MEASURE YOUR IMPACT: 5 KEY PRINCIPLES OF ANALYTICS PROFICIENCY

Microsoft

A WHITE PAPER BY MICROSOFT FOR SALES LEADERS



Today, only 69 percent of organizations have defined performance objectives. Even worse, only 15 percent of organizations are using analytics to drive their objectives.

You can do better.

Research shows that data-driven businesses are better able to gain meaningful insights that can improve decision-making, increase profitability, and drive innovation.

The SiriusDecisions Analytics Proficiency Assessment Model can help you assess your analytics capabilities in five key areas. And it provides a roadmap so you can implement immediate improvements moving forward.

- ST Skills and tools
- PL Planning
- P Process
- D Data
- C Culture

Let's get started.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*



ALL ABOARD!

The SiriusDecisions Analytics Proficiency Assessment Model

SiriusDecisions Analytics Proficiency Assessment Model

Using the SiriusDecisions Analytics Proficiency Assessment Model, you can accurately assess how your analytics perform today and begin adopting best practices to transform your organization into a center of analytics excellence.

5 Key Principles

			1	2	3	4	5
ST	Skills and tools	Expert skills and tools help you achieve great efficiency and productivity.	AS AVAILABLE				EXPERT
PL	Planning	Planning enables you to align goals and fully integrate analytics into your organization.	REACTIVE				INTEGRATED
P	Process	Processes connect information and data in a unified way in all areas.	MANUAL				UNIFIED
D	Data	Reliable, trustworthy data is the most important part of analytics proficiency. This capability includes advanced technologies and the people that manage data.	INCONSISTENT				ADAPTIVE
C	Culture	A culture that enthusiastically supports data-driven analysis is positioned for new opportunities and success.	RESISTANT				ENTHUSIASTIC

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BEST PRACTICE

You don't have to be expert in all five areas to achieve analytics proficiency. The important thing is to make improvements in each area based on your company's unique requirements.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Key principle 1





"Great tools and skills are overkill at lower levels of proficiency, but they make a crucial difference as other pillars improve."

—*SiriusDecisions*

Skills and tools

Your success in high-performing analytics hinges on two key assets: the skills your people possess and the tools you can leverage. It's no surprise then that our first principle starts with skills and tools.

Think about the people in your company who have stewardship over your data. What are their skills and training? Are they generalists, business analysts, or data scientists? What tools do they use? Are tools shared company-wide, or are they used discretely by different departments?

Too often, businesses fail to invest enough budget or resources behind their analytics efforts, and end up falling short on actualizing the power of the data.

59% of organizations have people with basic skills in analysis. Only 13% have analytics experts.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Where does your organization rank for skills and tools?

SELF-ASSESSMENT

1. Poor	2. Emerging	3. Adequate	4. Advanced	5. Optimized
AS AVAILABLE				EXPERT
Staff are mostly generalists. Tools are limited to office productivity apps, such as spreadsheets, and custom templates.	Staff have skills in basic analysis and data stewardship, including an understanding of performance reporting. They use some light-weight business intelligence applications.	Internal and external resources provide analysis and data stewardship. You have tools to ensure centralized analytics and use some historical analysis.	Data steward, data architect, data scientist, and business analyst roles currently exist internally or externally. Your organization uses advanced analysis tools and your data is focused on internal sources.	A wide range of analytics experts and advanced tools are fully utilized through a mix of internal and external sources.

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IMPROVEMENTS

- To build proficiency in this area, start by framing a business problem. Define the analytics objectives you want to address. When you understand the data you want to gather and the analytical skills needed, you can identify the right tools to add.
- If you're committed to becoming a data-driven decision-making organization, you'll need forward-looking experts (internally or externally) who are skilled in creating data models and using analytics proactively.
- If you're already highly proficient in this area—congratulations! Your organization is probably already realizing greater efficiency, productivity, and profitability than your competitors.

