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The 5As of Analytics Transformation:

Embedding analytics DNA into business
decision making

Part of the Insight-Powered Enterprise Thought Leadership Series

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Addressing barriers of analytics transformation:

The change path to the insight-powered enterprise

At the beginning of the 21st century, there was a leading financial services company. For 250 years, they successfully sold a variety of financial products through their branch network, and among their core values were trust and relationships with customers, branch managers and employees. One day they decided to start investing in data and analytics to transform into a digital bank... Does that sound like a familiar story?

In almost every industry – and in almost every part of the world – companies are seeking to tap into the power derived from analytics-driven insights. They are striving to become insight-powered enterprises, defined by a culture where data-driven insights are leveraged to support decisions at all levels within the enterprise.

Many companies, however, have invested heavily in analytics, only to experience disappointing results and less-than-expected returns on these investments (ROI).
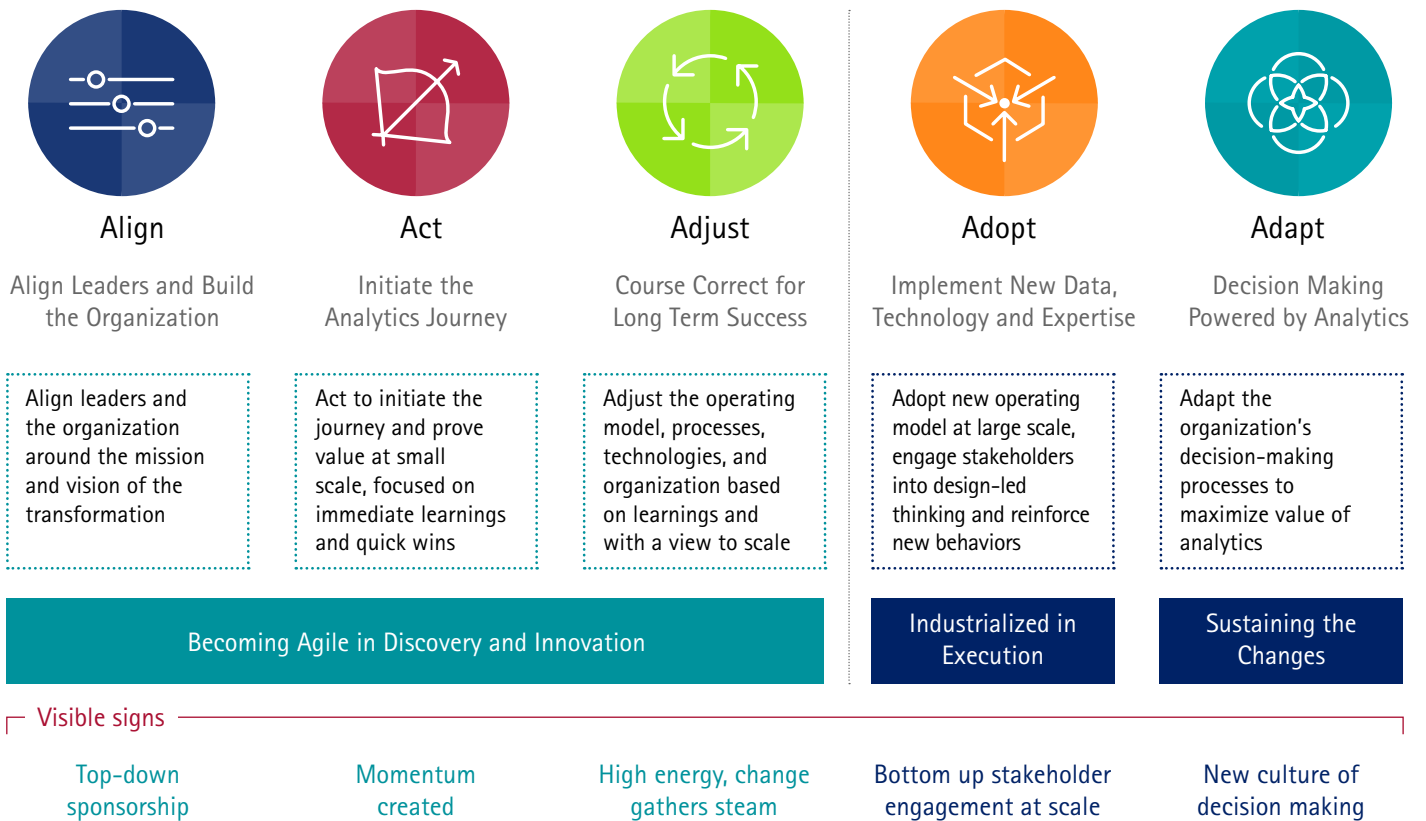
According to Accenture and MIT® research,[1] 92% of high performers report receiving a significant ROI from analytics, versus only 24% of low performers. Companies often select the best technologies but find that their organizational capacity for change limits their chances for success with analytics. An insight-powered enterprise requires fundamentally new ways of working, based on actionable insights and agile decision making. This requires a new type of change: companies face the challenge of needing to address who they are at

