

How to Successfully Introduce Analytics into Your Organization

WHITE PAPER

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Executive Summary

In today's competitive business environment, the field of data analytics is growing in acceptance and importance. Still, according to a survey conducted by Ernst & Young, 81% of respondents agreed that data should be at the heart of all decision making. However, only 31% of respondents have significantly restructured their operations to help do this.¹

Why?

This wide discrepancy highlights the difference between wanting and doing. Agreeing that data is crucial for decision making is one thing. Committing to developing a culture that both values and utilizes analytics is quite another.

If you are seeking to integrate analytics into the culture of your organization—or you are struggling to do so—you will continue to face many challenges. Fortunately, there are steps you can take to make the integration successful. It may take a while. But with planning and patience you can do it.

This white paper explains why analytics matters and provides conceptual ways to introduce data and statistical methodologies into organizations that may be resistant to a change of this nature.

Why Analytics Matters

Many people throw around the term analytics without understanding why analytics matters to an organization. Understanding why it matters, and being able to explain to others why it matters in a brief “elevator conversation,” is crucial to your success in creating an analytics-driven organization.

¹ *Becoming an Analytics-Driven Organization to Create Value*. Ernst & Young, 2015. Web. 26 Sept. 2016.

Put as succinctly as possible, analytics is the discovery, interpretation, and communication of meaningful patterns in data.² Analytics matters because clear and actionable insights into past and current performance are essential to staying profitable and outperforming the competition.

It is also important to note that analytics makes it easy to provide accurate and trusted information to decision-makers when they need it. Indeed, organizations that value and rely on analytics are better positioned to meet their business goals

Why Don't All Organizations Leverage Domestic Analytics?

Ingrained behavior is one of several reasons why many organizations fail to leverage analytics. Managers are accustomed to doing things the way they have always done them. They can become comfortable or even dependent on anecdotal "facts." Those anecdotes are actually unsubstantiated statements that have been repeated over and over again for so long that they sound factual.

Then there are the fears of the stakeholders. Some believe that "figures lie and liars figure." They simply don't trust analytics. Other stakeholders fear the "black cloak of analytics." They are essentially afraid based on past experiences or innuendo that the data gathered and reported will be used only to prove that the organization can do more with less. Consequently, they may expect budget cuts or staff reductions.

Maybe one of the biggest reasons many organizations fail to successfully leverage analytics is that the person or team advocating data has failed to engage all of the stakeholders. Introducing actionable business intelligence involves changing the culture of the organization. When initiating a culture change, many forward-thinking managers forget that it is essential to engage all of the stakeholders. These are people in groups or departments who will be directly or indirectly impacted by the change.

The culture and structure of the organization can be a significant barrier. Regarding the challenges with creating an analytics-driven organization, Chris

² "Analytics - Gartner IT Glossary". *Gartner IT Glossary*. N.p., 2012. Web. 26 Sept. 2016.

Mazzei, Chief Analytics Officer at Ernst & Young has said that “It’s not about technology, it’s not about the advanced analytics skillset that are required. It’s about organization process, culture, the human element, things that we view as not talked about enough but yet critical to the actual realization of value from embedding analytics deeply into business process.”³

Surprisingly, impatience is also one of the key causes of failure. It’s important to recognize that change happens slowly in organizations that may not value analytics or has not fully committed to implementing analytics throughout the organization. Creating an analytics-driven organization takes time.

Also, many managers give up after failed initiatives. This is a huge mistake. As we will see in the following section, it is important to learn from every initiative to make the next steps you take more successful.

Introducing Analytics into Your Organization

When undertaking the effort to introduce analytics into your organization, keep in mind the following steps.

Prepare

While this may seem obvious, always use sound data collection and widely accepted analytics principals and structure. There are many options for formal training and certifications. I am particularly fond of <http://www.ssdglobal.net/> Consider diverse or advanced certifications.

Be patient

At the outset—and throughout the process—patience is vital. While it is important for you to value analytics, getting others on board can be an enormous challenge. In this case, patience is far more than a virtue. It is a necessary quality to have.

³ Rogers, Bruce. "How to Become a Data-And Analytics-Driven Organization". Forbes.com. N.p., 2016. Web. 26 Sept. 2016.

Develop a Plan That Engages Stakeholders

First, examine where your organization is regarding analytics. No matter how long you have been there, this type of research is valuable. Only after you understand where you and your organization are can you develop a comprehensive plan to introduce high quality, actionable business intelligence into your organization.

For a successful transformation to be possible, you must develop a plan that fully engages those who have a stake in your organization's success.

Nurture an Appreciation of Analytics

At the outset of your organization's transformation process, it helps to build a coalition or team within your organization that will engage and lead stakeholders through the process. This team will identify and understand the challenges your organization faces and gain alignment on the required changes.

Transform One Step at a Time

Gain the trust of stakeholders by finding ways to assist them or get approval for their projects or initiatives using analytics. Give them the tools and insights they need to perform their role and you will nurture advocates. Try to get them an early win, ideally on a long-standing internal obstacle. Their individual successes will support the adoption of analytics throughout the organization.

Analyze Your Transformation Efforts

To build upon early victories and ensure sustainability, turn your gaze inward to assess your team's progress against established success measures. You may need to modify your plan based upon the challenges you have faced or expect to face in the future.

Be Patient

It bears repeating that patience is vital. Even if you've done everything right, it will still take time for your organization to value analytics fully and make it an integral part of its business processes.

Perform a Post-Mortem

Always engage in a comprehensive post-mortem process. This acts as a learning exercise for you while providing a clinical view of best-practices, lessons learned, and additional or related opportunities.

Conclusion

Analytics involves the discovery, interpretation, and communication of meaningful patterns in data. While a high percentage of organizations value analytics, a much smaller percentage have actually structured operations to take advantage of the benefits of applying analytics to decision-making processes.

By following the steps outlined above, you can experience greater success at introducing analytics into your organization. You should also consider obtaining a Lean and/or Six Sigma certification. Having one or both of these certifications positions you as an expert in collecting and analyzing data in a way that benefits the organization. You are more likely to be trusted to carry through with the integration of analytics.

Creating an analytics-driven culture takes time. But the effort is worth it in terms of helping your organization reach its business goals

About the Author

Bill Brannigan is an Associate Vice President and Director of Business Intelligence and Analytics at Laboratory Corporation of America where he provides operations analytics and business intelligence to one of the world's largest medical laboratories. In addition to more than 25 years of experience as a licensed lab technician and operations manager, he is a certified Lean Six Sigma Green Belt and Six Sigma Black Belt.