



Architecting Insights for the Digital Future

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The first step to becoming insights-driven is customer centricity

These days, the customer is king. Whether for consumer or business customers, there has never been as much choice of products and services as there is currently and it has never been as easy to switch providers.

This means that businesses hoping to win and retain customers must understand those customers like never before. They must be able to anticipate any issues a customer might be having, they must be aware of what is going on in the industry that customer operates in, they must be able to predict what that customer is likely to want, and they must be able to deliver that to them.

Customers expect to be delighted and amazed on a regular basis and any business that does not do so will see their customers finding other providers that do. To become such a customer-obsessed organization, one that puts the customer experience at the core of everything it does, insight into those customers is essential.

Despite the rise of big data, and increased enterprise investment in technologies such as CRM, digital analytics and business intelligence, without insight into customer behaviors, their collective value is hugely reduced. In its recent report **Insights-Driven Businesses Set the Pace for Global Growth**, industry analyst group Forrester predicted that by 2021, insights-driven businesses will be generating \$1.8 trillion annually. Organizations that choose not to follow the insight path will pay a significant financial price.

Insight is crucial to differentiating experiences, products and services and it is therefore vital for organizations to do more with the data and analytics tools they have at their disposal. Yet the Forrester report also revealed that only one in ten businesses are currently insights-driven. Why is there such a relatively small number of businesses ready to embrace insight? And what steps can organizations take if they wish to become an insights-driven business?

We believe that becoming an insights-driven business should be the number one priority for almost every organization. The most effective way of beginning and realizing this goal is in embracing the right technologies, especially Augmented Intelligence that enhances and improves human imagination.

This white paper outlines the importance of insight in modern business and provides clear steps to help organizations become an insights-driven business.

Insights-driven businesses have different DNA

In some ways it is easy to identify an insights-driven business as the list includes some of the most high-profile and disruptive businesses to emerge in recent times. Examples include Facebook, Amazon, Google, Uber, Airbnb and Netflix – these are all businesses that are founded on smart use of data and insight, but there are also older and more established organizations that can be categorized in the same way.

The Washington Post, Domino's Pizza and Benfica football club in Portugal are just three examples of hugely different organizations that have placed data and insights at the core of what they do, improving the customer experience, creating efficiencies improving performances across the business. Domino's now describes itself as an eCommerce company that sells pizza.

Forrester has categorized such organizations as 'predators', because they are intent on taking much of the business and profits from more traditional organizations, and indeed are perfectly placed to do so. Common to all these businesses is their on-going application of insights to decisions and customer engagements at every opportunity. Furthermore, the individuals that lead these organizations have a deep understanding of the value of insights. They have put in place corporate strategies and cultures within which leveraging data and insights is simple and embedded in almost every process.

This all means that these 'predators' are able to give customers exactly what they want. They understand what it is that customers need and are structured

in a way that makes it easy to deliver that to them. This is becoming a major problem for any business that cannot or will not adapt to this new insights-based economy – their profits will become eroded and over time their existence will be threatened.

Earlier in 2018, The Wall Street Journal wrote about a rumored Amazon move into retail banking. While Amazon has no track record in Financial Services (FS) it is not hard to imagine how the company might make a success of such a move. It's a company that has placed customer experience central to everything it does and applying that to a different sector, such as banking, doesn't feel like a huge leap. It has the brand, the infrastructure, the technical expertise and overall resources. If it came to pass, it would be a classic example of a 'predator' making significant inroads into other organizations' market share and profits.

Understanding the digital insights opportunity

Most organizations will now at least recognize the need to become an insights-driven business, even if they operate in an industry that is not known for its innovative use of data and analytics. According to James McCormick, Principal Analyst at Forrester, insights-driven businesses are 140% more likely to create sustainable competitive advantage with a system of insights and are 100% more likely to make improving customer experience a high priority.

The benefits are clear. A large number of organizations have made significant investments in CRM and analytics technologies, and will be using data in a meaningful way to try and source leads, improve marketing and many other business processes. However, this does not mean they are insights-driven.

