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The key to delivering analytics advantage: Your people

A practical guide to building sustainable analytics capabilities at an accelerated rate

March, 2017

Organizations can only succeed in their quest to become an Insight Driven Organization (IDO) if they successfully engage the power of their people.



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Realize a step change in your analytics capabilities

How to stop building Ferraris that no one drives

In a world where breathtaking change is a daily occurrence and disruption is the norm, legacy organizations are coming to realize they can no longer approach analytics as a discrete function. Instead, they are looking for ways to become insight-driven organizations (IDOs)—ones that turn analytics into a core capability across the enterprise by promoting a culture of data-driven decision-making.

Yet organizations that have confined their focus to attracting data scientists, building high-end technology infrastructures, and wrestling their big data into shape are rapidly realizing this does not guarantee analytics success. They find instead they are building Ferraris that nobody is driving.

In fact, there are five dimensions that need to be considered to build an IDO: strategy, people, process, data, and technology—and the “people” elements often represent the greatest stumbling blocks to IDO success.

When it comes to the people dimension, building analytics capabilities is not linear and incremental. Instead, it is iterative and requires ongoing attention. Through sustained commitment, organizations gain the ability to leverage their previous learnings—enabling them to reap the rewards of earlier thoughtful decisions, generate increased value, and accelerate their wins as they move through each level of analytics maturity (see Figure 1). The result? The impacts expand over time, empowering organizations to drive deep and lasting change at ever-faster rates.

5%

Only 5% of surveyed Canadian organizations classify themselves as Insight Driven Organizations (IDO) that embed analytics, data and reasoning into the overall decision making process of the organization. In the United States, organizations are much more likely to claim to be an IDO (17%)

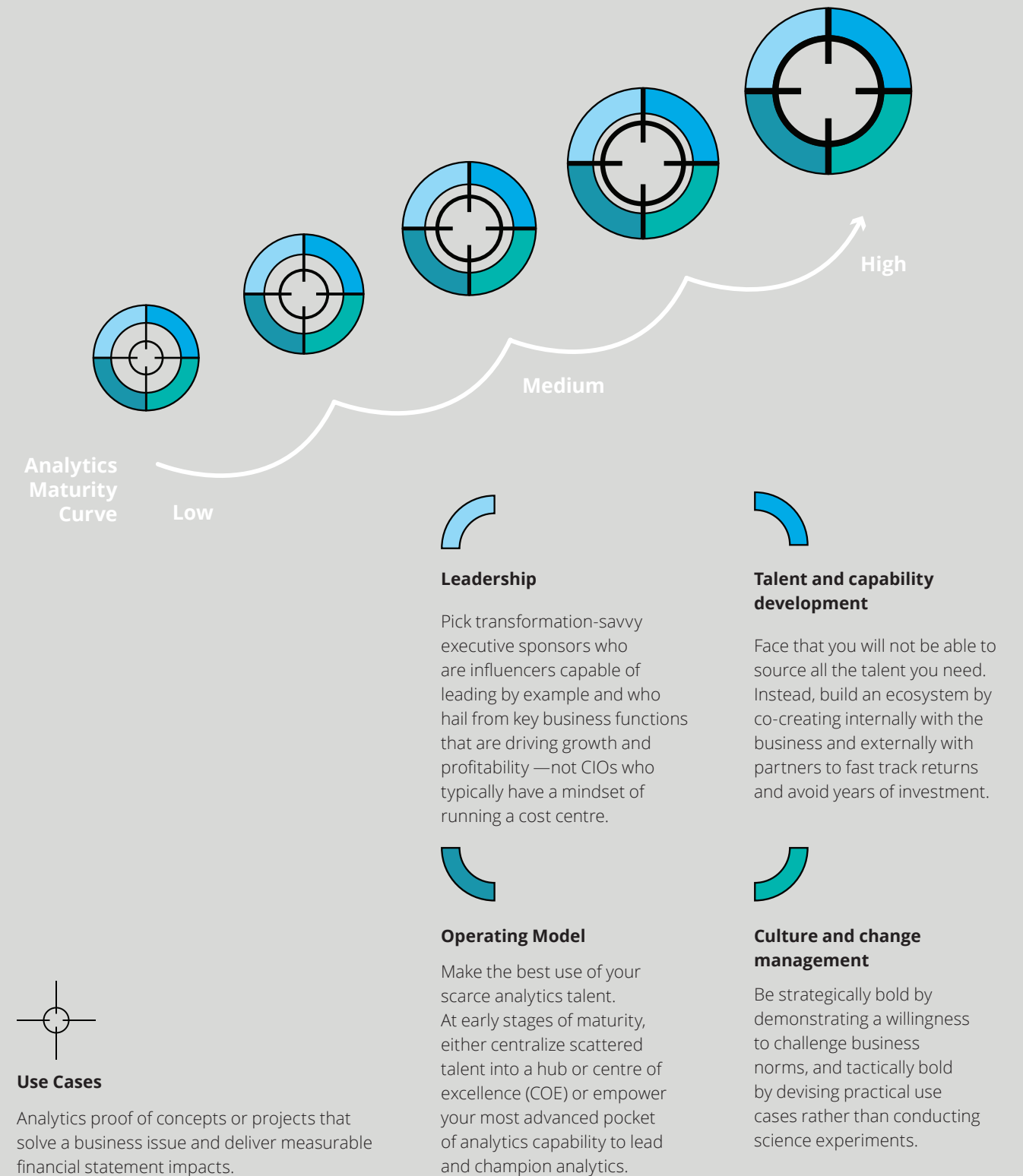
50%

Half of Canadian organizations are at the beginning their analytics journey. US organizations are generally further along the path already

Building Analytics Capabilities

Figure 1

Whether at level 1 or 5, make sure to build capabilities around tangible and well selected use cases and maintain your attention on your people advantage through talent, leadership, culture and operating model.



