

## IBM Institute for Business Value

# Analytics: A blueprint for value

## *Converting big data and analytics insights into results*



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### Overview

In today's competitive marketplace, executive leaders are racing to convert data-driven insights into meaningful results. Successful leaders are infusing analytics throughout their organizations to drive smarter decisions, enable faster actions and optimize outcomes. These are among the key findings from the 2013 IBM Institute for Business Value research study on how organizations around the globe are leveraging key capabilities to amplify their ability to create value from big data and analytics.

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The IBM Institute for Business Value has researched the field of analytics since 2009, continuing to probe deeper into the fundamental question: How can organizations achieve positive returns on their analytic investments by taking advantage of the growing amounts of data? We've determined it takes the right alignment of strategy, technology and organizational structure. To discover how to achieve this alignment, we surveyed 900 business and IT executives worldwide.

### Nine levers of differentiation

Through our research, we identified nine levers – combinations of activities focused on analytics development and delivery – that enable organizations to create value from an ever-growing volume of data from a variety of sources. These levers were determined by examining a group we call Leaders – 19 percent of respondents who identify their organizations as substantially outperforming their peers and credit analytics output for much of their success. Realizing that some levers have greater influence on an organization's ability to deliver value from analytics, we also identified three levels of value impact: Enable, Drive and Amplify. Figure 1 illustrates the nine levers arranged by level of value.

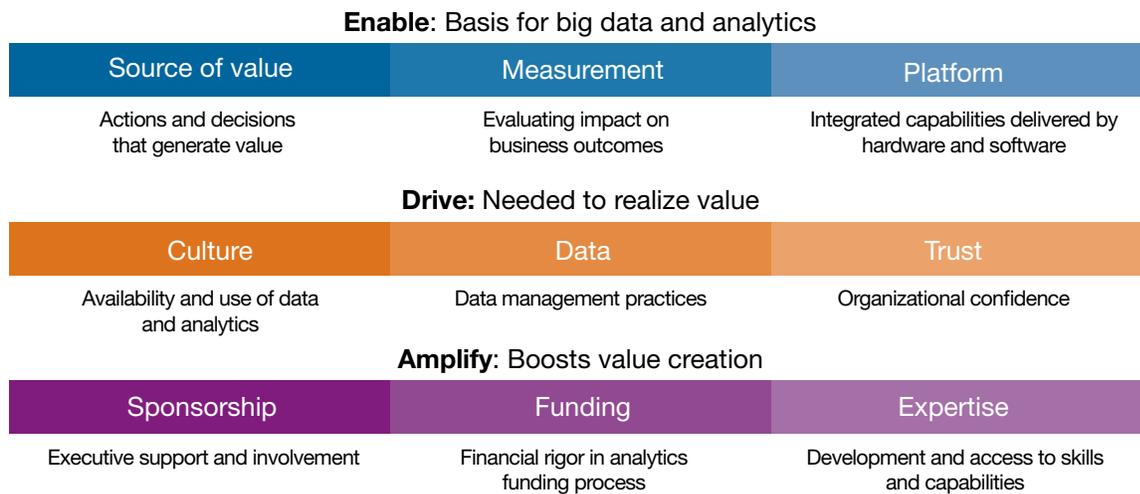
### Influencing value creation

#### Enable

The foundation for big data and analytics, Enable levers must be in place before value can be generated through Driver and Amplify levers:

*Source of value:* Seventy-five percent of Leaders attributed the value of analytics to their ability to increase revenues, increase the speed and accuracy of decisions, and generate innovative ideas, while only 25 percent said the primary value was from cost-containment activities.





Source: IBM Institute for Business Value 2013 Big Data & Analytics Study.

Figure 1: The nine levers are capabilities that enable and enhance analytics development, delivery and value creation.

**Measurement:** Organizations realizing value from analytics solutions are those that can readily measure their impact. Almost half of Leaders report that data and analytics have a significant impact on their organizations’ business strategies and outcomes.

**Platform:** While a majority of all respondents can support query and reporting, data visualization and data mining, Leaders have evolved beyond the techniques of a foundational business intelligence platform to a modern, flexible infrastructure that can intake, process and manage today’s data.

**Drive**

The levers in the second level start the process of moving to value creation:

**Culture:** Infusing the use of analytics into an organization’s culture typically requires advocacy and action from the most senior levels of the organization. Non-Leader organizations are, on average, two times more likely than Leaders to be without an advocate for analytics.

**Data:** Decision makers must have confidence in the data before they will use it to guide their actions. Because Leaders use rigorous standards and data management practices to instill confidence about the data within their organizations, two-thirds are confident enough to use data and analytics in their daily decision making.

**Trust:** The surprising lever involves the level of trust within an organization. This is not trust in the quality of the data or analysis but trust between individual people. Leaders generally believe the people within their organization will do a competent job, with business executives trusting other executives and – to a lesser degree – business and IT executives trusting one another.

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## Key contacts

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To access the full report, please see  
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## Amplify

The final level of impact consists of levers that boost value creation.

**Sponsorship:** Executive support and involvement in analytics are key to value creation. In sharp contrast with other organizations, the majority of executives within Leader organizations (56 percent) oversee the use of data and analytics within their own departments, guided by an enterprise-level strategy.

**Funding:** Organizations that derive the most value take a disciplined approach to performance and implement processes to manage and monitor investments. Leaders allocate funding for a shared roadmap and resources and implement a metrics-based funding process that reviews forecasted cost-benefit analysis to evaluate investments.

**Expertise:** The gap between the supply and demand for analytics talent is a key obstacle across all organizations. One-third of respondents cited the lack skills as the top business challenge impeding better use of analytics. Leader organizations foster their talent and often have formalized roles and career paths.

## Conclusion

Our research makes it clear there are specific activities – represented in the nine levers – that can help organizations accelerate value creation and simplify analytics implementation. By examining their own activities through the lens of the levers, organizations still struggling to harness insights buried in their data can set their sights on joining the Leaders.

In the **full report**, we provide recommendations on how to do this by looking at the levers within a business-driven blueprint focused on strategy, technology and organization.

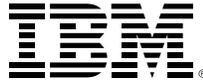
## Why IBM?

The goal of virtually every organization is to make better business decisions. As a result, you need to apply the power of big data & analytics at all points of impact – every decision, no matter how big or small; every interaction, in person or interactively; and every process, to decide what the next course of action should be. IBM is the most experienced partner to help you.

**IBM – plus its network of partners** – bring unmatched industry and domain experience to help you forge your big data & analytics strategy and roadmap. We take an outcomes-driven approach that prioritizes high-impact initiatives to help you outperform your peers.

**IBM provides the capability** to bring the big data & analytics platform and your IT infrastructure into powerful alignment. We support the full spectrum of data types, decision types and business opportunities to help you infuse analytics everywhere. You can start small and scale at your pace.

**IBM helps you develop** the governance, policies and data security to deal confidently with data. And provides the systems, storage and cloud-based infrastructure required to deliver a secure, agile, efficient big data & analytics environment.



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