BEST PRACTICE

As your organization matures, consider establishing a center of analytics excellence with skilled analytics specialists. Maintaining advanced analytics skills and resources will help ensure your competitive advantage in the future.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Key principle 2




"The analytics agenda must be aligned to your corporate goals and objectives as well as those of other departments."
—SiriusDecisions

Planning

Most businesses today are ill-prepared for requests for accurate, quality data. Problems with data storage, data organization, and data scalability can severely mar an organization's ability to make data actionable—or even useful—to the business. Alternatively, when data analytics is integrated across your organization, it unleashes the full potential to improve performance and drive change. That's why thoughtful, integrated planning is our second key principle.

60% of businesses already ahead of the curve for technology adoption now plan to increase their investments in analytics by 10% or more over the next two years.

Source: *Raising the Game – The IBM Business Tech Trends Study*, IBM

Where does your organization rank for planning?

SELF-ASSESSMENT



Analysis and reporting is always reactive. It occurs on demand and only to solve discrete problems. Analyses are historical, not forward looking.

Your company aspires to use analytics to measure and report performance, but doesn't define performance objectives. Analyses are historical, not forward looking.

Analytics are focused on discrete objectives, and results rarely support decision making. Historical analysis mostly compares past performance against expectations.

Analysis often compares past and current trends, and explores "what if" scenarios to achieve better results.

Analytics is fully integrated into revenue planning, account targeting, and product strategy. Historical, exploratory, and predictive analytics occur.

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IMPROVEMENTS

- To build proficiency, identify your business objectives, articulate what you want to accomplish, and then align your corporate goals across all departments.
- Break down silos so that metrics and KPIs are shared throughout the organization and cross-departmental accountability is established.
- Remember to develop measurements and reporting goals every time you identify a new business objective you want to accomplish.

