

MAY  
JUN  
2021

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## INTELLIGENCE FOR THE ROAD AHEAD

PRIORITIES  
EDITION



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# Business Transformation: The Next Frontier

by David Cooper

**B**usiness and commerce have changed so much and so fast that companies of all sizes must also transform, or perish. When we see the words business transformation, what often comes to mind are changes a company makes to adjust to new market conditions. While true in part, this definition is very broad, to the extent it obscures the depth and breadth of true transformation.

“To be a true transformation, the effort must be company-wide, improve performance (both productivity and growth), and boost organizational health,” says Kweilin Ellingrud, a senior partner at McKinsey & Co.

Indeed, transforming the business to meet the future is strategic in reaching across the entire organization – from processes, systems and information technology, to leadership, business units, teams and people. Especially people. More on this later.

The next business frontier will favor organizations that start planning and preparing right now for post-recession growth.

## **The Horizon Is Already Here**

A great number of companies are in rebound mode, trying to stabilize or recover from a shaky economy and the pandemic. Competition

in every sector is intense, with companies pulling out the stops to regain or grow market share in unprecedented ways. Customer needs, buying behaviors and preferred shopping channels are shifting by the day.

It doesn't stop there. Faced with the unnerving collapse of revenue in many markets due to the pandemic, companies are being forced to innovate by changing what and how they sell, and by entering new markets. Check out these [10 examples of](#)

how COVID-19 has forced dramatic business transformation at some of the world's best-known brands.

Continuous improvement and digital transformation have become mandatory, not only to reach customers where they are, but to keep them loyal and satisfied. And for many firms, existing business models no longer work in today's landscape and must be tweaked or replaced.

A huge component of business transformation centers on uncovering opportunities and the strategic operational means to stimulate sales among existing customers, and to diversify and grow the base and build new revenue streams. This requires measurably improving organization-wide performance and efficiency,

and customer experience (CX).

How do you begin this journey or recalibrate your existing efforts to transform? Here are some fundamental considerations to make you ready and steady in the months and years to come.

### **Understand the Dual Dynamics of Transformation**

Embracing and responding to change are different forces at work on the business stratum, and each is essential. Ideally, a company does both with newfound agility and enthusiasm.

Let's break them down...

**1) Embrace:** To embrace is to proactively undertake sweeping internal change – to mount a

modern, informed and more muscular approach to operations and the market. It is a new paradigm in how you operate internally and therefore externally.

**2) Respond:** To respond is to adjust to external forces driving industry and market change. These include competition from existing and new entrants, product innovation, new technologies, emergent buying behaviors and generational shifts. And lest we forget the pandemic, the most stunning force impacting businesses for the foreseeable future.

Yes, the twain do meet, and one does beget the other. But for a multitude of reasons, countless organizations are operating in a reactionary manner, focused almost exclusively on holding their ground against external forces – responding.

If you do this right, you can simultaneously embrace and respond to change with fine-point precision and rewarding finesse in the next frontier.

### **Transformation Should Never Be Uninformed or Risky**

Business transformations fail all the time due to lack of insight, foresight and due diligence. To successfully transcend internal and external dynamics, company leaders and teams need a strategy for every step in the transformation process.



**...no company should entertain change without the insights of data-driven intelligence and a strategy.**

I can't stress enough that no company should entertain change without the insights of data-driven intelligence and a strategy. This is the right reason and perfect time to tap a change management consultant whose in-depth market intelligence and analytics expertise will ensure your approach to change or recovery is unique, modern, agile and scalable – and most of all, sustainable.

■ **Sound strategy is formed** with clear business goals, supported by advanced data analytics and deep analysis of the areas of the company to be transformed. As noted, in today's environment this can mean just about everything – operations, business model, IT architecture, customer experience, customer service platform, sales, marketing, product development, data, cybersecurity, hiring, training and more.

