EXPERT OPINION

ANALYTICS: FUTURE OPERATING MODEL

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ABSTRACT

Today's fastest-growing companies have one thing in common—they harness technology and innovation to their advantage. Cloud, analytics, artificial intelligence (AI), machine learning (ML), and faster connectivity fuel business model disruption and industry transformation. Yet for every shining star, we see a struggling one. Newspapers, travel agencies, taxis, film photography, landline phone service, cable television, video rentals, they too invested in data management and technology but failed to capitalize on enormous volumes of data. Hence, the advent of analytics and requirements for data insights have become important - organizations are investing heavily on data analytics to use analytics as an advantage in the future by identifying and shaping customer preferences. These organizations expect to achieve greater business results by spending on data-focused initiatives like other core business functions. In addition, role of analytics is quickly transforming and emerging as leaders are tasked with enhanced executive decision making, improving operational efficiency and empowering innovation. These leaders are looking to use analytics to evolve from classical data management to a data advantage perspective. This paper highlights the key trends emerging in analytics space and how companies can evolve their current modus operandi when it comes to data analytics and use it to their competitive advantage to stay ahead in the marketplace.

INTRODUCTION

In Organizations across the world are noticing that data has emerged as a key asset and are investing in analytics to glean customer and operational insights from their data. Fifty nine percent of respondents to Deloitte's 2018 Global CIO Survey identified data as their organization's top focus area [1]. Regardless of the industry, data analytics can enhance and amplify what the organizations can see and do. In the era where waiting to see how things shake out is no longer a viable option, organizations are increasingly relying on their current data to predict future. There are three emerging trends driving the increasing need for data analytics. First and foremost is the Data growth and proliferation over last few years [2]. Rapid digitization of processes, the physical-digital-physical loop of data, and digital exhaust from intelligent products are creating high volumes of siloed data.(IDC predicts the total volume of data stored electronically in 2020 to be around 44 zettabytes; the same value was 33 zettabytes in 2018 [3]. This data, proliferating across the value chain in customer relationship management (CRM); configure, price, and quote (CPQ); enterprise resource planning (ERP); and other on- premise and cloud enterprise systems, creates both opportunities and risks for organizations. Combing through it enables companies to develop more targeted products and services, enhance feature sets, offer rich customer service, and more. However, the data's sheer volume and siloed nature often leads to multiple sources of truth, lack of trust in data and metrics, and significant security risk [4].

Second trend driving the need for advanced analytics is cloud and flexible consumption. Deloitte CIO survey respondents stated that they plan to dedicate nearly half of their IT spending to cloud, which represents an increase of more than 20 percent from the previous year [5]. CIOs also noted that organizations are shifting from on premise models to flexible consumption models in almost all cloud technology use cases to enable a growth agenda, improve business agility, and increase scalability [6]. Cloud computing is emerging to be a force multiplier in the data and analytics space to create more opportunities for enterprises [7].

Finally, future of work is changing. Accelerating connectivity and increasingly powerful cognitive tools are changing the nature and future of work. Cloud, automation, and AI are making it easier for business professionals to scout, implement, and maintain technology without intervention from IT staff and, in the process, redefine organizational roles and responsibilities. For example, by using prebuilt cloud solutions, business professionals in multiple industries are managing real-time exceptions of order price with minimal IT staff assistance. The advancement of borderless technology is also changing the perception of IT as the owners of an organization's data [8]. As analytics continues to be pushed out from behind the IT curtain into the business, technology SMEs' primary role is transitioning from developing reports to facilitating provision of clean, accurate, and secure data "on the fly" to business SMEs to accelerate decision-making.

