

The fast-growing analytics opportunity

Analytics will remain the differentiator for winning firms in an increasingly competitive hiring and customer environment



GANESH NATARAJAN

We are justifiably proud of our IT and business process services industry, which has grown from humble beginnings to a 150 billion-dollar global powerhouse in a few decades. Today, there may be signs of the growth slowing down to single digits but there are some segments that will continue to present enormous opportunities — the evolving world of analytics is clearly one of the most exciting.

The big data and analytics market globally, including software, services and hardware, is expected to be at the same level as our total industry, over USD 150 billion by the end of 2017 and will record substantial growth, to touch USD 210 billion by 2020. More than 50 per cent of all big data and business analytics revenues will come from the US market followed predictably by Western Europe. The two regions with the fastest growth in the next five years are expected to be Latin America and Asia Pacific excluding Japan, both growing at over 14 per cent.

Corporations everywhere are looking at analytics as the next big opportunity to differentiate themselves, undertake deep descriptive analysis of customer journeys and buying behaviour and move towards predictive and

prescriptive models that will enable them to garner higher market and opportunity share. Banking, financial services and manufacturing are likely to lead the adoption and with increasing focus on digital transformation in every sector, changes in the way organisations interact with all stakeholders and everything — data, applications and infrastructure — moving to the cloud, the imperative and opportunities for gathering quantitative and qualitative data from multiple sources will only multiply every year.

Indian firms, too, like their counterparts in the West, have taken to the analytics imperative in recent months and it's good to see analytics centres of excellence springing up in key corporates around the country. Not surprisingly, the primary focus of many new centres is on customer behaviour with the design of marketing analytics solutions that target marketing spends optimisation, promotion campaign effectiveness and dynamic campaign management. Apart from improving the return on investment on marketing spend, analytics centres are also helping marketers manage the entire customer life cycle — acquisition to retention and predicting customer response to new campaigns by response modelling and ongoing customer satisfaction and churn analysis. Risk analytics products are also helping firms to profile customers based on credit risk analysis, model the collection and recovery risks and enable fraud detection and monitoring. Companies engaged in extensive analytics usage are already showing better bad debt management through the continuous generation of collection and recovery scorecards and prediction of default patterns.

On the supply chain side, analytics is



helping to optimise inventories and demand and supply chain management across countrywide and multi-country networks, do route optimisation, shipment scheduling and overall logistics management and publish transportation analytics. HR analytics is also catching on in a big way and substantially improving offer to joining ratios as well as retention and engagement of employees in large corporations with widely spread out workforce. Analytics helps in providing touch points at every stage in the employee attraction, hiring and retention journey, design compensation plans that are in line with current market realities and provide the spur for new solutions for performance measurement, just-in-time skilling and employee engagement to maximise productivity and performance.

With analytics moving from simple

correlations to multi-variable modelling and analysis, and artificial intelligence and machine learning enabling predictions and prescriptions to become sharper and deeper, the early adopters are exulting in the increasing maturity that they are able to get in their analytics centres. Analytics is and will continue to be the true differentiator for winning firms in an increasingly competitive hiring and customer environment.

With social listening, text mining and sentiment analysis capabilities providing deeper insights into customer and employee behaviour, web and social media analytics is truly providing a cutting edge to customer relationship management and human capital management solutions.

How does one find the right solution partner in the exciting analytics space?

The global environment is dominated by four key solution vendors — SAP, SAS, IBM and Oracle — with others like Microsoft, Qlik, Tableau, Teradata, MicroStrategy and Informatica also becoming partners of choice to many corporations with their solution stacks. The service provider space predictably has most of the large incumbents — IBM, Accenture, the Indian top six IT firms and business process specialists like Genpact, WNS and EXL. Some very interesting niche vendors like LA-based Systech Inc. and Bengaluru-based Bridge i2i Ltd. are holding their own, largely because of the deep insights they have developed in key customer domains globally and the collaborative approach they bring to customers. The service provider landscape extends from pure play vendors to small start-ups, KPO players and IT vendors, and most of the global in-house centres of large corporations in India have built deep analytics capabilities to support global teams.

All these developments also open up enormous manpower opportunities in the analytics space and for industry watchers who are in panic at the decline of traditional high employment areas like applications and infrastructure management and package implementation services, it will be heartening to note that the inexorable drive towards digital transformation everywhere and the growing interest in analytics will create a swathe of new opportunities for career seekers and those who would like to reskill themselves to take on the new opportunities in this field. There has never been so good a time to be a learner in this country than now.

The writer is chairman of 5F World and Nasscom Foundation