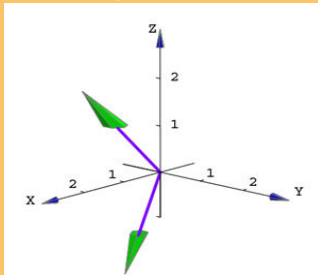
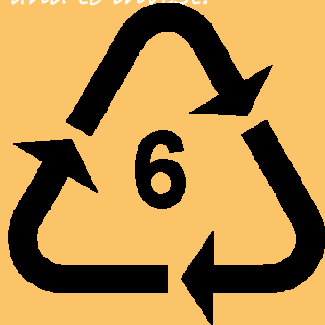


In a world where data information becomes more important every day, the analytical competency of Companies turns out to be a key factor when it comes to standing out from the competition.



It is necessary to know, to centralize, to prioritize, to demand, to train and to invest.



Introduction

It's becoming more apparent with each passing day that, in the face of long-established tenets of competition, and with an ever decreasing scope for differentiation, that the analytical capabilities of companies emerge as a new and decisive factor, providing a highly effective way to add differentiation and value to companies.

The use of complex techniques of data analysis and the development of technological tools capable of handling massive amounts of data, add value to each department and to the organization as a whole.

By applying analytical procedures, we can discern not only what consumers buy, but also how much they are prepared to pay for it and what keeps them loyal to a brand. We can also assess the effectiveness of each Marketing activity and use analysis as a tool to set realistic goals. And, for instance, not only getting to know what your inventories are, but also to predict and foresee what the situation will be in the future.

The results are evident. The main American companies have long been using these techniques and the benefits have become apparent.

It is essential for all decision-makers to possess Analytical Competency. It's a question of providing a new tool in order to get the best evidence to make the best decisions: big and small, every day.

What does it take to “play the game”?

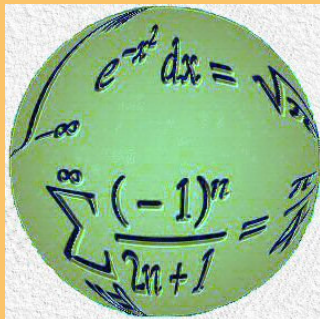
• Six key points:

1. Have the minimum knowledge required of the subject and of the techniques used in order to understand the theoretical basis behind the numbers.
2. Centralize functions and data search in one or a few top managers. It will be necessary to create the new area and highlight its importance.
3. Prioritize actions and establish a phasing schedule for the implementation of Analytical Competency in the Company.
4. Require managers to make decisions every day that are measured, checked and quantitatively evaluated.
5. Be willing to invest in Technology: as much during the data acquisition phase, as well as in the analytical one.
6. Provide training for employees and/or recruit qualified personnel with a strong analytical profile.

It's not enough to add and subtract, we need to model and optimize



A new type of employee: the analyticians



And what does it take “to win the game”?

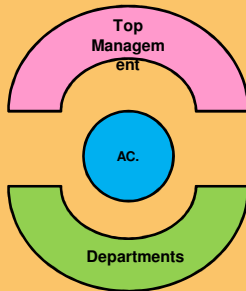
- Three swords:
- Use of Advanced Techniques for Modeling and Optimization:
 - Any company can generate basic descriptive statistics such as the average or the typical deviation from the average.
 - But companies that want to take the lead in developing Analytical Competency, must have access to the most advanced techniques.
 - They need to gather data both from internal company sources as well as from external sources; Know how to compare and inter-relate series;
 - To have an extensive knowledge of the techniques to be used in each case, according to the type of data and the questions being addressed.
 - To be able to simulate scenarios that would enable them to react with agility to different situations.
 - To be able to experiment with different strategies so as to learn from successes and failures. If we always do the same things the same way, partly due to a lack of an evaluation method, our progress will be limited.
- Implementation at All Levels:
 - It is not enough merely to develop these technologies in the Purchasing Department. The implementation should be as wide as possible.
 - To that end, it is advisable to establish a pilot group, a new “program” within the Company: “analytical development program” or “analytical implementation program”. And this program should be led by a group of people.
 - The best thing for the group to be effective would be for it to be made up of representatives from the main company departments. One of the factors that often leads to the failure of these techniques is for each department to create its own Database, with its own Models and its own conclusions. On the contrary, a key success factor is to be able to establish an interdisciplinary group, with representatives from each department, capable of reaching conclusions stemming from joint analysis by all parties.
 - This group of “analyticians”, should be composed of employees with a profile in tune with the analysis, coming from areas as diverse as Operations, Sales, Research, Marketing, Purchases, etc.; in charge of presenting the overall conclusions, with the overall data but with key interrelationships, and where individual analytical errors, coming from individual sources, should be minimal.
 - Thus, the overview to which the senior officers of the companies will have access will be global, but coming from the detailed analysis of the different departments.

cont

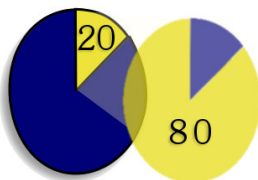
Marketing Analytical Consulting

Mathematics at the Service of Marketing

Analytical Competency is in the center: below, all the Departments; above, the Top Management.



