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GETTING THE MOST OUT OF YOUR ANALYTICS & INSIGHTS TEAMS AS WE EMERGE FROM COVID-19

- David Woodcock, Global Program Director, Analytics and Data Science

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The broad-brush term of 'Research and Analytics' is used imprecisely to describe a wide range of roles and skill sets. These range from data science teams looking to use complex algorithms to predict what's going to happen to reporting teams looking to deliver timely insights on recent trends. Whatever the mix of your analytics or insights function, how you use them most effectively right now and in the near future will depend heavily on how and where your organization and your industry has been affected by COVID-19's dramatic changes in the economy. If you're a manufacturer of rubber gloves, your sales are through the roof, if you're making suitcases, it's not such good news. Similarly, if you're catering to a Business-to-Business (B2B) market or out of home consumption you're thinking very differently than convenience retail or online – where managing booming demand is more important than thinking about collapsing confidence as well as managing cash and obsolete stock. You will still have some common challenges though – how to prepare for the future and build additional resilience in to your business. Your teams have a critical role to play.

Your analyst teams' work will normally be categorized into achieving four super-objectives:

1) Growing sales revenue

2) Reducing cost

3) Understanding customers

4) Complying with regulatory requirements

So how will these change?

GROWING SALES REVENUE

The key here is really to spot opportunities quickly and capitalize on emerging trends. Traditional research and sales data can have a lag before it filters through and even then, predictions can rely on a "rear-view mirror" approach – looking to the past to forecast the future. This is extremely difficult with unprecedented spiking demand and Christmas level sales of more than 20 percent of normal demand due to stockpiling. Acquiring social media tools can give you a head start (for example WNS offers Sentinel and SocioSEER™). Similarly, Market Mix Modeling (MMM) can be fed with trends and datasets from markets emerging from COVID-19, such as China. Sales mechanics will also need to be revisited for analysis – with purchase restrictions in place which suspend multi-buy offers in many locations, consider the effectiveness of When it's Gone It's Gone (WIGIG) promotional mechanics to generate cash and move stock. Understand who has been successful in shifting their sales channel strategy where possible, if only to mitigate losses.

REDUCING COST

Other than the obvious immediate steps around managing wastage by acting quickly on excess stock, the opportunities stretch into longer term – where can the team build self-serve and resilience to Management Information (MI) so that decisionmakers can extract information on demand without a high people dependency? From a long-term

perspective, the back-office should be a focus for cost management – whether it's about rationalization, thinking about where low-cost resources can offer scale, getting the teams to think about the design of rule sets for intelligent process automation (which will also increase resilience), or cash flow analysis. We can expect to see criminals' patterns of behavior change too – with income being squeezed where are the weak spots for cost leakage?

UNDERSTANDING CUSTOMERS

This is not an easy ask – with customers and businesses who were in robust shape at the start of the year now struggling, it means that credit scoring and purchase patterns will have changed but the data may only now be starting to emerge. Businesses and brands with a strong loyalty offering will be in better shape as they have both, a history of data and means to contact them, but we can expect that customer segmentation will need to be revisited, if only to create an alternate view of how behavior changes in a pandemic. Large amounts of stock-outs now give a clear view of which products are really important to customers, similarly those still left on the shelf even when there's nothing left to buy (lentil pasta and vegan bacon anyone?) are prime candidates for range review delisting. And finally consider category expandability – where consumption grows when households are carrying high stock levels. Classically, this is why confectioners sell large tins of chocolate early in the Christmas season – because it drives consumption.

Conversely, toilet roll was always supposed to be the control category where consumption remained constant, this is the point where it's about to be fully tested!

COMPLYING WITH REGULATORY REQUIREMENTS

In grocery, the regulatory focus has recently been on food safety, allergens and provenance. Given that after the financial crisis in 2008 we saw financial services increasingly regulated – for example, the Solvency II Directive regulated the amount of capital that insurance companies in the European Union could hold, thereby minimizing risk of insolvency. Can we expect some sort of resilience testing in Fast Moving Consumer Goods (FMCG), such as directives around supply chain stock levels for staple items? Or mandated treatment of vulnerable customers (as banks and utilities are currently covered) including clear definitions and fines. Within the current crisis we have already seen some data protection relaxed to allow data sharing to identify who needs additional support. Companies who have increased prices have been quickly accused of profiteering – can we expect to see a limited set of price controls? This is where your research teams come into play – keeping an eye on what's happening globally to feed your analysts with scenarios to plan and model.

Whatever you decide to do, you will need to maintain a stream of data that's timely and digestible, create space for discussion and be prepared to revisit and challenge assumptions.

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