28 attributes

In the study, Deloitte presented 28 core analytic attributes and through correlation analysis, were able to measure the strength of relationship for each attribute on perceived analytics maturity.

Our results show that half of the top 15 considerations are related to people and strategy.

#1

The top ranked is the presence of a formal analytics strategy that supports functional or business line objectives across the enterprise.

#4

The fourth ranked attribute is the presence of a Chief Data or Chief Analytics Officer who sits on the executive committee, has a full time role and ensures that analytics is driven using a people, process, technology, data and strategy lens.

“Compared to traditional reporting and dashboarding, analytics causes a paradigm shift within organizations that will require new behaviors. People will need to collaborate more, new processes will need to be developed, and managers and executives will need to trust the decision support that analytics will provide them.”

- Schrage, 2014; Satell, 2014¹

Certain foundational elements must first be addressed. At the outset, organizations must deliberately design analytics use cases that link to defined business goals and deliver measurable financial statement impacts. Beyond helping business users gain a practical understanding of how to use analytic insights in their everyday decision-making, this positions organizations to move up the analytics maturity curve faster and to the head of the pack.

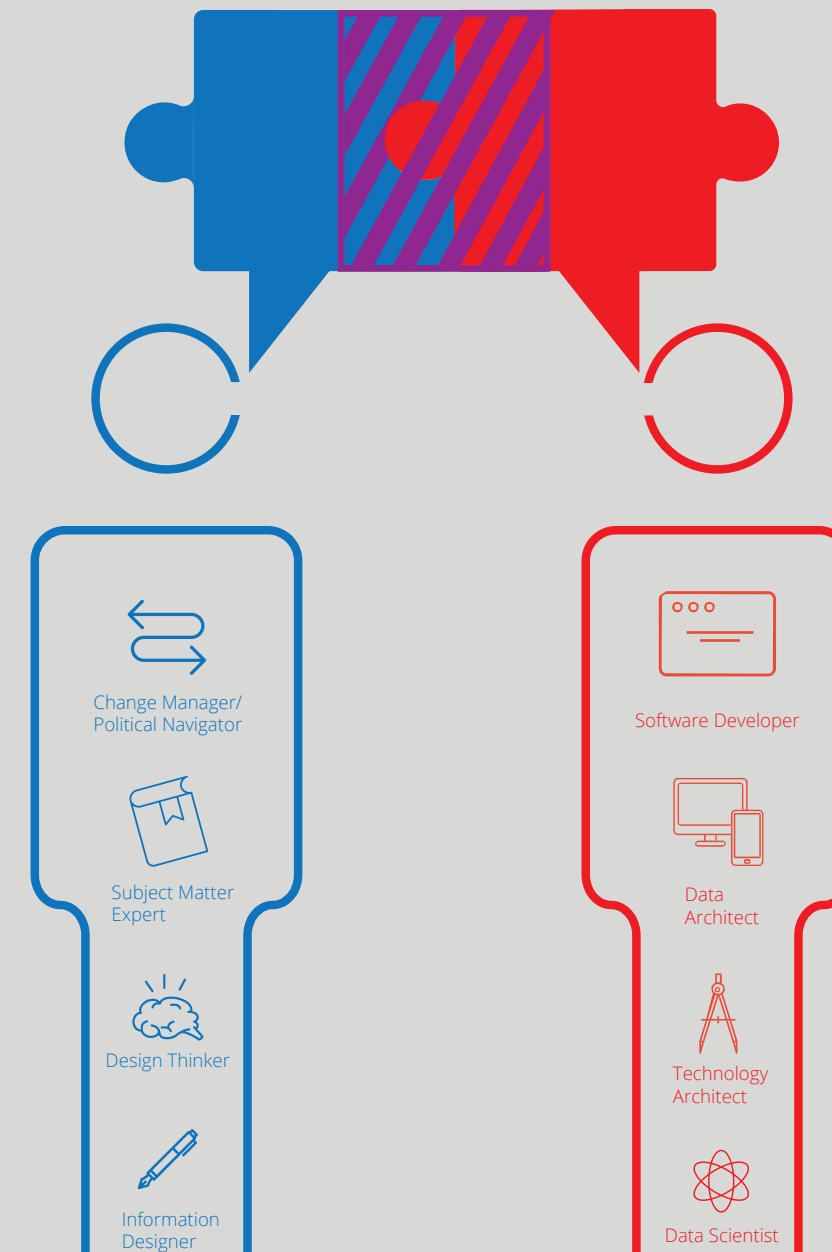
Success also hinges on organizational ability to create purple teams—those that combine technically-savvy people (red skills) with seasoned business communicators (blue skills) to deliver actionable business insights (see Figure 2). Simply stated, organizations that try to win at analytics by hiring predominantly red talent—data scientists, quants, technology architects—are doomed to failure. It has now become eminently clear that blue people—change managers, political navigators, subject matter experts—are required to promote a culture that embraces analytics insight to actively drive decision-making.