EVOLUTION TOWARD AN ANALYTICS SERVICES OPERATING MODEL

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Harnessing is the emerging trends of data growth and proliferation, cloud and flexible consumption, and future of work thank can generate rapid changes in organizations' structure, operations and processes. This also enables organizations to transition towards the analytics-as-a-service model by shifting from a product to a services operating model [Fig. 1]
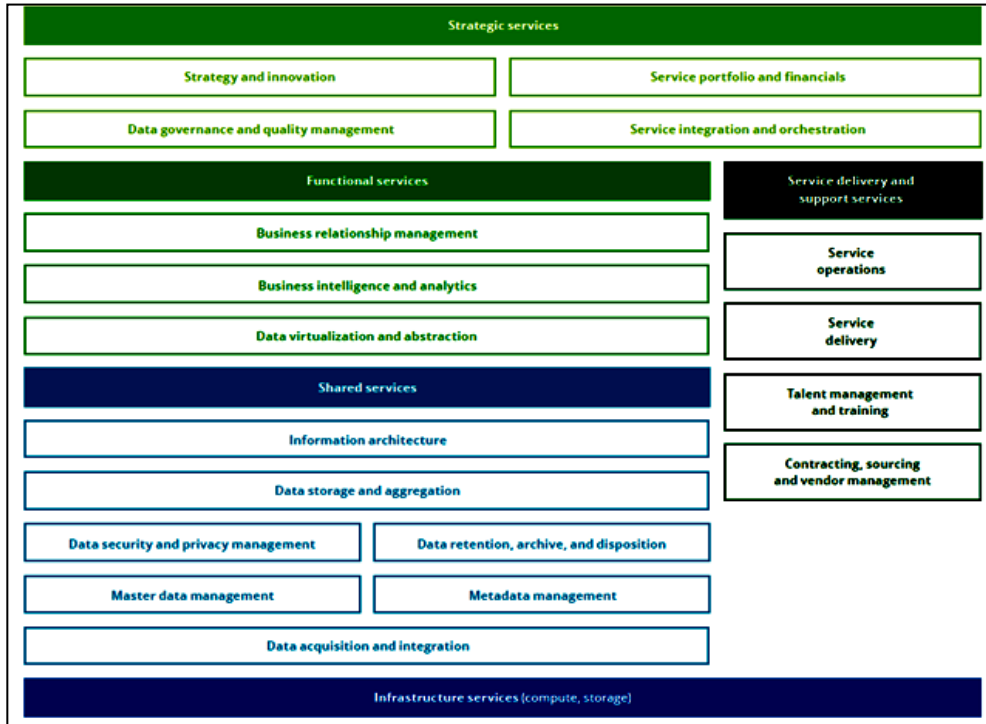
Fig. 1: Proposed analytics services operating model of the future

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The analytics operating model of the future spans strategic, functional, support, shared, and infrastructure services. Strategic services include developing and refining the strategy for data management and analytics and conduct research on emerging trends in the market, technology, process, industry, and people. In addition, these services can help manage initiatives and opportunities as a formal investment portfolio. Moreover, this functional will maintain an up-to-date service catalog and manage budget, chargeback, SLAs and KPIs. Next functional services arm will work jointly with business functions to understand their strategy and priorities. This arm also assists business functions to triage, prioritize and achieve their full analytics goals. Operationally, this arm can provide reports, self-serve analytics, visualization processes and tools to automate the generation of analytics and insights. Service delivery and support services provide service design and development and release management execution. This function also ensures services operations and support in terms of event such as Covid-19 [9]. Additionally, this services function procures vendors to support delivery of services within the organization, recruit, retain and manage performance of talent within the organization. Shared services ensure data quality, security and privacy. This pillar also helps support information architecture and data modeling. Finally, the infrastructure services act as a backbone of the operating model and includes computing, storage and routine maintenance activities.

POTENTIAL BENEFITS

According to Deloitte's Global CIO Survey, organizations are using digital technologies and capabilities to transform business operations (69 percent) and drive top-line growth through improved customer experiences [10]. Cloud-based data platforms, coupled with service-based analytics operating models, can support these objectives by:

Enabling data democratization

To help businesses shift their value proposition from products to ongoing, data-driven services - From R&D and sales to account management and aftermarket services, cloud-based AI/ML capabilities create opportunities to improve efficiency and enhance customer experiences, helping organizations attract and retain customers, as well as drive significant, service-driven value [Fig. 2]. For example, one $4 billion storage client shifted to outcome-based services via digital adoption and to an agile mindset through a common data platform, enabling shared business alignment on "metrics that matter."