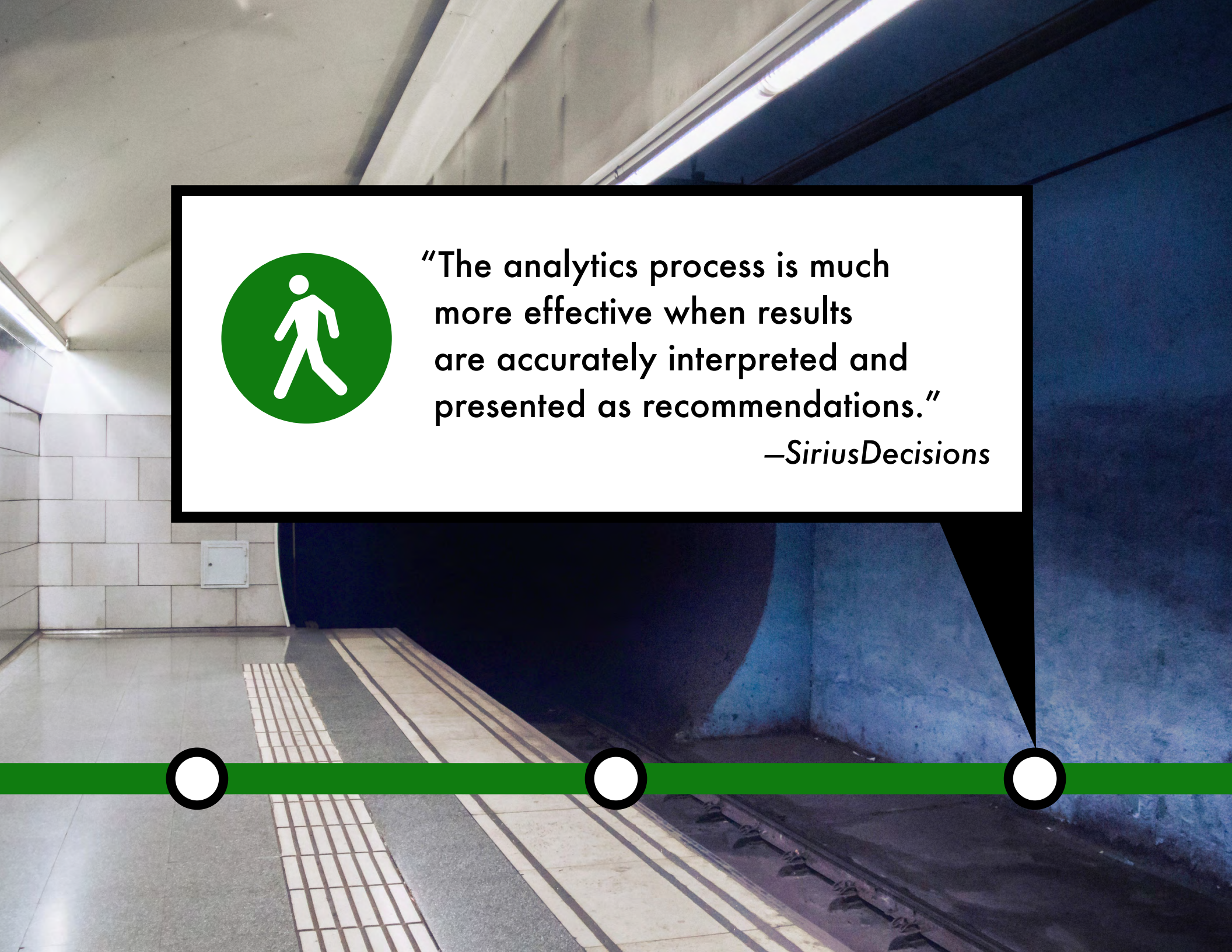
BEST PRACTICE

As your company matures, integrate and invest in analytics consistently and corporate-wide. Ensure the success of your data strategy by allocating sufficient resources and adopting best practices. Use your strategy to help improve effectiveness and performance, seek new opportunities, and drive change.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Key principle 3





"The analytics process is much more effective when results are accurately interpreted and presented as recommendations."

—*SiriusDecisions*

Process

Even if you're not a "process-driven" person, you know processes have the potential to dramatically increase productivity and deliver better results company-wide. As a result, our third key principle—process—has a huge impact on your bottom line.

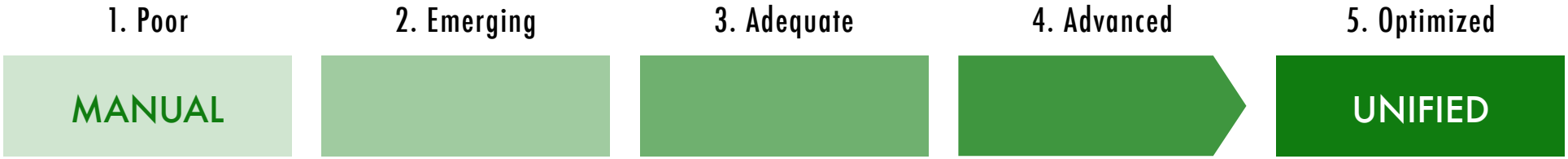
What's your process for managing requests, production, distribution, and follow-up? Do you rely on manual facilitation, like phone calls and emails? Or do you employ more unified processes, like a central database that connects information across sales and marketing departments?

52% of organizations say that data and analytics are transforming their industries. Yet only 7 in 10 report having access to enough data.

Source: *Gartner Enterprise Information & Master Data Management Summit 2014 Trip Report*, Gartner

Where does your organization rank for process?

SELF-ASSESSMENT



There's no consistent analysis process in place. Reporting is time consuming. Separate analyses of similar topics produce different results or interpretations. Data is cleaned manually.

Processes for reporting on performance are automated.

Analytics are reliable and frequent. Reporting covers key performance indicators and conversion rates. Business problems are analyzed and transformed into analytics projects.

Analytics teams actively help internal customers identify and address a wide range of business problems.

Analytics processes are fully implemented across the organization, between departments, and at all levels.

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IMPROVEMENTS

- If the right skills and tools are in place, start aligning processes with business goals and implement consistent reporting.
- Have you considered where your teams are locating analytics? Determine where various teams access their data dashboards and how those dashboards should be configured to help your organization achieve its goals.
- If your organization can already deliver analysis across multiple functions, focus processes on interpreting (and presenting) data analyses as recommendations. This empowers analytics to be actionable, rather than passive.

