

# PREDICTIVE ANALYTICS MADE PRACTICAL

Three keys to putting  
predictive to work for you

INSIGHT

PREDICTIVE

ANALYTICS

DATA

GROWTH



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# THE CHALLENGE TO BECOME DATA- DRIVEN

The development of artificial intelligence (AI) is well on its way, and forward-thinking companies are already using AI to gain a competitive edge. Your organization has a wealth of data that could be used for AI initiatives to generate real business value. But how do you get started?

If you lack the organizational and strategic initiatives to make these processes come to life, it can seem impossible to leverage data-driven insights to promote growth and revenue. This is a pain point for many businesses. Even firms that are investing heavily in big data and analytics struggle to become truly data-driven.

## A 2019 SURVEY OF BIG DATA AND AI EXECUTIVES<sup>1</sup> FOUND THAT:

**72%** of companies report they have yet to forge a data culture

**69%** report that they have not created a data-driven organization

**53%** state that they are not yet treating data as a business asset

**52%** admit that they are not competing on data and analytics

Efforts to become data-driven don't reach their true potential or fail for a number of reasons. It could be that only one part of the organization is driving the effort, the cultural change is overlooked, the right governance structure isn't put in place, or the wrong technology is used. Note that technology is just one piece of the puzzle; addressing cultural and organizational questions is just as critical as the technical aspects.

<sup>1</sup>"Big Data and AI Executive Survey 2019," NewVantage Partners

## WHY BEST-IN-CLASS COMPANIES EMBRACE THE INSIGHTS REVOLUTION

New research from the McKinsey Global Institute predicts a wide performance gap between companies that fully absorb AI tools across their enterprises over the next five to seven years and nonadopters. McKinsey found that adopters could potentially double their cash flow by 2030, while nonadopters might experience a 20 percent decline in cash flow.

The benefits of an analytics-driven culture are obvious, but what's not so obvious is how to achieve it. What are the steps you need to take to get from where you are now to where you want to be with data and AI?



2030  
**AI ADOPTERS:  
DOUBLED CASH FLOW BY 2030**

2030  
**AI NONADOPTERS:  
20 PERCENT DECLINE IN CASH  
FLOW BY 2030**

—McKinsey Global Institute

**HOW THE  
U.S. STATE  
DEPARTMENT  
FEDERAL  
CREDIT UNION  
(SDFCU)  
SPARKED A  
CULTURE OF  
ANALYTICS:**

“We went through the process of aligning the people, the process, and our technology assets... The goals are to drive efficiency—minimize re-work—but we want to also increase our speed to market, reduce costs from an operational standpoint, and ... enable innovation within [our] organization.”

— REGGIE  
WILKERSON,

ALTERYX USER SINCE 2015

SDFCU

## 3 KEYS TO PUTTING PREDICTIVE TO WORK FOR YOU

### 01 Start with a Strategic Roadmap

Each new data initiative at your organization should begin with a strategic roadmap. A roadmap covers:

- Goals and business objectives
- Analysis of your organization’s current state
- Tools and technologies
- A plan to implement the new tools
- Necessary organizational changes
- Prioritized projects, beginning with those that will produce the most value

In order to produce long-term, scalable success at your organization, everyone from the C-suite to departmental workers needs to see the value in becoming data-driven. A roadmap aligns your company by clearly defining goals and the necessary steps to get there. It also prepares your team for the upcoming organizational changes and justifies the investments in new platforms and roles.

### 02 Spark a Culture of Analytics

Once you have a strategic roadmap, it’s time to get your entire organization involved in the process. AI initiatives require active engagement and cooperation from several key departments.

Business, IT, and data science teams all need to work together to make a project successful and instill a company-wide data culture. Uncertainties and reservations should be addressed from the start to make sure everyone understands the objectives and how the project will contribute to success.

#### BUSINESS TEAMS

Business departments are leery of spending big money on big data initiatives without understanding the ROI. This group needs to see the quantifiable value that the initiative will provide and how it will be sustained in the long-term. They also need to understand how to drive adoption of new processes and tools within departments and teams. Well-defined use cases with actionable implementation plans encourage executive buy-in and ensure everyone understands the potential value.

#### IT/DATA TEAMS

Your IT team provides the information that fuels the intelligence and insights. At the start of a project, data sources may be scattered and disorganized, and it may be unclear how to support multiple architectures and platforms. Harmonized data sources on a secure, central platform, a strict project management plan, and an understanding of how the business will use the insights ensure that the IT team will contribute to the project’s success.

