Gartner Data & Analytics Summit
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Gartner Summits

How to Select the Right Data and Analytics Service Provider?

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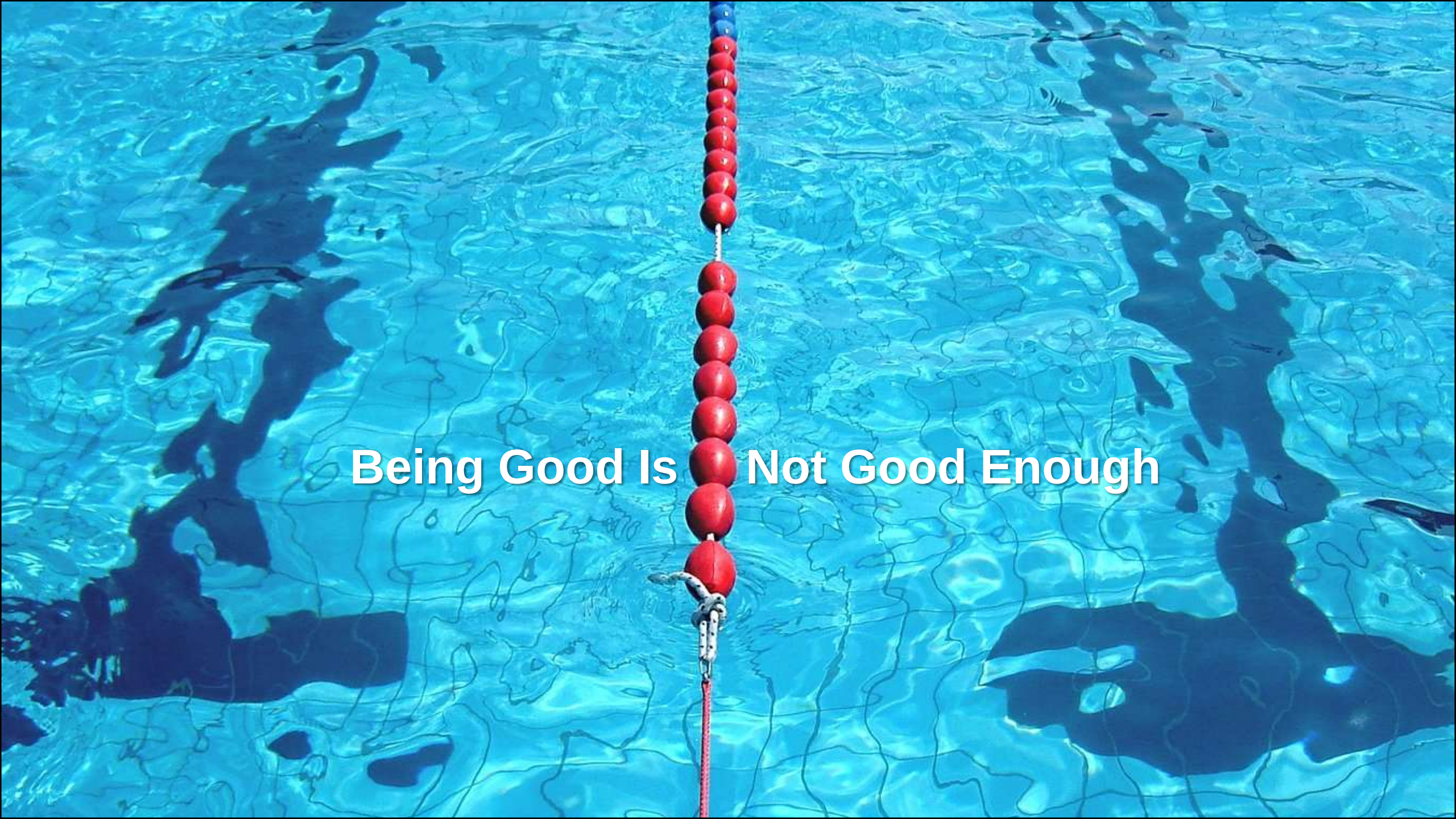
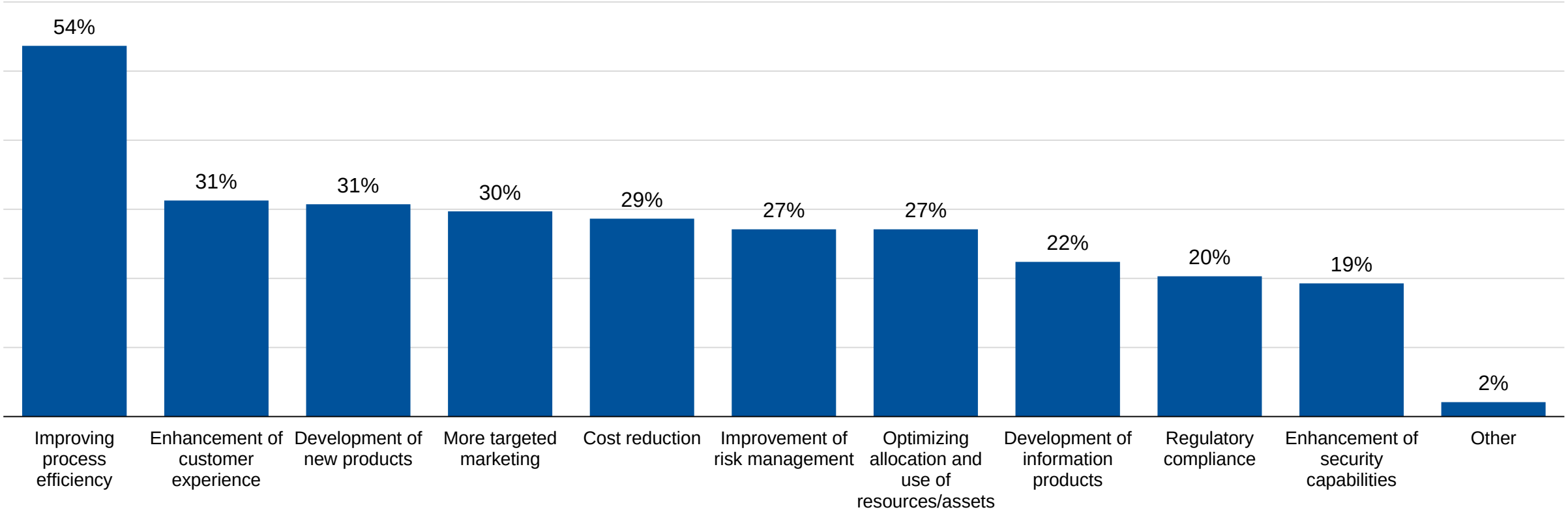

Being Good Is Not Good Enough

Data and Analytics Is Applied for Many Business Problems

What are the top three business problems your organization is using data and analytics to address?



Base: n = 192 Gartner Research Circle Members/External Sample
Q. Rank the top three business problems your organization is using data and analytics to address. Up to 3 responses allowed.

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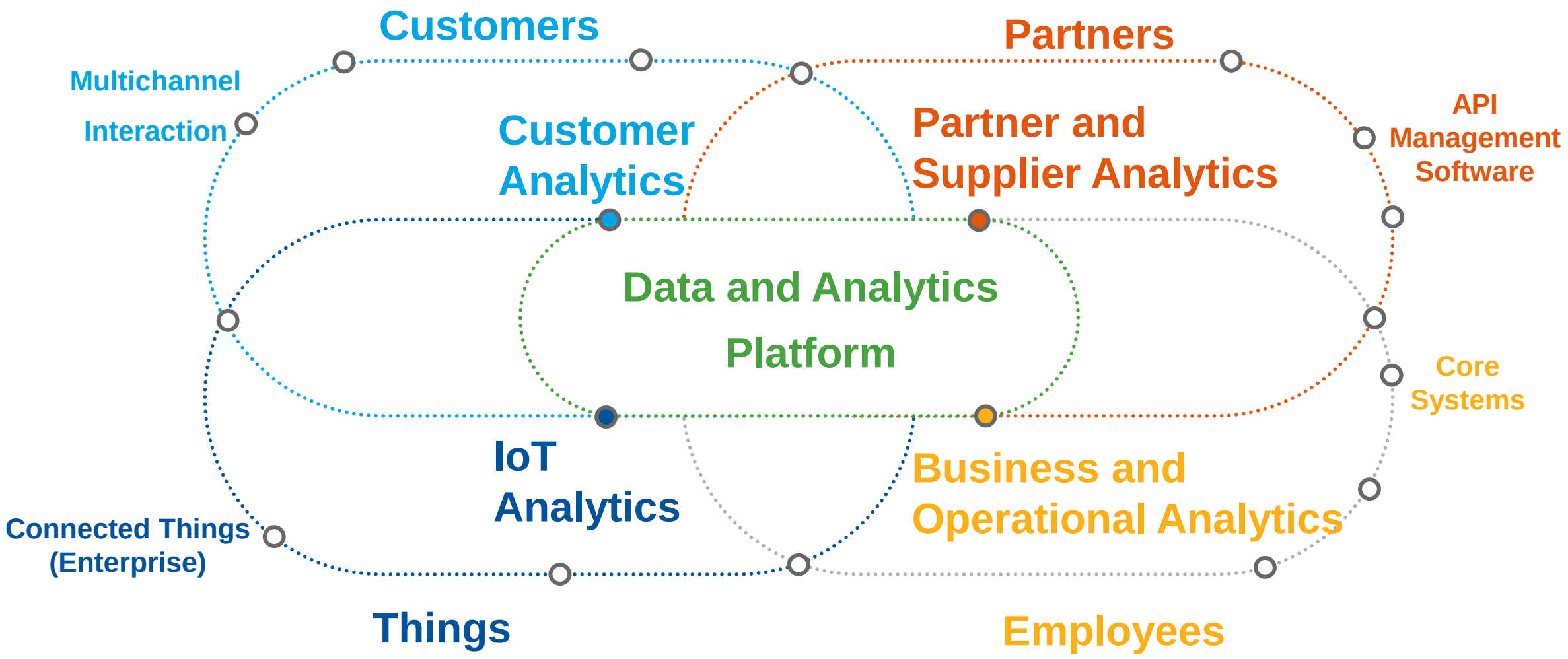
Digital Business Requires a Technology Platform