■ **Sound strategy is executed** with strong communications driven by committed CEOs and leadership teams, along with proven processes, best practices and solid metrics in place to measure progress.

Change does not have to be painful, and failures and setbacks are mitigated or avoided with thorough planning and solid change management.

### **Your People Are Your Necessary Agents of Change**

Transformation is a culture change! Smart companies know the value and necessity of cultivating employee buy-in, one person or group at a time.

**Start at the top:** Once executives

are fully on board with the commitment to transform, it is imperative that leadership instill and inspire the same commitment among their direct reports, and subsequently among managers, project managers and frontline employees.

**Breed enthusiasm and trust:** To be successful, goals and plans must be threaded into the fabric

## To be successful, goals and plans must be threaded into the fabric of the organization through solid communications and the invitation for employees to participate and contribute to the process.

of the organization through solid communications and the invitation for employees to participate and contribute to the process. This is a delicate initiative. Change can be very threatening to employees who are accustomed to certain ways of performing to maintain consistency, accuracy and accountability. Enthusiasm and trust are contagious!

**Arm the troops:** Getting employees on board mentally is followed by ensuring they receive coaching, training and exposure to new skills, solutions and tools to manage transformation in their areas of the business. This is essential for everyone, especially those in customer-facing roles.

**Incentivize:** Given the magnitude of transformation, some companies find great success with incentive

programs, bonuses and team recognition programs that drive advancement, strengthen teamwork, and build and sustain morale during transformation and beyond.

**Reap the rewards:** A human capital change management strategy is what enables companies to not only successfully transform, but also sustain the effects of

transformation for the long term, in all of the right ways.

### **Are You Ready for an All-New Business Paradigm?**

Longstanding business practices and trends are fading fast due in large part to COVID-19, which is supercharging and accelerating the new normal. It is no longer enough to simply fend off external forces, or focus on resolving only select internal pain points, such as outdated technology or lagging in continuous improvement.

Enterprise-wide transformation is the call of the next frontier. Your performance and success wholly rest on what you do now to prepare for holistic change. Breathe deep, gather some great minds around your table and dive in. There is no time like the present!

# BUSINESS INTELLIGENCE: The Skinny on Purpose, Uses and Tools

by David Cooper

**N**othing lasts forever. Not effective business models, not great ideas, top-performing products or lucrative business relationships. Business is a long game and success is sustained by keeping close tabs on how the company is performing in the moment.

Considering the gravity of what's at stake, business intelligence (BI) should be a top priority for every company, regardless of size, industry or standing in the market.

It's a broad term and undertaking, and it has evolved – from what it en-

tails to how it is performed and the tools that enable it. In a nutshell, BI is what transforms data into insights an organization needs to make smart decisions based on what's happening right now.

What is the status of sales, receivables and cash flow? How many new customers did you gain last week? Where and why are delays happening in the supply chain? Is the business strategy still working? Are customers having good experiences? Is productivity strong? Is that marketing campaign, new product or service enhancement moving the needle?

Always know where you stand. Your president, board, investor or partner wants answers – not next month or next quarter, but now. You need fast, accurate answers. BI is your go-to source.

## **How Does BI Differ from Business Analytics?**

While the function of BI is to give you a clear picture of current performance status, what about insights into what the future will bring? Without question, directional precision is the new order of business as companies struggle to emerge anew from the pandemic-imposed recession.



As an important adjunct to BI, [analytics](#) is the predictive and prescriptive tool that leads you to insights and answers for the road ahead. It's all data-driven, from what you can expect the future to bring (predictive) to insights you can use to determine a course of action to invoke desired outcomes (prescriptive).

### **How Does BI Differ from Market Intelligence?**

Market intelligence gives you external insights – about the competitive landscape, the state of the industry, trends, the latest product and services on the market, emerging marketing and customer experience developments and more. You can consider this an essential companion to your business intelligence effort, too. Here's why it matters.

