

# Analytics: A Requirement for High Performance

Mastering the Art and Science of Smart  
Decision Making



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More than ever, companies need timely, in-depth insights if they are to remain competitive globally. But those insights can only come from better ways of accessing, organizing and interpreting information—in effect, from a “whole business” approach to analytics. Here’s how Accenture helps business leaders to master that approach.

• Consulting • Technology • Outsourcing

What is the state of your company's decision-making capabilities? Is it driven by real-time intelligence? Can you say for sure that everyone from customer service agents to C-level executives has access to the best possible information before they market to customers, adjust inventory and supply chains, or pursue new business strategies?



Accenture believes that organizations should apply advanced data analysis techniques to drive decisions and actions, allowing businesses to better manage their information and achieve high performance.

In volatile economic times, business leaders must do much more than just stay in business: they have to succeed. And today, success requires the very best in business intelligence and enterprise performance management—collecting, managing and reporting decision-oriented data using a variety of tools and techniques, including analytics. Analytics help turn operational data into actionable insights, for example, to identify best investments for future growth or cost-cutting opportunities. Supported decision making impacts the bottom line and, above all, accelerates high performance.

Business leaders are eager to obtain better analytical capabilities that secure an immediate return on investment.

Analytics have now become not only more practical but also more doable, thanks to mature business intelligence and analytical software tools, modern 64-bit processors for analyzing petabytes of data, as well as the built-in analytics tools and data warehouses now part of the latest enterprise resource planning, financial and customer relationship management software. Backed by intelligent systems integration, these tools will gather, manage and then deliver the latest operating intelligence across the enterprise via reports as well as dashboards.

According to an Accenture survey of US executives at large enterprises, 68 percent believe that their company must improve its analytical capabilities to remain competitive. Their top goals for using analytics are to:

- 1) improve customer-centricity,
- 2) create more intimate customer relationships, and
- 3) increase product innovation.

And not surprisingly, nearly three-quarters of surveyed organizations report that their leadership team has begun pursuing a corporate strategy committed to business analytics.<sup>1</sup>

1. Source: "Competing Through Business Analytics to Achieve High Performance," Accenture Information Management Services, December 2008.

To attain high performance, innovation in analytics is mandatory.

An Accenture study of high-performance businesses finds a widening performance gap between the organizations that apply analytics in innovative ways and those that do not. High-performance businesses are twice as likely as the typical organization to make strategic use of analytics. And they're five times more likely to do so than low-performing businesses.<sup>2</sup>



## Analytics tackle top business challenges

Using advanced data analysis techniques, organizations can better manage their information, support better decision making and achieve high performance in these ways:

### Generate customer insights

- target the most profitable segments
- predict churn
- track loyalty
- index and enhance satisfaction
- refine cross-sell and up-sell strategies.

### Accelerate product innovation

- correlate customer needs, R&D and service data
- identify market gaps and new opportunities
- maximize new cross-sell potential.

### Optimize supply chains

- increase planning efficiency
- improve demand forecasting
- refine inventory procurement, sourcing, plus asset and warehouse management
- identify optimal pricing.

### Understand financial performance

- correlate potential investments, efforts and pricing changes with returns
- pinpoint the greatest market opportunities and risks
- translate financial performance knowledge into increased revenue.

### Analytics beat judgment

Sixty percent of executives feel that business analytics are far more accurate than judgment, according to a recent Accenture survey. But 40 percent of business decisions are still made based on judgment alone, due to an absence of good data, or because the decision must rely solely on qualitative and subjective factors.<sup>3</sup>

2. Source: *Competing on Analytics: The New Science of Winning* (Harvard Business School Press, 2007), by Thomas H. Davenport and Jeanne G. Harris.

3. Source: "Competing Through Business Analytics to Achieve High Performance," Accenture Information Management Services, December 2008.

# Achieve "whole business" intelligence

The path to smarter and more coordinated decision making faces numerous challenges.

Making smarter business decisions requires the very best intelligence, including a coordinated approach not only to gathering data, but also to acting on it.

Unfortunately, the rate of data accretion in the average enterprise has outstripped managers' ability to distill information into knowledge. Yes, the IT department can store the data. But too many managers must still grapple with a lack of "whole business" intelligence.