the core, their cultural DNA. For example, how can a relationship-oriented company transition to fact-based decision-making one without compromising its identity?

We believe companies seeking to become insight-powered enterprises should adopt a five-step—or "5As"—approach to change management to embed insight-driven decision-making at scale. This approach evolves and embeds analytics in role-based decision-making in a manner that makes it part of the cultural DNA of the organization.

Figure 1 | The 5As of the analytics change journey

Successful delivery of analytics insights and creation of long-term value

Align	Act	Adjust	Adopt	Adapt
Align Leaders and Build the Organization	Initiate the Analytics Journey	Course Correct for Long Term Success	Implement New Data, Technology and Expertise	Decision Making Powered by Analytics
Align leaders and the organization around the mission and vision of the transformation	Act to initiate the journey and prove value at small scale, focused on immediate learnings and quick wins	Adjust the operating model, processes, technologies, and organization based on learnings and with a view to scale	Adopt new operating model at large scale, engage stakeholders into design-led thinking and reinforce new behaviors	Adapt the organization's decision-making processes to maximize value of analytics
Becoming Agile in Discovery and Innovation			Industrialized in Execution	Sustaining the Changes

Visible signs

Top-down sponsorship	Momentum created	High energy, change gathers steam	Bottom up stakeholder engagement at scale	New culture of decision making

Insights drive high performance

The linkage between the analytics capability and high performance is clear. Twice as many High Performers (92%) are adopting analytics to support decision-making (versus 48% Low Performers).[2]

As the Chief Data and Analytics Officer (CDAO) of a large corporation pointed out, "As little as two years ago, the analytics journey was an out-of-body experience that most struggled to understand, while today analytics is very much an in-body real experience and it needs to evolve to become very much a part of our cultural DNA." Companies are establishing analytics centers of excellence; they are sourcing data scientists and other analytics-related talent; they are creating data lakes and filling them with data; and they are spending heavily on internal hardware as well as cloud solutions to handle large new flows of internally and externally generated data.

Organization is the constraint, not technology

So why isn't everybody able to successfully navigate their analytics transformation journey? Why do high performers enjoy higher ROI, while low performers struggle with translating insights into decisions and outcomes? Our research shows that high performers do a better job of overcoming internal change barriers, successfully transforming the way decisions are made.

An organization's ability (or inability) to move to insight-powered decision making is, in our view, primarily a cultural issue, with organization's underestimating the need for—and the scope of—cultural change. Our experience shows that if change management is undertaken, it is often done on an ad-hoc basis, instead of holistically, strategically, and thoughtfully, with an eye towards evolving culture and changing decision making behaviors. Whereas technological constraints once defined the pace at which analytics could innovate and grow, companies are now finding that it is the organization's own capacity for change that inhibits their ability to deliver at speed.

Our research[3] shows that the obstacles take many forms:

Lack of analytics vision and missing the right sponsorship

Level of C-level commitment to analytics is almost

three times higher

for High Performers compared to Low Performers (89% vs 37%)

Inability to shift culture

81%

of High Performers manage to foster a culture of experimentation, vs. 25% Low Performers

Politics and inability to change

More than 50%

of Low Performers cite these as key challenges

Not enough stakeholder engagement

75%

of High Performers manage to empower decisions at lower levels in the organization

As a result, companies find themselves building data warehouses and data lakes, hiring and sourcing expensive talent, and developing advanced analytics and machine learning models without really changing the way decisions are made.

The 5As of the analytics transformation change journey

To maximize their return on analytics investments –
and to stay competitive in a fast-changing and highly disruptive
business environment – organizations should learn how to be
both proactive and disciplined in managing the cultural change
required to power an analytics transformation.