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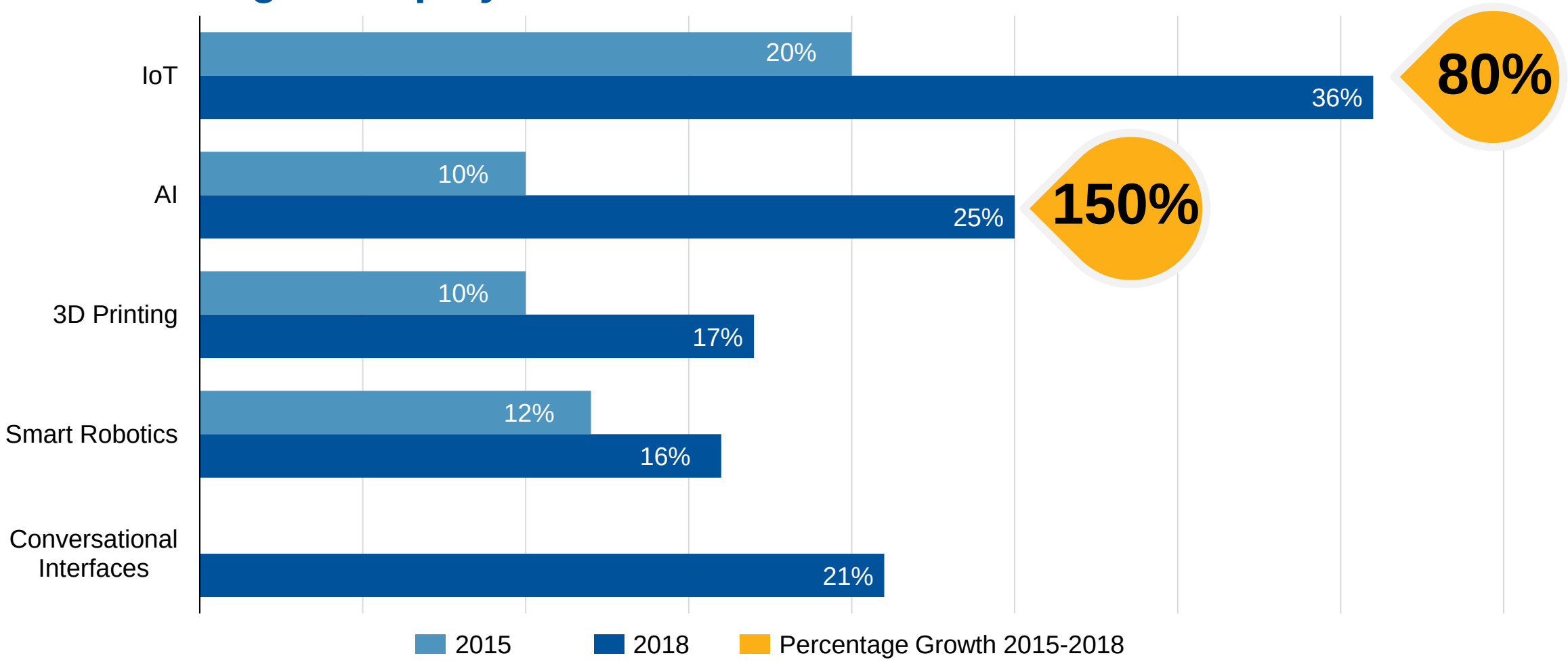
Disruptive Technologies Approach a Tipping Point
Percent of Respondents That Have Deployed a Technology or Are in Short-Term Planning for Deployment



What are your organization's plans in terms of the following digital technologies and trends? Percent of respondents that have deployed or are in short-term planning. (2018) n = 3,138 — 2015 data adapted from 2015 CIO Survey

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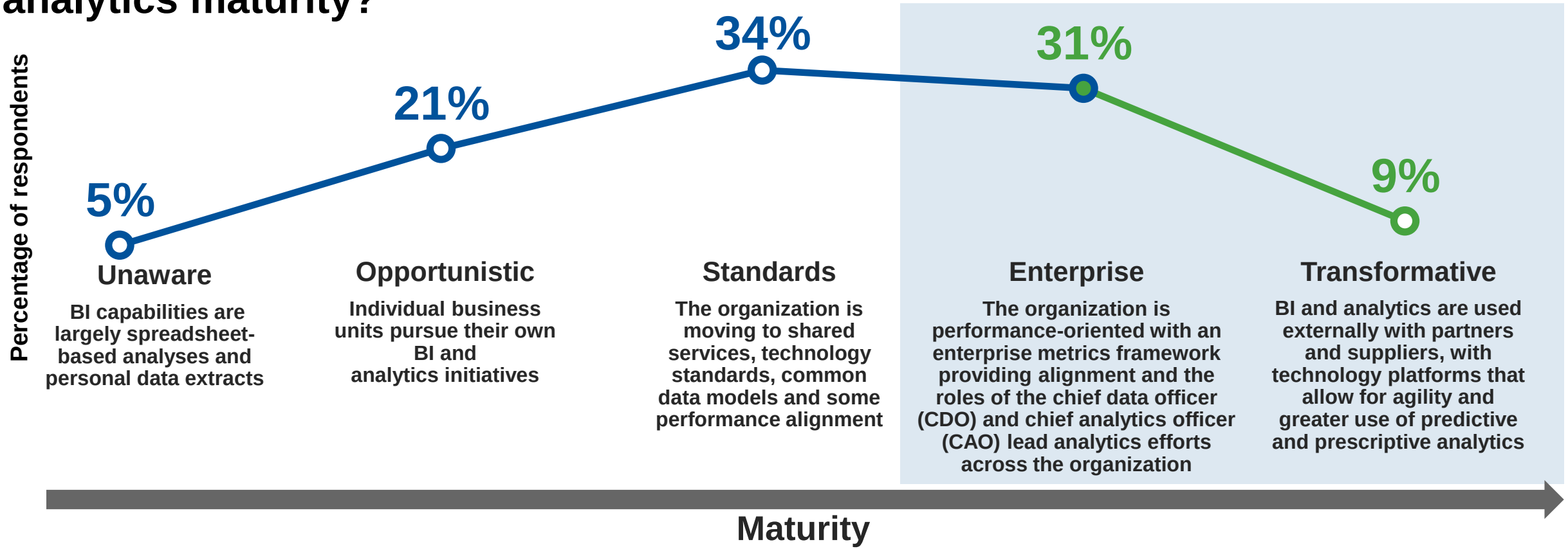
Most Organizations Score Relatively Low on Data and Analytics Maturity

Which of these best describes your organization's level of data and analytics maturity?



Base: n = 191 Gartner Research Circle Members/External Sample. Excludes 'Don't Know'
Q. Which of these best describes your organization's level of data and analytics maturity?

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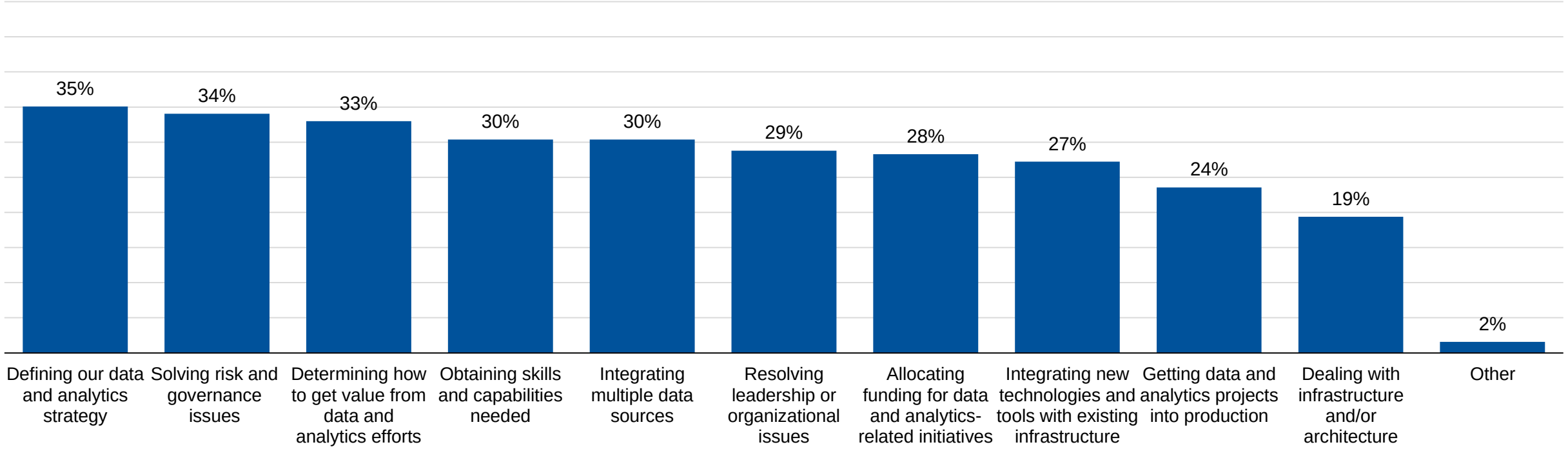
Different Organizations Experience Different Issues With Data and Analytics

What are your organization's top 3 hurdles or challenges with using data and analytics?