Thanks to the latest processors, information appliances and analytics tools, the underlying challenge is not technical. Rather, the path to smarter and more coordinated decision making faces process-oriented and culture-related

roadblocks: silos of business information and a widespread shortage of analytical talent.

Today's business environment demands that organizations manage data as a strategic corporate resource for all of their business initiatives. Organizations that achieve high performance through analytics do not simply patch a business intelligence or data warehouse program onto existing operations.

Rather, they ask: Who needs what information to make the very best decisions? Which processes and governance are required to ensure that such information reaches the right person, in the right format and at the right time, anywhere in the enterprise?

## **Analytics applied: How Continental Airlines saved \$250+ million**

Analytical savvy often expresses itself in dollars and cents. Over a five-year period, for example, Continental Airlines estimates it saved more than \$250 million after integrating 10 terabytes of data from 25 operational systems into a data warehouse. Analysis of all of this centralized data drove numerous business innovations, including:

- real-time alerts of delays so customer service agents can reroute incoming frequent fliers onto new flights
- better long-term planning for such things as marketing programs
- improved logistics, for instance, planning lucrative routes, then allocating planes and filling flight crews.



# Analytics done right

Supported by our leading systems integration capabilities, Accenture Information Management Services provides businesses with unmatched analytics expertise across all functional areas:

**Customer Relationship Management**  
Delivers a combination of steps and tools that apply analytics to drive insightful and intelligent customer interactions.

**Finance & Performance Management**  
Applies risk management techniques and develops reporting, benchmarking and analytics capabilities.

**Supply Chain Management**  
Uses pricing management, pricing analytics and demand forecasting to optimize the supply chain.

**Human Capital Management**  
Maximizes employee retention and productivity; transforms the workforce.

Combining this functional knowledge with deep industry skills, Accenture offers solutions tailored to numerous cross-business challenges. Examples of these offerings include:

## **Accenture Convergent Business Intelligence Solution**

We help communications and high-technology companies identify optimal product mixes and marketing strategies to increase the profitability of their convergent offerings. Our goal is to help clients better collect and analyze both internal and external data to get a more comprehensive picture of customers' decision making processes, to help businesses capture more "share of wallet".

## **Accenture Integrated Health Analytics Solution**

We help clients apply proven, integrated health analytics tools to innovate their products and processes, and better differentiate themselves from competitors. By drawing on health care data streams from across the health care ecosystem, providers can make predictive and proactive interventions, rationalize their response, and use a rigorous return on investment or outcome analysis to help business leaders understand trade-offs and make better decisions.

## **Accenture Performance Analytics Solution for Banking**

Our performance analytics solution helps clients standardize their planning, forecasting and budgeting processes, enabling them to measure business performance across the entire global financial institution. By linking strategic and financial planning with forecasting, and using real-time reporting to monitor progress, line-of-business managers and senior executives have the insights they require to maximize value creation.

## **Accenture Workforce Analytics**

We help clients tap the full potential of the data that already exists in many human resource (HR) systems. Our clients use Workforce Analytics to track and focus HR initiatives, improve executive decision making, and reduce costs. All of this helps businesses ensure that their workforce can meet the complex, ever-changing demands of the global business environment.

**"The work is driving significant business value and positioning Best Buy to be stronger for the future."**

Renato Scaff, Best Buy's senior executive—products

## **Understanding Best Buy customer behavior**

Working with electronics retailer Best Buy, Accenture developed Purchase Path—new analytical supply chain capabilities for understanding what customers buy after a major product purchase. Today, Best Buy uses Purchase Path information to help it optimize everything from product assortment and in-store placement to product bundling and in-stock levels. For helping Best Buy increase repeat business as well as per-customer revenues, Accenture earned the prestigious CIO 100 Award.

# Unparalleled analytics expertise

Accenture's approach to achieving high performance via analytics:

**Scope**

Collect and analyze all kinds of data –internal, external, structured and unstructured—and share insights across the business.

**Performance**

Generate the valuable, timely knowledge that organizations require to counter disruptive business strategies, differentiate themselves competitively, and achieve high performance.

**Relevance**

Move beyond traditional reporting to deliver more real-time intelligence, thus increasing organizational flexibility and agility.

**Focus**

Support an organization's most distinctive capabilities.

**Results**

Prioritize product innovation, better and faster decision making, revenue growth and higher levels of customer satisfaction.

