



TAKING THE LEAD WITH ANALYTICS

The Characteristics and Actions Separating
Leaders from Laggards in the Race Toward
Valuable Insights

■ NORTH HIGHLAND INSIGHTS

Throughout this report are results from a North Highland-sponsored survey conducted in January 2018. More than 200 business leaders in the U.S. and UK were asked about their experience, priorities, and organizational cultures related to data and analytics (D&A). The results—presented throughout this report—separate the D&A leaders from the laggards and establish the characteristics and actions of the insights-driven businesses setting the pace for global business growth.

■ Key Takeaways

Companies defined as “leaders” in North Highland’s research commonly exhibit trust in their actions—from data collection to data-driven decision making.

Our research shows that these leaders demonstrate the following trust-building activities:

- Enable valuable insights from business intelligence or advanced analytics
- Execute analytics through Agile ways of working
- Use business and user needs to inform the design of solutions

To establish D&A leadership, organizations should:

1. Standardize, systematize, and break down silos
2. Engage business users and design for simplicity and relevance
3. Work towards right time, right place insights

Data hasn't always been king.

Fifteen short years ago, Ryan Smith was pounding the pavement to sell organizations on his “voice of customer” measurement software, Qualtrics.

“Corporations did not have a desire to go and gather insights to make decisions,” Smith told *Forbes*. He remembers trying to pitch a major airline on the value of being able to track customer feedback, only to get rejected. Customers would simply call the airline if and when they were angry with the service they’d receive, Smith was told.¹

In what feels like the blink of an eye, data and insights have precipitously gained value, as demonstrated in part by Qualtrics’ current position in the unicorn club of private companies with valuations of \$1 billion or more.²

Qualtrics was once an exception, but today the biggest companies in the world—no matter what service or product they originally sold—understand that they must be applying D&A simply to compete. Forrester reports that insights-driven firms are growing at an average of more than 30 percent annually—eight times faster than GDP—and are on track to earn \$1.8 trillion by 2021.³

**AN INSIGHTS-DRIVEN BUSINESS HARNESSSES
AND IMPLEMENTS DIGITAL INSIGHTS
STRATEGICALLY AND AT SCALE TO DRIVE
GROWTH AND CREATE DIFFERENTIATING
EXPERIENCES, PRODUCTS, AND SERVICES.**

FORRESTER⁴

The differentiating potential of analytics is shaped heavily by the culture that supports it. In its November 2017 “Survey Analysis: Third Gartner CDO Survey—How Chief Data Officers are Driving Business Impact,” Gartner estimates that, by 2021, in 75 percent of large enterprises the office of the CDO will be seen as a mission-critical function comparable to IT, business, operations, HR, and finance. However, the survey also found that the top internal roadblock to the success of the office of the CDO is, once again, ‘cultural challenges to accepting change,’ which is a top three challenge for 40 percent of respondents in 2017.⁵ For many organizations, successfully establishing an insights-driven culture increasingly represents the difference between life and death.

In January 2018, North Highland surveyed over 200 business decision-makers in organizations with over \$1B in revenue. We found that, despite active investment in improving analytics capabilities, only 44 percent reported that they were successful or very successful in establishing a data-driven culture that fosters trust across the entire analytics value chain—from data collection to data-led decision-making. But in organizations where trust is infused throughout the value chain, they reported a greater ability to deliver revenue growth and better performance in D&A initiatives relative to industry competitors.

To understand the characteristics and actions that drive these differentiated results, North Highland first assessed respondents' reported ability to deliver high business value from D&A (effectiveness) in a sustainable way (maturity). We calculated aggregate scores for each respondent, and termed those performing in the top-third "leaders" and those performing in the bottom-third "laggards." Our findings show that insights-driven cultures and D&A-enabled business results go hand-in-hand. Not only are leader firms more successful in establishing insights-driven cultures, they are also more successful in driving business value through D&A:

- **87 percent of leaders report often or always meeting the objectives and projected ROI of their D&A initiatives, as opposed to 22 percent of laggards**
- **79 percent of leaders report being successful or very successful in establishing a data-driven culture, as opposed to 11 percent of laggards**

Ultimately, the distinction between these two groups speaks for itself in bottom-line performance. North Highland research shows that 19 percent of D&A leaders project more than 10 percent revenue growth over the next three years, as compared to 8 percent of laggards.