These days, a business model that has worked for years may not work tomorrow or a month from now, at least not without some informed tweaking. Your share of the market isn't set in stone, either. And someone is always going to come up with a better product, service or customer experience model, rendering today's leading solutions obsolete.

Market research and analysis help you cruise around potentially devastating curves. They let you be the one to [decide how you approach the market](#), grow and capture new revenue streams – rather than having to react to volatile market forces.

### **BI Technology Does the Heavy Lifting In a Jungle of Data**

Collecting and managing vast amounts of data can be tedious and time-consuming, especially for small and mid-sized organizations. Crunching numbers, analyzing data

and turning it into actionable goals and measurable results is a separate and equally challenging task.

Fortunately, the era is long gone when companies manually gathered and compiled data and statistics into spread sheets to uncover hard facts. The digital age has ushered in intuitive BI technologies from many providers that even a novice user can quickly learn to command.

## **The digital age has ushered in intuitive BI technologies from many providers that even a novice user can quickly learn to command.**

The best solutions easily support electronic data collection from diverse platforms, including internal systems, the cloud and ecommerce platforms, and offer reporting, predictive analytics, data exploration and data cleaning. Flexible dashboards consolidate data, tools and reports in one place, making textual, visual and colorful analyses easy to access and understand.

In an instant, you have accurate insights for interpreting current business performance and the intelligence you need for making critical decisions.

If you prefer expert guidance in

gathering data and maximizing its value, or your organization simply doesn't have the human resources to manage the BI function, here's an alternative...

### **Consider Outsourcing to Drive Revenue from Your Data**

A great way to optimize BI exploration and results is by onboarding or contracting with a data scientist, analyst or engineer. These professionals are experts in collecting and interpreting data into meaningful and actionable assets.

With the assist of modern technologies, including artificial intelligence, they dig into massive amounts of structured and raw data to identify statistics, trends and insights that drive business decisions, reduce costs, increase efficiencies, guide product development and much more.

### **Myths About Business Intelligence**

Business intelligence is not new and it's easy to be influenced by misconceptions surrounding centralized BI systems. Don't fall for it. You can't afford to in today's environment. I'll share this article – [Overcoming the 3 myths of centralized business intelligence reporting](#) – which takes a deeper dive into the value of BI and how to milk it with modern technologies. It's an eye-opener.

As the author states, in choppy economic waters, your company's agility has never mattered more. "When all departments see the company's vision through the same lens, leaders can steer toward growth and the agility to correct course with precision in changing headwinds."

# How to Get Over Your Fear of Data and Analytics

**R**egardless of your industry and the products or services you provide, the reality is that you are also in the business of data. It's just part of the deal in today's electronic world.

Further, using data and analytics to grow the business has become a do-or-die proposition for companies of all sizes – especially now, in response to the pandemic and staying strong in the near and far term.

To conquer the common fear of data and analytics, put it into a simple perspective. It is about collecting





large amounts of data generated by your everyday operations and activities, using modern tools to isolate patterns and trends, and letting these valuable insights guide decisions.

### **A Word to the Wise: Expect the Unexpected**

In our work providing companies with business intelligence and analytics, many business owners are quite surprised by what we find.