% Ranked among top 3

Percentage of respondents



Base: n = 191 Gartner Research Circle Members/External Sample. Excluding Don't Know
Q. What are your organization's top 3 hurdles or challenges with using data and analytics? Up to 3 responses allowed.

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Organizations Need Data and Analytics Support

Strategic Services:

- Business Consulting
- Industry Expertise

Deployment Services:

- Technical Skills
- Operating Model

Managed Services:

- Outsourced Managed Data and Analytics Services and Solutions

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Who Is Using an External Service Provider for D&A?

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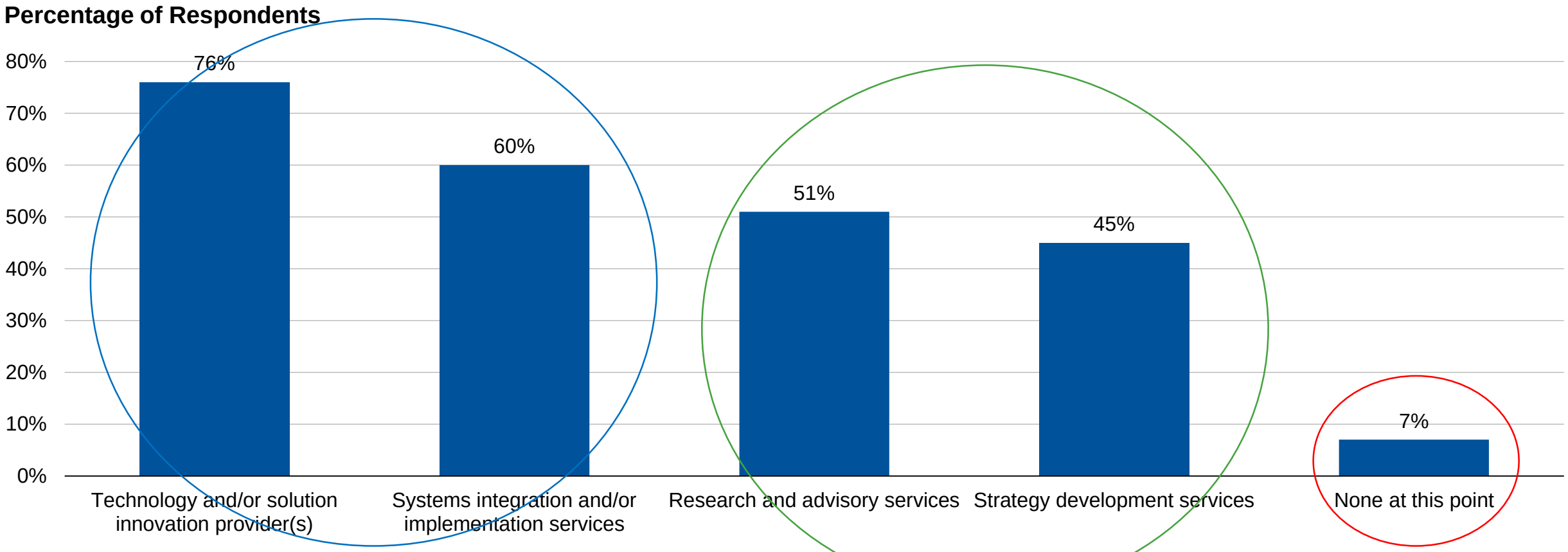
CDO Survey: Over 90% Is Using External Partners

Use of External Partners by Office of CDO



Base: Full/Partial office of CDO, Excluding Unsure, n = 156; Multiple responses allowed
Q: Which of the following external partners and/or services, if any, does the office of the CDO leverage?

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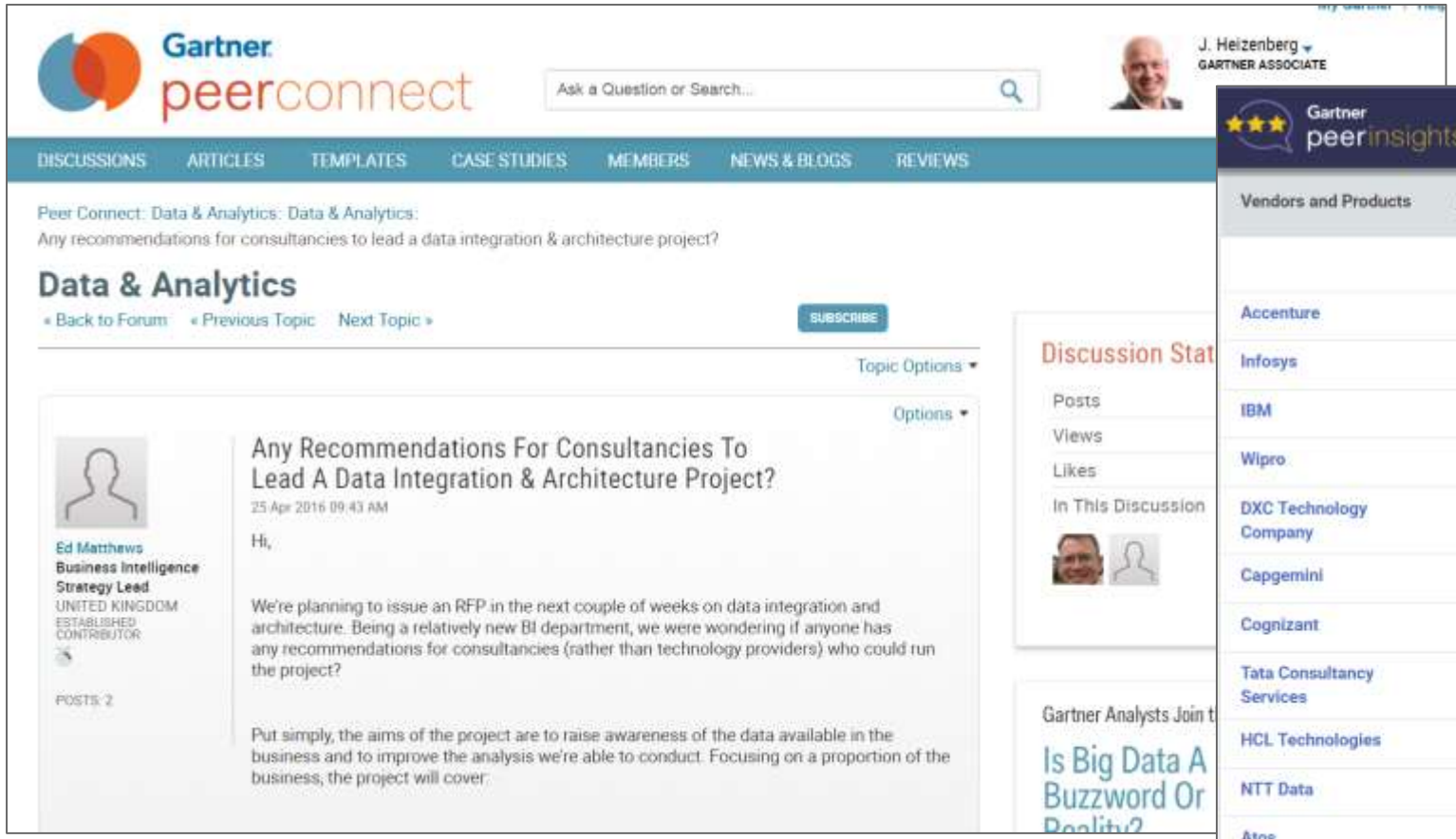
You Are Not Alone: Peer Connect and Peer Insights