This paper explores the four key levers organizations must pull to develop the analytics capabilities required to become an IDO. Organizations that get these elements wrong will almost certainly fail to realize an effective return on their investments. Those that get them right will uncover the essential ingredients for turning insights into action that drives tangible business results.

1. Forbes, January 3, 2014. "Why Most Marketers Will Fail In The Era of Big Data," by G. Satell. <http://www.forbes.com/sites/gregsatell/2014/01/03/why-most-marketers-will-fail-in-the-eraof-big-data/>; Harvard Business Review, April 8, 2014. "Why Your Analytics Are Failing You," by M. Schrage. <https://hbr.org/2014/04/why-your-analytics-are-failing-you/>

Purple Teams

Figure 2



Business & Communication

- Technology Alignment
- Macro-Perspective
- Business Knowledge
- Business Commentary
- Soft Skills

Technical & Analytical

- Testing & Validation
- SQL querying
- Data Modelling
- Data Analysis
- Reporting Software

In Canada, 48% of surveyed executives consider themselves 'blue', 25% say they are primarily 'red' and 27% consider themselves 'purple'.

Section 1.0 Leadership

Pick transformation-savvy executive sponsors who are influencers capable of leading by example and who hail from key business functions that are driving growth and profitability—not CIOs who typically have a mindset of running a cost centre.

63%

While 63% of Canadian organizations do not have formal analytics leadership at the C-Suite level, more than half of US organizations have at least a formal mandate at this level that is being carried out.

22%

Only 22% of Canadian organizations, compared to 37% of US organizations, have a full time CAO or CDO who is driving analytics using a holistic approach inclusive of people, process, technology, data and strategy.



Here's a stark reality: despite years of investment in technology and data, organizations that select sponsors primarily for their technical and analytical (i.e., red) skills do not become IDOs. To effect the sweeping change required to become an insight-driven organization, you must pick executive champions with strong blue skills. Blue skills include business acumen, change management, political navigation, and the ability to resolve problems with creative, user-centred solutions. Because of their role in driving growth and profitability for their organization, blue sponsors serve to reinforce the strategic importance of analytics, increasing and speeding up the return on investment. They help people understand the difference between data and insight, between cost of technology and business returns. And they help to define and disseminate a vision underpinned by insight around which the entire organization can rally. Critically, these blue sponsors should:

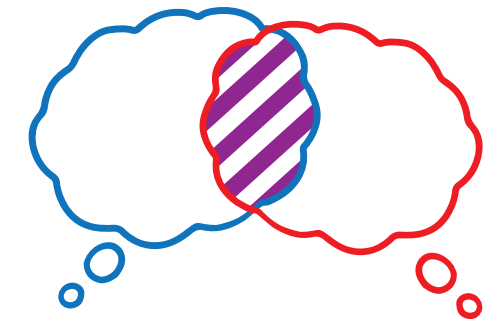


Figure 3: Pick a blue sponsors to lead and sponsor analytics in the organization

Be transformation-savvy influencers with lots of existing political capital

Blue sponsors must be active advocates for the IDO, with an existing degree of influence and political capital and, most importantly, an ability to execute insight-driven decision-making—which is why they generally can't be hired from the outside. To select the right use cases and prioritize them, these champions must understand the specific business problems that can be solved with analytics. To ensure people act on the insights generated, they need the capacity to spur business users to adopt the reengineered processes designed to embed analytic insights into the business. And to promote meaningful change, they must be able to quantify and, most importantly, advocate the business benefits related to analytics by tracking the outcomes of each use case.

Be willing to invest in personal growth to raise their analytics IQ

In organizations where the analytics journey is championed by a purple person, the likelihood of IDO success rises. Yet purple people remain the unicorns of the analytics world. This should not prevent blue sponsors from striving to hone their purple skills. This means gaining sufficient technical grounding to know how to understand the art of the possible and ask the right questions. It also means knowing practically where to add value. While the quants generally focus on activities such as reviewing previous findings, modelling the solution, selecting variables, speed to result, and collecting and analyzing the data, blue sponsors apply their skills to the beginning and end of that insight process—where the beginning sees them use their business experiences to frame the problem or question, and the end sees them drive through the change and use their storytelling skills to communicate the results to other executives.²

Walk the talk—lead by example to drive cultural change

Culturally, IDOs foster the willingness to challenge the status quo and accept failure as a learning strategy. Blue sponsors must model these cultural ideals. So-called failures that lay the groundwork to uncover better solutions should not be punished—they should be held up as examples of a new operational reality. At one major Canadian financial institution, this tone from the top gave people permission to move forward faster. The company is now running two dozen rapid use cases, using more insight-driven decisioning, and developing tools to streamline existing processes. These types of results can only be achieved if champions across the organization encourage business units to experiment with analytics in a quest to uncover unconventional ideas that drive value.

2. Harvard Business Review, July-August 2013. "Keep Up with Your Quants," by Thomas H. Davenport. Accessed at <https://hbr.org/2013/07/keep-up-with-your-quants> on January 18, 2017.

“In god we trust;
all others bring data”³

Case study 1

Blue sponsors leading by example

A CEO setting the tone

Becoming an IDO requires organizations to change the way they do business by using insights to inform decision-making. This foundational shift can only succeed if it is championed by visionary blue sponsors. At a luxury retailer, the CEO took a top-down approach to ensure all his employees—from store managers to merchandisers and back office designers—had the tools they needed to adopt a data-driven mindset. This began with the recognition that insights are required to drive the customer experience and deal with real-world business concerns—not to resolve data issues. “The insight-driven approach caused us to understand our customers in different ways to create different labels,” he notes. “We were able to take this information and adapt it to talk to both existing customer segments and entirely different customers.”

