

The Value of End-to-end Analytical Support: A Case Study in the Home Video Industry

Shravan Pai, Associate Vice President
Research and Analytics, WNS Global Services

In today's fast-paced new economy, companies compete on the basis of business insights. Business insights are driven by how a firm collects data, and how it analyzes that data before converting it into information and knowledge. A key ingredient that drives business insights is the quality of the analytical support system available at the disposal of business managers. However, creating a robust analytical support system is challenging because of the need to:

1. Invest in analytical tools and supporting IT infrastructure
2. Have competency across a wide range of analytical tools and techniques
3. Have experience in using appropriate analytical approaches for various business challenges

These challenges can be successfully overcome by having a partner who has the experience in providing end-to-end analytical support to business managers across different initiatives. WNS has pan-industry expertise in developing sophisticated analytics-based solutions that enable key business processes for our clients. WNS brings considerable industry expertise to first understand the client's business challenges, and then provide an end-to-end service harnessing data, running analytical processes and interpreting insights for the client to take specific business action on an ongoing basis.

The case study given below highlights the manner in which WNS has been an effective analytical partner to a major studio's home video division, providing support across a wide range of initiatives across multiple business functions.

Background of the Home Video Industry

Traditionally, the home video industry has contributed to a major chunk of studio profits. However, over the past few years, the biggest piece of the home video business (selling physical DVDs in retail stores) has seen a remarkable drop in sales. There are multiple reasons driving this change – technology evolution, changes in consumer behavior, growth

of alternative consumption options and economic factors. The changes in dynamics of the home video business have forced both studios and retailers to re-think about how they should approach this category. Traditional steady-state assumptions used to take operational and strategic decisions are no longer valid. Studios now have to discover new frameworks to navigate the rapidly changing environment.

Also, the home video industry is different from most other consumer product firms.

1. The product has a life cycle (both sales and product pricing vary over the product life cycle)
2. Each product is unique (no two movies are exactly the same)

WNS supports the client's initiatives in navigating the changing business environment while incorporating the unique characteristics of the home video industry into our solutions.

WNS Supports Multiple Business Units

Strategic Planning

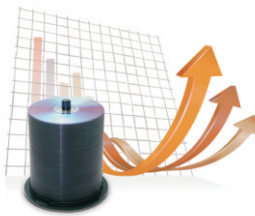
Leverages analytics for sales prediction models and understanding the impact of different initiatives and policies on product sales performance

Sales

Leverages analytics to support negotiations with retailers on placement, pricing and promotional impact. Analytics is leveraged to not only understand how to optimize the overall product portfolio, but also to maximize profits over a particular product's life cycle

