular available interval and who can engage the action team to deliver quickly.

In short, while technical capability is an absolute requirement having an influential data proponent that clearly understands the business requirements and how data adds real value is essential.

A leader in the boardroom, with the ability to communicate and influence data strategy at board level, can transform company fortunes.

ANALYTICS - THE BUSINESS CRITICAL FUNCTION

Analytics is a critical function for any world class business and that in order to turn data into profit, you need to put the 3 key enablers - People, Process and Technology, in place.

Understanding where you are in each of these key areas is important in order to progress and to create a first class analytics practice. An essential part of this is undertaking as a starting point an honest SWOT analysis for each aspect.

Upon completion, create a road map (bottom up and top down) within the constraints you are operating in order to best understand where you are, where you need to get to and the steps you need to take to get there.

Once the road map is built it is critical that the business:

- Prioritises the development: 80-20 rule
- Commits to timescales (all staff)
- Is excited and makes the Change!

Once the change is in place the business must commit to continuous improvement, building the team along the way. In this way you help individuals develop and evolve from, managing the foundations, to delivering increasingly complex analytical models.

A reminder on the importance of having the right people in place to ensure that your data works as hard for the business as it can.

The fastest growing and most profitable businesses in the world all understand the value of data and invest heavily in their analytics teams and their leadership.

A strong analytics team with the right leadership will have an exponential impact on the business, which will in turn build confidence in the team to deliver. If you haven't already, then perhaps you should start by investigating how you can develop your analytics team.

SUMMARY

1. Lay down three simple capabilities as foundations for your approach and analytics practice – Understanding, Action, Optimisation
2. Ensure your three key enablers – People, Process and Technology are aligned to the business objectives and the requirements of your analytics teams
3. Understand that Analytics has a series of multi-dimensional challenges and you need to manage your way through the maze while still supporting your people
4. Be aware that analytical maturity requires time and investment, but it's worth it
5. Understanding where your team are and where they need to be in relation to your business is essential before you can work out how to get there
6. Manage your Core Values - something that all good businesses should strive for but often don't
7. Know that Teamwork, Balance, Achievement, Ownership, Credibility, Integrity and Productivity all work together for continuous improvement
8. Realise that the difference a strong Analytics leader can make is profound
9. Make sure you have senior management commitment
10. Understand that Analytics is *the* business critical function

A First Class Analytics function will transform your business

Blue Label Consulting can help determine where you are in your journey and how to navigate the different stages to achieving analytics maturity.

We'd be delighted to offer you a free Discovery consultation where we discuss an analytics issue you're currently facing. If you're open to that, please [click here](#) to contact us and we'll be in touch to schedule a call.

SERVICES



Operational Leasing and Fleet Management

Using your historical data, we take into account your own unique fleet characteristics, customer behaviour and business processes. This allows you to continually evolve and optimise your asset pricing and risk management strategies to increase profitability of lease contracts, safeguard compliance and drive real competitive advantage.



Analytics and Cognitive Services

We make AI and ML accessible without significant upfront investment in hardware, software or additional recruitment and help you scale up capabilities over time. We work closely with you using Agile methodologies to deliver value quickly and develop solutions to modernise your Data and Analytics environments and achieve higher levels of performance and efficiency.



Credit Risk and Portfolio Analytics

Considering a portfolio acquisition or debt purchase? Looking to better understand payment behaviour to improve credit decisioning? Our fast response approach to analysing acquisitions, debt purchase and various forms of risk means we can swiftly determine the value of a portfolio or potential acquisition, as well as enhancing credit strategy.



Capability and Change

We have a keen personal interest in taking your team on the journey so that our experienced consultants can enhance your existing analytics capability or help you build a new in-house analytics practice. The emphasis is on knowledge transfer with the aim of making your team self-sustaining in the long run.

ABOUT BRENDAN JAYAGOPAL



Brendan launched Blue Label Consulting in 2011 to help businesses solve their data related business challenges. Underpinning this is his core belief that the key to any successful project is a collaborative approach.

He brings the client team along the journey and embeds his knowledge and skills to ensure long term gains are achieved post engagement.

Brendan through Blue Label Consulting has a long history of helping Business Leaders Increase Profits, Reduce Risk, Safeguard Compliance and Up-Skill their Analytics Teams to become self-sufficient in the long run.

Approach

Brendan works with businesses to design, deliver and manage data science and analytics projects, including cross border implementations, which allows them to *'Unlock the Power of their Data.'* At the same time, he believes it is vitally important to spend time up-skilling the analytics capability of any team he works with in order for them to generate additional long term value from their data projects.

This is delivered through bespoke consultancy projects as well as providing tactical support onsite or remotely.

Why it works

Many businesses understand the importance of data but may lack the skill or resource to quickly draw out insights that allow them to act in a timely and decisive manner. Brendan's collaborative approach means he takes the client along on the journey, which not only sets them up to be self-sufficient but in turn ensures the relevant business expertise is embedded in the project.

This combination of training and delivery, along with his application of robust quantitative methods, enables him to create and deliver the right solution to the problem at hand while adding long term value to the client organisation.

"No matter what business you think you are in, you are in the data business"



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