Because this type of change requires the organization to look at the core of who they are, the adoption starts with leadership commitment. Because it requires evolving the cultural DNA, a clear definition of the desired future state and a carefully mapped out journey for reaching that state is essential for companies wishing to become insights-driven enterprises. Because the key is to create momentum and engage stakeholders, the design-led approach is central to the nature of the change. Fjord®'s (Accenture's design and innovation consultancy) research shows: "There is a plenty of evidence and momentum for using design to catalyze change. The trick is not to get stuck admiring the promise, but activate the doing."[4]

High performers follow the 5As of the analytics change journey.

Case Study 1

When focus on change comes too late

Analytics transformations require change in mindset and behavior, and thus a change program needs to be initiated at the onset of the journey. It has to be a priority item on the leadership agenda; it is an ongoing effort and cannot be decoupled from the transformation. Analytics programs that deprioritize change programs to an implementation-only activity, confine the scope to communications and training, and start when it's too late, will fail to deliver their anticipated benefits.

Consider the example of one large financial services company investing in big data and analytics to enable enterprise transformation. The company had the best talent and best technology, and they have proven the value of analytics through a number of proof of concept and pilot projects. However, the program sponsors (led by Information Technology) didn't focus on change until a few years into the journey, prioritizing the delivery of the technology capability first. When the solution was ready to launch, it resulted in a failure to adapt. Because the future business consumers of analytics were not engaged throughout the design and piloting of the solution, they didn't have trust in it, even though they received training. As one senior stakeholder put it, "it was like giving keys to a Ferrari® to a 16-year-old". As a result, the day one uptake of business users was measured in the single digits.

Following this "failure to adopt," the organization realized the urgent need to turn the corner and rebuild trust. Leadership focused on building the case for change, communicating the value and "branding" the transformation. They engaged the business to focus on areas where quick wins could be achieved; they invested in better understanding the stakeholder landscape and the potential impacts. Although this particular transformation was ultimately able to course-correct, many months of time and lost value could have been avoided.

Often the temptation is to embrace the latest technologies, thinking 'if we build it, they will come.' But technology is not the constraint—people and culture are. This Field of Dreams approach will fail to create an insight-powered enterprise, no matter how advanced the underlying technology. In our experience, companies need to invest 10-15% of the overall program budget in driving adoption to achieve success.
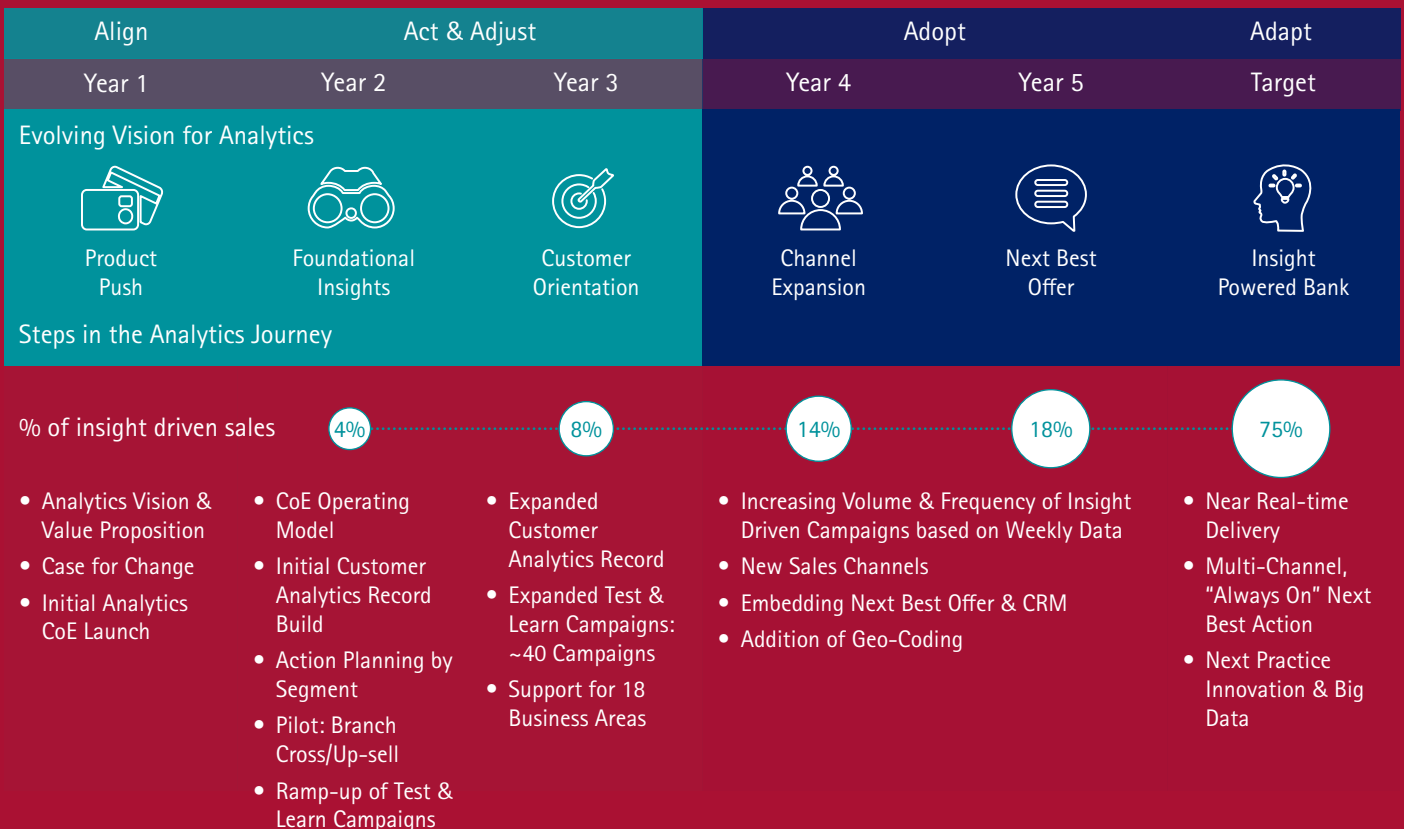
Case Study 2