Many businesses are held back by a lack of agility – they know where they need to get to but are not nimble enough to complete the journey. A common thread amongst such organizations is their legacy infrastructure. Data is stored in a variety of systems and locations within a business. It is often siloed and unable to play an effective role in generating insights. This results in business decisions being taken that could have been far better directed by data-driven insights. And this highlights the need for Augmented Intelligence solutions that collect data from across the enterprise, siloed or otherwise, structured and unstructured.

Organizations may also suffer from CEOs that are not fully behind the drive towards becoming insights-driven. Whilst they may pay lip service to the idea, they do not back this with sufficient investment and do not feed their transformation programs with the data that is essential. Without this, there is little hope of becoming truly insights-driven.

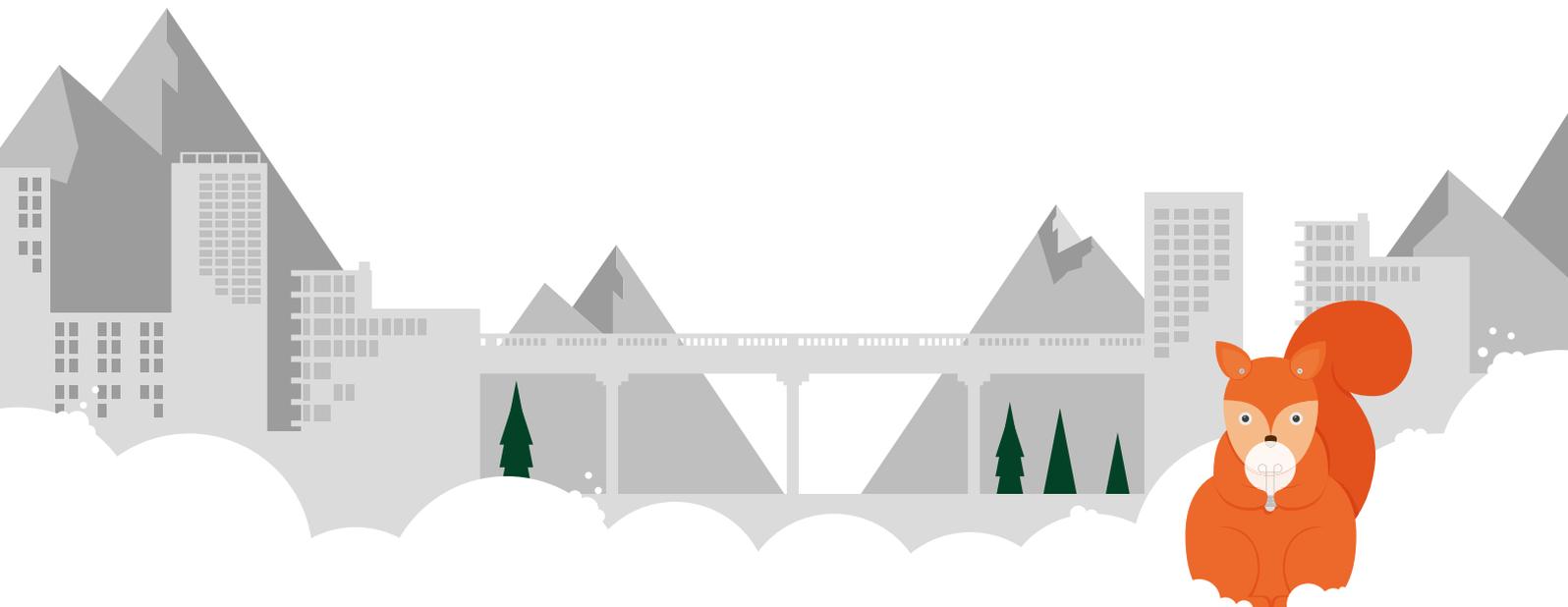
This lack of support from the CEO can transmit into a disjointed and unfocused effort across the rest of the business. Insight strategies are not coordinated or integrated and the CMO, CIO and COO may all have their own agenda and requirements from insights. This hugely diminishes the value that can be extracted from data and is a true barrier to becoming an insights-driven business.

Augmented Intelligence to improve customer experience

There can be little doubt about the potential impact of AI on efficiency and productivity. A 2017 PwC report, **Sizing the Prize**, predicted that global GDP will be 14% higher in 2030 as a result of AI – the equivalent of an additional \$15.7 trillion. This is more than the current output of India and China together, so the scale of the opportunity is clear.