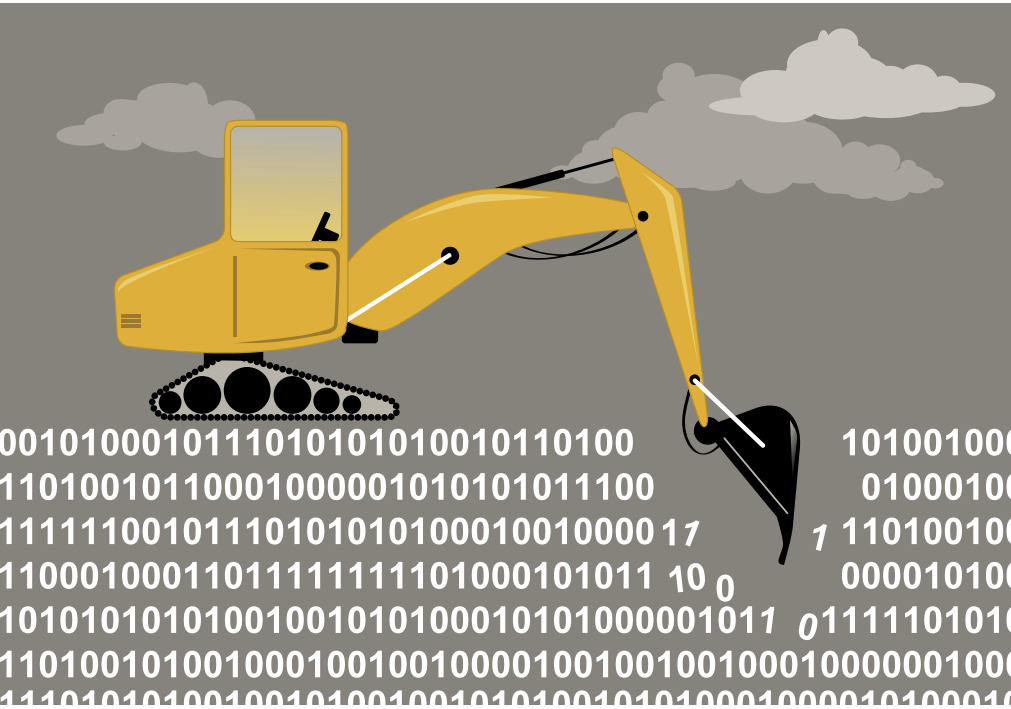
or “We need to change course immediately.”

Just as often, the news is a welcome surprise – revealing undiscovered attributes or great performance metrics that were buried in untapped data. No matter the outcome, insights affirm what companies need to know.

Bestselling author and influencer Bryant McGill says it best: “An intelligent person is never afraid or ashamed to find errors in his understanding of things.” I suppose we are blessed with intelligent clients. But that’s the beauty of data and analytics. It’s never too late to course correct, refine strategies and capture unseen opportunities. What business can afford not to?

### **How Should You Be Using Data and Analytics?**

Though the name ‘big data’ sounds intimidating, it just implies the



Another way to quash the fear is to consider where you are without those insights. And that is in the dark, trailing competitors, headed to parts unknown. These days, it’s a necessity to unearth and act on hidden or elusive facts about your organization, performance and customers.

“The road to recovery is paved with data,” says Kate Smaje, senior partner and global co-leader of McKinsey Digital. “Data is providing the fuel to power better and faster decisions.”

Faster, smarter decisions based on factual insights – this is the way forward. To do it right, you simply must turn on the lights. Here are thoughts and relatively pain-free ways to get started.

## **These days, it’s a necessity to unearth and act on hidden or elusive facts about your organization, performance and customers.**

Insights revealed from data often differ, sometimes widely, from their beliefs or assumptions about their organizations, people or customers.

Learning they’re wrong about something so important might be a tough nut for some executives to swallow, but we never encounter angst with data and analytics. Why? Because we have the receipts, the data-driven proof. So, responses are usually along the lines of, “Well this is a game-changer,”

sheer volume of data that is parsed to arrive at meaningful conclusions. Another reason for the name is the breadth of areas where data lives and can be tapped within an organization. Determining your greatest needs will tell you where to look for data and how to use it.

According to the Georgia Small Business Development Center, companies that leverage big data analytics tools enjoy 15% more sales than companies that do not. But

# The thing to keep in mind is the old saying – garbage in, garbage out. Data and analysis tools are only as good as the quality of data they are fed, so be selective in choosing your data sources and streams...

healthy sales are just one outgrowth made possible by employing quality, trusted data and analysis.