European bank maps detailed journey using 5As approach to change management

A large European retail and commercial bank set out to transform from a relationship-based bank into a digital one. They sought to use analytics insights to drive this transformation, fuel growth and achieve business outcomes. They targeted an annual benefit from analytics of a 10-15% increase in operating income.

Figure 2 | The multi-year value journey

Success story: European bank digital transformation

Align	Act & Adjust		Adopt		Adapt
Year 1	Year 2	Year 3	Year 4	Year 5	Target

Evolving Vision for Analytics

Product Push	Foundational Insights	Customer Orientation	Channel Expansion	Next Best Offer	Insight Powered Bank

Steps in the Analytics Journey

% of insight driven sales

4%	8%	14%	18%	75%

- Analytics Vision & Value Proposition
- Case for Change
- Initial Analytics CoE Launch

- CoE Operating Model
- Initial Customer Analytics Record Build
- Action Planning by Segment
- Pilot: Branch Cross/Up-sell
- Ramp-up of Test & Learn Campaigns

- Expanded Customer Analytics Record
- Expanded Test & Learn Campaigns: ~40 Campaigns
- Support for 18 Business Areas

- Increasing Volume & Frequency of Insight Driven Campaigns based on Weekly Data
- New Sales Channels
- Embedding Next Best Offer & CRM
- Addition of Geo-Coding

- Near Real-time Delivery
- Multi-Channel, "Always On" Next Best Action
- Next Practice Innovation & Big Data

1. Align.

The bank conducted executive visioning workshops led by the retail chief executive officer (CEO) to define an enterprise vision, target the value potential, and agree on key capabilities and priorities. With these priorities in mind, the leadership team identified cross-sell/up-sell, customer acquisition, and customer retention opportunities in the retail bank as the key areas of focus initially.

2. Act.

The bank conducted a 3-month pilot to identify targeted leads for cross-selling and/or up-selling at the customer micro-segment level and to test out an interaction model for a planned analytics center of excellence (CoE). The pilot produced non-intuitive insights that achieved a campaign sales uplift of more than 350% compared to the control group.

3. Adjust.

The pilot revealed issues with translating insights into actions and outcomes. Branch managers were used to operating in a relationship-based model and saw analytics as a "black box" that had only theoretical potential to drive higher sales. To change this mindset, the bank tested several ideas to build trust and developed a "what's in it for me" (WIIFM) training handbook that focused on how you can use this capability to drive revenue growth and higher profitability. Branch managers then were ready to adopt the capability. They were ready to move to the relationship plus insights modus operandi. The CoE "branded" the insights and achieved instant credibility for the analytics work that was done. The operating model for delivery of actionable insights was adjusted based on the learnings of the pilot.