Discuss With Other Organizations

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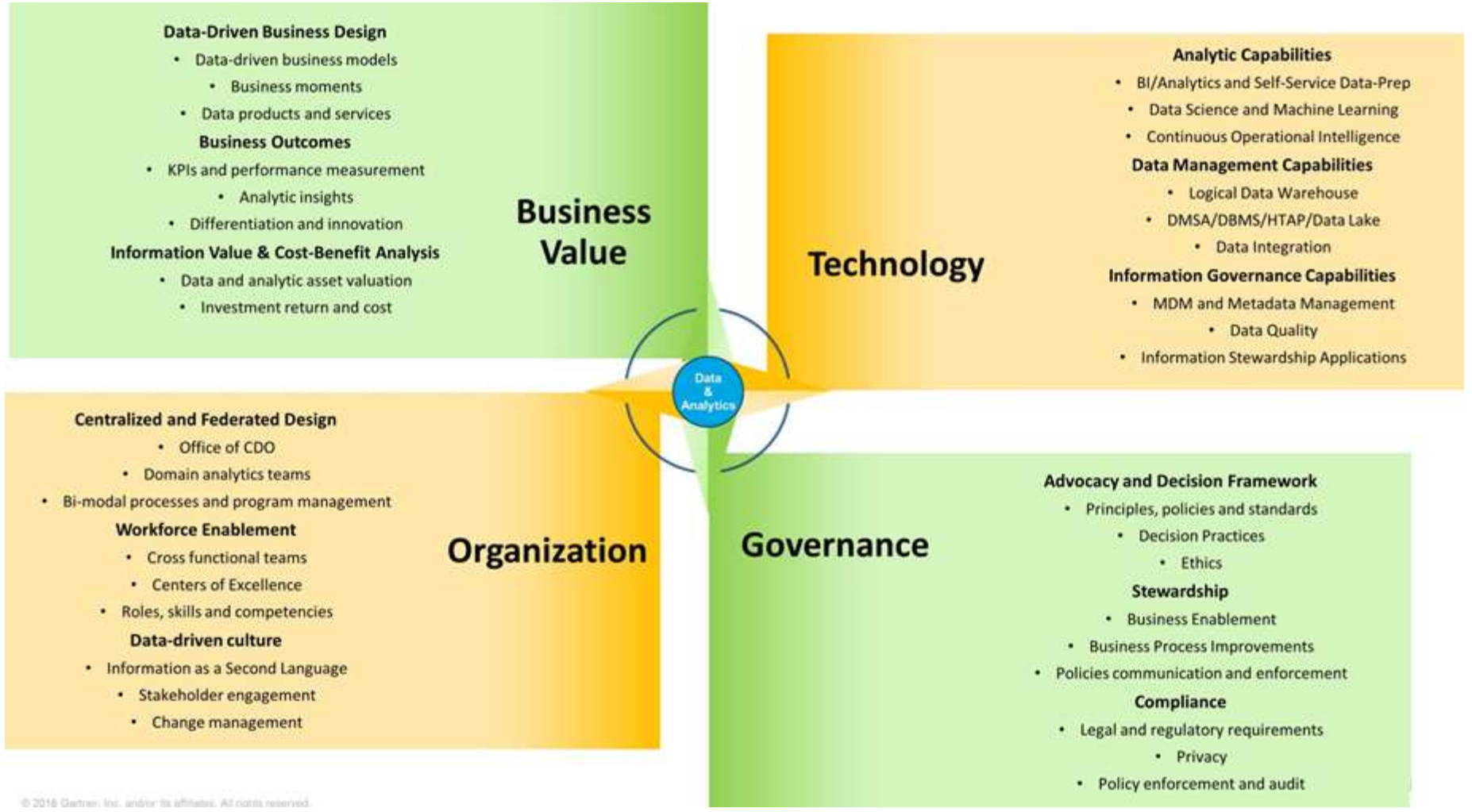
Start With Taking a Good Look at Your Own Company



Source: "Use the Gartner Data and Analytics Compass to Drive Strategy," (G00331789)

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Also, an Assessment Is a Great Opportunity

Level 1 Basic	Level 2 Opportunistic	Level 3 Systematic	Level 4 Differentiating	Level 5 Transformational
▪ Data is not exploited, it is used ▪ D&A is managed in silos ▪ People argue about whose data is correct	▪ IT attempts to formalize information availability requirements ▪ Progress is hampered by culture; inconsistent incentives	▪ Different content types are still treated differently ▪ Strategy and vision formed (five pages)	▪ Executives champion and communicate best practices	▪ D&A is central to business strategy
▪ Analysis is ad hoc ▪ Spreadsheet and information firefighting ▪ Transactional	▪ Organizational barriers and lack of leadership ▪ Strategy is over 100 pages; not business-relevant ▪ Data quality and insight efforts, but still in silos	▪ Agile emerges ▪ Exogenous data sources are readily integrated ▪ Business executives become D&A champions	▪ Business-led/ -driven, with CDO ▪ D&A is an indispensable fuel for performance and innovation, and linked across programs ▪ Program mgmt. mentality for ongoing synergy ▪ Link to outcome and data used for ROI	▪ Data value influences investments ▪ Strategy and execution aligned and continually improved ▪ Outside-in perspective ▪ CDO sits on board

Other Maturity Models From Vendors, Academia

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Get Inspiration From Others

Using Stores of Data to Improve Forecasting

- Opportunity:
  - Improve forecasting accuracy for this $3.4B Russian electronics and appliances store.
- Data and analytics:
  - 1.5M point-of-sale transactions per month for 420 product groups and sales of 8,000 products from 400 stores.
  - Predictive analytics models using KXEN against data stored in SAP.
- Results:
  - Ability to create 500 predictive models per month.
  - 10% improvement in forecast accuracy leading to improved inventory management, pricing, sales and staffing.

ЭЛЬДОРАДО
Так просто жить лучше

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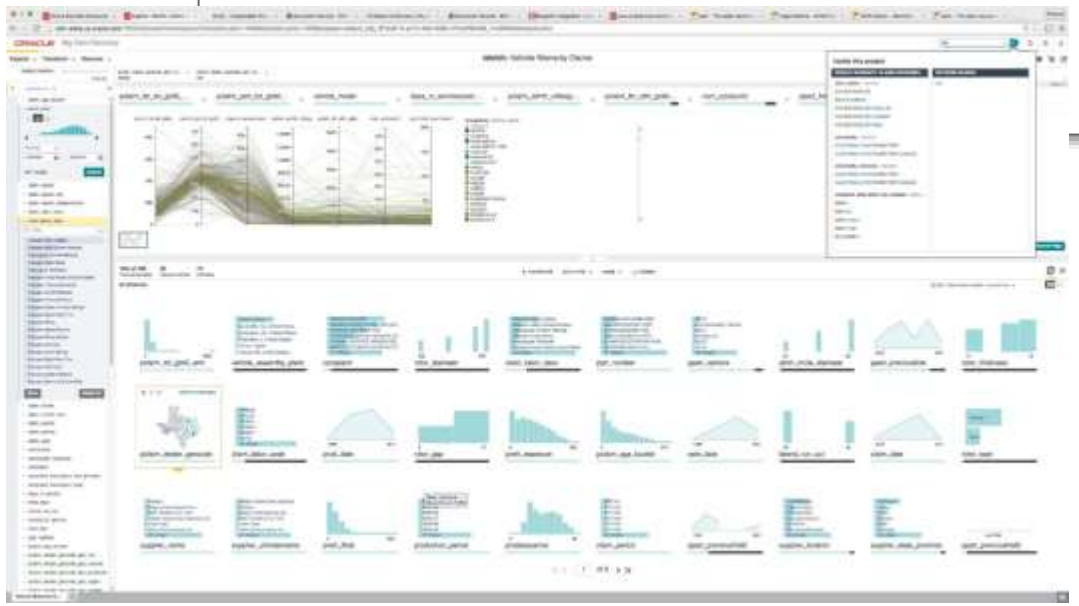
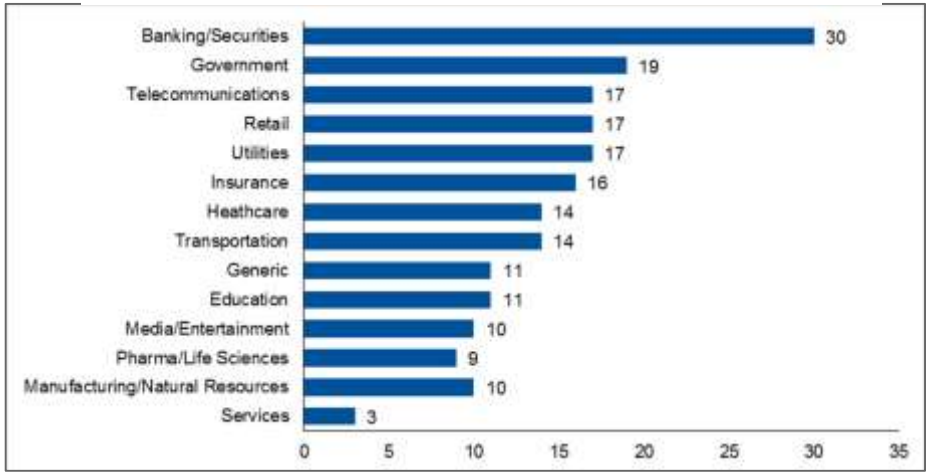


Toolkit: Analytics Business Opportunities From Almost 200 Use Cases

Published: 13 April 2017 ID: G00313738

Analyst(s): Frank Buytendijk | Ankush Jain | Carlie J. Idoine | Valerie A. Logan



KEEP CALM AND HACKATHON

workshops

Collaborate and Identify Analytics Deficit

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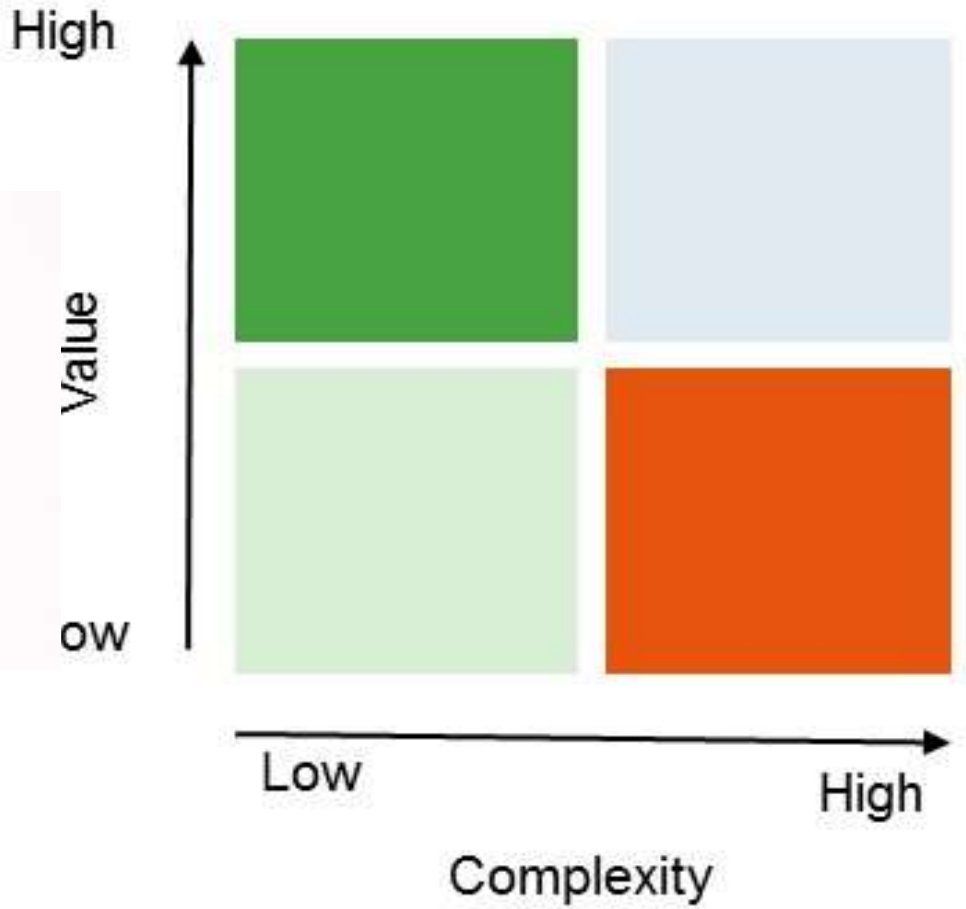
Prioritize Services: Value Versus Complexity (and Risk)