#### ANALYTICS/DATA SCIENCE TEAMS

Analytics and data science teams often struggle because they don’t have a deep enough understanding of the business side of the organization. For example, how does the sales team work, what do they need, and how will these new insights change their ways of working? They also need to understand how to best deliver the insights and drive adoption. This team should always work with the business objectives in mind and work in close partnership with subject matter experts and managers.

<sup>1</sup> “Notes from the AI Frontier: Modeling the Impact of AI on the World Economy,” McKinsey Global Institute

# 03 Let These Four Principles Be Your Guide

As you take the first steps in becoming AI-driven, keep the following guiding principles in mind:

## BUILD CONFIDENCE IN THE ANALYTICS

1.

Get to know best-in-class technologies and methodologies. As your organization becomes more familiar with these tools and what they can do, you'll have a better understanding of the potential business value. Company-wide support of the new initiative will help ensure success.

## START WITH THE END IN MIND

2.

Start with what you want to achieve. Rather than focusing on the specific technology or dataset, always focus on solving the business problem. This makes it easier to understand what you need to do in earlier steps of the analytics process.

## DESIGN FOR THE USER

3.

Socializing insights is about understanding how the end user will not only consume, but actually use the insights in day-to-day business. When you design for the end user, you create a solution that speaks directly to the business problem.

## MANAGE THE CHANGE

4.

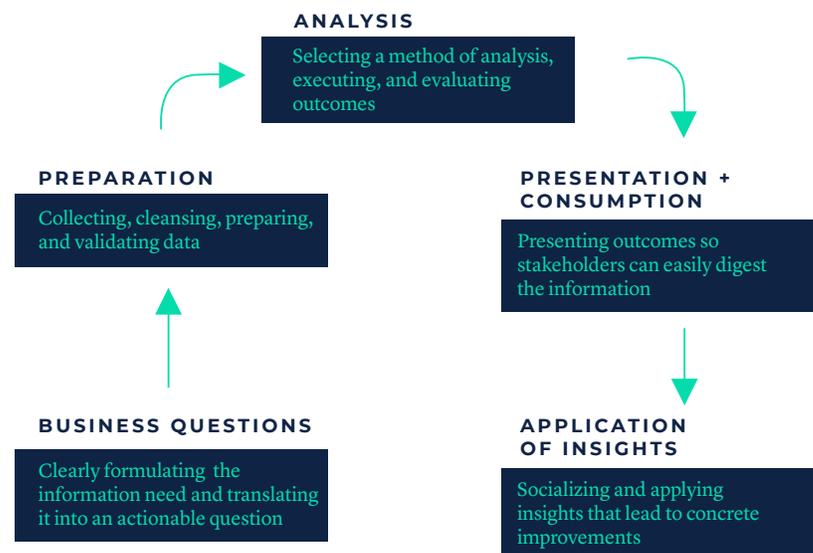
Changing behavior based on insights is difficult and requires an adequate change management approach. Make it a priority to fully understand the necessary organizational changes so that the result is scalable and can succeed in the long-term.

## THE ANALYTICS VALUE CHAIN

Turn insight into action by taking the entire process into account

FROM DATA TO INFORMATION

FROM INFORMATION TO INSIGHT



## HOW REAL COMPANIES USE AI TO DRIVE GROWTH

Discover how others are seeing success with predictive analytics in these two real case studies from Keyrus, a global data and digital consultancy that helps companies reach their goals through confident, data-driven decisions.

### WE PREDICT: 8% REVENUE INCREASE AT LARGE CPG COMPANY

Fortune 500 organizations invest hundreds of millions of dollars into their businesses to draw the attention of consumers or prospective clients. The main question around these investments is what works, and what doesn't?

Analytics platforms like Alteryx make it easy to bring in the relevant data sources and build sophisticated models to analyze ROI. In this example, we put the above principles in action to analyze ROI at a large consumer packaged goods company.

#### BUILD CONFIDENCE IN THE ANALYTICS

1.

We effectively joined sales, marketing, competitor, and media data using accelerators like Alteryx to familiarize the team with new technologies. We also built accurate revenue models in the same platform to demonstrate early value from the analytics.

#### START WITH THE END IN MIND

2.

We worked with the business users to understand how they currently planned and executed their marketing initiatives to understand how and where we could challenge their plans. The goal was to optimize their marketing spend to maximize revenue.

#### DESIGN FOR THE USER

3.

We exposed the models in a dashboard-like interface so that users could also do meaningful what-if analysis to help with their planning. This provided a level of user feedback into the system that helped with user engagement and was also useful because the model could not capture all real-life constraints.