4. Adopt.

With momentum building, the bank extended the program's scope to the entire enterprise. To drive adoption at scale, the bank conducted "30-day challenges" – contests to test and embed the new decision-making behaviors. To support the increasing sophistication of analytics capabilities and the ability to deliver industrialized insights, the bank rolled out a refined operating model, with analytics champions who positioned analytics as a strategic asset to the organization.

5. Adapt.

New capabilities, such as next best offer for digital channels and customer relationship management (CRM) capability, drove increased sales by servicing interactions that had been tailored at the micro-segment level. A new performance measurement approach targeted a significant behavioral change. If before the branch managers had a weekly goal of making 10 lead calls and were measured on compliance to the goal, they were now measured on the outcomes of the qualified leads, not their number. The CRM capability was pushing weekly analytics-driven leads to branch managers, and the number of leads was different every week. The leads came with a specific rationale, which allowed the branch managers to demystify the "black box" and gave them comfort to move away from the set number of 10 weekly calls. As it continued to mature, the focus shifted to sustaining big data innovation and moving towards real-time insights. The bank aims to achieve over 75% of overall sales to be insight-driven.
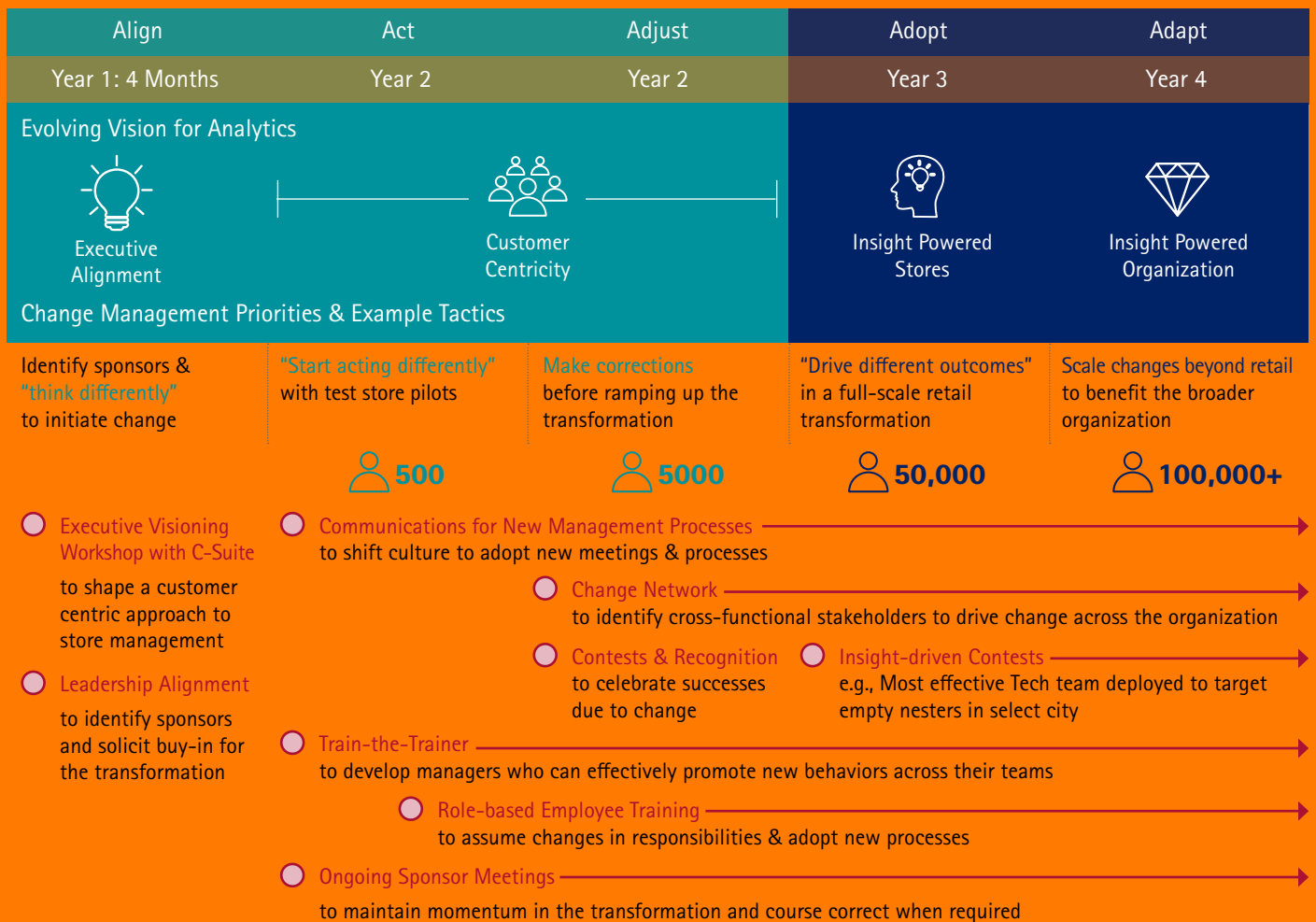
Case Study 3