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Build Your Own Business- or Belief-Case

1. Lead vision
2. Honest, call-out inhibitors
3. Trace business outcomes to D&A
4. Roadmap in business terms
5. Cost-benefit summary
6. Take three immediate next actions

Develop a Sourcing Strategy

	Staff Augmentation	Project-Based Services	Managed Data and Analytics Services
Productivity	Organization's standard of productivity	Resource productivity is outside firm's purview, unless TM pricing is used and payment isn't tied to deliverables	Service levels replace individual productivity metrics
Resource Quality	Ability of resource to do what the firm needs and interact effectively with employees and external resources	People managed by provider; fit of resources is up to the provider, not the organization	Outside organization's purview and control
Work Quality	Organization's standard of work quality	Organization's standard of work quality, ensured or audited by the organization or agent	Organization's standard of work quality defined, ensured, and audited by organization or agent
Process/ Methodology	Defined and directed by the organization	Defined by the organization and performed by provider	Outside firm's control but outcomes must conform to requirements and meet service-level expectations

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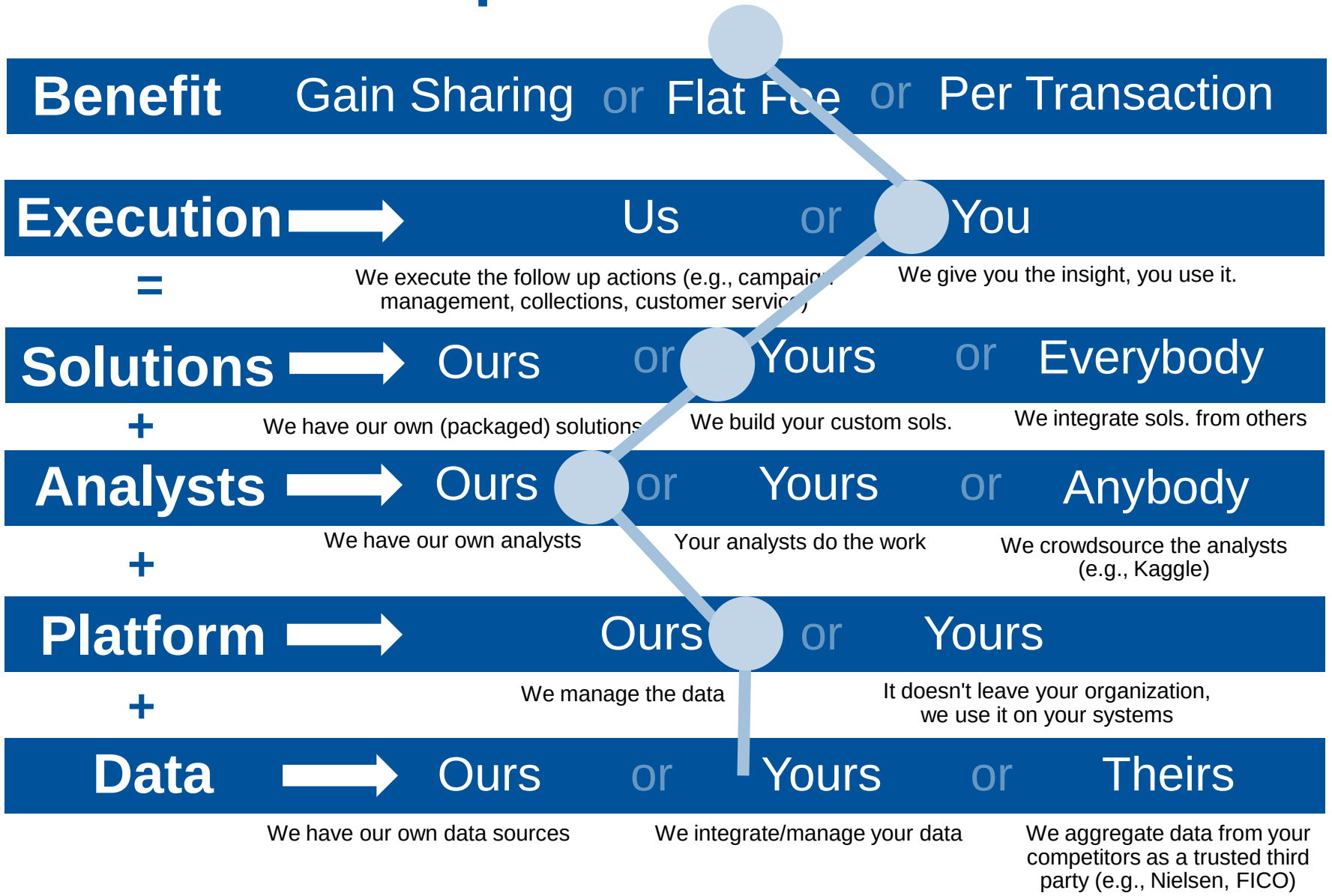
The Service Provider Equation



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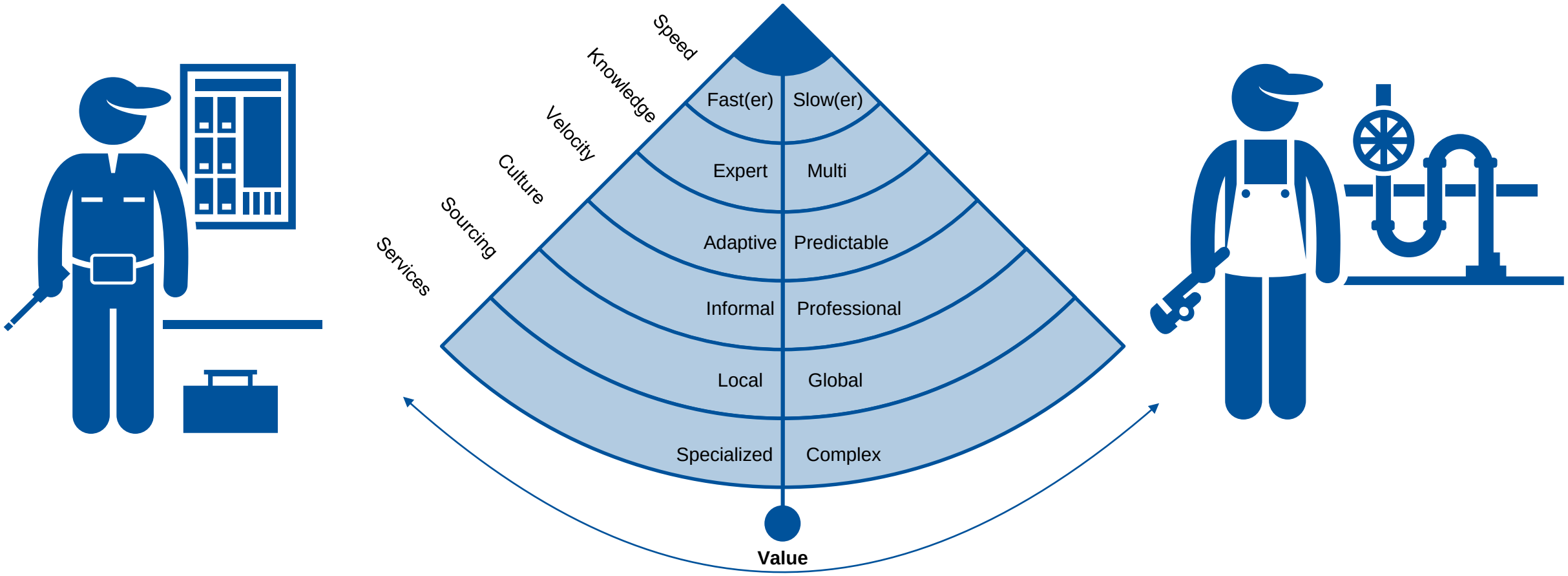
Move From Choice-Based to Option-Based Sourcing