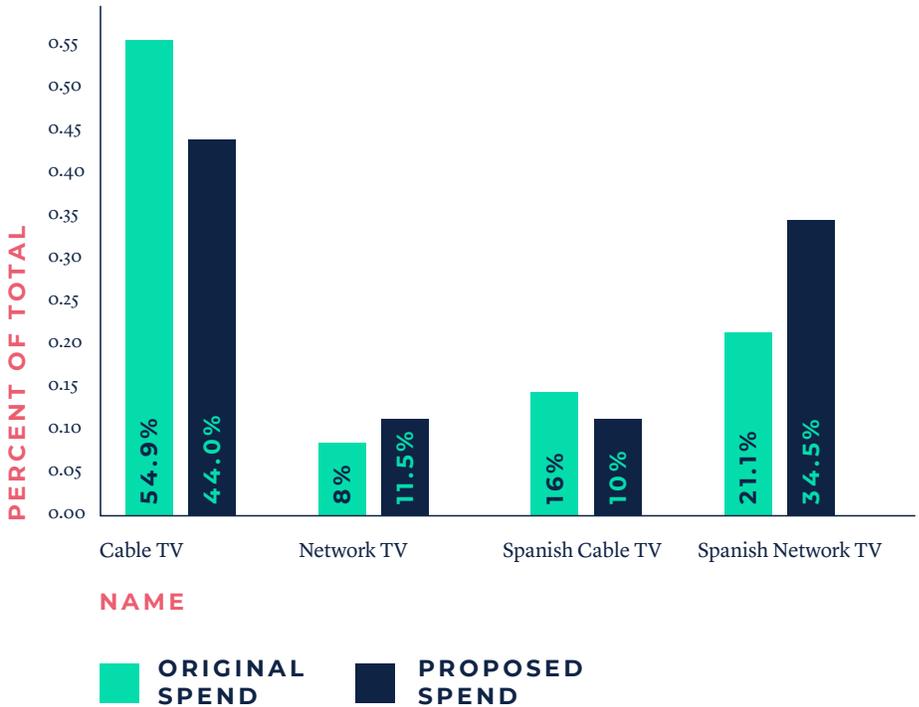
#### MANAGE THE CHANGE

4.

We worked top-down with effective buy-in and communication strategies to set the right expectations with the business users.

As a result, we optimized the marketing spend for a predicted increase of 8% revenue by shifting money away from traditional channels and into more demographic-specific channels.

## OPTIMIZING MARKETING SPEND LEADS TO PREDICTED 8% REVENUE INCREASE



## ALIGN SALES STRATEGY WITH PAYOUTS FOR KNOCKOUT PERFORMANCE

Sales and marketing teams need to understand who their customers are in order to reach them effectively. We can provide a clearer picture of who the customer is by enhancing traditional demographic information with data from sources like consumer preference surveys or social media.

In this example, we highlight how a sales organization used new consumer segments to enrich customer profiles.

### BUILD CONFIDENCE IN THE ANALYTICS

1.

We used best-in-class supervised learning algorithms to classify segments based off the sales teams' input. This methodology was key since the idea of certain segments were already aligned with predefined sales strategies.

### START WITH THE END IN MIND

2.

The results of the segmentation project were to be fed back into traditional operational business intelligence reporting tools so that sales teams could track their progress against the new features. We designed new dashboards and data pipelines from the machine learning environment back into the data warehouse to facilitate this reporting.

### DESIGN FOR THE USER

3.

The dashboards were very impactful for the sales team since they contained their performance versus bonusable metrics.

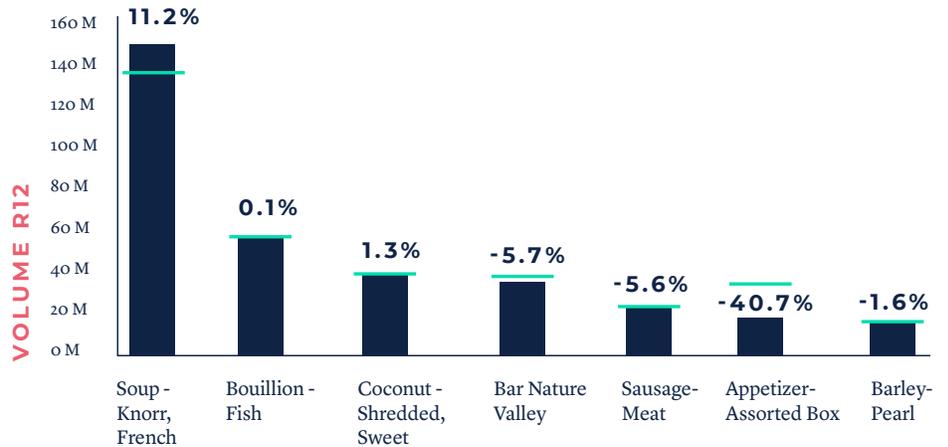
### MANAGE THE CHANGE

4.