³. Quote originally attributed to W. Edwards Deming which Barry Beracha, Former CEO of Sara Lee Bakery Group, used to have on a sign in his office according to Thomas H. Davenport & Jeanne G. Harris in “Competing on analytics (2012).”

Section 2.0 Operating Model

Make the best use of your scarce analytics talent. At early stages of maturity, either centralize scattered talent into a hub or centre of excellence (COE) or empower your most advanced pocket of analytics capability to lead and champion analytics.

1 out of 5 **9%**

Only one out of five Canadian organizations have implemented an organizational structure, whether centralized/ decentralized or hybrid, that makes the best and highest use of scarce analytics resources (e.g. data scientist) and ensures common tools and processes are developed and used across the enterprise.

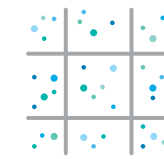
Only 9 % of Canadian Organizations view analytics as a living eco-system where decisions around people, process and technology are strongly integrated through an insight-driven mindset and the leadership of an enterprise shared services or Centre of excellence for analytics. US business are far more developed in this regard, with three times (27%) as many organizations claiming to follow this type of model.

Operating Model

Pros

Cons

Figure 3



Decentralized: Activities conducted in business units and with no centralized coordination.

Functions have complete control over needs.

Limited enterprise collaboration



Functional: Teams are dispersed across organization, and a small centre of insights within a D&A dominant function supports teams.

Resources concentrated where they are needed most.

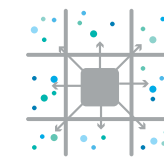
Limited ability to expand and scale in other functions.



Centre of Excellence: Teams exist primarily in business units, but their activities are coordinated by a centralized group (CoE).

Resources remain close to business and are coordinated by centre.

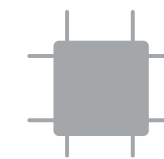
CoE may not be about to control/oversee decentralized staff.



Consulting: Teams are centralized and are assigned to work on projects throughout the organization through a charge back system.

Clear tracking and measurement of outcomes.

Results and focus on who can pay vs. strategic needs.



Centralized: Activity is delivered from a group of central functions, businesses do not have access to data, tools or resources.

Central management and Strategic deployment of resources.

Potential for gaps in understanding of business needs.



At many aspiring IDOs, analytics resources are scarce and scattered across departmental silos. As a result, competition for internal resources can be fierce. This type of unhealthy analytics ecosystem leads to the ineffective deployment of analytics talent, a lack of collaboration and sharing of best practices, and the pursuit of isolated projects that have limited effect on overall strategy.

IDOs take an entirely different approach. Rather than competing for scarce analytics talent, they design operating models that allow them to make the best and highest use of available resources. By developing common tools and processes, and disseminating them across the organization, they foster consistent approaches that promote meaningful analysis. In short, they view analytics as a living ecosystem where decisions around people, process, and technology are strongly integrated.

Choosing the right model

Because the goal is to drive alignment to common standards and ensure adherence to corporate priorities, there is no optimal structure. The most effective operating model depends on your company's strategy, goals, analytics priorities, level of analytics maturity, and the supply and demand of capabilities across the organization. In practice, this often means going with one of five models (see Figure 3):

Case study 2

Major Canadian financial institution leverages functional analytics expertise

Before it could embed insights-driven decision-making across its organization, one Canadian financial institution realized it needed to refine its operating model. With over 1,000 people engaged in analytics-type activities across more than 50 fragmented teams, efforts were being duplicated, business units were competing against each other for talent, and non-standard terminology and reporting were yielding inconsistent results. Insulated groups of data scientists also lacked intellectual stimulation as they were repeatedly asked to solve the same problems.

After reviewing its options, the company decided to consolidate strategy, governance, and project delivery within the corporate function that had the most advanced analytics capabilities. Other business units with defined and business-critical analytics needs (i.e., anti-fraud) retained their own data scientists to minimize risk. As a result, the institution has positioned itself to meet both enterprise- and business-level priorities, re-engage its analytics talent, and begin embedding a more robust data culture across the organization. Thanks to the flexibility of the model, the company can also shift to a different approach as its analytics capabilities mature.

At early levels of maturity, organizations typically adopt either the functional or centre of excellence (CoE) models. With the functional model, organizations consolidate their scarce resources in business units that have already developed the most advanced analytics capabilities. Those functions then act as pioneers responsible for developing common standards and instilling an enterprise-wide analytics culture (see case study 2).

For their part, organizations that lack a pool of advanced functional capabilities can benefit from a CoE approach. With this model, organizations centralize their analytics talent by co-locating people in a cross-functional “hub” (see case study 3). Enterprise-wide activities such as strategy and governance are generally also centralized, although the centralized approach can extend considerably further to incorporate awareness and education, insight process standardization, project management, and execution.

Beyond realizing enhanced process efficiency, organizations that use the CoE model can more easily prioritize use cases that contribute to corporate strategic goals. In some cases, the CoE will even provide funding for proofs of concept that benefit the entire organization. As an added advantage, this model allows analytics talent to work on a wider range of use cases—enhancing talent attraction, development, and retention by encouraging shared learning, creating more defined career paths, and providing data scientists with a constantly revolving set of complex puzzles to solve.