For example, ‘people analytics’ are a hallmark of top-performing organizations. Leaders across functions – from Human Resources to finance, operations, supply chain, sales, marketing, service and customer experience – are embracing these tools to see exactly what’s happening where, when and why. Good stewardship! They do it to inform decisions, predict future outcomes, fix or circumvent problems, quickly seize opportunities and sidestep growth barriers.

Given business today is primarily driven by technology, you’re no doubt sitting on a gold mine of valuable business data generated by daily operations. It’s likely housed in disparate systems.

That gold is waiting to be excavated, cleaned, filtered, analyzed and turned into insights you can take to the bank. Maybe some of it is structured data that is organized and easy to search. A lot of it is probably raw data that requires human intervention and tools to process it in ways that allow you to draw actionable insights (analytics).

## Where Should You Start Digging?

It might be a good idea to start small by focusing on a key area or need. Following are some common areas where big data and analytics can be used to make smarter business decisions and deliver competitive advantages:

- Fast-track your ability to identify areas to reduce costs and increase efficiencies.
- Spot operational weaknesses and potential failures before they do material damage.
- Measure internal processes and employee performance, and establish better benchmarks.
- Know where your marketing is succeeding and failing.
- Track product or service performance, and what they cost in human and financial resources.
- Use performance metrics and customer feedback to create new products and services.
- Understand customer behaviors, satisfaction levels and evolving needs to forecast sales.
- Monitor, measure and improve customer experience.
- Identify risks, prevent fraud and pinpoint data security needs.
- Optimize your pricing, bundling and portfolio strategies.
- Determine more effective ways to allocate resources and spending.

Once you know your priorities, the next step is to begin collecting data. For example, if you want to focus on customers, there are many data sources to tap. You can extract data from your customer relationship management (CRM) system and sales management or order processing systems. There are also website analytics, ecommerce platform analytics, customer feedback systems, customer surveys, social media analytics, spreadsheets and customer databases.

Note that collecting and analyzing customer data requires adherence to data privacy, transparency and compliance regulations.

There are great tools to help you automate data collection and perform analytics, and there are affordable data storage options, like the cloud. More on solutions and providers later.

The thing to keep in mind is the old saying – garbage in, garbage out. Data and analysis tools are only as good as the quality of data they are fed, so be selective in choosing your data sources and streams, using only those that will output reliably accurate information.

## Finding the Right Tools for Your Business

There are online resources to inform you in selecting the right data and analytics tools for your specific needs. You might query colleagues or people in your industry to see what they use and recommend. And of course, there are experts like us to help you develop a strategy, which has significant bearing on the tools you choose. Experts can also advise the type of skills and talent needed to manage your initiative. It’s an

investment. Treat it wisely.

If you decide to start small, it's worth repeating that you need a sound strategy that anticipates how you will expand your capabilities over time.

One source we like is Big Data Tools from [Business Intelligence Market](#). The site lets you select the type of tool you are seeking. For example, you can select big data, business intelligence, data analytics, data discovery, dashboard and more. Once you select a tool type, you can then filter available solutions according to your needs, based on the size of your business, whether free trials are offered, pricing, features, devices supported, customer ratings and other qualifiers. You can also choose the ones you want to compare side-by-side.

And here are some common [big data solutions for small business](#) from Business News Daily.

Earlier, I mentioned the cloud for data storage. Your collected data has to live somewhere and considering the volume, this just makes sense. Cloud-based services have many benefits. Your data is accessible from anywhere through any device. It's affordable and scalable to meet data storage needs over time. Data security is built in, which is critical for protecting customer data. And you don't have to worry about losing your data to catastrophic events.

Whichever way you go on tools, consider a solution that provides a dashboard, and data analysis and visualization tools. A dashboard ensures you can access reports on demand. Analysis is essential because you can't just have data.

You have to be able to interpret and use it, and visualization tools present information and insights in easily understandable ways.