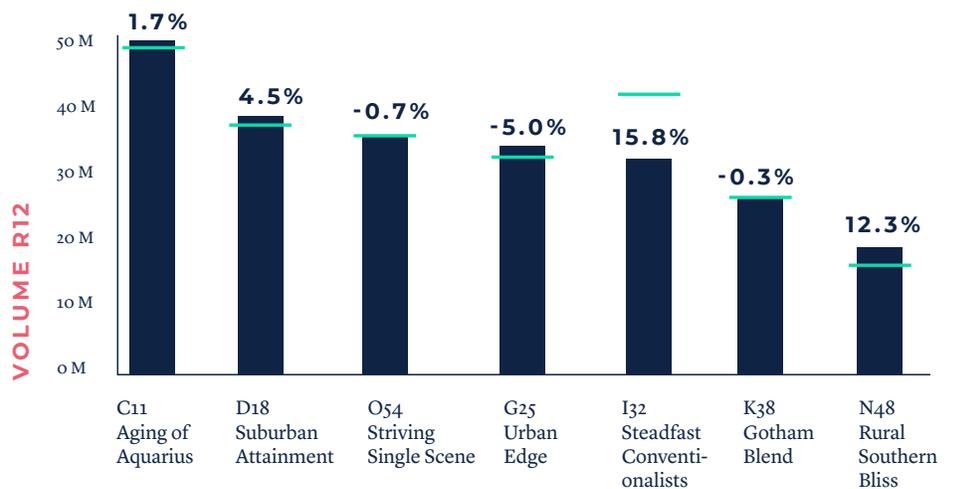
We worked with IT-Business teams to ensure the nontechnical sales teams were comfortable with the rollout of the new tools and business requirements.

New dashboards with the segmentations were rolled out to over 250 people in the sales organization, providing a more accurate picture of their customers and enabling a more efficient planning process:

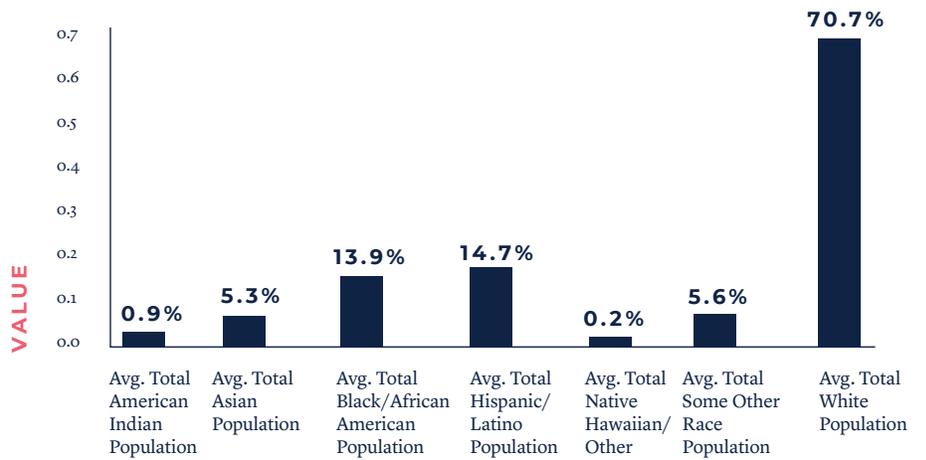
## PRODUCT



## DOMINANT CLUSTER TYPE



## YEAR OVER YEAR GROWTH



These are just a few examples of how organizations are currently using AI-driven insights to optimize processes and increase revenue. With the right foundation and strategic roadmap in place, your organization can roll out a successful analytics initiative and use AI-driven insights to tackle your biggest business challenges.



## ABOUT KEYRUS

Keyrus is a global consultancy that specializes in the development of data and digital technology solutions for performance management. With a team of experts in data engineering, data discovery, and data science, Keyrus helps companies turn their data into valuable business insights.

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## ABOUT ALTERYX

Revolutionizing business through data science and analytics, Alteryx offers an end-to-end analytics platform that empowers data analysts and scientists alike to break data barriers, deliver insights, and experience the thrill of getting to the answer faster. Organizations all over the world rely on Alteryx daily to deliver actionable insights.

+1 888 836 4274



# YOUR PREDICTIVE FUTURE LOOKS BRIGHT

Kick-start your advanced analytics journey with the Alteryx predictive analytics starter kit.

DOWNLOAD YOUR  
STARTER TEMPLATE