The flexibility to pivot

Notably, rigid adherence to a specific operating model can hamper IDO evolution. As such, organizations require sufficient flexibility to choose a new operating model whenever it makes most sense. The key is to design for adaptability. One way to do that is to create cross-functional teams and co-locate them in a bid to break down organizational silos, enable the continual and rapid transfer of information, and foster a hands-on mindset. By bringing together your data scientists and business experts to compose purple teams, you gain the agility to rise to new challenges, the flexibility to collaborate across functions, and the power to adapt to constant change.

“The result of building a data team is, paradoxically, that you see data products being built in all parts of the company. When the company sees what can be created with data, when it sees the power of being data enabled, you’ll see data products appearing everywhere. That’s how you know when you’ve won.” - DJ Patil, US Chief Data Scientist at White House Office of Science & Technology Policy ⁴

4. O’Reilly Radar, September 16, 2011. “Building data science teams,” by DJ Patil. Accessed at <http://radar.oreilly.com/2011/09/building-data-science-teams.html> on January 19, 2017.

Case study 3

Purolator strengthens its analytics capabilities with a Centralized Model

As a leading provider of integrated freight, parcel, and logistics solutions, Purolator's analytics requirements are advanced. Inconsistent terminology around its key metrics, however, was hampering its efforts to mature its Analytics Capabilities—leaving teams to debate the accuracy of their reports rather than focusing on strategic issues. With a fragmented reporting structure and data analysts scattered across five business units, the CIO—under mandate from the CEO—realized the company needed a more centralized approach.

After assessing its current state and matching its analytics needs against its people's skills, Purolator decided to centralize its analytics resources and have them report to a "purple" champion with both technical and transformational skills. The company's 25 data analytics resources were co-located to encourage greater collaboration and process consistency—a solution that accelerated its adoption of common business rules, enhanced reporting accuracy, and saw its monthly report production efficiency dramatically improved.

Section 3.0

Talent & capability development

Face that you will not be able to source all the talent you need. Instead, build an ecosystem by co-creating internally with the business and externally with partners to fast track returns and avoid years of investment.

Only 20%

In Canada, 20% of organization view analytics skills and an analytics mindset are seen as essential from the board room to the front office. These organizations claim to have processes that exist to hire for, or develop people/teams with a mix of functional and technical skills - this compares to 34 % in the US.



Let's face it: given the dearth of analytics talent, most organizations will never be able to hire all the talent they want and need to build an IDO. At the same time, the analysts you do find will often lack the blue skills needed to effectively communicate and engage with business decision-makers.

To close these gaps, organizations must take a two-pronged approach—co-creating internally with the business to build purple teams and externally with partners to augment their capabilities, volume, sophistication, and innovation. Ultimately, analytics cannot be siloed. Instead, it must operate as an ecosystem—both cross-functionally and externally.

Building purple teams

Internal co-creation means structuring purple teams in an effort to build a bridge between technical talent and business needs. Often, organizations aim to deliver on their analytics vision by hiring predominantly for red skills (software developers, data architects, data scientists, technology architects, information designers); the classic "I hired a PHD so we are all sorted". This is proving to be not enough. Truly high-performing teams require both a diversity of talent and a diversity of thought—meaning red people must be bolstered by blue people (change managers, political navigators, subject matter experts, design thinkers) who understand how to use analytic insights to answer strategic business questions.

However, composing this type of internal team hinges on your ability to attract, engage, motivate, and retain analytics talent. Beyond identifying current and future talent requirements and gaps, building an effective internal team requires an understanding of your people's values, expectations, and engagement needs. It also means creating clearly defined career paths that link to specific performance measures.

As organizations move up the analytics maturity ladder, they will increasingly want to hire people with purple potential. That means top-line analysts will require more than quantitative skills. They will also need methodological skill (an understanding of the analytics process) and business instincts. Ideally, this means they have the capacity to both learn and teach—ultimately coaching and mentoring the next generation of skills by sharing learnings from each use case they work on.

Internal co-creation can also be fostered through the sharing of expertise. For instance, analytic resources can be seconded to different geographic locations and/or rotated to different business units as a way to infuse talent and infect analytic culture across the organization. Cross-functional teams can encourage business specialists to play a role in shaping the insight-driven solution so they have a stake in its outcome—improving buy-in and ownership. Encouraging red people to work with blue mentors can also help to round out skillsets and expose people to a wider range of business objectives.

The partnership imperative

External co-creation is about forming innovative external partnerships. Because there's a finite pool of talent, it's important to inject external partners from the start. However, this isn't about transactional outsourcing. It's about developing strategic partnerships with providers who can deliver missing capabilities on demand—and with whom you can co-develop IP, share expertise, and foster the transfer of knowledge (see case study 4).

Case study 4

Co-creation in action at a major Canadian bank

In assessing its analytics capabilities, one Canadian bank realized it lacked certain essential skillsets—including big data, information design, and agile analytics project delivery. To bolster its team's abilities, nine of the bank's people shadowed Deloitte's team, observing the traits and skills needed to deliver on three defined use cases. In this initial engagement, the Deloitte team helped with the primary delivery responsibility. As the bank's team has learned to take on more accountability over time, however, Deloitte's role has evolved to becoming more advisory in nature. Through this structure, the bank now has ownership and delivery over its own projects, with an option to augment its team to support specific projects, and access key skillsets and innovation. As a result of this partnership, the bank now has a team of 20 people with new skills, including visualization, machine learning, and agile project delivery to drive engagement with business stakeholders. This has enabled it to rapidly deliver on a wide range of projects, rolling them out in less than eight weeks.

