

POINT OF VIEW

Optimizing analytics for competitive advantage: Part 2 - The cost of action



In our ever-changing world, using advanced analytics to make more informed and cost-effective decisions is critical to sustainable competitive advantage. Success requires optimizing and acting on insights to drive specific business goals.

Too often, insights are gathered and optimized but don't lead to action and outcomes. Valuable insights simply gather dust. Conversely, if actions are optimized over insight, employee decisions may be ill-informed. Leading organizations optimize both insights and actions as part of their holistic augmented intelligence strategies.

We've explored how to optimize insight, and here we look at how decision-makers effectively act on these insights to transform their businesses.

Calculating the cost of action

For every business, acting on insights comes at a price. To take control of this cost, you need to know what's driving it. Business silos can be a big contributor. For example, during the height of the COVID-19 pandemic, the sales and marketing team at a large retailer needed to understand changing customer demand across geographies. The team invested in an analytics solution to help them turn insight into action, but realized too late - and at a high price - that the supply chain function was developing a similar solution.

Mistakes like this often happen because employees are acting with urgency. This is because business leaders know that the longer they take to act on insight, the less timely - and therefore valuable - the insight and subsequent action is (figure 1). Many organizations incur costs for not acting decisively.

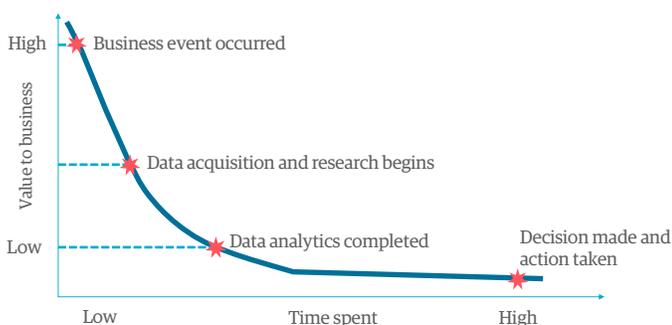


Figure 1: Connecting the speed of decision making to business value

So, how do you act decisively and collaboratively without incurring unnecessary or unexpected costs? It begins with optimization.

Optimizing the cost of action

Based on our work helping leading enterprises make faster, better, and more cost-effective data-driven decisions, we've identified four ways to optimize the cost of action:

1. Data literacy and culture: Time to train

Employees can only act on insights if they can make informed judgments on what the data is telling them. This is where bilingual talent comes in - bilinguals can speak the languages of both business and technology to find the best ways to turn insight into action. Some businesses may bring in fresh talent to achieve this, others may choose to upskill existing employees using industry-specific training courses in digital transformation, data, and analytics.

Cultivating a data culture: A private health insurance company was struggling to maximize the adoption of new analytics solutions. Once the company implemented an enterprise-wide data literacy training program, there was a significant increase in employee awareness, understanding, and adoption. A similar approach is being taken at Genpact. Genome - Genpact's internal learning platform - has trained 75,000 employees in the data and analytics skills they need to deliver impactful digital transformation for clients.

2. Insights orchestration: Integrating and expanding

If employees are acting on insight in silos, the value of those actions is limited. For example, effective changes made to a marketing strategy based on customer insight analytics could also be made to a sales strategy. Therefore, employees must be equipped to share what they learn with other business functions. To achieve this, data visibility needs to be increased across the enterprise.

Migrating analytics to the cloud: InterNex Capital, an asset-based digital lender, wanted to develop a new cloud-based digital lending solution. Today, the solution allows employees to harness the power of artificial intelligence (AI) and predictive analytics to determine the likelihood of fraud or payment default across its customer base. In this example, connected customer analytics gives employees the ability to make more informed decisions at speed.

3. Self-service capabilities: Empowering every employee

When time is money, the faster employees can act on insights the better. When you empower different business

users and teams to perform bespoke analysis using self-service capabilities, they don't have to wait for the insights to come to them - they can seek them out. This enables employees to act with agility to achieve business objectives.

Taking decisive action during uncertain times: During the COVID-19 pandemic, care managers at a private health insurance company needed to support members at the highest risk of suffering complications if they contracted the virus. Dashboards with self-service capabilities enabled care managers to identify high-risk members by location, medical history, and profession to proactively connect with those members and offer guidance on available resources.

4. Interaction engineering: Putting experience at the heart of analytics

To ensure all employees can act on insight, analytics solutions must be user-friendly and intuitive. By applying interaction engineering principles, you can deliver intuitive, seamless, and personalized solutions. These solutions should offer features that enable collaboration across teams and business units - like allowing users to tag other users on relevant insights - to expand the reach of actionable insights.

One-stop shop for analytics: A global beverage manufacturer needed a comprehensive analytics solution. Using an advanced visualization engine embedded with data science, data engineering, AI, and machine learning capabilities, the solution collated insights on supply chain

management, working capital and accounts payable optimization, and customer experience strategy. The solution gave employees the ability to act on insights and share knowledge at speed. This led to a 5x increase in the use of analytics to transform customer experiences, develop more efficient processes, and control costs across the enterprise.

Getting started

An analytics transformation office - a dedicated hub of leaders and employees, from across multiple areas of the business - can help you put theory into practice. Responsible for analytics governance, data literacy programs, data governance, delivery, opportunity, and change management, the office plays a critical role in optimizing analytics. By identifying and prioritizing high-value use cases, and spreading enterprise-wide awareness of the value of analytics, the office can help to keep digital transformation on track.

Lastly, remember that effectively controlling the cost of action can only be achieved when you also effectively control the cost of insight - they're two pieces of the same puzzle. When every employee has access to data-driven insights, they'll be equipped to act at speed and with confidence - the greatest competitive advantage as we enter an uncertain and changeable future.

About Genpact

Genpact (NYSE: G) is a global professional services firm that makes business transformation real. We drive digital-led innovation and digitally-enabled intelligent operations for our clients, guided by our experience running thousands of processes primarily for Global Fortune 500 companies. From New York to New Delhi and more than 30 countries in between, we connect every dot, reimagine every process, and reinvent companies' ways of working. [Transformation happens here.](#)

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