

# Successful with an Analytics Center of Excellence.

Fourteen success factors for an efficient and value-creating Analytics Center of Excellence.



The world is moving faster and faster. Data Analytics makes it easier to address the constantly increasing business requirements for successful companies. Concrete insights must be generated from data, and these insights must be implemented within the organization. Campana & Schott has identified 14 success factors that make for a successful Analytics Center of Excellence.

More and more companies are wondering how they can use Data Analytics to improve their competitiveness. In the first step, they must identify important factors in order to effectively establish Data Analytics across the entire organization and generate sustained added value. This process can be imple-

mented with a cross-company functional unit: an Analytics Center of Excellence (ACE). There is a total of 14 essential success factors, which can be divided into three categories. ACE representatives from international corporations in different industry sectors were surveyed to obtain a list of best practices.

## 1. Actively support the transformation

A successful transformation into a data-driven organization requires that Data Analytics becomes a part of the corporate culture. Therefore, mature ACEs create transparency, communicate added values for the company in a manner that can be easily understood, and focus not only on customers but also on employees. Thereby, they pursue the long-term vision that most of the employees actively support this **cultural transformation** and that they think and act data-driven.

This transformation must be supported by **change management** to increase acceptance among the employees. A professional change management team can accompany the changes, e.g. with the help of target group-specific motivation and communication measures, which address the personal needs of the employees. Due to the intended cultural transformation towards a data-driven organization, **change management** also becomes an essential factor for ACEs, and should become part of every successful company's DNA.

In addition to communication measures, successful ACEs also design and manage training activities for employees, as well as **technical training and continuing education measures** in the area of Data Analytics. The success of such measures can be assessed based on the interest in the available offerings as well as the actual usage or participation rates. Very mature ACEs also provide outside parties with insights into their knowledge, publish scientific publications and work closely with academic institutions and start-ups to stay up to date about the latest developments.

The results and successes of the ACE must have an impact on the entire company before an organization can be considered as a data-driven organization. In fact, one of the greatest challenges of ACEs is to build the bridge from individual solutions for single departments to broadly **scalable** use cases. Therefore, the objective of successful ACEs is to find scalable solutions that can be introduced in all departments and that create the corresponding added value.

## 2. Correct use of data and technology

Suitable technologies and data must be used as the basis for the transformation. Several important questions have to be factored in for selecting the correct **system architecture**. Some companies believe that a uniform architecture with modern data warehouses and data lakes is an essential component. However, mature ACEs in particular focus on other success factors. For example, system architectures must be flexible, i.e. so that new tools can be integrated at any time. Cloud solutions are helpful in this regard. In addition, many companies use a central data platform for the entire organization to warrant consistently good data quality.

**High data quality** is one of the most important and at the same time the most challenging success factors. In the first step, the required information should be made accessible and usable. In the second step, it must be reviewed for integrity and completeness. Finally, for particularly efficient and successful analyses, data should be traceable back to its origins and comparable. But as data quality can never be perfect, models must be adjusted so that they generate optimum analyses results with the data that is available.

The appropriate **data management** must secure a high quality of data. 'Data Ownership' is an important management tool for this purpose. It assigns all of the data available to the ACE to an owner, who permanently checks the origin, changes and quality of the data. A company-wide central data management system

with standardized processes is suitable for increasing efficiency. Structured data management also facilitates the access to data. The silo mentality, which is still commonplace among many departments, must also be addressed, so that different departments voluntarily share data and thus benefit from synergy effects.

Of course, **data privacy and security** are also important success factors. Successful ACEs will already have developed a comprehensive concept according to the GDPR provisions, which has already been audited. In addition to legal issues, ethical issues are also gaining in importance. Customers and employees demand absolute transparency and want to have a say when it comes to the use of their data. Therefore, it is especially important to demonstrate them their personal added value which can be derived by the analysis of their data.

Data scientists are at the heart of an ACE; they act as the liaison between IT and the business departments. The right **data scientist skill set** is a non-negotiable factor in this context. In addition to analytical and statistics knowledge, data scientists must also have very good soft skills as well as project management and communication skills. This combination allows them to analyze the data in a target-oriented fashion, as well as to classify and clearly explain the results and the added value, also to not technically-affine people. At best, they are also able to assess the monetary value of their use cases.