Arguably, it's possible to approach external partnerships along a continuum. For instance, core initiatives would remain with your internal analytics team. Non-core initiatives running in test environments could be addressed by internal skunkworks labs, where they exist. Organizations can work with university and graduate students to leverage the external ecosystem and identify potential future hires. Some smaller projects can be crowdsourced or solved through open competitions or hackathons as a way to attract non-conventional solutions and identify possible new talent (see case study 5). Niche, focused, or point-in-time requests can be developed with an agency. And larger, longer-term initiatives can be co-created with an analytics partner where internal talent is lacking.

In forming external partnerships, it's important to look for partners who have more capabilities than you need—and not just red skills either. Co-delivery models are more likely to succeed where your partners possess blue skills, such as

business acumen, storytelling capabilities, and the ability to communicate cross-functionally to gain organizational buy-in and build alignment. They must also be willing to model those skills to foster knowledge transfer.

All that said, you don't have to get things right from the get-go. It's more important to just get going. Start by striking small, nimble internal teams, bolstered by external partners where talent gaps exist and point them at tangible use cases that affect numerous internal stakeholders so the power of analytics can permeate the entire organization. Just remember that going it alone is a long and dangerous journey because organizational demand and enthusiasm for change and results will always outstrip your supply.

Case study 5

Allstate uses crowdsourcing to augment its capabilities

In an effort to improve its claims service, insurance company Allstate was looking for an automated method for predicting the cost and severity of insurance claims. So it turned to Kaggle—a platform for data science competitions—to crowdsource the development of an algorithm that would accurately predict claims severity. Over 3,055 submissions were received, with winners given the opportunity to join Allstate's team—a solution that gave Allstate access to scarce and diverse resources around the world while also strengthening its own recruitment strategies and solving a problem—need for an algorithm—in a short timeframe.⁵

Section 4.0

Culture and change management

Be strategically bold by demonstrating a willingness to challenge business norms, and tactically bold by devising practical use cases rather than conducting science experiments.

Only 13%

Only 13% of Canadian organizations have a specific stakeholder engagement, communications and training plan for transitioning their workforce to a new way of working using analytics.

Up to 30%

In the US, up to 30% of organizations have such a plan in place. 12 % of Canadian organizations have a mechanism in place to measure progress in moving to embrace analytics.



Unless your organization is a digital native, becoming an IDO is an act of considerable courage. In many cases, in fact, it requires a complete cultural shift. Organizations must be willing to embrace sometimes very new values and behaviours. C-suite leaders, preferably championed by the CEO, must set the tone from the top by communicating the IDO

vision. And managers must help to drive change by demonstrating the benefits of the shift to both the organization as a whole and to people individually.

Although each IDO will have its own unique culture, leading IDOs tend to display common cultural ideals. Specifically, IDOs need to be:

Strategically bold

IDOs are willing to challenge the status quo and accept failure as a learning strategy. They don't focus on only successful outcomes; they give their people permission to fail and make poor decisions on the path towards making good decisions. Practically, this means curbing expectations for new product or service launches. The aim with first phase rollouts is not necessarily to make money—it's to generate the data required to delve deeper into customer, citizen, or patient needs, and then use that data to refine the offering over time. Lack of results is not considered failure, but lack of data is. As this process makes clear, building an IDO requires a considerable level of commitment, as you may not see financial returns for several years.

Tactically bold

Tactical boldness is about choosing tangible use cases that address real problems as a way for IDOs to build their capabilities. Rather than having teams engage in "science experiments" where they uncover interesting—but non-actionable—insights, IDOs have the gift of asking the right questions to deliver real-world use cases that impact the organization at large. This means fostering a culture committed to using analytic insights to achieve measurable outcomes. By creating an experiential change journey enabled by high-impact use cases, organizations can shift collective behaviours and define new habits at the personal and team levels. As each use case is completed, team members can then coach employees engaging in the next level of use cases—fostering not only more purple skills but the opportunity to permeate the culture as learning is shared across the organization.

The necessary ingredients

Because values drive culture, aspiring IDOs may have to adopt a new set of values. For instance, they must empower and hold accountable employees to make decisions differently, using insights rather than relying on gut instinct (see case study 6). They must encourage innovation and sharing, not only by working cross-functionally, but also by recognizing that true innovation comes from diversity of thought rather than groups of like-thinkers. To invite a cross-pollination of ideas, they create purple teams with multi-disciplinary orientations.

IDOs are also innately curious. They have a mindset of inquiry, are committed to continuous innovation, and are eager to experiment, test, and learn. Last but not least, they are data centric. They recognize that data isn't just for data scientists—it's for everyone. Ultimately, they are guided by one cardinal principle: if you can't measure it, you can't fix it.

Case study 6

From legacy to leading-edge

To meet its cost recovery mandate, one Crown corporation was required to provide its federal government stakeholders with a five-year revenue forecast. While it was using a price elasticity model, its analysis relied on weak data provided in disparate formats from siloed departments. This was the way things were always done. With private sector competition entering the market, however, and a range of external factors impacting revenue models, the organization's forecasts were becoming increasingly inaccurate.