We found that this success stems from several trust-tied characteristics that we will make actionable within this piece:

- **Our internal customers feel confident in the quality of the data used to develop insights (leaders = 89 percent; laggards = 43 percent)**
- **Internal users are confident in the results of our analytics (leaders = 89 percent; laggards = 37 percent)**
- **Our employees are empowered to use data and analytical insights to make business decisions (leaders = 89 percent; laggards = 35 percent)**
- **Data is used to advance our organizational priorities (leaders = 96 percent; laggards = 52 percent)**

While leaders drive business outcomes by infusing trust across the entire analytics value chain—from access, to insight, to action—laggards report the characteristics and actions that undermine trust. They report lower levels of confidence in the quality of data used to guide business decisions. They question the results of analytics and feel less empowered to use those results to make decisions. These organizations are less often receptive to the input of end business users and more commonly rely on siloed decision-making in the design of analytics solutions.

Over the past decade, nearly every organization has evolved to understand that analytical insight is differentiating. However, most lack a definitive path forward when it comes to embedding the trust that's so critical to capturing the value of analytics. By painting a clear picture of the characteristics and actions of leaders, this white paper is intended for D&A senior executives eager to develop strategies that build trust and an insights-driven edge: an imperative that has upheld Qualtrics' position as one of the world's most successful private companies.

LEADERS VS. LAGGARDS: The Traits that Define an Insights-Driven Culture

Those defined as D&A leaders in our research overwhelmingly work within an insights-driven culture, where D&A is not a tech implementation, but a core cultural and strategic tenet.

The importance of analytics and insight is widely recognized. But what does an insights-driven culture *look* like? How does it *feel* to be part of an organization with insights at its cultural core? Beyond implementation tactics, what are the specific characteristics and steps that make the difference between winning and losing?

Through our research, we begin to answer those questions by identifying the specific cultural attributes of D&A leaders. These attributes fundamentally differentiate leaders from laggards and demonstrate how leaders establish an insights-driven culture across all three links in the analytics value chain (at right).



The Cultural Characteristics of D&A Leaders



● Laggards
 ● Leaders

FROM RECOGNITION TO PRACTICE: The Actions That Make an Insights-Driven Culture Real

Armed with an understanding of what D&A leadership looks like culturally, we drilled deeper into the specific actions that characterize successful ways of working in D&A. In other words, what do D&A leaders *do*?

According to our research, here's what D&A leadership in action looks like. D&A leaders design solutions and internal capabilities that:

1. Enable more valuable insights from business intelligence or advanced analytics
2. Are executed through Agile ways of working
3. Are deeply informed by the business and user needs

These ways of working are deeply connected to the business users and strategic objectives. It is a connection to—and trust in—the business that fuels a user-driven approach and an output that generates real business value.

D&A leaders report that “business understanding” is critical to both the success of D&A initiatives and in the establishment of a data-driven culture. As our research has shown, an insights-driven culture and D&A-enabled business outcomes go hand-in-hand. They are also cyclical and compounding elements: Deeper business understanding and better user input = solutions that inform higher value decision-making.

The compounding effect goes both ways. Basic human nature dictates that when the cycle repeats, those users who just gained the value of insights-driven decision making are likely to provide even better input on the next round. Conversely, achieving D&A success will always be an uphill battle without an investment—of input, resources, and trust—from business users.



CASE STUDY: How a Global Beverage Company Won with Agile

Our research shows that D&A leaders are more likely than laggards to use Agile methodologies to design their analytics systems, and in many ways this is to be expected: the world's leading organizations often embrace Agile methodologies.⁶

A global beverage company sought new opportunities to drive efficiencies in its marketing organization. In the spirit of Agile ways of working, North Highland brought together a team of representatives from D&A, marketing strategy, user experience, and design and development—facilitating a design process that leveraged rapid prototyping and lean product development to deliver a single view of marketing assets.

Through Agile collaboration, the resulting custom insights tool went on to incorporate a score to evaluate dissimilar assets that spanned categories; brand synergies for given demographics; fan behavior; and associated impact on business performance and sales growth measurement. Within the first six months of use, the tool saved the company more than \$50 million in contractual endorsement fees and led to more Agile, trusted ways of working enterprise-wide.

In the delivery of analytics initiatives, to what extent does your organization do each of the following?