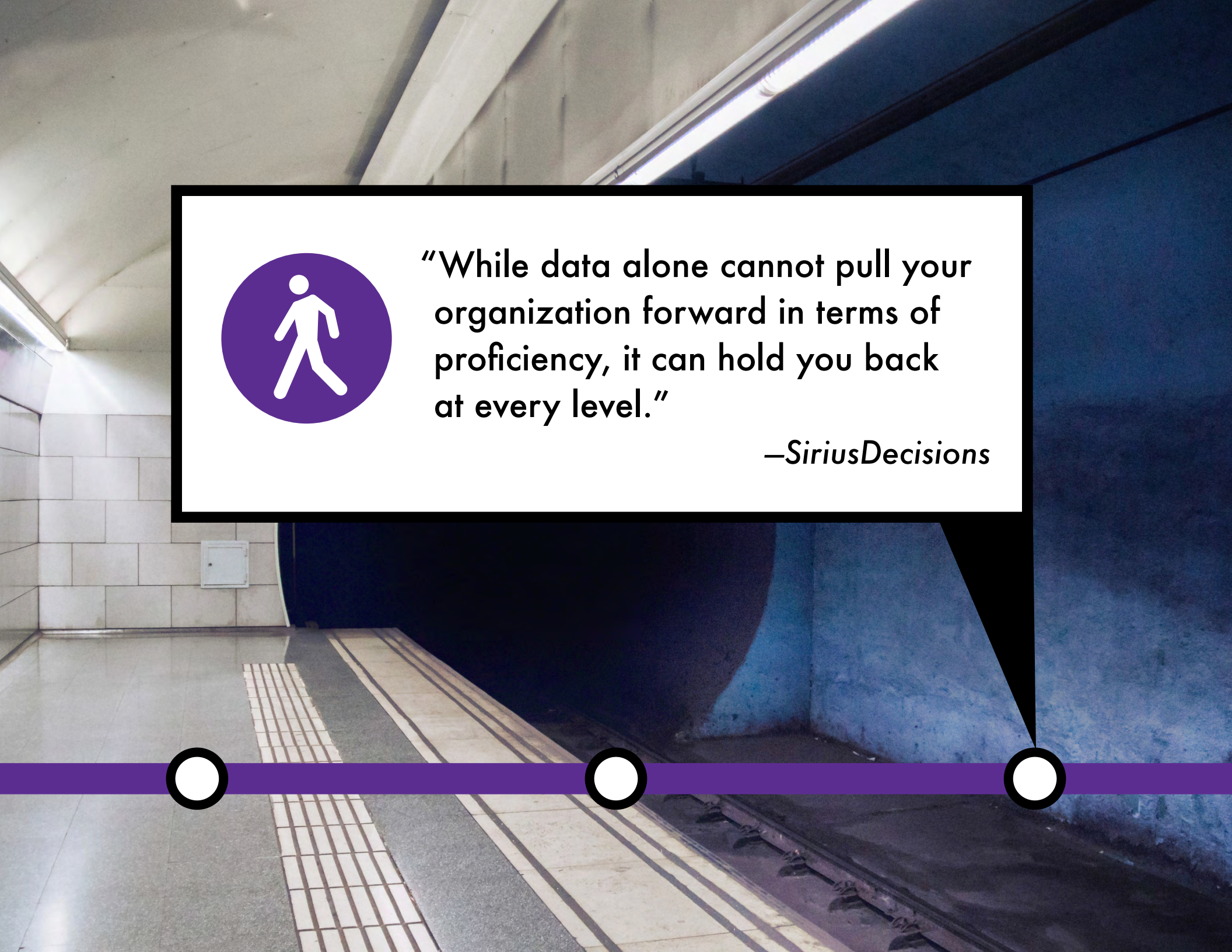
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A top-tier analytics process ensures a regular cadence for reporting and analysis. This established cadence will provide a service model framework for managing any unique projects.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Key principle 4





"While data alone cannot pull your organization forward in terms of proficiency, it can hold you back at every level."