## 3. Optimizing strategy and processes

Successful companies not only align their Data Analytics **strategy** to their business strategy, but also adapt both strategies to each other. Even though a business strategy is never purely based on data, it should at minimum be adjusted and verified based on data. In addition, each ACE should pursue a long-term strategy or vision and not just short-term objectives.

Three important rules must be observed when it comes to **processes**: First, they cannot just be defined for data storage and processing purposes but must also include the use of Data Analytics for value-creating use cases. Company-wide standardized processes are useful in this regard. Second, all departments should adhere to the processes. Silo mentalities must be removed, and the corresponding controls must be enabled with a central governance system. Third, processes must be agile and flexible so that they can respond quickly to changes.

Today, Data Analytics must offer a **monetary added value** for the company. Successful ACEs have already gone way beyond pure prototyping. They want to develop use cases whose value can be measured and which contribute significantly to a company's sustainable success. One of the biggest challenges for

many ACEs is to find methods for objectively measuring the value of Data Analytics.



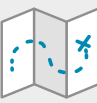
**Top management support** is one of the most important success factors for ACEs. The only way that value can be consistently generated from data for the entire company is when management supports and promotes the cultural transformation. For example, all companies surveyed indicated that sponsoring activities or the provision of sufficient resources are essential for successful ACEs. In fact, most ACEs report directly to the CEO and manage their own budgets.

The **composition of the project team** is even more important to success than the skills of individual data scientists. The involvement of Business and IT is also essential for data-driven projects. This does not mean that experts from these areas must be members of the ACE. Rather, project teams should be organized individually in accordance with the project requirements. The goal is to create cross-functional teams with statistics skills, an IT background and technical expertise. Particularly advanced ACEs have a data scientist in each department, who acts as an ambassador and data owner in his or her area.

## Conclusion

As a central organizational unit, an ACE drives innovation in both a technological and procedural sense, and helps with making the right decisions or **significantly reducing the time to market entry**. In this context, it is not just important that data

and technologies are used correctly, but that the transformation in the company is actively supported and that strategies and processes are optimized. The 14 success factors identified by Campana & Schott help to develop an efficiency- and results-oriented Data Analytics strategy and to optimally prepare companies for the challenges in the market.

Category	Success factor	Description of the success factor to be measured
<b>Organizational transformation</b> 	<b>Cultural transformation</b>	Extent to which all employees are aware of the added value and the importance of Data Analytics for the entire organization
	<b>Change management</b>	Extent to which targeted communication, transparency and motivation measures are implemented for all employees to grow the organization into a data-driven organization
	<b>Training and professional development</b>	Extent to which Data Analytics training is available to all internal employees and external parties, and the extent to which the ACE contributes to international research in the Data Analytics field
	<b>Scalability</b>	Extent to which the projects and use cases of the ACE can be scaled and practically applied in the entire company
<b>Data &amp; Technology</b> 	<b>System architecture</b>	Extent to which the system architecture of the ACE facilitates easy access, the storage of large data volumes and the flexible integration of new tools
	<b>Data quality</b>	Extent to which the basic data and the data that is used in an ACE is correct, complete and usable (accessible, comparable, classifiable and exportable)
	<b>Data management</b>	The quality of data management (including data ownership); the extent to which the positive collaboration between the departments and an adequate authorization management system guarantee rapid access to the required data
	<b>Data privacy and security</b>	Extent to which internal and external security, along with issues surrounding privacy, are addressed and documented in an auditable security concept
	<b>Data scientist skills</b>	Extent to which ACE staff possesses professional analytical skills, soft skills and presentation skills, and the ability to properly assess the monetary value of use cases
<b>Strategy &amp; Processes</b> 	<b>Strategy</b>	Extent to which the ACE pursues a long-term strategy, and the extent to which the business strategy is verified or adjusted on a data basis
	<b>Processes</b>	Extent to which rapid and agile company-wide processes for scaling and implementing Data Analytics use cases have been defined and are followed by all departments
	<b>Value orientation</b>	Extent to which the ACE has progressed from mere experimentation and prototypes to profitable use cases whose value can be measured
	<b>Top management support</b>	Extent to which the ACE has its own budget and a sponsor in top management, who is very committed to the ACE
	<b>Composition of project team</b>	Extent to which the Data Analytics project teams are set up individually, and the extent to which they are cross-functional, i.e. consist of a technical expert, a data engineer/IT expert and a data scientist/statistics expert

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