

Dr Muriel Chinoda

Business Engine Consultancy

Big Data Strategy
Future-Back Approach

What Happens in an Internet Minute?





Drivers of Digital Transformation

Unleashing the Power of the SMAC Stack

Social

New ways to reach & interact with customers

Mobile

Give people access to each other & data sources. New ways of shopping, working, communicating

SMAC

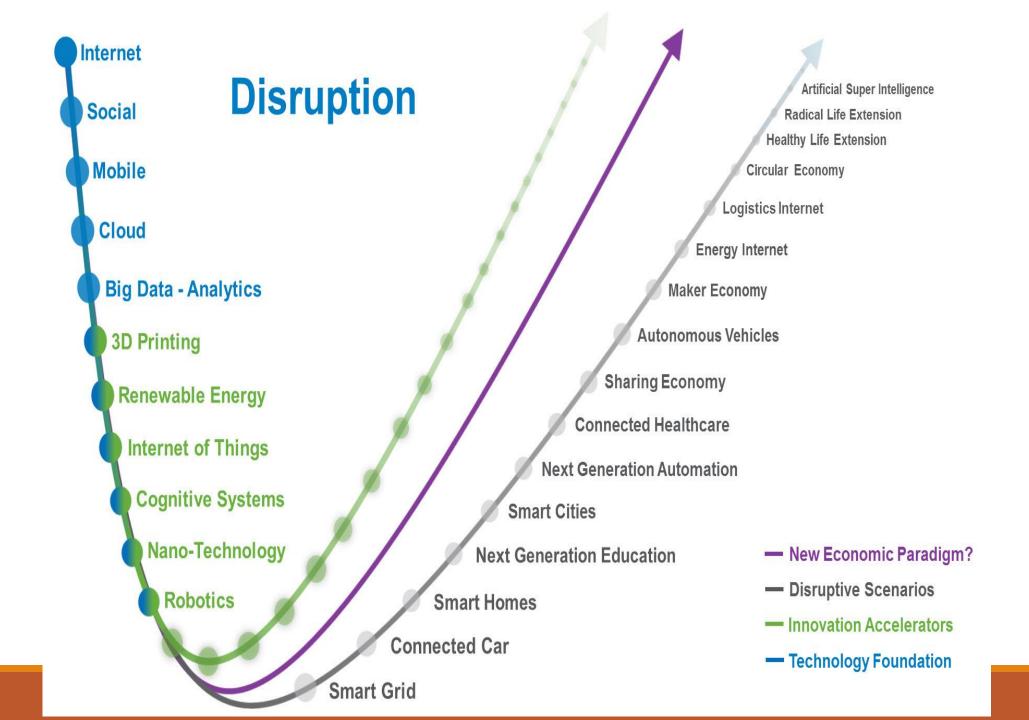
Convergence of 4 emerging trends

Cloud

Allows storing the data collected from different sources and makes it available anytime, anywhere

Analytics

Helps business make actionable sense of all the data



Big Data Iceberg



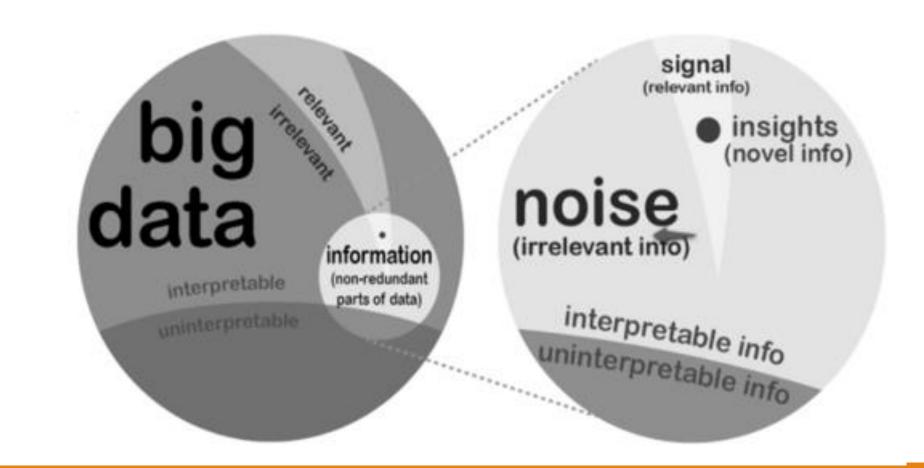
The Many V's of Data

VOLUME Terabyte Records/Arch Tables, Files **VARIETY VELOCITY** Distributed Structured Batch Unstructured Real/near-time Multi-factor **Processes** Probabilistic Stream Linked 5 V's of Dynamic Big Data **V**ALUE VERACITY Trustworthiness 1 Statistical Authenticity **Events** Origin, reputation Correlations **VARIABILITY Availability** Hypothetical Accountability Changing data Changing model Linkage