Supporting cloud-driven customer centricity

By eliminating functional silos to establish a frictionless customer experience - Customer journey–stage KPIs built on a cloud-enabled, unified data platform can facilitate a 360-degree view and a culture of customer-centricity. For example, a global communications network company started its shift to a customer data

strategy as-a-service model by using a defined customer data management platform to foster personalized and contextual engagement, with the aim of driving growth in customer acquisition and lifetime value [11].
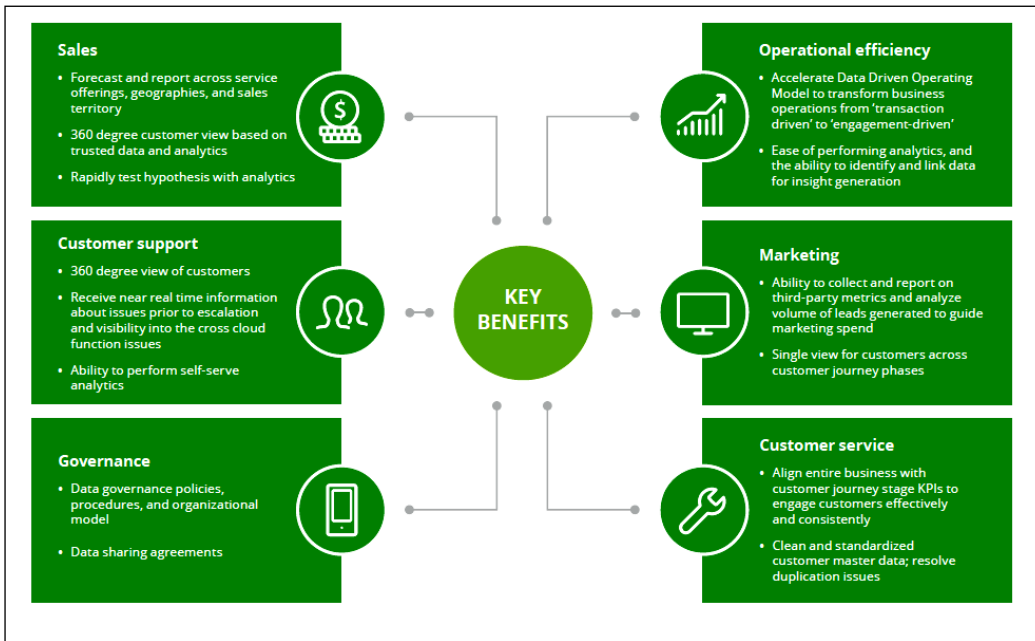

Fig. 2: Customer and operational benefits

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CONCLUSION

The boundary between business and technology issues is blurring, accelerating organizations' move toward an analytics operating model through cloud adoption and an evolving business-IT construct. This model is a key foundational element to help their organizations harness emerging trends, develop actionable insights, and deliver results and value more quickly to business and IT stakeholders.

As with any major change, the transition to the analytics operating model of the future requires a shared vision among key leaders, early identification and engagement of the right sponsors, and setting bold yet achievable short-term goals. This transition will help organizations realize their long-term vision of using data-as-a-service and data-as-a-strategic asset for competitive advantage in tomorrow's world. Leaders will find plethora of use cases in their business functions where change in move to predictive analytics operating models will yield significant benefits and reducing risks in the long run. Moreover, the redefined operating model for analytics will create a predictive environment to have the foresight to identify and respond to any potential crisis and challenging situations such as Covid-19 ensuring minimal disruption in operations [12]. Finally, this journey of analytics modernization will require embedding analytics and data driven culture in all aspects of business decision making. This stage will be the ultimate nirvana of data advantage where leaders will be able to use data to shape their organizations future. The vision they establish and day-to-day work practices they instill and reinforce can determine how the organization's culture evolves and whether it supports or prevents the operating model from delivering on the promise of the joint business-technology strategy and data advantage.

CONFLICT OF INTEREST
There is no conflict of interest.

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