Category Management

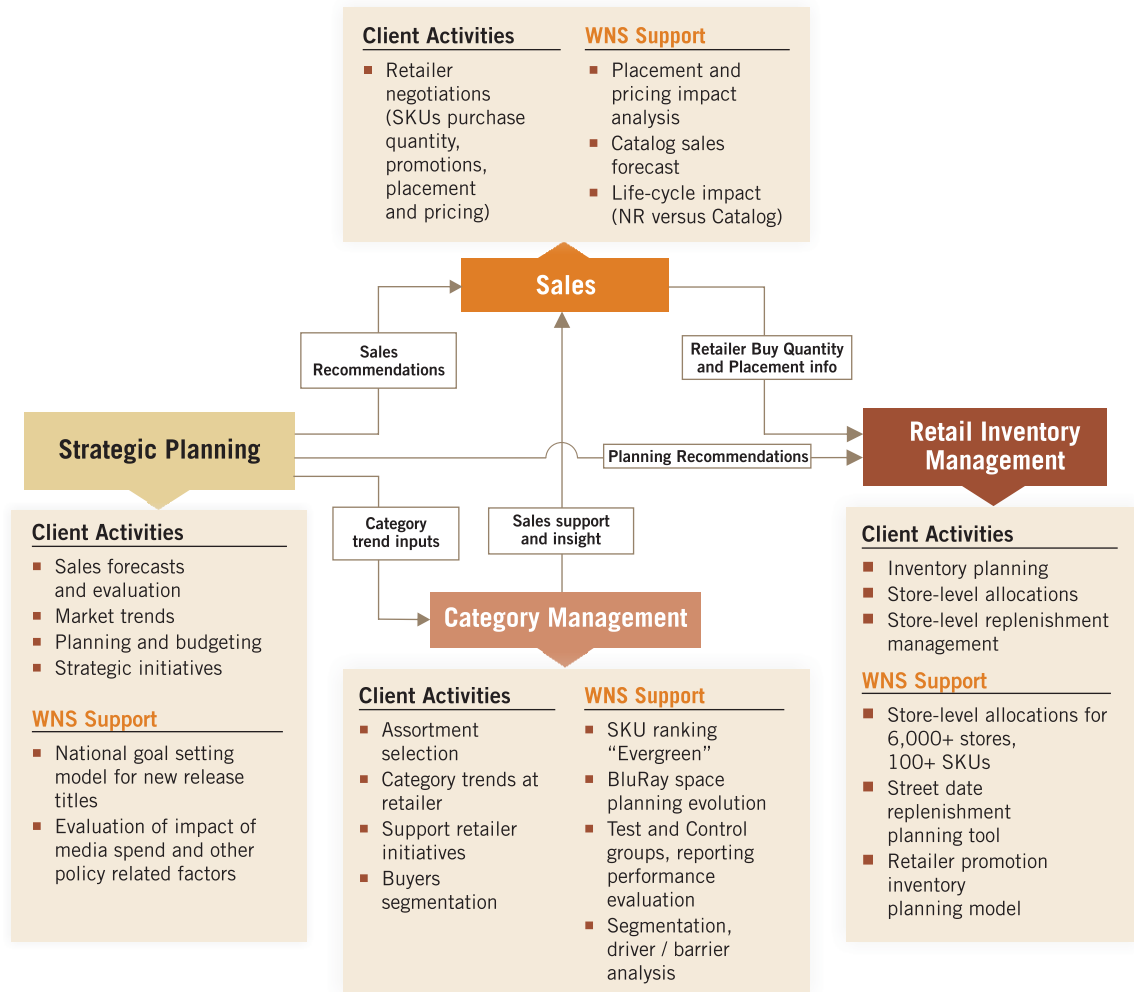
Leverages analytics to improve assortment selection, understanding category trends, guiding retailers on category improvement initiatives and in designing initiatives that increase shopper conversion and profitability