And Choose Services by Focusing on Capabilities

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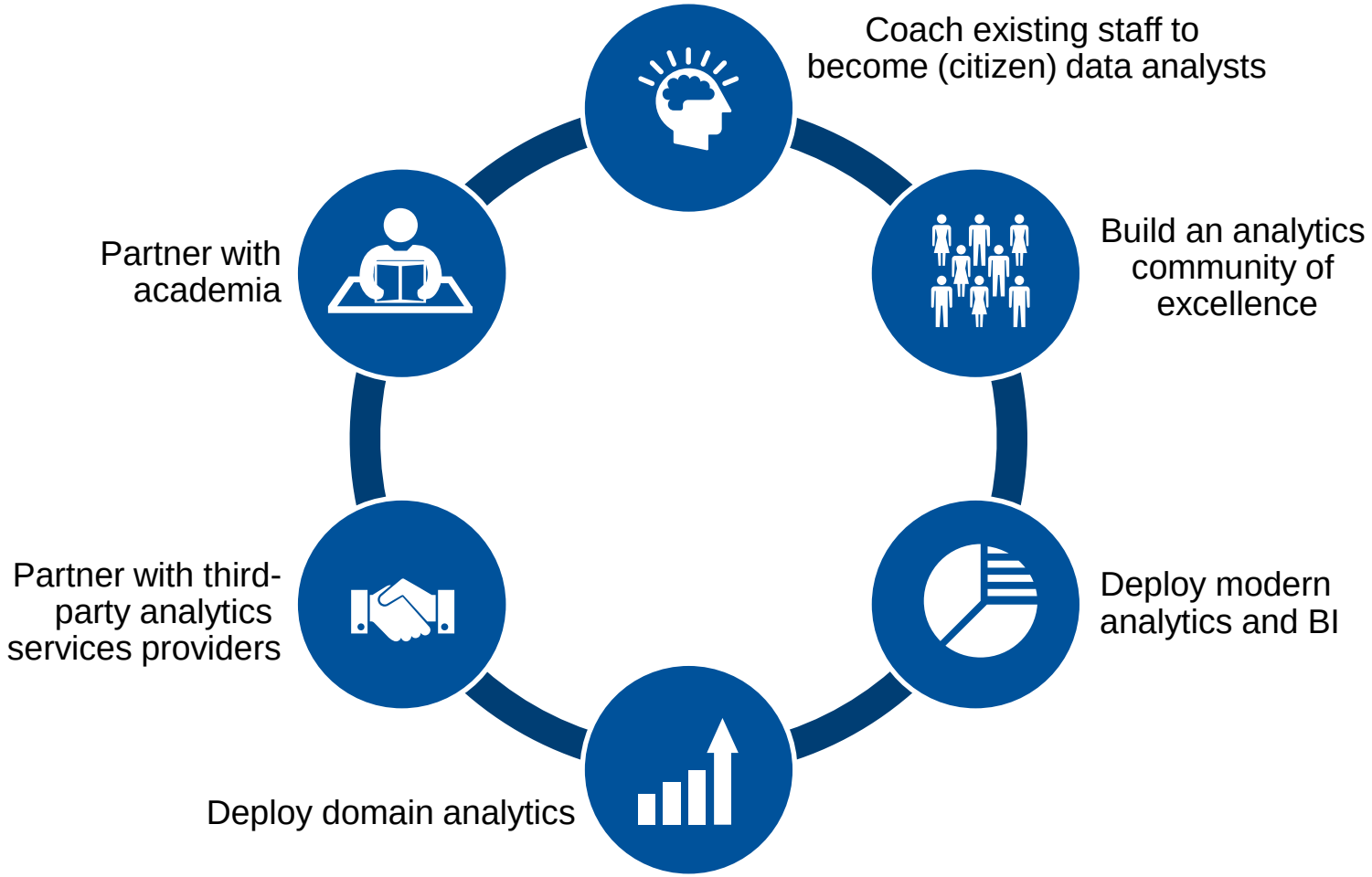
There Are Multiple Alternative Sourcing Options Available



Invest in An Ecosystem of Service Providers

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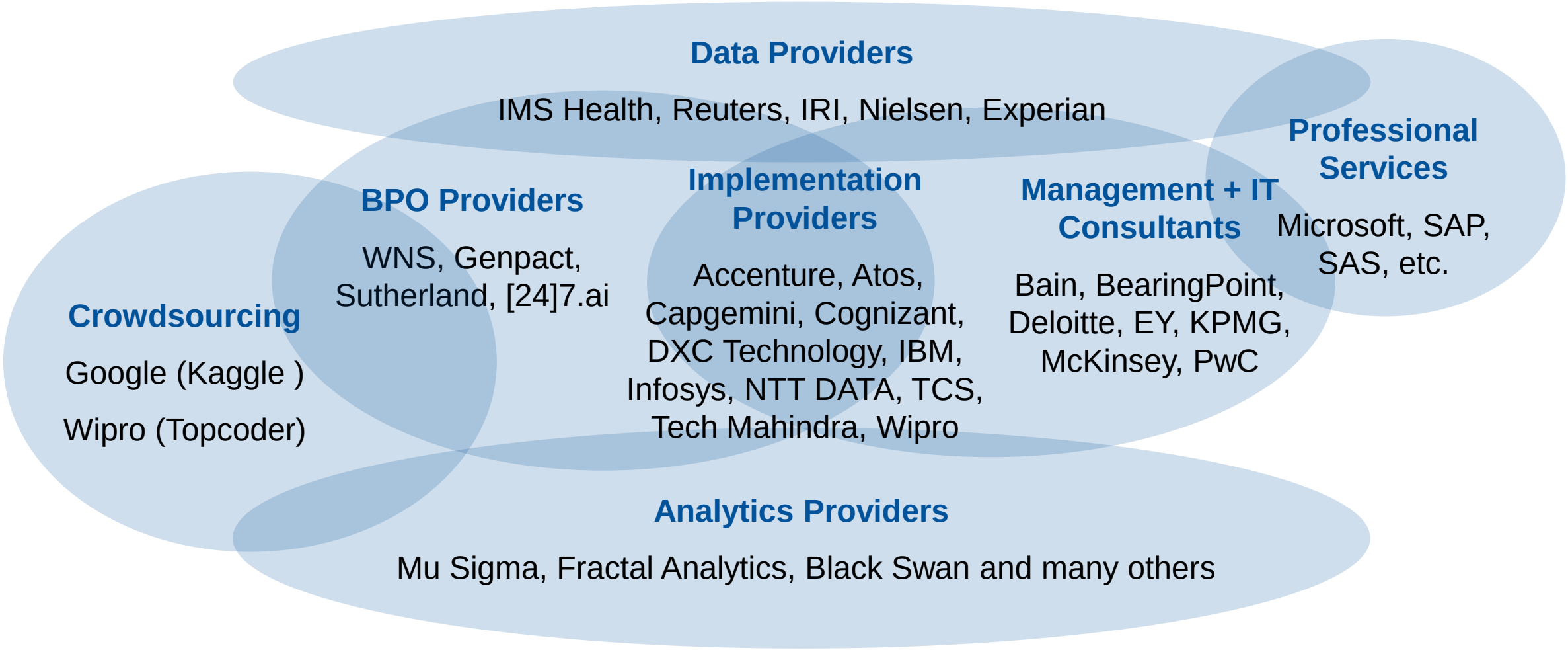
Broad Base of Service Providers Offer Data and Analytics Services



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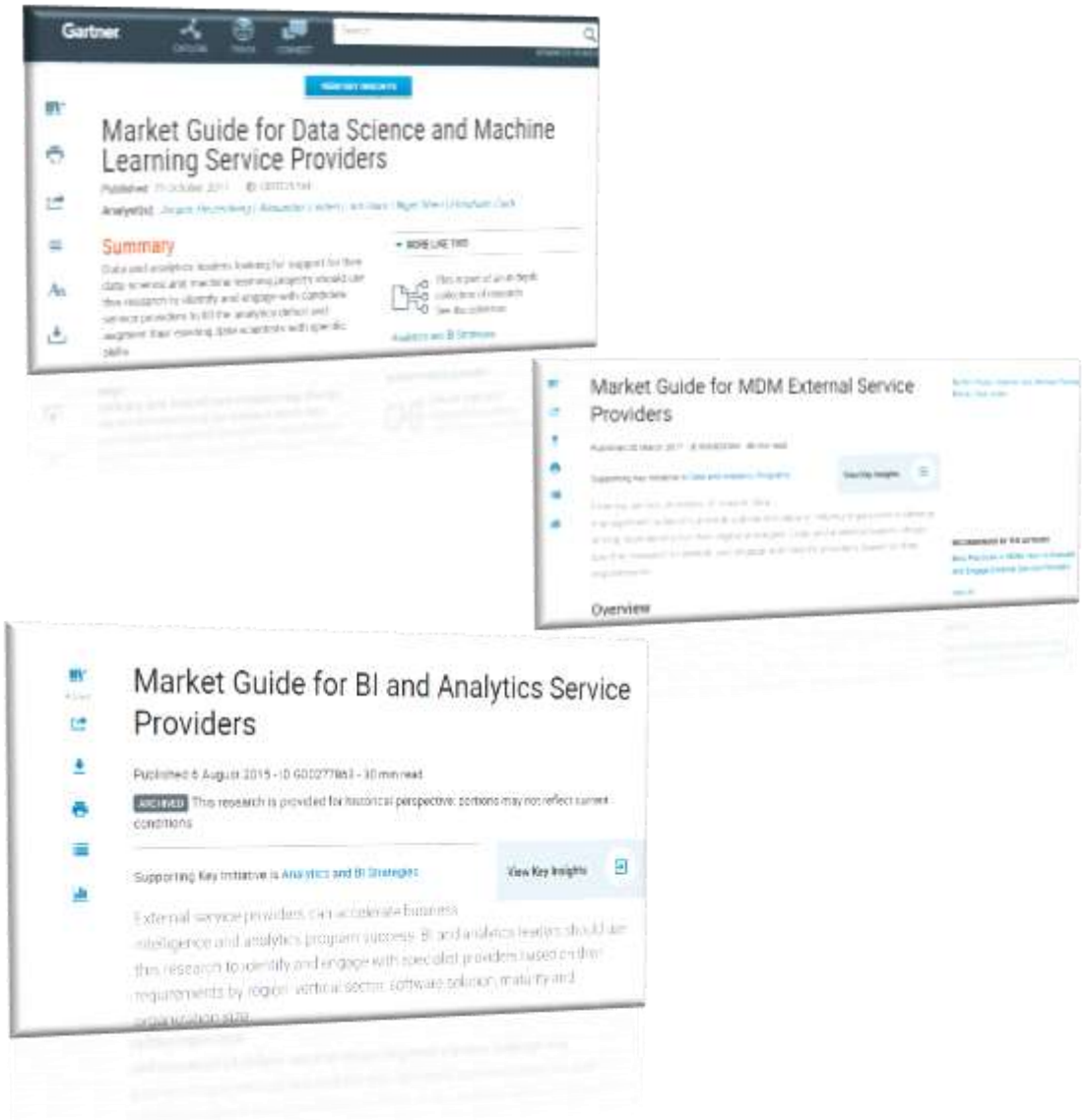
Market Guides and Magic Quadrant for Data and Analytics Service Providers