Laggards Leaders

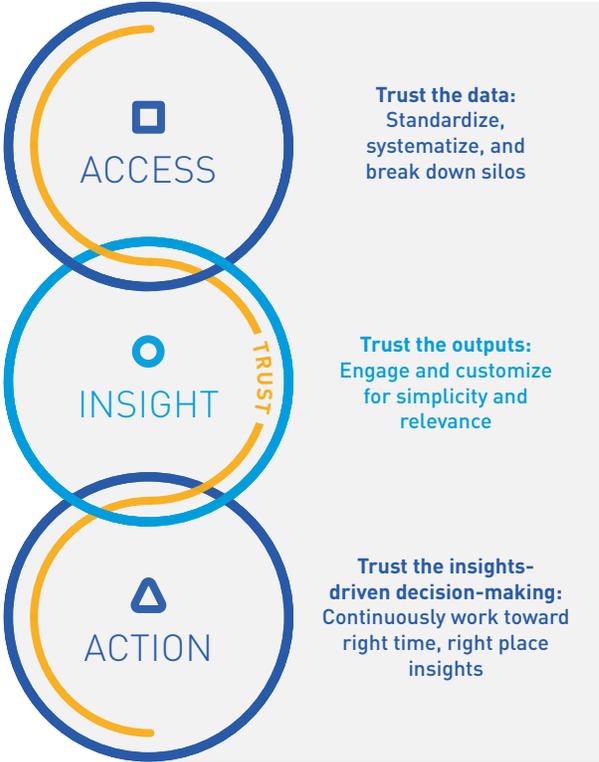
DRIVING D&A VALUE AND FOSTERING AN INSIGHTS-DRIVEN CULTURE: The Opportunities and Where to Go From Here

Cultural change is complex. It requires a focus on research, investment, strategic planning, and visible executive sponsorship.

And ultimately it's worth it. Our research shows that D&A leadership, which is characterized by an insights-driven culture, correlates with a higher likelihood of 10 percent-plus annual revenue growth, and a decreased likelihood of negative revenue growth. Forrester puts those growth rates even higher, reporting that insights-driven firms gain more than 30 percent annually.²

However, the way forward has not been clear. In the following section, we begin to clarify the path forward in establishing an insights-driven culture. Through research, we identified three of the core opportunities for D&A laggards. Coupled with client experience and insights into the most valuable characteristics and practices of D&A leaders, the following provides actionable advice for D&A senior executives seeking to join the ranks of D&A top performers and achieve the insights-driven competitive advantage required to thrive.

Leading Across the Analytics Value Chain



OPPORTUNITY 1: Trust the Data

Data breaches, machine learning, even Facebook algorithms—today, a distrust in data, and the systems that process it, is only natural. But for organizations, distrust can be disastrous.

Our research shows that D&A laggards don't trust the data itself—just 43 percent of laggards report that their internal customers feel confident in the quality of data used in analytics (as opposed to 89 percent of leaders), and they don't trust D&A's processes: Just 14 percent of laggards believe that the data in their organizations is managed to meet enterprise-wide needs and that standard best practices are applied. In stark contrast, 91 percent of leaders report this as being the case in their organizations.

Access may play a role: If we can't see it, touch it, and contribute to it, how can we trust it? While 87 percent of leaders claim that data is readily accessible to employees, only 32 percent of laggards say the same.

WHAT TO DO NEXT: Standardize, systematize, and break down silos.

Aspiring leaders should standardize, systematize, and break down silos by doubling down on master data management (MDM), information management, and data governance. They should also aim to establish a single source of truth, even though the real “sausage-making” happens behind the scenes.

Particularly for traditional organizations, this shift—one that requires many stakeholders and a full analysis of current and best practices—can be daunting. But even the biggest, most decentralized of organizations can take impactful steps toward establishing cultural trust in data.



CASE STUDY: How a State DOT Established Trust with Data Governance

A state department of transportation (DOT), had grappled with trusting its data. The organization lacked a roadmap for enterprise-wide IT activities, as well as a singular approach to data governance and information strategy that outlined clear lines of responsibility across the organization. Our project team facilitated more than 100 client interviews and collaborated with more than 500 client stakeholders to ensure that the resulting roadmap was designed to foster trust, engagement, and enterprise-wide value.

The resulting IT strategic plan established clear lines of responsibility for IT operations, an information strategy, and a data governance framework that included required structure, roles, processes, and governance policies. This framework is being used to put data stewards and data custodians in place throughout central and district offices, for a D&A program that is truly of the people and for the people.