—*SiriusDecisions*

Data

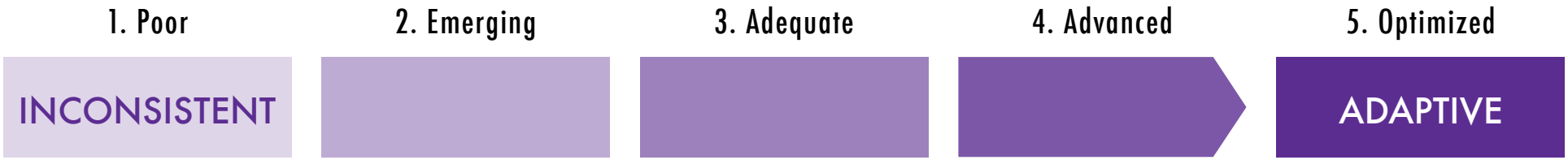
Although data is our fourth principle, it is the very foundation of a data-driven business. However, it can also be a roadblock if your data management environment is neglected. That's why organizations (at all levels of maturity) must remain laser focused on continuous improvement of data quality, data systems, and data integrity.

Scalability of data is hard. While 63% of organizations can access, validate, transform, and secure data, only 13% can actually support an expanding universe of data.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Where does your organization rank for data?

SELF-ASSESSMENT



Your data produces unreliable reporting and assessments. Multiple reports and analyses on the same topic often produce different results.

Reliable data is captured and reporting is repeatable. But the number of data sources is still limited. Data must always be cleaned for each iteration.

A dedicated resource ensures that reliable data is analyzed. You can easily access, validate, transform, secure, and dispose of data. While most data sources are internal, some external ones are available.

Your IT infrastructure handles large volumes of information from a variety of sources, both internal (service, support and financial data) and external (newsfeeds and economic data), often delivered in real time.

Your data management environment is continually expanding and adapting as needed. Your IT infrastructure supports huge volumes of data, at varying volumes and speeds.

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IMPROVEMENTS

- To increase your proficiency, identify core data elements and evaluate the health of your database. Even small improvements, such as knowing what data exists, who can access it, or even increasing sharing between stakeholders, will add significant value.
- Dedicate additional data management resources to clean and augment your data on an ongoing basis. Implement a uniform data environment and expand your data architecture.