80% analysis, 20% instinct.



• Top Management Support:

- It is no use implementing changes in corporate culture, the processes and staff training, if those in management positions within the company do not take on a leading role in the development of Analytical Competency.
- The chief advocate of the company's revamping based on analytical principles should be the Chief Executive Officer. There are many instances of CEOs who have revamped their companies in this respect. Here is a funny but illuminating anecdote: Barry Beracha, who was CEO for Sara Lee, kept a sign on his desk saying, "In God we trust; all others, bring data". That should be our stance.
- An appreciation and understanding of the subject is required. It is not necessary to have formal training in Statistics, but it is essential to be able to understand the principles behind data analysis. Often the best option is to have one or several trusted experts, who are knowledgeable about the subject and which at the same time are experienced consultants: university professors, analytical consultants, etc.

Analysis vs. Instinct

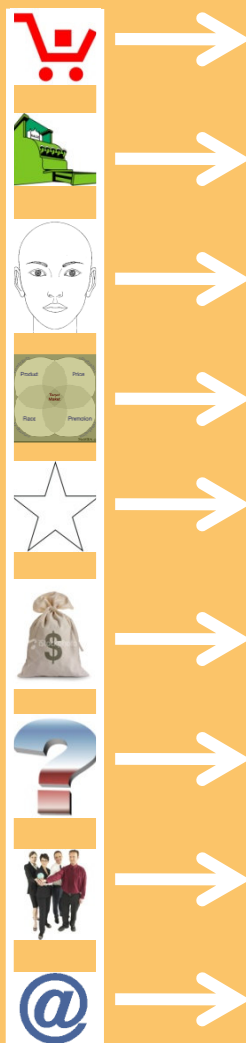
• At any rate, even though analytical competency is always a good ally, we must not ignore factors such as managerial intuition or instinct, which can often help improve results.

• From two points of view:

• On the one hand, the years of experience allow the professionals "to see beyond the data". A talent for predicting what will happen after the period for which we have the numerical prediction or during that same period. That's a "good nose" for business. You don't have to limit yourself to it, but you don't have to ignore it.

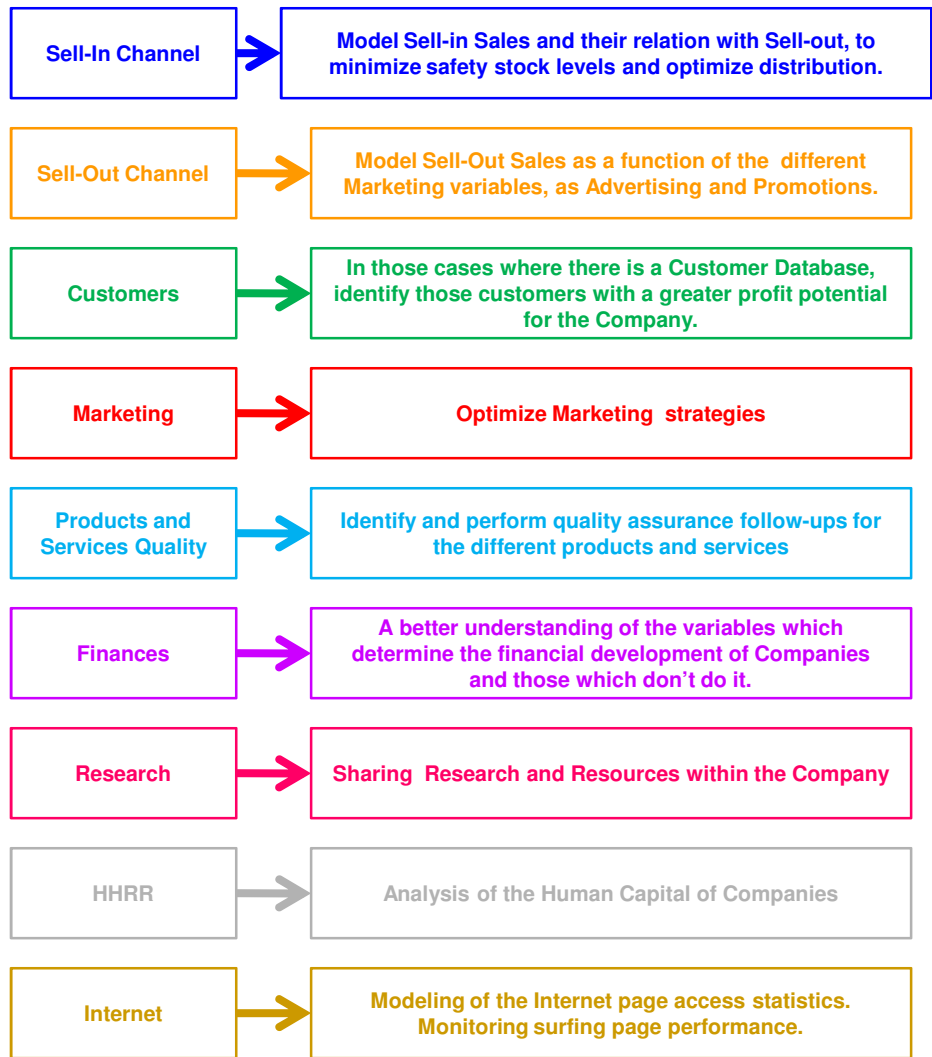
• Besides, the intuition of the analyst himself is also very important. And that is why the exchange of ideas between the parties and the Top Management will prove to be a key factor in the project's success. The analyst has to construct the model, as the artist shapes his/her creation. He has to make decisions and be guided by experience and intuition. Therefore, one of the conditions required to work as external consultant is to be trained, or to receive the proper training, in all areas under the scope of Analytical Competency.