In a bold strategic move, the organization decided to challenge the status quo by building a sustainable forecasting solution to enable more precise revenue planning, price setting, and cost recovery models. It demonstrated tactical boldness as well by choosing an immediately influential use case—with three departments coming together to agree on common business rules. However, its real measure of success was its cultural willingness to make tangible change to support its stakeholder community. People are now using data to make business decisions—overcoming initial resistance from users who were more accustomed to spreadsheet analysis. This willingness to experiment and learn has allowed a legacy organization to make a truly monumental shift.

Making it real

There are several steps organizations can take to embed IDO values and behaviours:

1

Set the tone from the top

IDO change is leader-led. Culture cannot be delegated. In one leading IDO, the CEO doesn't simply communicate organizational priorities with senior executives. Instead, he influences culture by personally going on roadshows to discuss strategy directly with local teams. As a result, management is empowered to adhere to corporate priorities rather than creating their own personal agendas.

2

Hire for aligned values

Behavioural use cases can help uncover underlying attitudes and beliefs, taking personal bias out of the hiring process. This allows IDOs to objectively test for both red and blue skills, as well as the capacity to develop purple skills.

3

Align incentive and performance measurement mechanisms

For each discipline within the company, employees should understand which behaviours meet—and exceed—expectations. This gives them visible touchpoints for aligning their behaviours to corporate values. As people begin to display these aligned behaviours, they should also be rewarded. After all, it's one thing to say you tolerate failure and another to live it. People will only be bold and courageous if they are incented to experiment and not punished for making mistakes.

4

Mobilize and engage communities

To create a collective purpose and enhance buy-in, multiple teams should help to co-create the transformation journey (see case study 7). That way, business units across the organization have a stake in permeating the culture—which can be accomplished through experiential learning, including simulations, prototypes, and gamification. To make it fun, it can also help to hold conferences, social gatherings, competitions, and showcases. The key is to create experiences that help encourage curiosity about the data, so users begin to wonder how it can solve questions they didn't even know they could ask.



Case study 7

Government organization gains cross-functional buy-in

Rather than collecting disparate analytic answers that no one ever executed on, one government organization realized it needed to be strategically bold by creating a culture that relied on analytic insight to spur action. To inject that culture across the organization, it proactively engaged in change management. It began by bringing together a multi-functional group to clarify the analytics vision. By encouraging co-creation, participating executives felt a sense of ownership. This high degree of buy-in and alignment encouraged the organization's leadership to drive change by adopting a top down and bottoms up approach. High-level sponsors directed teams to develop business-focused use cases that linked to the organization's analytics vision. The entire process required teams on the ground to fundamentally change the way they worked—adopting a “war room” style collaborative approach instead of their traditionally siloed and sequential approach. Through co-location, analysts were able to break away from a culture of hand-offs and engage instead in experiential learning and knowledge sharing—resulting in the implementation of an agile pilot that was rapidly translated into action.

Case study 8

A real-world approach to building analytics capabilities

Inside the Deloitte experience

At Deloitte, we understand the essential ingredients for building analytics capabilities because we've engaged in the process ourselves. Here are some of the hallmarks of our continuous journey towards maturing our IDO capabilities.

Leadership: The best blue sponsors

Understanding that the analytics agenda cannot be championed by a purely red person, our CEO selected the managing partner of one of our service lines to lead the charge. A lawyer by training, our blue sponsor has over 500 indirect reports and the existing political capital required to influence cultural change.

Operating model: Co-location through a Centre of Excellence

Before establishing our Centre of Excellence for Analytics in 2003, our teams often competed with each other for the same market opportunities. In an effort to approach clients as One Deloitte, we co-located our data scientists and developed common tools, standards (insight process, ethical data use, protection), and templates to govern our processes. This has allowed us to present a united front through two complementary facilities: the Greenhouse—a collaborative facility that blends interactive immersive technologies with expert facilitation to encourage organizations to disrupt their models by design, allowing organizations to experience analytics, touch it and to feel it by opening the black box; and the Analytics Lab—which is dedicated to managing today's high-volume processing requirements for data and advanced analytics use cases. We also encourage secondment to foster cross-pollination, bringing in new team members to work at the CoE each quarter before going back to the business to disseminate our culture and practices. As an added benefit, this model enhances recruitment and retention by enabling our people to work on leading-edge big data and analytics projects from across the firm.

Talent and capability development: The analytics career model

When we first began building our IDO, our inclination was to hire people with strong red skills. We quickly realized, however, that this wasn't enough. By triaging our program to assess where we succeeded and failed with our people over a two-year period, we discovered the best data scientists require more than quantitative skills—which are table stakes. They also need methodological skills (an understanding of the analytics process), advisory instincts (the ability to think through a business problem), and leadership skills (the ability to take all on the journey). To foster these skills, our red people work in cross-functional teams—giving them the opportunity to observe blue people in action. This is bolstered by formal training, a mentoring program, and a clearly articulated analytics culture. Teams that develop particularly innovative solutions are also recognized at quarterly social gatherings, where they have the opportunity to share their story as a way to inspire idea generation across the firm.