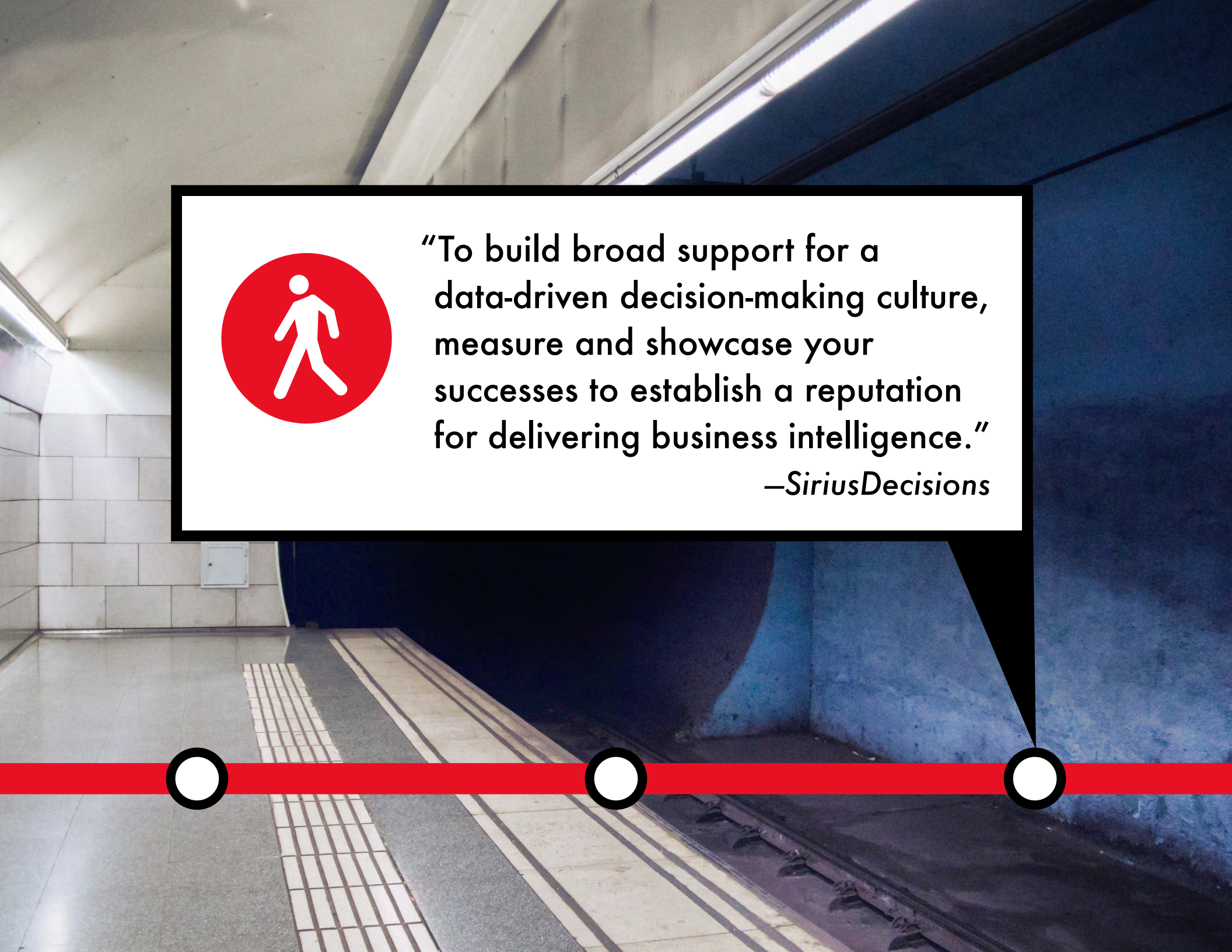
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As your company matures, remember that proactive data governance and augmentation, along with closed-loop integrated systems, are the keys to improving data quality.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Key principle 5





"To build broad support for a data-driven decision-making culture, measure and showcase your successes to establish a reputation for delivering business intelligence."

—*SiriusDecisions*

Culture

Finally, one of the driving principles of a world-class analytics organization is building a culture that values the power of data. Top-performing analytics teams embrace data and actively engage in populating data systems to provide intelligent insights. Developing a strong culture requires skilled advocates, early adopters, and a receptive audience that realizes the full potential of a data-driven organization.

70% of organizations are open to data-driven decision making. Yet only 15% drive their analytics efforts based on line-of-business requests.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*

Where does your organization rank for culture?

SELF-ASSESSMENT

1. Poor	2. Emerging	3. Adequate	4. Advanced	5. Optimized
RESISTANT				ENTHUSIASTIC
Very resistant to basing decision making on analytics. No history of past success. Little interest in making long-term changes based on data.	Leadership likes the idea of using analytics but is still reluctant to implement it. The mantra is proof of ROI.	Open to investing in analytics resources, planning, and cross-collaboration. Some evangelizing is still needed to gain support. Analytics is used in limited ways, but rarely to gather insights into new opportunities.	Very receptive to data-driven planning and decision making. Good support from different groups across your organization. Analytics is expanded to selected business processes.	Truly enthusiastic about using analytics insights and adopting new processes in all areas of the company. The business is eager for data-driven decisions to help increase its profitability and expand its market opportunities.

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IMPROVEMENTS

- Use improvements to your company's skills and tools as a driver to develop a culture for change. Hold managers accountable for encouraging each of their teams to take small, but necessary steps to make data more of a day-to-day function in each of their roles.
- Highlight projects that demonstrate the value of data-driven decision making in all-hands meetings to showcase the power of data in a successful outcome. Then, commit the resources necessary to ensure these initial efforts succeed.
- Measure successes and build a reputation for creating positive results through data-driven decision making.