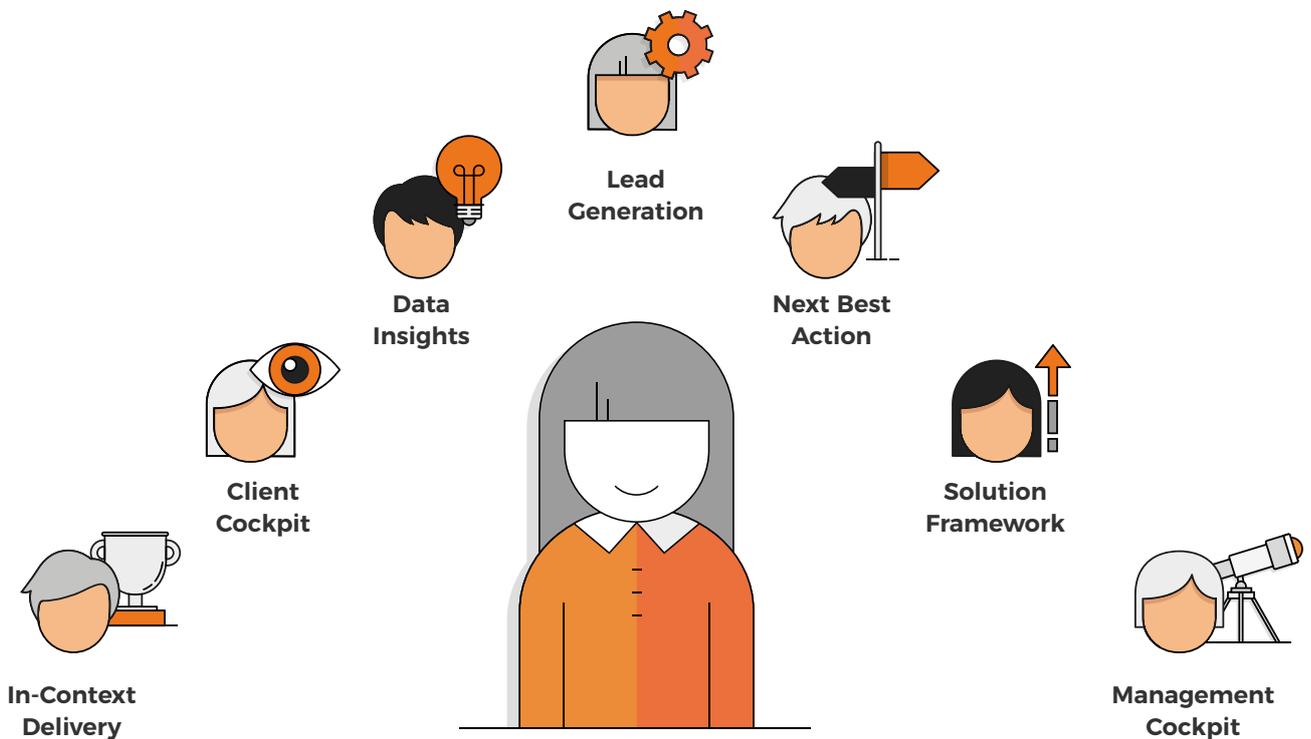
The report went on to forecast the biggest sector gains as retail, financial services, and healthcare, but the reality is that any industry can benefit from AI. Yet humans and machines working together is an infinitely more powerful prospect than either working separately. We believe that Augmented Intelligence, with machines enhancing human imagination and intelligence, is the key to unlocking insight and ultimately becoming an insights-driven business.

Augmented Intelligence solutions really are at the core of insights. They can take data from all across the enterprise, from multiple sources and in multiple formats, including the unstructured data that is usually the richest in insight. The solutions can then use their analytic power to unlock insight that can be utilized to improve lead generation and the bottom line, anticipate customer requirements or potential issues, and eventually enhance customer experience.