Our approach to analytics is to coordinate, across the enterprise, the collection and analysis of business-critical information, and then deliver the insights business leaders require for making more informed and effective decisions.

**Improving innovation & customer satisfaction for Galp Energia**

Galp Energia, a Portuguese oil and gas company with 800 petrol stations in Portugal and expansion plans for Spain, began working with Accenture to capture and study data from every petrol station transaction. By creating a business intelligence architecture to analyze more than 3 million customer records, Galp Energia has gained deeper insights into customer behavior and identified new approaches for increasing both customer satisfaction and revenue. Such intelligence is crucial for supporting its growth and enabling it to achieve high performance.

Accenture's capabilities cover the whole spectrum of Business Intelligence



# What distinguishes Accenture in the analytics marketplace?

As an early leader in the discipline of information management, Accenture has actively worked to not only define the information management marketplace, but also help clients achieve advanced information management and business intelligence capabilities.

## **Our expertise**

Accenture boasts a worldwide network of 16,000 information management services experts with a strong, three-way intersection of skills. For example, an individual can have deep business intelligence skills, industry know-how and supply chain management experience.

## **Our approach**

We provide an enterprise-wide, strategic approach, fully committed to delivering the analytics solutions that best meet our clients' needs by emphasizing integrated, best-of-breed approaches and intelligent systems integration.

## **Our innovation**

Accenture Technology Labs, our dedicated technology R&D organization, uses its extensive technical and scientific expertise to find new ways of applying analytics to solve information management challenges.

## **Our alliances**

Though we are steadfastly vendor-neutral, we also maintain strategic alliances with the world's leading technology vendors, to ensure our clients benefit from the latest analytical thinking and technological innovations.

## **Our backing**

Our clients benefit from Accenture's unparalleled systems integration capabilities, including supplementary technical, industry and business expertise.

## **Our delivery centers**

Our highly efficient global network of more than 50 delivery centers—including an analytics center of excellence in India—provides unmatched analytics expertise, functional knowledge and project experience.

As a result, our clients benefit from reduced project costs and risks, as well as increased organizational flexibility and speed to value.

## **Our clients' success**

We have helped hundreds of clients in all industries maximize their information to improve their business performance. Using our comprehensive set of proven methods, processes, tools and architectures distilled from our collective experiences and innovations enables us to consistently, reliably and rapidly deliver proven analytics solutions on time and at a competitive price.

## **Chico's FAS creates a trusted view of organizational performance**

What is the best way to standardize and streamline numerous informal business processes as well as highly customized applications in order to create a single, trusted view of organizational performance? That was the challenge facing Chico's FAS, Inc., a \$1.7 billion specialty retailer, which sells three distinct brands of clothing and fashion-related items in more than 1,000 women's specialty stores across the US.

Working with Accenture and starting with its own Soma Intimates brand, Chico's has begun to transform many critical retail business processes—including planning, allocation and replenishment, inventory and finance practices—supported by a new SAP for Retail enterprise resource planning platform, including advanced analytical tools.

Thanks to these new capabilities, Chico's has gained an accurate, up-to-date view of current operations, and can apply this intelligence to support better and faster decision making across the organization to achieve its strategic objectives.

**"With the success of the Soma pilot, we are confident that Chico's will have the process, change management and application foundation we need to support our long-term success."**

Gary King, CIO, Chico's FAS, Inc.

## About Accenture Information Management Services

Accenture Information Management Services is a global cross-industry organization focused on bringing clients solutions to better manage their business, interact with customers and make strategic, financial and operational decisions. Working across Accenture's service lines and industry groups, this network of 16,000 professionals specializes in information management services including business intelligence, portals and content management and data management and architecture. For more information about Accenture Information Management Services, visit [www.accenture.com/informationmanagement](http://www.accenture.com/informationmanagement).

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With more than 181,000 people serving clients in over 120 countries, the company generated net revenues of US\$23.39 billion for the fiscal year ended Aug. 31, 2008. Its home page is [www.accenture.com](http://www.accenture.com).

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Accenture helps organizations apply advanced data analysis techniques to drive decisions and actions, allowing businesses to better manage their information for maximized financial impact and achieve high performance.

To find out how Accenture can help you master the art and science of smart decision making using analytics, please contact:

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