North American retailer maps detailed journey using 5As change approach

When a North American big box retailer started nearing market saturation, they realized the need to focus more on existing customers rather than driving growth by adding new stores. This required them to move from being product- and store-centric to being customer-centric. They decided to revamp their store performance management approach and promote customer-centricity through new metrics, advanced analytics insights, standard operating processes and employee behaviors. An analytics-based approach identified 12 key metrics to drive growth and profitability that were directly actionable.

Figure 3 | Change management highlights to ensure a successful journey

Success story: North American retailer's customer-centric performance management transformation

Align	Act	Adjust	Adopt	Adapt
Year 1: 4 Months	Year 2	Year 2	Year 3	Year 4

Evolving Vision for Analytics

Executive Alignment — Customer Centricity — Insight Powered Stores — Insight Powered Organization

Change Management Priorities & Example Tactics

Identify sponsors & "think differently" to initiate change	"Start acting differently" with test store pilots	Make corrections before ramping up the transformation	"Drive different outcomes" in a full-scale retail transformation	Scale changes beyond retail to benefit the broader organization
	500	5000	50,000	100,000+

○ Executive Visioning Workshop with C-Suite
to shape a customer centric approach to store management

○ Communications for New Management Processes
to shift culture to adopt new meetings & processes

○ Change Network
to identify cross-functional stakeholders to drive change across the organization

○ Contests & Recognition
to celebrate successes due to change

○ Insight-driven Contests
e.g., Most effective Tech team deployed to target empty nesters in select city

○ Leadership Alignment
to identify sponsors and solicit buy-in for the transformation

○ Train-the-Trainer
to develop managers who can effectively promote new behaviors across their teams

○ Role-based Employee Training
to assume changes in responsibilities & adopt new processes

○ Ongoing Sponsor Meetings
to maintain momentum in the transformation and course correct when required

1. Align.

To ensure alignment to the new vision at the leadership level, a series of leadership sessions identified additional sponsors beyond the C-suite (such as district sales managers) and solicited buy-in across the board. The goal was to align the workforce on the new way of managing the business with the customer-centric approach.

2. Act.

To kick-start the transformation and test the value of "acting differently," a pilot was launched in 12 test stores in one district. The test stores implemented a completely revamped set of store management processes, generating learnings around analytics, operating model and adoption. They realized the need to change every store operating procedure, from daily meetings with store employees, to weekly leadership meetings, to monthly territory performance reviews. Employees were engaged in designing new improved reports and dashboards that aligned customer-centricity to financial outcomes. The retail change leadership conducted train-the-trainer sessions to equip managers with the ability to operate differently and promote new behaviors across their teams. In addition, all employees received role-based training to adopt new processes and shift their mindset to focus on personalizing the customer experience and delivering end-to-end customer solutions.

3. Adjust.

There were three key learnings from the pilot. 1) Keep the complexity behind the curtain and simplify the consumption layer front-end for delivery of actionable insights. 2) The roles and processes of Analytics Center of Excellence (CoE) that supports the stores' questions and more complex analysis were adjusted to reflect priorities. 3) There needed to be new store operating procedures to define

exactly what interventions were required by metric and role on daily, weekly and monthly bases. Given the success of the pilot, the program was then rolled out to 100 stores. As contests were a key aspect of the company culture, stores launched employee contests to promote engagement and make the changes "fun." Contest winners were recognized company-wide making the change program very visible. In addition, a robust change agent network was identified; this set of cross-functional stakeholders were highly effective in advocating for the new approach and driving changes in behavior across both retail stores and corporate functions. The company recognized the value of inviting employees to contribute their unique ideas and experiences in service of its customers, thus aligning day-to-day actions to customer-centricity principles while promoting excitement around change.