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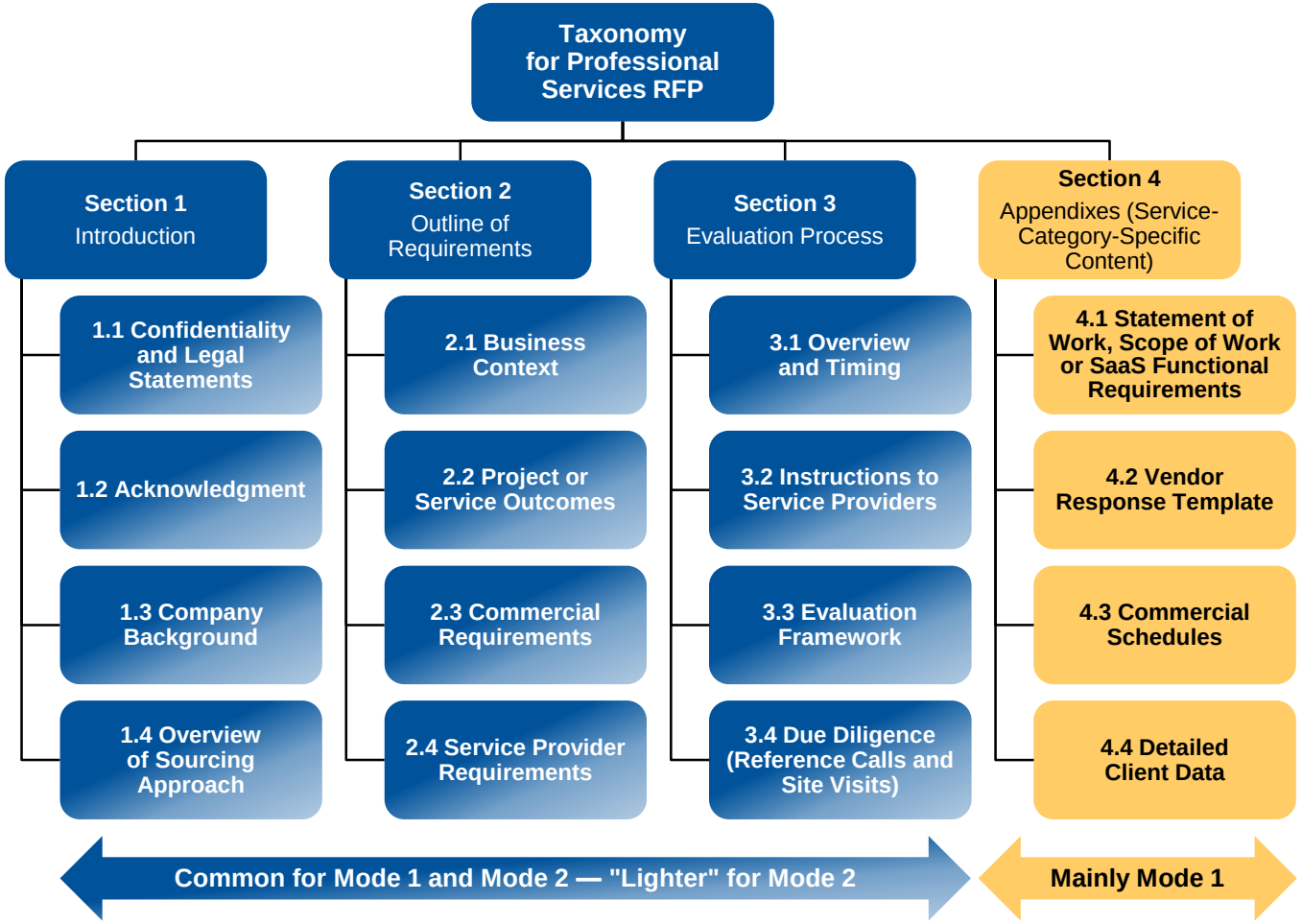
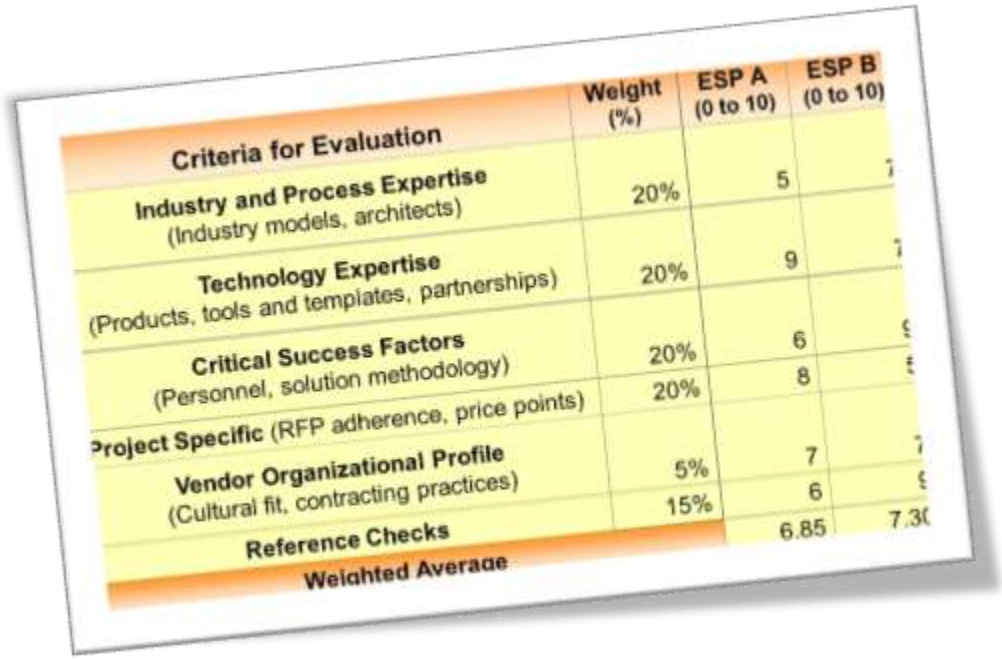
Send Out a RFP: Avoid Different Expectations





Criteria for Evaluation	Weight (%)	ESP A (0 to 10)	ESP B (0 to 10)
Industry and Process Expertise (Industry models, architects)	20%	5	
Technology Expertise (Products, tools and templates, partnerships)	20%	9	
Critical Success Factors (Personnel, solution methodology)	20%	6	
Project Specific (RFP adherence, price points)	20%	8	
Vendor Organizational Profile (Cultural fit, contracting practices)	5%	7	
Reference Checks	15%	6	
Weighted Average		6.85	7.30

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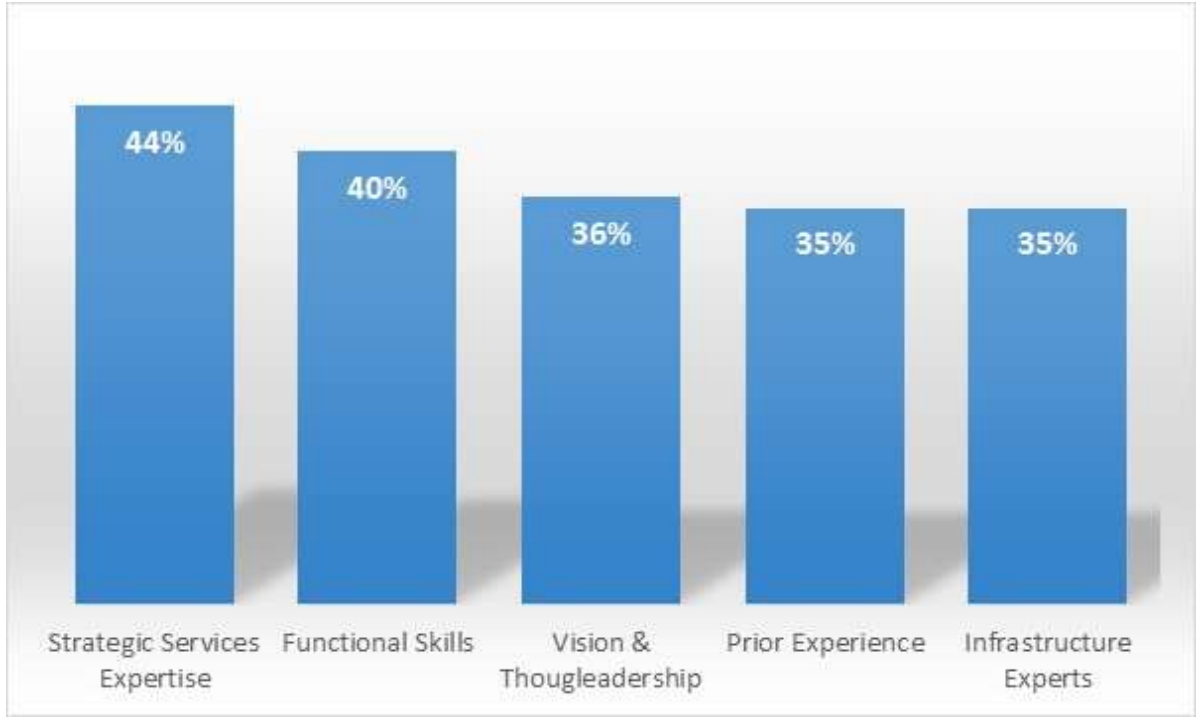
Selection and Disqualification of Service Providers