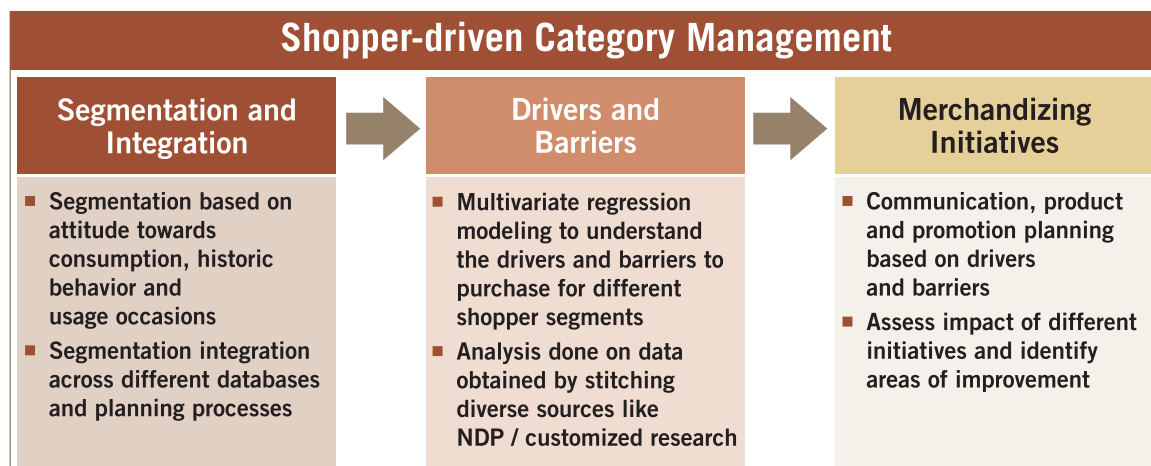
Retail Inventory Management

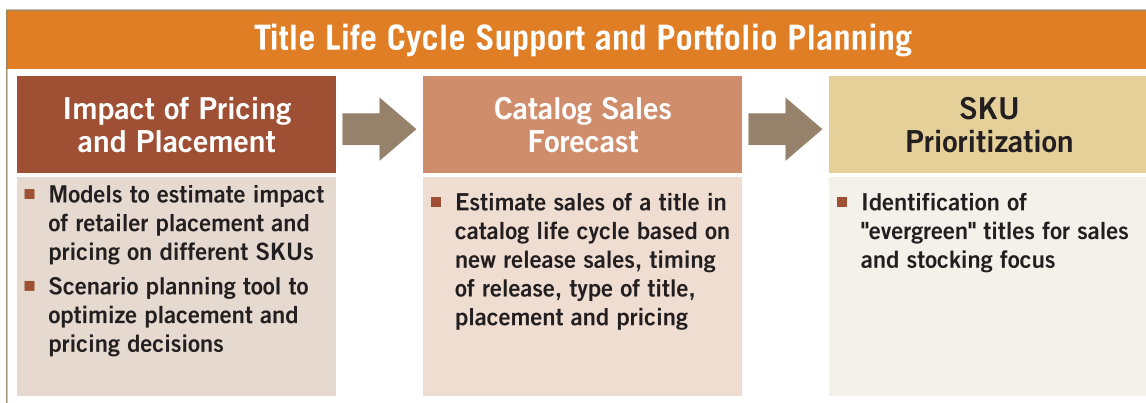
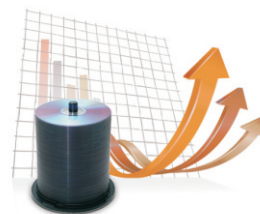
Leverages analytics to optimize Out-of-stock and Returns, and to identify cost-rationalization opportunities across the entire supply chain

Also, many of the projects are strategic and short-term in nature and having dedicated skill sets for each of these individual project areas is not feasible. WNS provides the client access to a wide range of technical skill sets that can be flexibly leveraged based on the business problem.



WNS Supports Initiatives across the Entire Project Life Cycle





Most analytical projects involve multiple stages, have different levels of complexity and last over a prolonged period of time. WNS provides analytical support across the entire project life cycle. By being involved in all stages of the initiative, we are able to deliver high-impact business solutions efficiently.

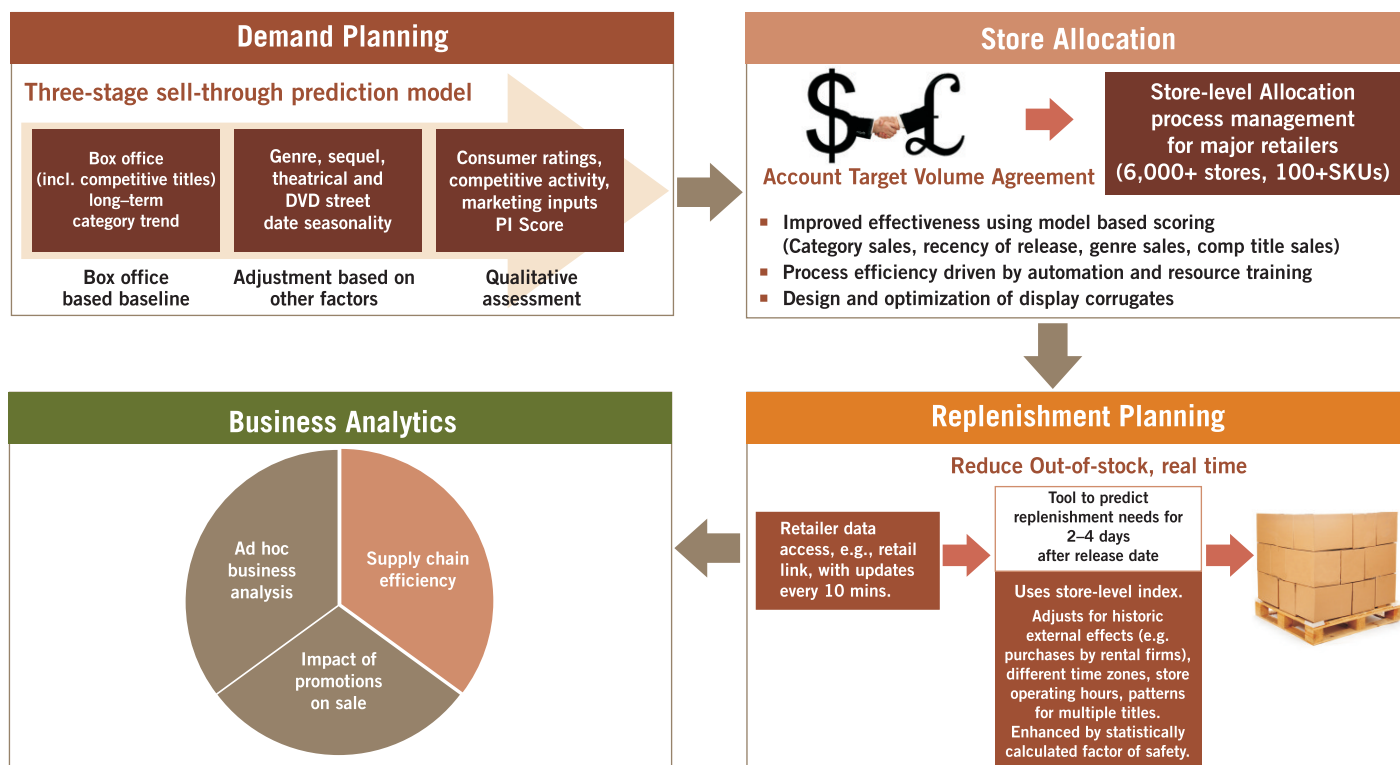
For example, consider "The Shopper-driven Category Management" project that the client initiated. The project was a key internal initiative that is being leveraged not only by the client but also by major retailers to enhance category performance. WNS supported the client in:

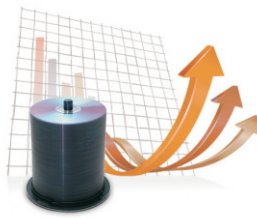
- Identifying appropriate shopper segments
- Designing tools to integrate segments across different databases and market research

- Doing drivers and barrier analysis to better understand each of the segments
- Helping design tools to optimize communication, product and promotional planning based on the drivers and barrier insights

Each of these project areas requires different type of skill-sets, and WNS has the width and depth of skill-sets to provide the same. We have developed these capabilities through our experience over a wide range of engagements across multiple industries. Also, WNS offers the flexibility of working with multiple stakeholders (business managers, analytics teams, internal and external IT teams) to action the analytical insights.

WNS Provides End-to-end Process Support





WNS has the capability to provide end-to-end process support, ranging from basic reporting and process management to complex modeling and ad hoc business analysis. Consider how WNS supports planning initiatives across the entire vendor-managed inventory practice for the client.

Demand Planning

WNS's forecasting solution helps better predict the sales performance of the client's products. It also works with the client in developing supplemental analysis to drive better qualitative calls by business managers. In addition to providing analytical support, WNS works consultatively with client managers to integrate the model into different planning processes.

Store Allocation

Not only does WNS manage the store allocation planning process, it also identifies and implements a solution to bring about tangible improvement in the performance metrics.

Replenishment Planning

WNS designs tools that can be leveraged for faster and more accurate replenishment plans, factoring in unique characteristics of each store as well as client's replenishment policies.

Business Analysis

In addition to the areas addressed above, clients need insights into a range of everyday business problems. Insights from such analyses go into making better decisions as well as improving the overall 'Vendor-managed Inventory' process.

Most business problems are influenced by multiple factors. Without the full range of analytical skill-sets at their disposal, business managers are often forced to look at problems from simplistic perspectives, which can lead to inadequate insights. By being able to look at every business problem from a multivariate perspective and using a range of analytical tools and techniques, WNS is able to provide deeper insights into a range of business problems.

To conclude, WNS can be an effective analytical partner to firms looking to profit from the wide sources of data they have. WNS has proven expertise in providing end-to-end analytical support within a financially attractive framework. As compared to stand-alone analytics vendors, WNS differentiates itself by:

- Possessing the requisite skill-sets to support multiple business units
- Being able to provide analytical support across the entire life cycle of projects
- Effectively partnering with the client on supporting planning for different business processes end-to-end

To learn more, please write to us at marketing@wns.com