OPPORTUNITY #2: Trust the Insight

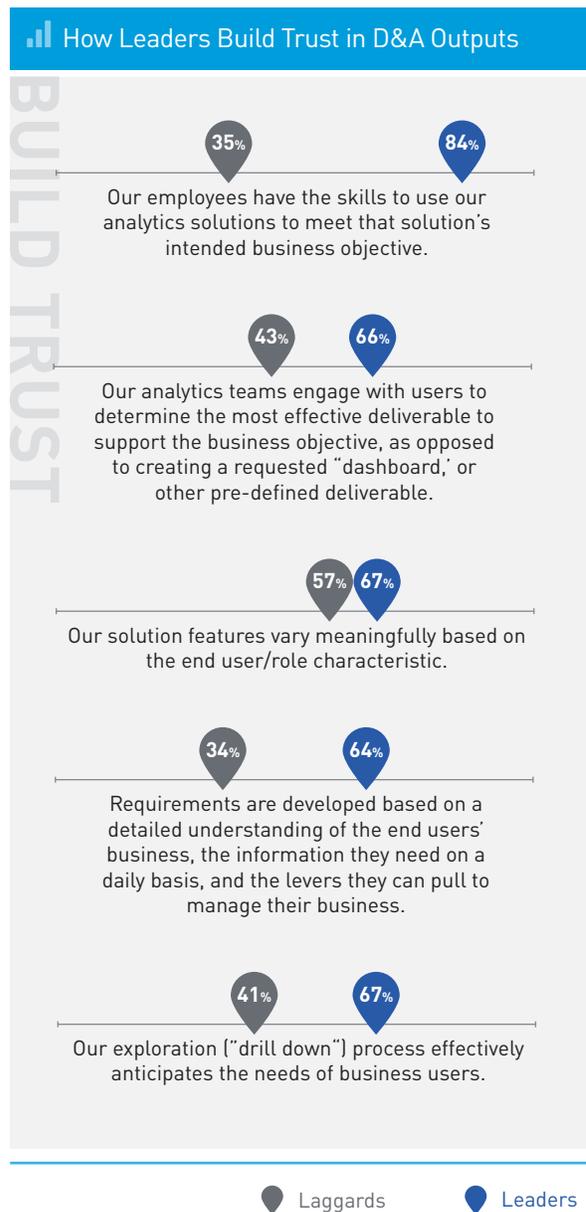
It shouldn't be a surprise that organizations that don't trust the data also don't trust its outputs. Our research shows that only 22 percent of laggards believe their employees are confident in using analytics solutions, and just 37 percent believe their employees are confident in the results of analytics. Leaders have confidence in both: 83 percent of leaders report that employees are confident in using analytics solutions, and 89 percent report employee confidence in analytics results.

WHAT TO DO NEXT: Engage and design for simplicity and relevance.

Dashboards are not a one-size-fits-all panacea, and a “build it and they will come” mentality is unlikely to build trust or confidence in analytics.

In analytics design, D&A should start with the users and the business objective at hand—and then engage regularly throughout development—to ensure the customized results can be effectively applied to decision-making. Radically shift your expectations of D&A teams: They should be problem solving, storytelling data wranglers, who understand the business as well, if not better, than they do IT.

This may require organizations to invest in D&A team soft skills development and functional business training. But that investment pays off in ensuring that logic—not data alone—has a role in decision-making, and insights are memorable, sharable, and persuasive.



CASE STUDY: How a Hotel Chain Co-Created D&A Success

An international hotel chain's business intelligence reporting environment had about 800 reports (most of which were just different variations of few critical reports). Duplicative work was also a challenge in which multiple users were creating multiple versions of the same, static report. The chain turned to North Highland to help them build a simplified, streamlined, interactive reporting environment that would allow for self-service capabilities.

The project involved D&A-intensive processes of analyzing and identifying the reports that were most important and frequently used and reorganizing the data needed to support a transfer from Business Objects to Tableau. Yet the magic came through a collaboration between North Highland's D&A, user experience, and creative design teams. The team employed Agile ways of working, both internally and with the client team, to design and build a brand-specific dashboard offering a visually appealing and intuitive user experience.

The end result was the consolidation of 800 reports into one interactive dashboard with five views that has helped shift how the organization approaches data. Above and beyond equipping individuals with better data, the project successfully enables business users to access customized business insights and encourages insights-driven decision-making at all levels of the organization.

OPPORTUNITY #3: Trust the Action

Decision-making is where the rubber meets the road on the journey to D&A leadership. Our research shows that 89 percent of leaders believe their employees are empowered to use data and analytical insights to make business decisions. Only 35 percent of laggards can say the same.