4. Adopt.

The demonstrated business value from the test stores prompted nationwide deployment of the program. As a catalyst for accelerating the transformation to insight-powered stores, the Analytics CoE ranked all of their stores across 9 – 10 peer groups based on store attributes (e.g., size of store, urban/rural, customer demographics) to identify what the top quartile was doing vs. the bottom quartile. The intent was to facilitate the sharing of best practices and showcase effective interventions that drive high performance. The change management priority for this stage of the journey was "driving different outcomes" via a comprehensive set of interventions for an extended group of stakeholders. As contests and recognition proved especially effective at driving behavior in the 100-store pilot, the program designed contests that leveraged the insights produced by the Analytics CoE to further link store performance to customer value. The company was able to use these targeted change management interventions to achieve a 5 – 10% increase in store operating income across all retail stores without being slowed down by the typical change adoption pitfalls.

5. Adapt.

Adapt. As the final major step in this performance management journey, the company moved beyond insight-powered stores to an insight-powered organization. They scaled the program across all of its enterprise functions. The Analytics CoE industrialized its insights to now focus on innovation (e.g., via zip code analytics) to identify additional customer opportunities. Its new metrics, insights, management processes, and change management interventions now impacted more than hundred thousand employees. The company was able to successfully sustain a new way of working while innovating in ways that helped both their customers and their employees. It managed to meet its profitability and growth goals in an industry that had reached saturation in North America.

To make the analytics change journey process more systematic, more predictable and more likely to succeed, both the European bank and North American big box retailer used the Accenture Analytics Journey Management Toolkit. The methodology is structured to support a phased implementation of analytics through several repeatable stages. It typically includes activities from each of the components of analytics change framework (i.e., the 5As of Change), including analytics stakeholder analysis, engaging stakeholders through a design-led approach, establishing a change agent network, using gamification (targeted contests) to drive adoption and being clear on the WIIFM ("What's in it for me?") messaging and training. The toolkit helps the change journey stay on course, allowing the change team to measure the journey and identify and anticipate roadblocks in a timely manner by using insights from our change tracking methodology.

An insight-powered change journey

The path to becoming an insight-powered enterprise is not an easy one. It's hard to change who you are. However, the analytics change journey aims to change how the decisions are made, but not the culture itself. As such, the cultural change is a byproduct, not the goal. The proper focus on evolving the cultural change and embedding analytics in the role-based decision-making in a manner that makes it part of the cultural DNA can help the organization make the most of its analytics investments. Without it, companies that invest in the best technologies, the best talent, and the latest analytics will still face problems in getting the best returns from such programs.

Different parts of the organization may be in different stages of the journey; while some of them are just starting to align, other ones are already adapting their decision-making processes. Change methodologies can be executed in parallel and tailored to maturity. Additionally, they should be tailored to each organization's cultural style: what works for a highly analytical organization will not work for a relationship-based one.

Key questions to ask include:

- What works for the culture of my organization? Contests? Relationships? Simplifying the message?

- Are the leaders of my organization aligned around the common vision? Are they committed to driving the change?

- To what extent does my team trust the change process?

- Are stakeholders aware and excited about the analytics change?

- Are we using the design-led approach to engage stakeholders into the change journey?

- Are we still making decisions based on intuition? Or are we actually using data-driven insights?

- Are we measuring the change journey? Do we know what's on our way?

The retailer in the example above focused the change on three distinct things: 1) think differently, 2) act differently and 3) drive different outcomes.