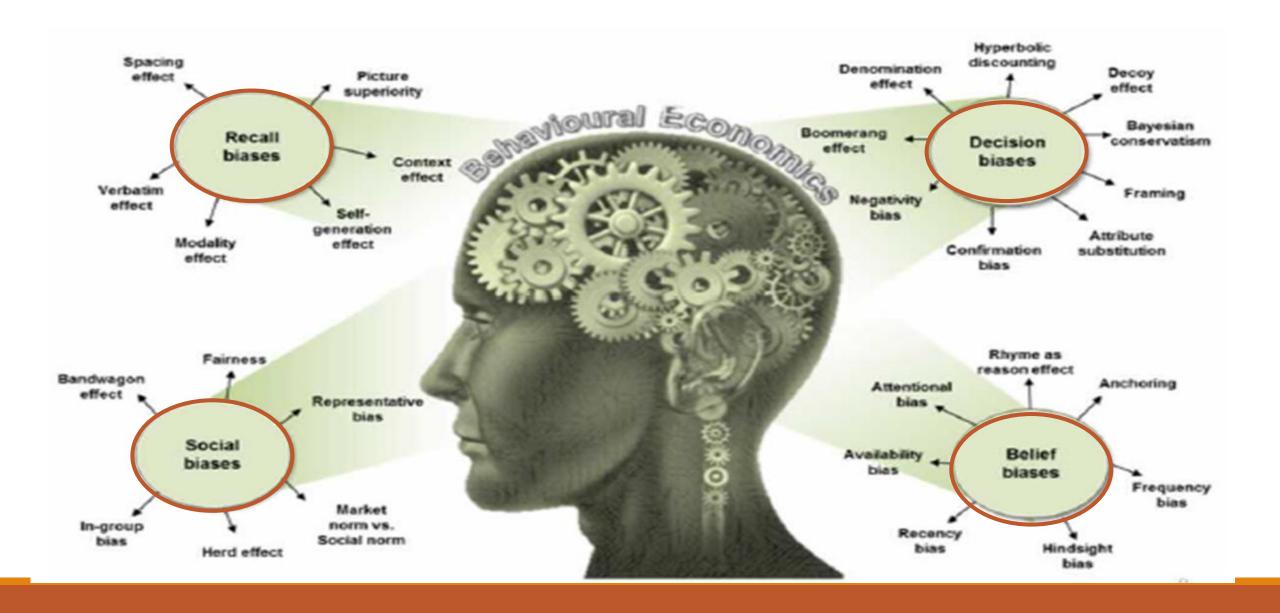
"Without data, you're just another person with an opinion," WE Deming

The Challenge of the "Needle in a Haystack"