While trust and other cultural elements contribute to this challenge, ultimately the insights themselves are to blame. D&A teams are often guilty of adopting a data-first standpoint, generating insights that optimize the best data, not to solve a specific business problem.

In other words, they're leaning on data to provide the question *and* the answer.

In order to generate insights that are relevant and useful in decision-making, D&A teams must go from owning the D&A platform to owning the business problems. They have to be focused on helping the business access information and enabling targeted problem-solving and decision-making, not just building the perfect data warehouse or dashboard.

WHAT TO DO NEXT: Continuously work toward right time, right place insights.

Even the most context-rich, well-designed insights can't be converted into valuable business decisions if they are not delivered at the right time and the right place. Cultural and adoption elements are key to instilling change in this area. Right time, right place insights require a thoughtful and high-touch change management approach that allows the users to see, touch, and learn to trust the data and new processes before they are incorporated into daily work. Also crucial is visible executive sponsorship, in which executives reinforce the value of the data and expectations related to its use within the organization.

In addition to establishing right time, right place processes, D&A must stay engaged after the delivery of a solution to assess the effectiveness of the solution and its delivery flow. This post-go-live assessment can then be applied to enable continuous improvement, on both the business and D&A.



IN D&A WE TRUST: From Data-Rich to Insights-Driven

Insights-driven firms have different DNA. The characteristics and actions outlined in this piece represent the strands that will allow them to evolve and thrive in the market of the future.

Most importantly, they represent opportunities for all firms to survive in a future where customer expectations are in flux and new disruptors are popping up at lightning speed.

D&A teams will play a central role in business success—or failure—in this time of exponential change. By adopting the characteristics and actions of D&A leaders, and managing with trust across the entire analytics value chain, D&A teams can propel pace-setting global growth, and move their organizations from being data-rich to insights-driven.

ABOUT THE SURVEY

In January 2018, North Highland surveyed over 200 business leaders across industries in the U.S. and UK to gauge organizations' level of success in building insights-rich cultures.

Objective: To identify the characteristics and actions that differentiate those that fail and those that succeed in establishing a data-driven culture.

- Participant role (level): 42% Director, 20% Vice President, 18% Sr. Manager/Department Head, 12% Executive Management (EVP, SVP, GM, MD, Administrator), 8% Other C-Level (CFO, COO, etc.)
- Companies: 90% U.S., 10% UK
- Industries (Top 3 in terms of % of total respondents): 18% Financial Services, 10% Healthcare/Medical, 10% IT/Technology
- Size (USD): 15% \$1B-\$2B, 26% \$2B-\$5B, 59% \$5B+



About our Data & Analytics Services

From concept to implementation, North Highland's Data & Analytics team helps transform data into a dynamic, competitive asset.

We help organizations move past hype, make informed decisions, respond to change, and prepare for the future. We bring together industry experience and technical skill to meet client objectives, boost investment in systems and data, and achieve fast, meaningful results—all while minimizing risk.

Through a focus on both customer and operational data-driven insights, we help clients embed differentiated analytical capabilities.

For more information about this topic, please contact:



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Jason has over seven years of experience driving systems transformation and enterprise data management consulting projects, primarily in the medical device industry. His analytics work has included customer attrition profiling, quantitative analysis of social networks, predictive pricing optimization, and development of a novel algorithm for vehicle fleet routing.



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As a Director in North Highland's Data & Analytics capability, Cliff specializes in data strategy, business intelligence, advanced analytics, and data visualization. Specific areas of his expertise include design, architecting, and development of BI solutions through data visualization and data engineering. He focuses on building and leading teams to deliver analytics solutions that align with end user needs and generate meaningful insights for business executives.



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Mindy Bostick leads North Highland's People & Change capability. She has over 30 years of experience helping organizations realize their business objectives through successful transformational change. Mindy has deep expertise in leadership alignment, organizational change management, process improvement, and technology implementations. She is a Prosci-certified Advanced Instructor.

ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm known for helping clients solve their most complex challenges related to customer experience, performance improvement, technology and digital, and transformation. We add value and support our clients across the full spectrum of consulting, from strategy through delivery. We bring the big ideas, then we make them real. North Highland is an employee-owned firm, headquartered in Atlanta, Georgia, with more than 3,000 consultants worldwide and 60+ offices around the globe. The firm is a member of Cordence Worldwide (www.cordenceworldwide.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

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