Engaging in change may be hard in the beginning, but once it gains momentum, it's hard to stop. We believe companies that drive adoption both top-down through sponsorship and bottom-up through engaging stakeholders in design-led thinking get the prize at the end. By embedding insight-driven decision-making into their core DNA, measuring the journey and celebrating success, they have the best chance of optimizing their analytics investment and of using analytics-driven insights to make better decisions.
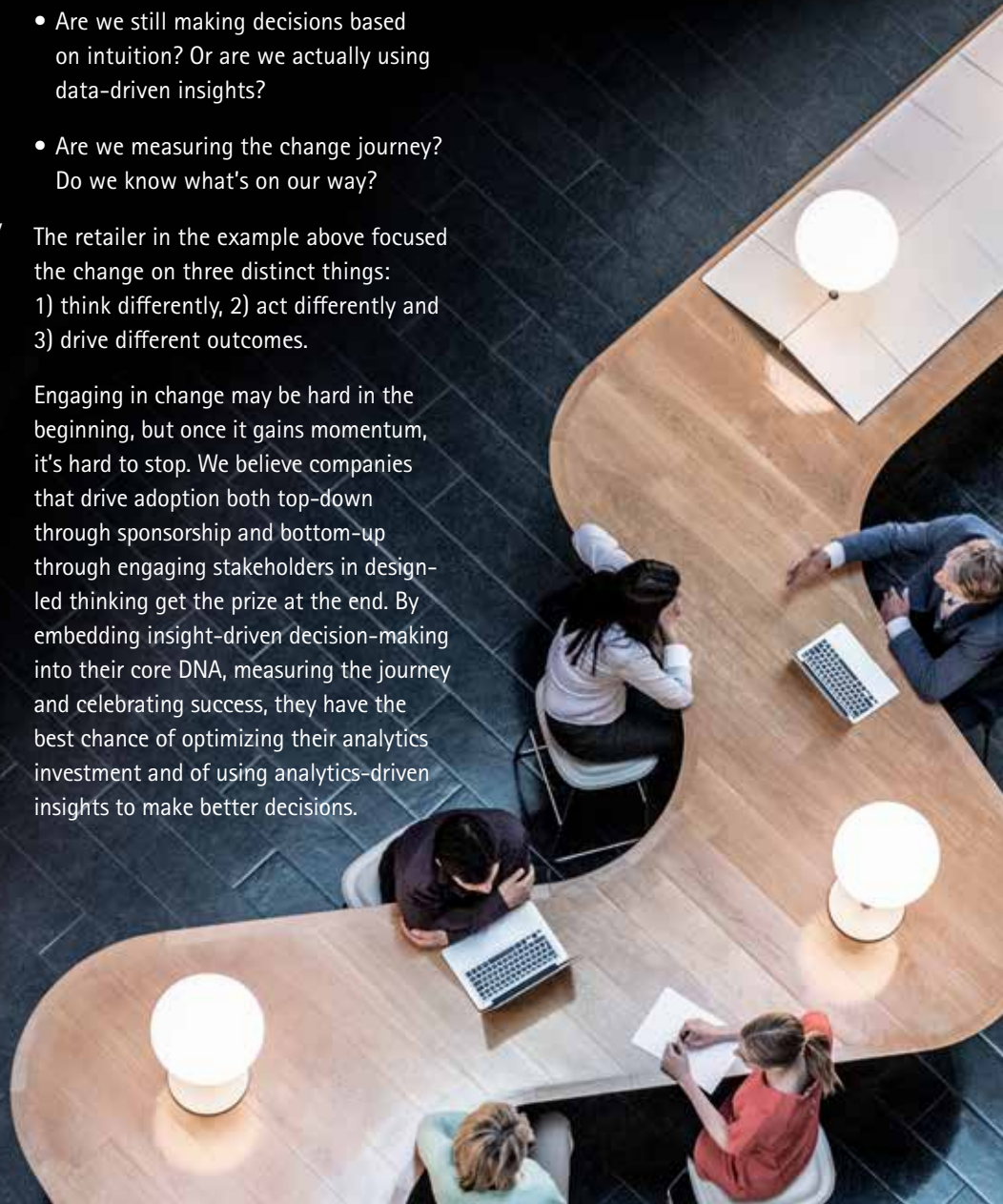
References

[1] "Winning with Analytics: Linking Analytics to High Performance." Accenture and MIT Research. 2016.

[2] Ibid

[3] Ibid

[4] "Fjord Trends 2016: Trends Impacting Design and Innovation." Accenture Research. 2016.

Insight-Powered Enterprise Thought Leadership Series

The **insight-powered enterprise** is defined by a culture where data-driven insights are leveraged to support decisions at all levels within the enterprise. To build this type of culture and become an insight-powered enterprise, companies have to change the way they make and measure the impact of decisions, the way they are organized, the way they use technology, and the way they relate to people – not just their customers, but also their own employees. This point of view is part of an ongoing thought leadership series from Accenture's Analytics Advisory practice that explores various aspects of how organizations can become insight-powered enterprises.

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