Ask... and then measure.



What to measure

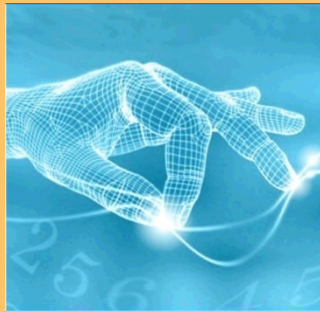
• It is a question of improving, through measurement and modeling, different functions within the Company :



• There is neither a limit nor a fixed number of functions in the implementation of Analytical Competency

• It is not a question of changing the structure of Companies, but of providing analytical solutions for every phase.

Technology is essential to gather, display and handle information quickly and effectively.



Analytical competency = approach + culture + talent + technology



Importance of Technology

- Hand in hand with research into the best statistical techniques that can be applied, the research should identify the best technology both for displaying and for managing the results.
- On the one hand, we talk about technology when considering Database construction. In order to handle the data in an orderly fashion, it will be very important that the various sources extrapolate the data in a standard format in such a way that they can be integrated with one another, to have them available from a common tool, so that whatever data is extracted can be guaranteed to be supplied from official Company sources.
- But on the other hand, we also talk about Technology at the time of presenting the analyses, the reports, the different management practices. This technology is presented in the form of a Control Panel, allowing the top management within companies to have fast access to the evolution and current situation of the basic business indicators.
- Finally, the hardware is also Technology and therefore, we must not forget to keep up to date with the latest generation of processors, capable of handling massive amounts of data quickly and easily.

Summing up

- Companies that choose to take the lead in Analytical Competency in the age of data and technology must:
 - **Have the right approach:** to know where to focus their first efforts and how to organize implementation.
 - **Have the right culture:** where measurement, contrast and the qualitative evaluation of evidence are held in high esteem.
 - **Have the right people:** with analytical training at least sufficient to work with experts in the field.
 - **Have the right technology:** you can't compete in analysis **without** competing in technology.



Marketing Analytical Consulting
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Take the test below to find out if your company is prepared to Compete in the New Analytical Era

		YES	NO
<i>DESIRE</i>	• Are you willing to apply sophisticated Information Systems and rigorous analytical methods at all levels in your company?	<input type="checkbox"/>	<input type="checkbox"/>
<i>RESOURCES</i>	• Are you prepared to invest in the required resources?	<input type="checkbox"/>	<input type="checkbox"/>
<i>TOP MANAGEMENT</i>	• Are your top executives aware of the need to evaluate and justify with facts their decisions?	<input type="checkbox"/>	<input type="checkbox"/>
<i>LIDER GROUP</i>	• Is there a Group of “Analytical Minds” capable of leading the implementation process?	<input type="checkbox"/>	<input type="checkbox"/>
<i>CULTURE</i>	• Is this new analytical approach being gradually introduced into corporate culture?	<input type="checkbox"/>	<input type="checkbox"/>
<i>TALENT</i>	• Is analytical ability one which is being valued in the new recruitment process?	<input type="checkbox"/>	<input type="checkbox"/>
<i>TRAINING</i>	• Do you make a point of developing your own and your employees’ analytical skills?	<input type="checkbox"/>	<input type="checkbox"/>
<i>INTUITION</i>	• Do you make a point of thinking about the new quantitative indicators (metrical) which will help you improve the analytical patterns of your company?	<input type="checkbox"/>	<input type="checkbox"/>
<i>360º</i>	• Do you ask your suppliers to provide you with details on what data they are handling in order to help you to better understand the processes?	<input type="checkbox"/>	<input type="checkbox"/>
<i>EXPERIMENTATION</i>	• Do you promote change and innovation to learn on a small scale before large scale implementation?	<input type="checkbox"/>	<input type="checkbox"/>
<i>SHAREHOLDERS</i>	• Have you already established a measurement method to evaluate the degree of implementation of this new “analytical culture” on your Annual Reports?	<input type="checkbox"/>	<input type="checkbox"/>

If you scored less than 9 “YES” your company IS NOT READY TO COMPETE IN THE NEW ANALYTICAL ERA