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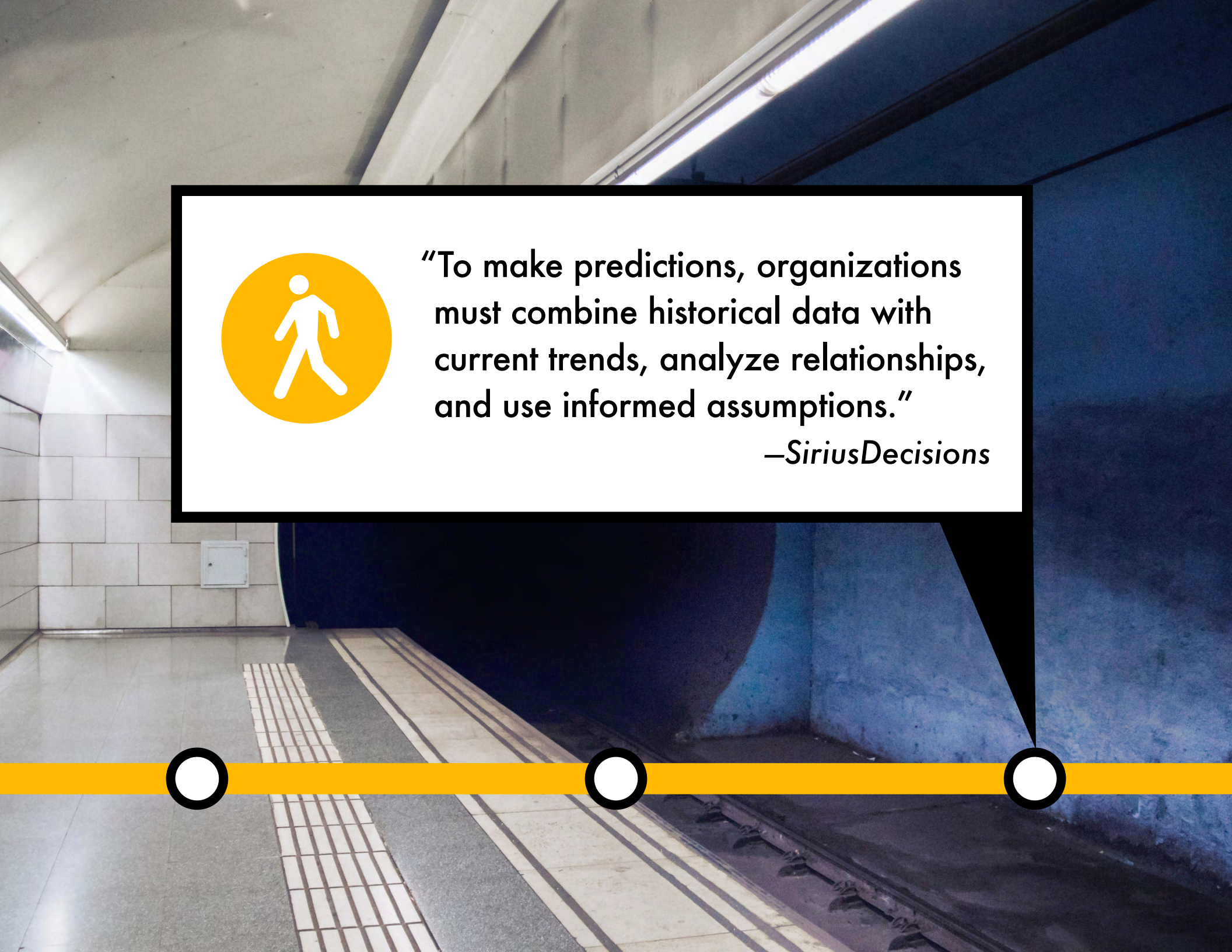
With growing proficiency in all five areas, your organization's data-driven analysis and use of insights will set it apart from competitors.

Source: SiriusDecisions, Inc *SiriusDecisions Analytics Proficiency Study*



THE FUTURE

Modernizing your sales force with predictive analytics


"To make predictions, organizations must combine historical data with current trends, analyze relationships, and use informed assumptions."
—SiriusDecisions

Discovering where your analytics is performing, and where it could use more attention, are the first steps to improving your organization's ability to make data-driven decisions.

Find out more about

MODERNIZING YOUR SALES FORCE

