Moving from Data to Business Insights

Structuring a Digital Analytics Team for Improved Insight Generation

Executive Summary

For years, the digital analytics community has hoped for the evolution of a new breed of analyst who has expertise across the full range of activities required to translate raw data into actionable insights that can drive better business decisions. The reality is that analysts either possess the deep skill in a narrow range of activities, or shallow skill in a broad range of activities. The very few analysts who possess deep skill across all required activities in the process of generating insights lack the hours in the day to adequately perform the entire end-to-end process. Digital analytics managers can overcome this bottleneck by allocating separate resources for the two types of skills required: data management and advanced analytics (data interpretation).

Insights Are Required, Not Just Data

Organizations are increasingly embracing a data-driven culture, and the insights that can be extracted from data are playing a greater role in shaping both the strategic and tactical decisions of marketing organizations and the broader business as a whole. Although the digital analytics community has come a long way, many companies suspect that their data holds more valuable information than they are currently getting. No longer can digital analytics teams be satisfied with being just the provider of data and reports to their internal customers. Analytics teams have a clear mandate to generate insights, not just data. However, many analytics teams are not properly staffed or structured to reach this next level.

In this paper, we will examine what analysts are currently doing, what they should be doing and how teams can bridge the gap between current state and optimized future state.
At the highest level, there are two basic steps to the process of using data to generate relevant insights for your organization:

1. **Gathering and managing data**: The ability to efficiently extract and present data in a format that makes it relevant for its users

2. **Interpreting data**: The ability to explain the significance of data within the context of an industry, company and current events

Exhibit 1 shows this process in more detail and illustrates the skillsets required to convert raw data into insights that can impact and drive business decisions. Many web analytics managers will admit to having room for improvement in the interpretation steps of the insight generation process. It is our belief that the typical digital analytics organization falls short in both the data management and interpretation aspects of the process.

Exhibit 1
A disproportionate amount of analysts’ time is currently spent on data extraction, management and visualization, which we’ll refer to as “data management”. According to the Digital Analytics Association¹ (“DAA”), analysts estimate they spend over 50% of their time on data capture activities, and between 21% and 30% of their time on reporting and forecasting. They don’t intend (or want) to spend 70-80% of their time on data management – it is simply more time consuming than they think it ought to be for a couple of reasons. First, requests for data and analysis by their internal customers are constantly increasing and analysts find it difficult to say “no”. Second, they are not efficient in data extraction and visualization, which results in wasted time.

Despite the significant time spent in this area, many or most analysts do not develop enough data management skills to be truly efficient. While there are many reasons for this, it ultimately manifests in one overarching reason:

It doesn’t get you promoted.

Business partners, and even web analytics managers, don’t really care how it’s done, they just want the insights. If an analyst has a few extra hours in her week, she will spend it on data interpretation and the “customer facing” aspects of her job, which allow her to display her talents to the organization. Data preparation, QA and management are usually a drudgery and don’t get recognition, so analysts aren’t motivated to enhance these skills. The catch however is:

If you don’t get the data right, you won’t produce quality insights.

That’s not to say that no one does data management well. Some analysts do emerge as being especially skilled in data management. These analysts can’t be expected to stay in their roles for very long. Great analysts have an insatiable desire to continue to learn and master new things – this is what makes them great analysts. Once an analyst feels that he has mastered a particular skill, he is eager to move on to a new role with fresh opportunities to learn new skills. Ideally, he will stay within the digital analytics organization or at least at the same company. But analysts frequently choose to use their acquired skills to jump to another company for an opportunity that their current employer cannot offer them.

The unfortunate situation is that most analysts are not motivated to become true experts at data management and reporting, and those who do develop adequate skills are eager to move on to more interesting roles.

The result is that most digital analytics teams have relatively weak data management skills, leading to inefficient processes, slow response times, possible data quality issues, and by extension, potentially flawed analysis.

Solving the Skills Gap

Traditionally, the entire insight generation process has been performed by a single analyst. For any incoming request, a single person would be responsible for the entire end-to-end process:

- define the scope of the analysis
- identify the required KPIs and data
- set up and implement the tags (if necessary)
- extract the data
- create the reports and visualizations
- provide interpretation and insights (if there’s time)

We should work towards an organization that has data management and reporting experts working closely with true analysts with expertise in interpreting data.