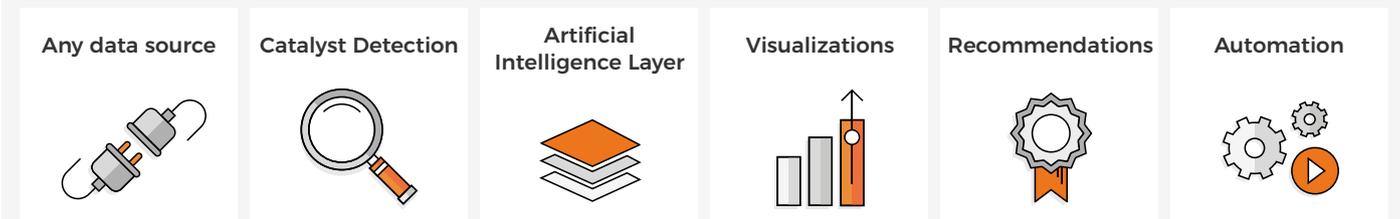


Augmented Intelligence will deliver a complete view of any customer, with insight derived from their most recent earnings call to premium external data sources, such as Refinitiv (formerly Thomson Reuters). This allows organizations to know and understand their customers more effectively than ever before and makes cross-sell or upsell opportunities much more accurate, targeted and likely to succeed.

Squirro provides Augmented Intelligence solutions to a wide variety of organizations, in different industries and in different locations all over the world. The role of Augmented Intelligence cannot be under-estimated in the path towards becoming an insights-driven business, but there are other steps that must be considered too.



Augmented Intelligence Platform



Start becoming insights-driven

An ageing legacy infrastructure cannot be overhauled overnight, but measures can be taken to modernize enterprise systems to ensure it is ready to become an insights-driven business.

Evaluating the performance of existing investments is the best place to start – what is working, what is not, how should improvements be prioritized. Assessment must be based on the value of actions the technology is driving in improving outcomes.

From here, it is much clearer where priorities should lay, but it is also essential for any organization to recognize that no single vendor can do everything. Open standards, interoperability and being prepared to work with best-of-breed components will help unify the vision and bring everything together as one towards the common and overarching goal.

Change management will always be important on the insights journey and any insights-driven business wins should be shared, communicated and celebrated. They help to change the culture, which is an equally important element of the transformation alongside data and analytics, and will take years rather than months to achieve.

This makes it even more important to start right away. Other organizations have begun their own journey to becoming insights-driven businesses. Delaying your own journey will only see you lose further ground and competitive advantage. It is possible to accelerate adoption by partnering with a services organization – they will have skills and expertise that can bring genuine value to such a program. If you rely on organic growth it may well be too slow.



Conclusion

Insights-driven businesses are all aware that humans are still more intelligent than machines. That's why Augmented Intelligence is perhaps the single most important technology to harness when it comes to becoming an insights-driven business. Machines add automation, computing power and learning to greatly enhance what humans can offer in terms of imagination, intuition and understanding.

By capturing human knowledge and channeling that back into the platform and algorithms, humans and machines will help each other continue to become smarter, a never-ending loop of improvement, which will deliver greater insight the longer it continues. This insight is what allows an organization to become a truly customer-centric business, which should be a key objective for any business concerned about 'predators' coming after their market share.

But Augmented Intelligence is just part of a transformation, which also includes powerful change management and a CEO-driven willingness to change and embrace new ways of using data for insight. We are now in the age of the customer and any organization that does not recognize this and does not change its approach will fall by the wayside. Don't let your organization become one of them.

If you'd like to learn more about adopting Augmented Intelligence to assist on the journey to becoming an insights-driven business, then Squirro has a lot to offer.

About Squirro

Squirro provides Augmented Intelligence solutions. Its unique technology marries Artificial Intelligence, Machine Learning and predictive analytics, empowering organizations to transform enterprise data into AI-driven insights. Organizations using Squirro take advantage of its ability to source leads and recommend the next best action in an automated way. Its real time 360 degree client cockpit provides a holistic and comprehensive understanding of the customer journey.

Squirro's applications for Corporate Financial Services, Insurance and Manufacturing are successfully used by leading global organizations, such as ING, Investec, Helvetia, AXIS Re, Sony and Bühler. Founded in 2012, Squirro currently has offices in Zurich, London, Munich, New York, San Francisco and Singapore.

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