Separating the signal from the noise1 becomes really relevant



Beware of Heuristics and biases



Traditional Approach

Structured & Repeatable Analysis Business

Determine what question to ask IT

Structures the data to answer that question

Big Data Approach

Iterative & Exploratory
Analysis

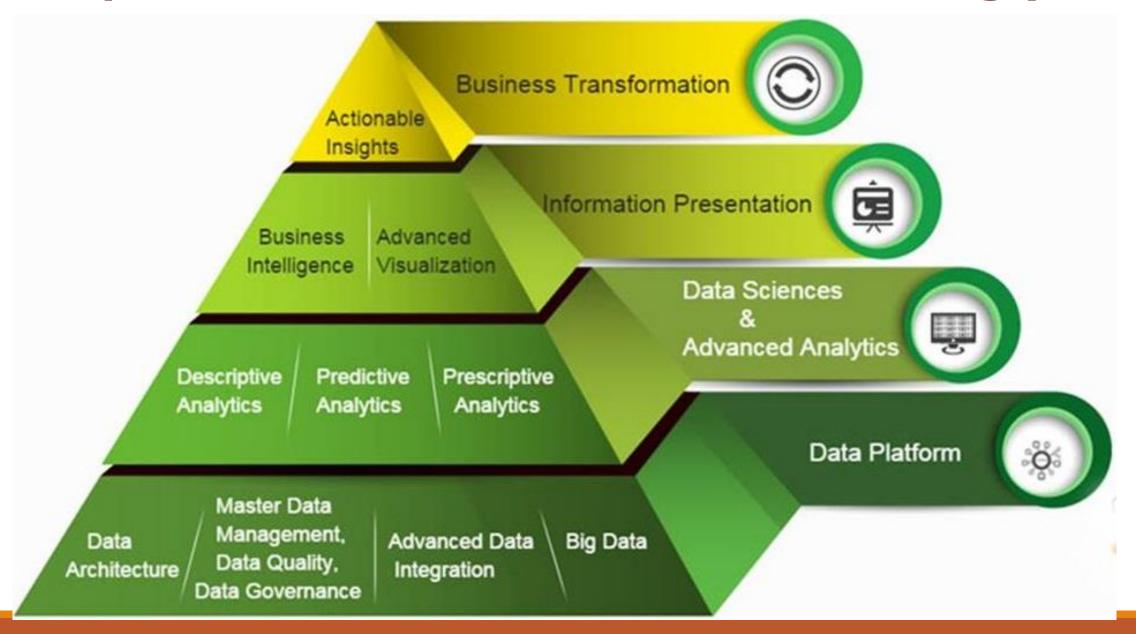
IT

Delivers a platform to enable creative discovery

Business

Explores what questions could be asked

From Opinion to Evidence-Based Decision Making (EBDM)



"Lots of people get all hung up on what is changing in the world.

I focus on what <u>isn't</u> going to change. No customer will ever say I wish your products were more expensive, delivered slowly and wasn't world class."



Goals **Analysis** Research Plan Online 1 **SWOT** Competitor? Marketing **Work Strategy** Business Team **Operations** Market Innovation Success **Financial** Timeline Growth Mission Vision Product Description

DigiShiftTM Steps

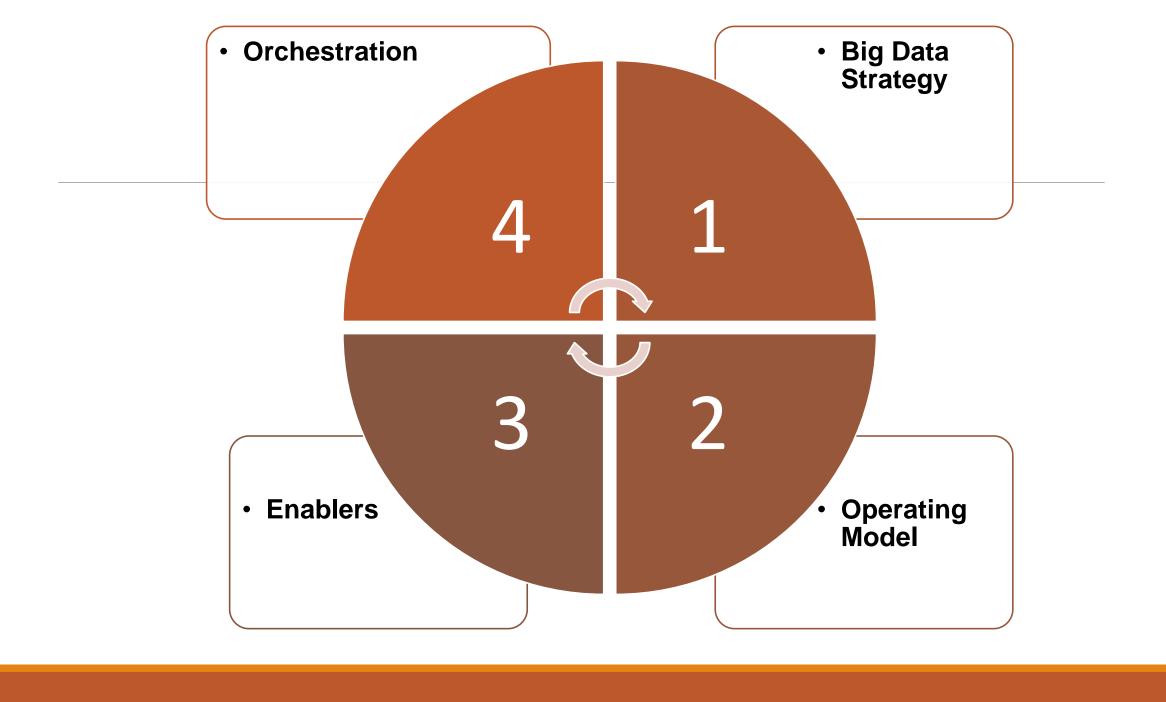
Evaluate digitalisation options against business strengths and capabilities, fit & contribution, big data options, deals with uncertainty through a guided portfolio framework, Straightforward, quick and efficient enough to be used and repeated whenever the situation changes