### **The More You Know, the Less You Fear**

Learning is a great way to crush intimidation! Here are some great articles on how small and mid-sized companies can leverage data and analytics to grow and prosper. Grab a cup of joe or your favorite beverage, dive into some great reading, and take this journey one step at a time.



#### **Dig Deeper**

[TechRepublic](#) | Small Businesses Are Using More Analytics to Survive COVID-19

[Forbes](#) | How Midsize Companies Can Use Data-Driven Insights to Boost Customer Relationships

[SCORE](#) | The Small Business Owner's Guide to Data Analytics

[Business.com](#) | Key Data and Analytics Small Businesses Need to Manage Finances and Drive Growth

[Small Business Trends](#) | 67% of Small Businesses Spend More Than \$10K a Year on Analytics

[Biz Tech](#) | Analytics as a Service: The Big Data Solution for Small Business?

[University of San Diego](#) | Guide to Big Data for Small Businesses: Tools and Strategies

[McKinsey & Company](#) | The Consumer-Data Opportunity and the Privacy Imperative



by **David Cooper**

# A

# WHAT IS IT, AND SHOULD YOU BE PAYING ATTENTION?



mind-numbing experience for the non-technical among us, but smart executives must start somewhere on the journey to understanding this ubiquitous breed of IT.

Fortunately, there are some fundamental answers to get you started, an opening salvo of sorts. Let's break it down.

## **A Basic Definition We Can All Understand**

Illustrating something complex is best done through example, so I'll share this from IBM: "After decades of being relegated to science fiction, today, AI is part of our everyday lives ... completing our words as we type them, providing driving directions when we ask, vacuuming our floors, and recommending what we should buy or binge-watch next. And it's driving applications that help skilled professionals do important work faster and with greater success."

So, how exactly is AI changing the ways companies plan, operate and compete? The short answer is that AI is the new frontier in harvesting

It's not sci-fi anymore. Artificial intelligence (AI) is reaching critical mass, permeating all industries and changing life for people and companies across the globe. According to ABI Research, the total installed base of devices with AI reached 2.7 billion in 2019 and will grow to 4.5 billion in 2024.

"The use of AI and machine learning (ML) is occurring in a wide range of solutions and applications, from ERP and manufacturing software to content management, collaboration, and user productivity. Artificial intelligence and machine learning are top of mind for most

organizations today," says David Schubmehl, research director of Cognitive/Artificial Intelligence systems at IDC.

What are the implications for your market, and more specifically, your company, employees and customers? What do you need to know, prepare for and start planning to remain technologically competitive and equipped to compete? And who do you need on your team?

There are no short answers for all businesses since needs and goals vary. Exploring AI can be a



**With AI becoming more affordable, accessible and prevalent than ever before, business executives of all stripes need to understand what today's AI can - and can't - offer...**

and analyzing data (think business intelligence), making precise decisions and taking action to move the business forward. And it's fast becoming a cost of successfully conducting business.

### **The Heart and Soul of AI**

Dr. Ashish K. Jha, dean of the School of Public Health at Brown University, is "an advocate for the notion that an ounce of data is worth a thousand pounds of opinion." So true! This is the thought genesis for the AI journey. Making decisions based on intuition, past experience or best guesses is the road to disaster in today's volatile environment.

So yes, the thing to keep in mind about AI is its heart and soul – and that is data, lots of it. It siphons and wields vast amounts of data from systems and platforms that collect and house data for a company, such as financials, marketing and customer service, data security, fraud and risk detection, business networks, maintenance, R&D, sales and supply chain performance — and just about every automated business system

across the enterprise architecture, including the cloud and ecommerce platforms.

With its staggering ability to extract statistics and insights from historical and new data, AI is able to predict the future, identify the source of problems, unearth opportunities, and empower better approaches, products, services, solutions and processes.