Top selection criteria mostly strategic or business focused



Reasons for disqualifying

Data collected in July 2016 as part of MQ BAS — n = 231

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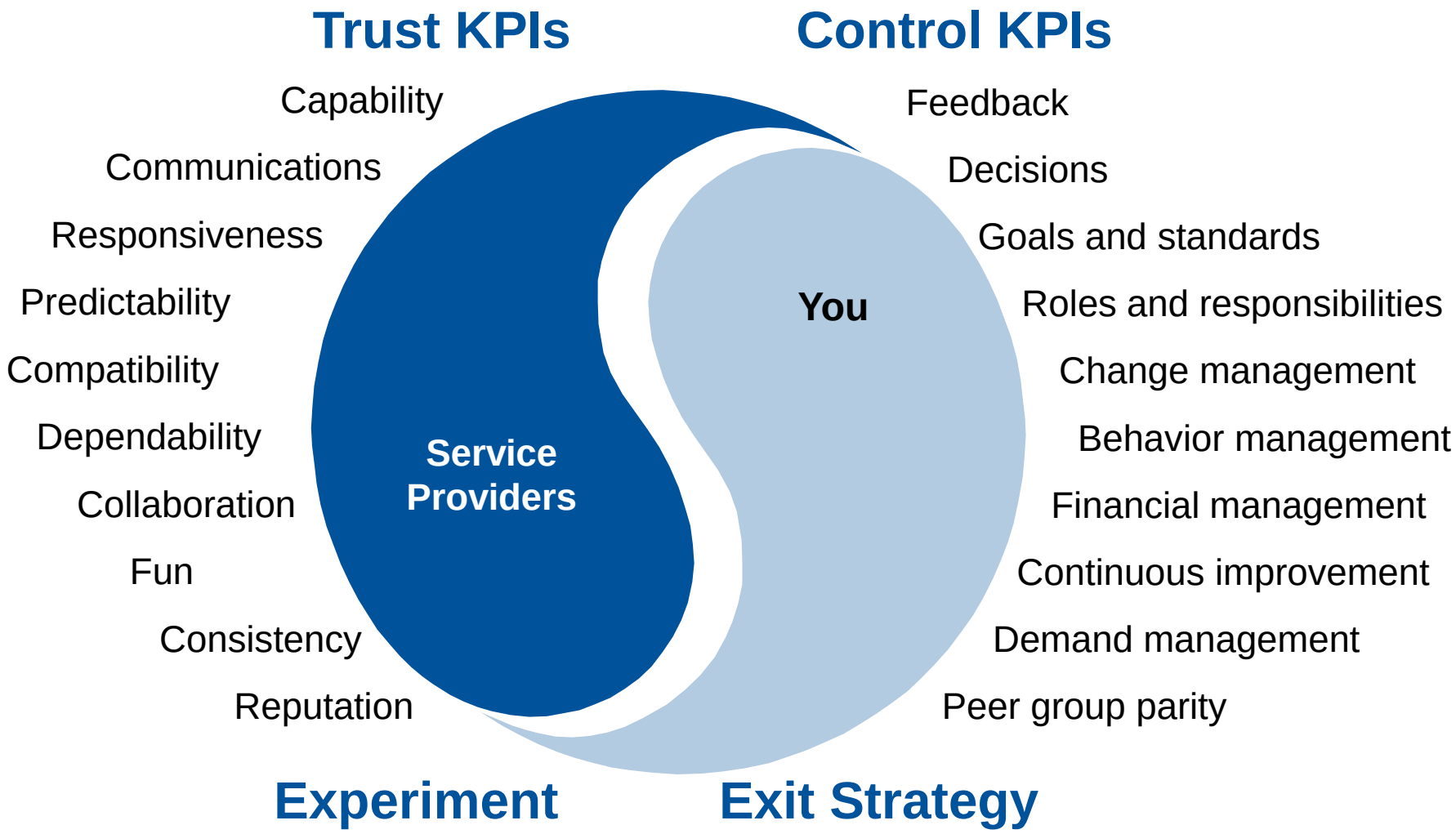
Create a Vendor Management Ecosystem Framework



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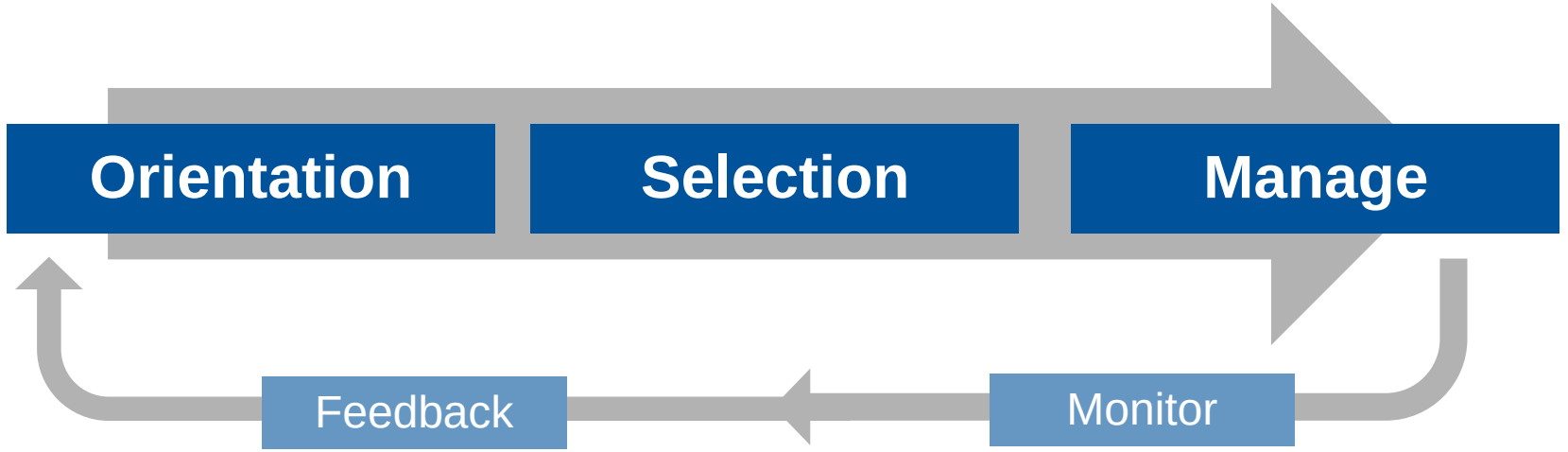
In Summary



Orientation:

- External: Peers, inspiration
- Internal: Assessment
- Baseline and set goals
- Identify deficit
- Develop business/belief case

Selection:

- Option based sourcing strategy
- Applicable SP and their solutions
- RFP and evaluation

Manage:

- Vendors
- Control and trust

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Recommendations

Short-term:

- ✓ **Rethink** resourcing needs versus changing end-user requirements.
- ✓ **Connect** with current providers for their changing solutions portfolio.

Midterm:

- ✓ **Identify** the analytics project deficits by mapping the initiative's data and analytics
- ✓ **Prioritize** analytic services per project by focusing selection criteria on business use cases and capabilities.
- ✓ **Scan** for additional providers offering alternative skills and solutions.

Long-term:

- ✓ **Identify** operational processes changing data and analytics needs.
- ✓ **Explore** opportunities where potential is untapped.
- ✓ **Manage** an ecosystem of external service providers.

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Recommended Gartner Research

- **Magic Quadrant for Data And Analytics Service Providers, Worldwide**
  Jorgen Heizenberg, Twiggy Lo and Neil Chandler (G00326441)
- **Market Guide for Data Science and Machine Learning Service Providers**
  Jorgen Heizenberg, Alexander Linden and Others (G00325164)
- **Choose Analytics Services by Focusing on Capabilities to Drive Key Business Initiatives**
  Jorgen Heizenberg, Alan D. Duncan and Douglas Laney (G00338232)
- **Take Advantage of the Disruptive Convergence of Analytic Services and Software**
  Jorgen Heizenberg and Svetlana Sicular (G00324309)
- **How to Overcome Business Bypassing IT for Analytical Solutions**
  Jorgen Heizenberg (G00316342)

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- **How Midsize Enterprises Can Get the Data and Analytics Skills They Need**
  Alan D. Duncan and Cindi Howson (G00331629)
- **How to Engage Business Analytics Services Providers**
  Alan D. Duncan and Neil Chandler (G00270857)
- **Toolkit: Master RFP Template and Sample Content for Business, Digital, Cloud and IT Services**
  Jim Longwood, Frances Karamouzis and Fabio Di Capua (G00326252)
- **Use the Gartner Data and Analytics Compass to Drive Strategy**
  Thomas W. Oestreich, Kurt Schlegel and Others (G00331789)
- **ITScore for Data and Analytics**
  Andrew White and Thomas W. Oestreich (G00333970)

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