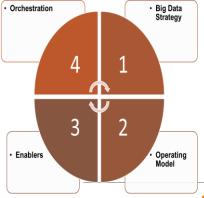
<u>Digital Transformation health check & strategy</u> – analysis of risk of digital disruption to the value chain & business model, due to new, dynamic, digitally-oriented market participants

<u>Digital readiness</u> – creating a comparative, competitive analysis using specific evaluation criteria for digital maturity wrt. strategy, organisation, partners, customers and technology

Big Data Journey & roadmap – roadmap for the systematic transformation of Co. in line with specific stages of digital evolution and big data readiness

Big data operational excellence - operational optimisation potential + return on big data initiatives

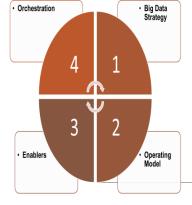




Big Data Strategy Future- Back Approach

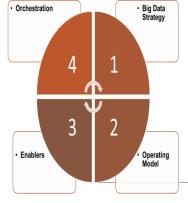
What role will Co ABC play in the Big Data Future and how will ABC play to win?

- What will the industry look like in 5, 10, 20 years without Co ABC? Will it still exist?
- •What are the future scenarios? What would make ABC obsolete? Who will be market leaders?
- What are the "*customer value pools*" of the future?
- What are the gaps? How can data close these? What data?
- •What are the stepping stones, i.e. how will you make progress without being certain of the end game?
 - Define initiatives that will start moving ABC in the right direction while preserving optionality along the way
 - Balance a sense of direction with flexibility to adapt along the way
- •What is the big data departure point?
 - Rank business objectives based on available resources against perceived benefits
 - Stress test objectives against cost savings/efficiency and time-line goals
 - Activities already underway as a good starting point
- •What parts of ABC make the most margin, give rise to the greatest costs, and most inefficiencies?
- What reducible friction, inefficiencies do users and customers of ABC/industry hate?
- How can big data investment increase revenue, margin or reduce costs?
- What is possible to realistically envision and achieve in the next 3-5 years?



Operating Model

- How to engage channel partners, generate income and operate in the future
- Must <u>drive real value</u> for the users (both internal & external), customers and improve business outcomes
- Be used as an opportunity to get ahead and not play <u>digital defence</u>
- Discover <u>raw needs</u>, freed from and <u>independent of today's operating model</u>
- Product and services delivering a 5 Star products/experience in a 3 Star world
- Anchoring on the raw need, how can ABC use data to take <u>customer experience beyond good</u> to great?
- To stay ahead, the <u>Big Data vision</u> must evolve as new technologies emerge
- Embed data into everyday decision making (Evidence-Based Decision Making)
- Big Data solutions demand new economic models that benefit both users and value chain partners
- Explore **Platform models** where value is derived from connecting providers and users
- Outcomes-based pricing when customers pay for results and not inputs
- Synchronisation of operations and human capacity & capability to deliver speed & magnitude change
- Applying the digital revolution mindset to both <u>front-end</u> as well as <u>back-end services</u>; and <u>end-to-end integrated service approach</u>



Enablers

What new technologies, capabilities, skills and culture are central to success?

People, Skills and Capability

- Success depends on enabling people to use technology and data to make better decisions and innovate faster
- Adopting ways of working, acquiring new capabilities, enhancing skills and overhauling where necessary

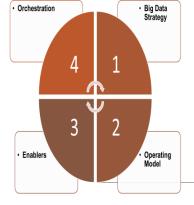
Systems and Technology - a future technology state that balances efficiency and agility without breaking the bank

Operating model & Partnerships

- Does the current operating model support and accelerate digital progression?
- Fail-safe experimentation ring-fencing pilot projects allows for rapid progress but brings isolation
- Know where to build organisational capability and operational excellence or engage the ecosystem/partners

Organisational Culture - culture must transform to support agile execution, cross-functional collaboration and risk taking, e.g.

- Cross-functional initiative ownership
- Radical reduction in project cycle times
- Empowered decentralised work teams
- Bottom-up idea generation



Orchestration...