Culture and change management: Fundamentals Analytics course


To build buy-in for our analytics culture and explain our IDO values and behaviours, Deloitte launched a Fundamentals Analytics course with the aim of training 500 of our practitioners in 500 days. This is not a course confined to data analysts. It's created to explain key data and analytics concepts to our people across functions and geographies. Participants gain an understanding of how data analytics projects are scoped and executed, discuss core data handling and analytics techniques, look at the application of those techniques, and learn how to communicate insights to clients. As an end result, this course will build a coalition of people across Deloitte who will not only create awareness of analytics but will help to embed and promote an analytics mindset.

Conclusion

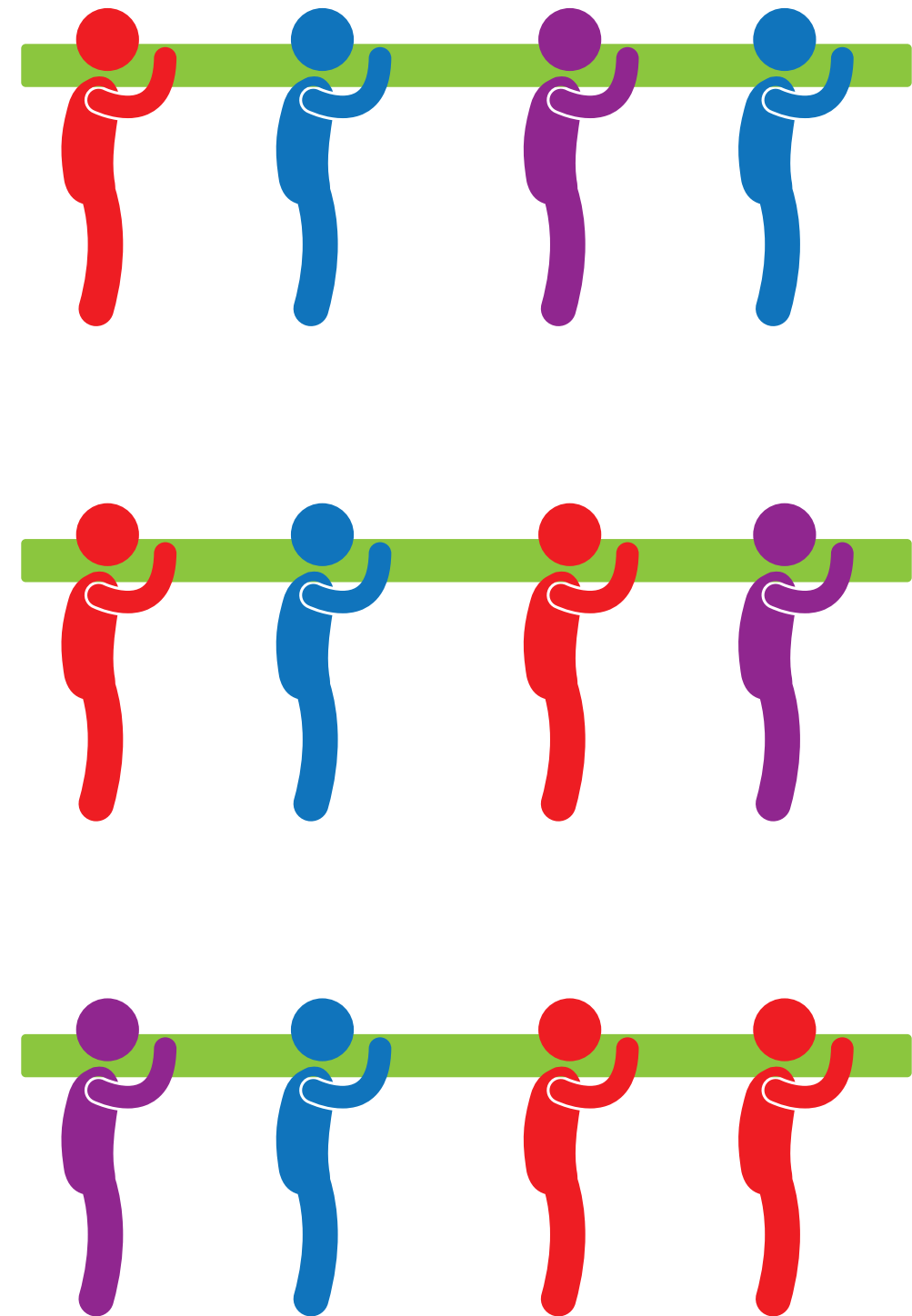
The action imperative

As the age of disruption continues to vastly alter business realities, non-digital natives are scrambling to keep up. The knee-jerk reaction to invest in technology solutions and a horde of red talent is understandable. It's simply not enough. With each passing year, it becomes increasingly clear that organizations can only succeed in their quest to become an IDO if they successfully engage the power of their people, both red and blue.

There are markers for getting this right. These include:

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- Picking blue sponsors who are transformation-savvy influencers.
 - Making the best of your scarce analytics resources at early stages of maturity by either centralizing scattered resources or empowering the most advanced pocket to take the lead.
 - Co-creating internally with the business to create purple teams and externally with partners.
 - Being strategically and tactically bold.

Yet, alone, even these steps are insufficient. Ultimately, it's incumbent on organizations to decisively take the arduous journey required to become an IDO. In doing so, they must be willing to anchor their analytics capabilities around the development of practical use cases that link to defined and measurable business goals. They must be prepared to foster the cross-functional environment required to create purple teams and an analytics mindset. Above all, they must be unflinching in their commitment to not only generate insights, but take action on them to change the way their organizations fundamentally operate.



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