### **Is It a Realistic Initiative for Any Company?**

Fred de Gombert, co-founder and CEO at Akeneo, a global leader in Product Experience Management (PXM) solutions, speaks to AI relevance through the [Forbes Technology Council](#): "With AI becoming more affordable, accessible and prevalent than ever before, business executives of all stripes need to understand what today's AI can - and can't - offer in the areas of business management, commerce and marketing."

de Gombert cites examples of AI

accomplishing major feats, such as pattern recognition, automation and contextualization (ability to perceive data like a human). It is fast-tracking decision-making insights like predictive buying patterns (think digital footprints), customer segmentation, product discovery, content curation and personalized shopping experiences.

Through AI, companies are honing their offerings and approach to the market, finding efficiencies, bonding with customers and producing better results.

### **Think Agility and Competitive Advantage**

Even without the assist of modern technology, companies have long been focused on cutting costs, continuous improvement, increased productivity, better processes and efficiencies, and faster speed to market.

Think of AI as a means to multiply the value and results of your investments and resources in these traditional areas. In fact, think of it as your ticket to accelerated response to the market and scaling the business to exceed year-over-year growth objectives.

### **What Questions Should You Be Asking?**

Getting to the right approach and solutions should start with setting priorities and goals for your company. Only after you know your needs and intent can you determine the ways AI can assist you and start exploring solutions.

Here are some questions to get you started...

- What problems do you need to solve?
- Do you want to leverage valuable business intelligence from large amounts of raw data?
- Make faster, smarter and more accurate decisions in specific areas or companywide?
- Use data to power modern marketing and personalization?
- Predict customer buying habits and preferences?

- Modernize your data security systems and platforms (including ecommerce)?
- Automate and optimize routine processes?
- Increase productivity and operational efficiencies?
- Mitigate mistakes and human errors?
- Implement efficiencies designed to reduce costs?

AI can help you do all of this and much more. When you're ready to choose solutions, there are many questions that need to be answered. Be sure to tap experts to help you assess capabilities, decipher claims versus real-world value, know if a solution will integrate with your IT architecture, and keep you focused on tools that address your specific needs and budget.

### **Who Do You Need on Your Team?**

The right human intervention, including for ethical practices, is key. The emergence of AI and advancements in IT and data security in general have created a whole new realm of specialists in the workforce. These specialists can become part of your workforce or you can contract with them for your

to fill their company's AI skills gap: The top four most-needed roles are 'AI builders' who are instrumental in creating AI solutions. These include researchers to invent new kinds of AI algorithms and systems; software developers to architect and code AI systems; data scientists to analyze and extract meaningful insights from data; and project managers to ensure AI projects are executed according to plan. Companies are also seeking 'AI translators' to bridge the divide between business and technical staff.

de Gombert wisely notes that AI is "only as effective as the people who design and deploy it. Even the best AI systems need human users to leverage the insights or productivity gains they generate - and that means a successful rollout of AI technology almost always requires a culture shift, too. Users will need to be encouraged and empowered to use the new tools, and managers will need a clear understanding of how to maximize results and design workflows around their new capabilities."

### **It's a Game Changer In Digital Transformation**

Digital transformation is a clarion call for all companies and AI is a major enabler for conducting mission-critical initiatives. It is a catalyst that's moving companies to the next level in creating new customer experiences, transforming company culture into an agile powerhouse, innovating new products and services, and implementing strategy to scale and seize opportunities.

As your company contemplates or proceeds along the path of digital transformation, be sure to consider how AI might become a player in your overall strategy.

**Digital transformation is a clarion call for all companies and AI is a major enabler for conducting mission-critical initiatives.**

- Deliver exceptional customer experience?
- Enhance customer service (such as AI-powered chatbots and recommendation systems)?
- Generate sales leads and new revenue opportunities?

journey into AI. Both are widely used options.

A Deloitte survey among 1,900 IT and business executives from seven countries and a variety of industries identified the "most needed" roles

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BETTER  
BUSINESS  
HEALTH  
WILL BUILD  
A STRONGER  
SOCIETY



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