What you need to scale from pilot (experimentation) to full scale transformation

- Experimentation and/or piloting is easy, transformation is hard
- Need to build a sponsorship spine and change agents across the Organisation
- BDx best initiated via contained initiatives with dedicated funding, top talent and strong leadership support

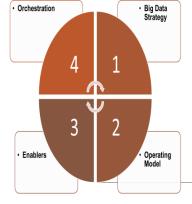
Leadership and Engagement - execs must be the front line and embrace change as the new normal

Scaling - requires an entirely new **organisational muscle**

From pilots to scale is a new skill for many organisations. Define "*units of transformation*", e.g. a user registration episode and roll through the units methodically, extending scope and scale at the same time

Governance, metrics and risk management

- How to sequence and measure progress in BDx initiatives and activities
- From chaos to momentum execute and monitor in controlled bursts
- Empower teams, distribute execution and encourage innovation without creating chaos
- <u>Central governance</u> to **prioritise value and momentum** over sticking to a plan, while monitoring **lead indicators** +
 tracking return on bid data initiatives



...Orchestration

Funding

- How can analogue players fund digital bets?
- Build an investment case both internally and externally
- Balance the old with the new; ring-fence transformational investments and where appropriate learn to act like a venture capitalist

Regulatory and community engagement

- What role will ABC play in developing and contributing to "digital commons"?
- Emerging technologies have both benefits and risks, organisations leading the change have a responsibility to work with the global and local digital commons and shape new government standards
- Engaging government to influence legal and regulatory changes that help progress the **digital agenda** for **Zimbabwe**

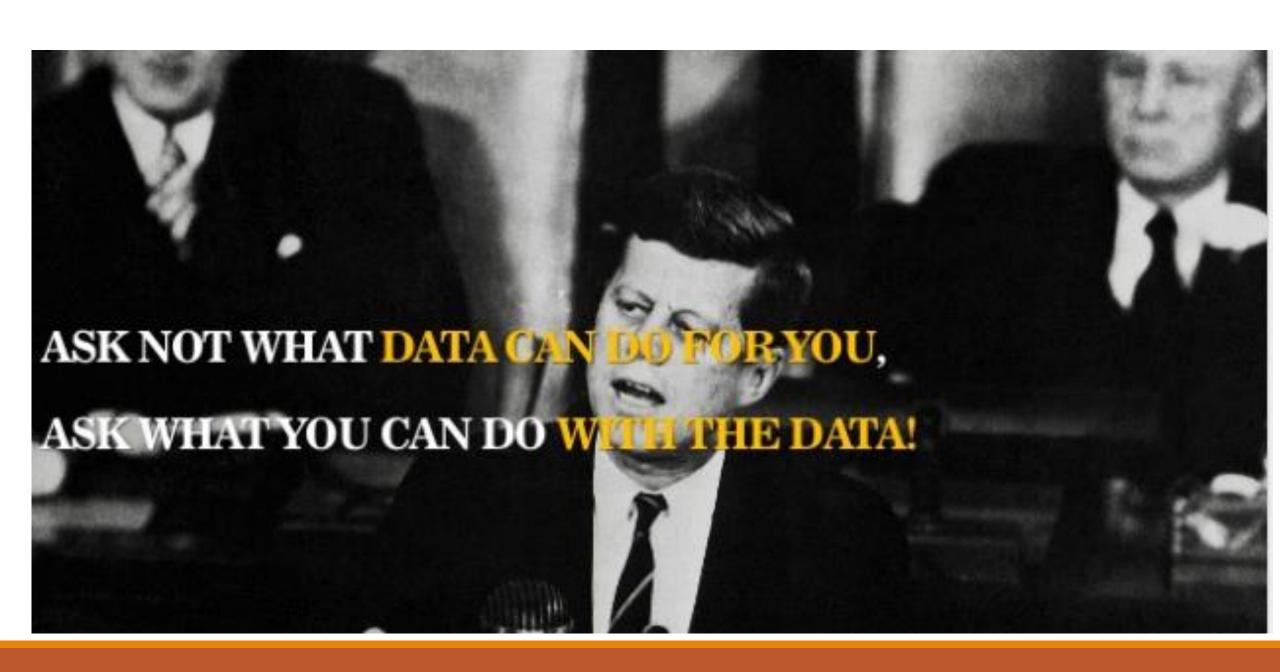
Access and Security

- Data sharing provides better outcomes for everyone
- There is a shared responsibility to protect the newest global resource data
- End-to-end integrated security design and services

Big Data Statement of Implementation

A well-defined statement of direction for a BDx investment including:

- Defining a vision and the guiding values for big data exploitation
- Defining a big data digital functionality roadmap and high-level schedule
- Describing reference architecture
- Assessing organisation readiness for digital
- Identifying the skills gap that needs to be filled
- Management of internal and external expectations
- Producing a business case that pulls all this information together with identified and quantified organisational benefits
- Measuring return on BDx





For more information or assistance please contact

Dr Muriel Chinoda

Managing Director

Business Engine Consultancy
Tel: +27 11 791 1365[Office]
+27 78 977 2477[Mobile]

murielc@businessengine.co.za

