



A Center of Excellence Takes Stronghold as the New Strategic Differentiator

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The downturn has taught businesses across the globe one key lesson, and that is to do **business efficiently**. Today's managers are seeking efficiency in multiple areas, from pursuing growth strategies in a cost-efficient manner; to tapping the emerging economies with the right product at the right time; and making more informed choices. Creating an analytical Center of Excellence or CoE, with its ability to offer custom solutions is emerging as a key differentiator for an organization.

Companies with multiple products and operating in the global marketplace have a lot of data residing in silos. Thus, there is a compelling need to organize the data into a common warehouse from where it can be easily accessible to support various decision-making needs. This is the cornerstone to setting up an analytically savvy organization. Setting up a CoE is a strategic initiative, requiring capital expenditure to develop an IT platform for the data warehouse that includes various business intelligence tools for automated reporting.

While most firms have made that choice, and invested heavily in accessing and warehousing the data, they often fall short in leveraging it effectively. This is exactly the inflection point, at which companies have to evaluate the option of building a Center of Excellence (CoE).

Creating an Analytics Center of Excellence

The Analytics CoE begins with creating a **Data Custodian**. The data custodian may be an in-house team or a third-party team at a central offshore location, which has access to all data sources of the firm signed up under mandatory information and security norms, and supporting all needs for data mining, data assimilation and reporting. In value terms, it helps develop customized reporting standards across businesses, categories and markets. It also allows clients to move away from the routine work of data mining and reporting, allowing them to focus more on the strategic and customer-facing role.

The next stage is **Analytics**, when the CoE has complete understanding and ownership of the data, and also has the ability to develop custom solutions as a means of developing competitive differentiation for the client. There are many off-the-shelf analytical product offerings / experts in specific areas such as ROI analysis that firms may be procuring. However, the competitive differentiation for a firm lies in the application / re-application of these solutions to their business to gain an edge. This is where the CoE can add maximum value by combining the art of knowing the business and industry, with the science of analytics. For instance, in the consumer packaged goods industry, custom applications can be developed in the areas of consumer insights, marketing ROI and market opportunities. In the retail industry, they could be in the areas of store marketing, store operations and supply chain. An emerging need for all industries that can be effectively addressed by the CoE is digital marketing.

The ultimate transformational stage is **Global Scaled Solutions**, which involves moving into the production mode with the various analytical solutions developed by the CoE in the Analytics stage to address multiple geographies and categories.

Case Study

WNS Establishes a CoE for a Multi-billion Dollar Consumer Products Company

The client, which has a presence in over 150 countries, had embarked on a steep growth trajectory. The global scale-up was due to organic and inorganic growth. With the result, the company was able to meet its business goals through the diversified global entity, but was grappling with cohesion at the operations level. Each business entity followed its own set of sales metrics and thus, the client felt the need for an overall global perspective into how each business across geographies was doing, and the measurement of performance of each entity using an overarching set of metrics.



The client realized that there could be a conflict of standards between the businesses in one geography vis-à-vis the ones in another. For instance, an apple-to-apple comparison was not possible between markets in Europe and U.S., or between markets in Asia-Pac and Latin America. The client's objective was to create a standard dashboard that allowed for customization according to the business entity and the geography. This would help the leadership achieve the much-needed single bird's eye view of where the company was positioned and where it was headed.

Developing a Reporting Framework

The client engaged WNS initially to conduct a pilot project on reporting. The start-up reporting team created a basic charter for a test market. The journey that began with a pilot project five years ago, today boasts of a Center of Excellence.

Key challenges and learnings in the pilot phase:

- 1. A steep learning curve in terms of familiarization of technicalities:** Arriving at common definitions would not have been possible without a client champion, who was identified by the client early on in the project to assist the WNS team. The learning curve involved familiarization of industry domain, databases, nomenclature, language, resource skill-sets needed and setting the IT infrastructure. The team adopted various ways to hasten the learning curve, such as knowledge transition face-to-face, technology-enabled learning sessions and creating learning plans per functional area.
- 2. Challenges with access to data:** Getting the access to data access was indeed a challenge. It involved three areas of support. First, defining information security guidelines; second, defining various data transfer protocols; and third, setting up a dedicated point of contact for IT support at both the client and WNS' end to ensure seamless data transfer.

Data Mining, Analytics and Global Scaled Solutions

With expertise in data and reporting, the engagement progressed to leveraging analytics. The client's modeling teams wanted the CoE to replicate and improve upon the firm's existing best practices in demand forecasting and pricing models. This involved ramping-up the team with modeling experts. From a humble beginning of developing reallocation models to break the national target by retailers and geography, and thereby minimizing returns, the team qualified to improving the national forecast error rate by 20 percent. It also helped the client quantify some of its business judgment calls while forecasting. For example, developing a benchmarking tool for a critical forecasting parameter like target outlet penetration estimates (ACV) for a new product. From price modeling, the CoE was able to raise the analytical rigor to include all trade elements and create a P&L tool to optimize for brand contribution.

The CoE today supports the clients globally. The scope extends across 150 countries in seven regions. WNS provides a host of value-additions to the solutions, such as pricing analytics, sales support solutions, shopper driven category management, brand and insight support, global innovation strategy support including competitive and ingredient desk research and internal survey support (sales force and HR). The current team composition is an example of the change in focus from pure data custodian and reporting to value-added services. Only 35 percent of the staff focuses on reporting, while the rest focus on value-added analytical solutions.

With all the merits that it can bring into the system, a CoE requires active participation from the client. In this case, the most important enabler came from the client's side in the form of a top-down vision and charter. Each country or region had a client champion to help in learning the domain, data sets, language and nomenclature. The success of a CoE lies in the perfect combination of the right start and the client's support.

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