Organizations must be proactive in building true expertise in data management. This involves hiring, training and retaining data management professionals who can offer expertise across all required analytics platforms and tools used by an organization. They should also be process experts who can build appropriate automation mechanisms to improve both the efficiency of report generation as well as the quality of the data. A key realization of some more advanced analytics organizations is that the skills and functions of data management lend themselves nicely to outsourcing this work to third party solution providers.
If the time-consuming aspects of data management and reporting are provided by separate analysts, we can change our approach to interpreting data and influencing our business partners. We no longer need to treat interpretation and communication as an afterthought to a data gathering exercise. Instead, it will be the primary job of our senior analysts, who should be hired and trained on the basis of their ability to understand the business, interpret data, generate insights, and communicate those insights at all levels in the organization. They are no longer digital analysts who attempt to understand the business they are analyzing, but they are marketing experts who know how to use data to gain valuable insights to inform business decisions.

By hiring for the right skills and giving analysts ample time to study the business (by shielding them from the time consuming data management work), companies will experience a breakthrough in the generation of insights.

The Benefits of Outsourcing Your Data Management

Some of the largest analytics organizations globally have leveraged eClerx to take on the “heavy lifting” of data management, enabling a transition of their digital analytics team to one that focuses on providing meaningful insights. Our clients highlight the following reasons for incorporating eClerx into their web analytics programs.

**Advanced Skills in Data Management, Automation, and Data Quality Processes**

- Access to industry-leading practices in data management, automation, and process improvements
- A continuous QA process, leads to increased confidence in data quality and the insights that result
- Streamlined processing and automation of reporting and data visualization leads to more robust data which is easily accessed by all stakeholders

**Internal Analysts Are Freed to Focus on Advanced Analytics**

- By transitioning from highly manual and inefficient reporting processes to eClerx’s streamlined and automated process, in-house analysts are freed from their most time consuming activities
- Internal analysts use their increased bandwidth to focus on advanced, strategic activities that leverage the skills they were actually hired for: advanced analytics, data interpretation, insight generation, and partnering with key stakeholders to translate insights into action

**Higher Job Satisfaction, Lower Team Attrition and Simplicity of Operations**

- Internal analysts are generally unhappy performing ongoing reporting and data management activities – greatly reducing this component of their job naturally increases job satisfaction, company loyalty and retention
- Reduced management time focused on hiring and training resources
- Significant decrease in the amount of time managers spend on reporting–related issues. Increased time on expanding the scope and capabilities of the web analytics team

**Improved Continuity of Service**

- In–house analysts generally are not motivated to sufficiently document their processes, which presents considerable risk to the business if they leave their role
- As a service provider with strict SLAs, eClerx produces robust process documentation and cross–training to ensure there are no disruptions, even if there is attrition on our team, which has the added benefit of providing continuity to our clients’ operations through transition periods.
Conclusion

When digital analytics teams are in the early stages of their maturation, they often have no choice but to expect their analysts to perform every function in the analytics process – analytics groups often start with a single person. However, as the team grows and the organization matures, it is wise to carefully consider the unique skills that are necessary to perform each step in the insight generation process.

Optimization of processes often requires specialization, and web analytics is no exception. Web analytics managers should focus on building the key expertise in advanced analytics and interpretation in-house, and consider outsourcing data management to a third party with the skills and motivation to provide world class processes and expertise.

Decoupling data management from data interpretation will allow digital analytics managers to increase their organization’s skill at performing both, resulting in an increase in the quantity and quality of insights generated.

Citations & References

(1) 2012 Web Analyst Job Task Analysis Report, Digital Analytics Association

About eClerx

eClerx is the leading knowledge process outsourcing company providing middle and back office operational support, data management and analytics solutions to sales and marketing organizations. eClerx’s focus on the burgeoning digital marketing universe ensures we deliver confidence, value and rigor to more than 50 Fortune 500 and Internet Retailer 500 scale companies globally. eClerx provides its clients with expertise in consulting, process workflows, automation and improvement to help reduce costs and correct long-standing process inefficiencies. With corporate offices in New York, London, Silicon Valley, Austin, Chicago, Dublin and Singapore, eClerx employs over 5,500 professionals across five delivery centers worldwide. For more information, visit, www.eclerx.com/sms.