

Article: How American Express Excel as a Data- Driven Culture

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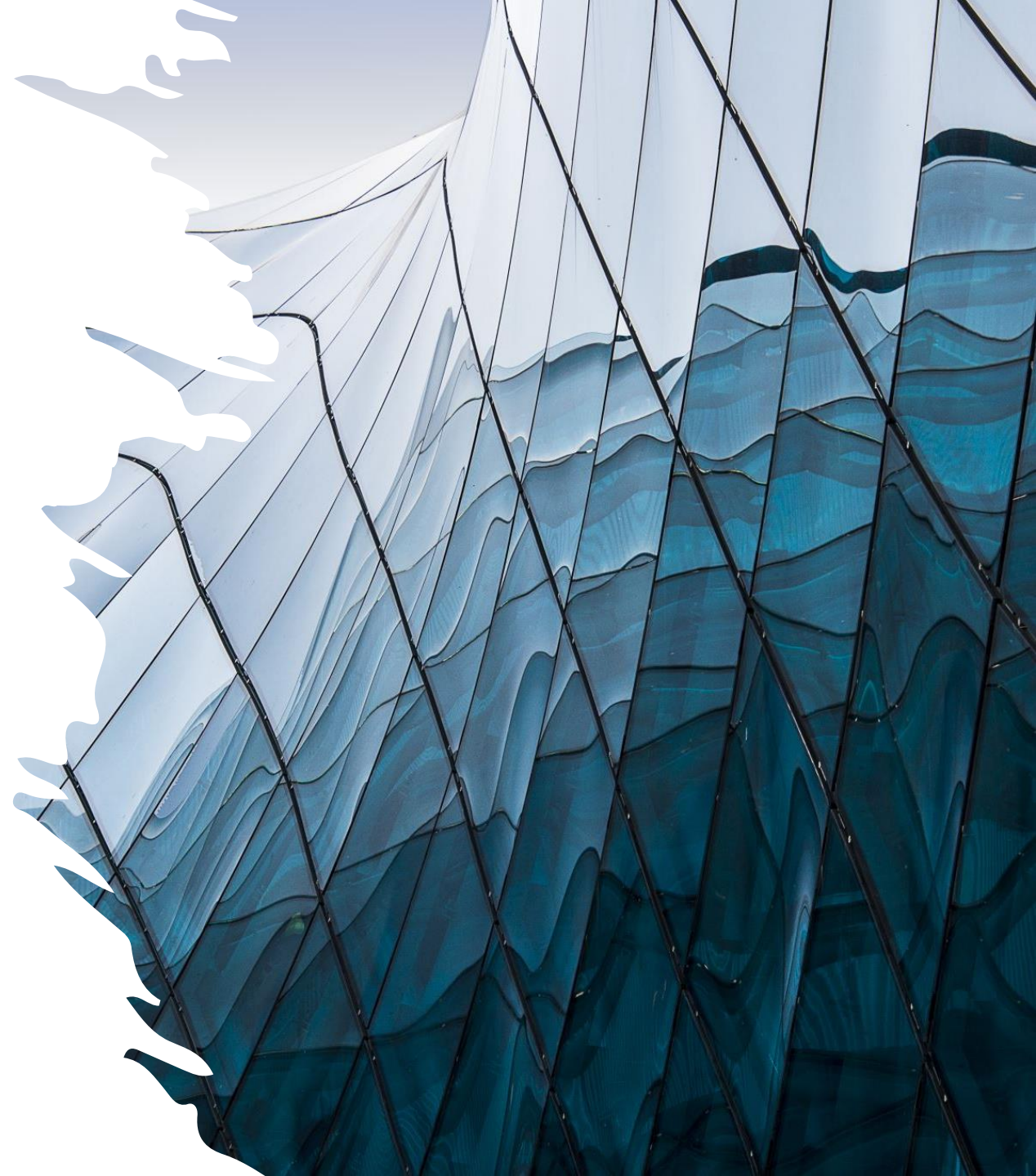


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Introduction

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• How American Express Excels As A • Data-Driven Culture



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Enterprise & Cloud

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Importance of Data

- **Data Explosion** due to changes in industry
- **Risk Detection** for credit loss and potential of recession

Gupta observes that we are nearing the end of one of the longest economic expansions since the World War II. Credit loss has begun to rise and card issuers are focusing on forward-looking economic indicators, stress testing portfolios and investing in decision science to address the potential for a recession.

How American Express Excels As A Data-Driven Culture

Adapting to a Changing Industry

Gupta noted how the financial services and payments industry has changed in important ways over the last four decades, notably:

Recommended For You

- Electronic payments, which comprise credit/debit cards and online payment, have steadily gained market share over cash on a global basis, driven in part by co-brand relationships, e-Commerce, convenience, rewards, and the security offered by Electronic Payments;
- E-Commerce and cross border commerce continues to rapidly gain share over offline commerce with the rapid proliferation of internet and smartphones;
- Credit/debit card issuing has become concentrated among a few banks. In addition, multiple companies have joined the payments/e-Commerce ecosystem.

Building up Data Literate Culture



Analytical skills



Statistical Methodologies



Data visualizations



Data fluency

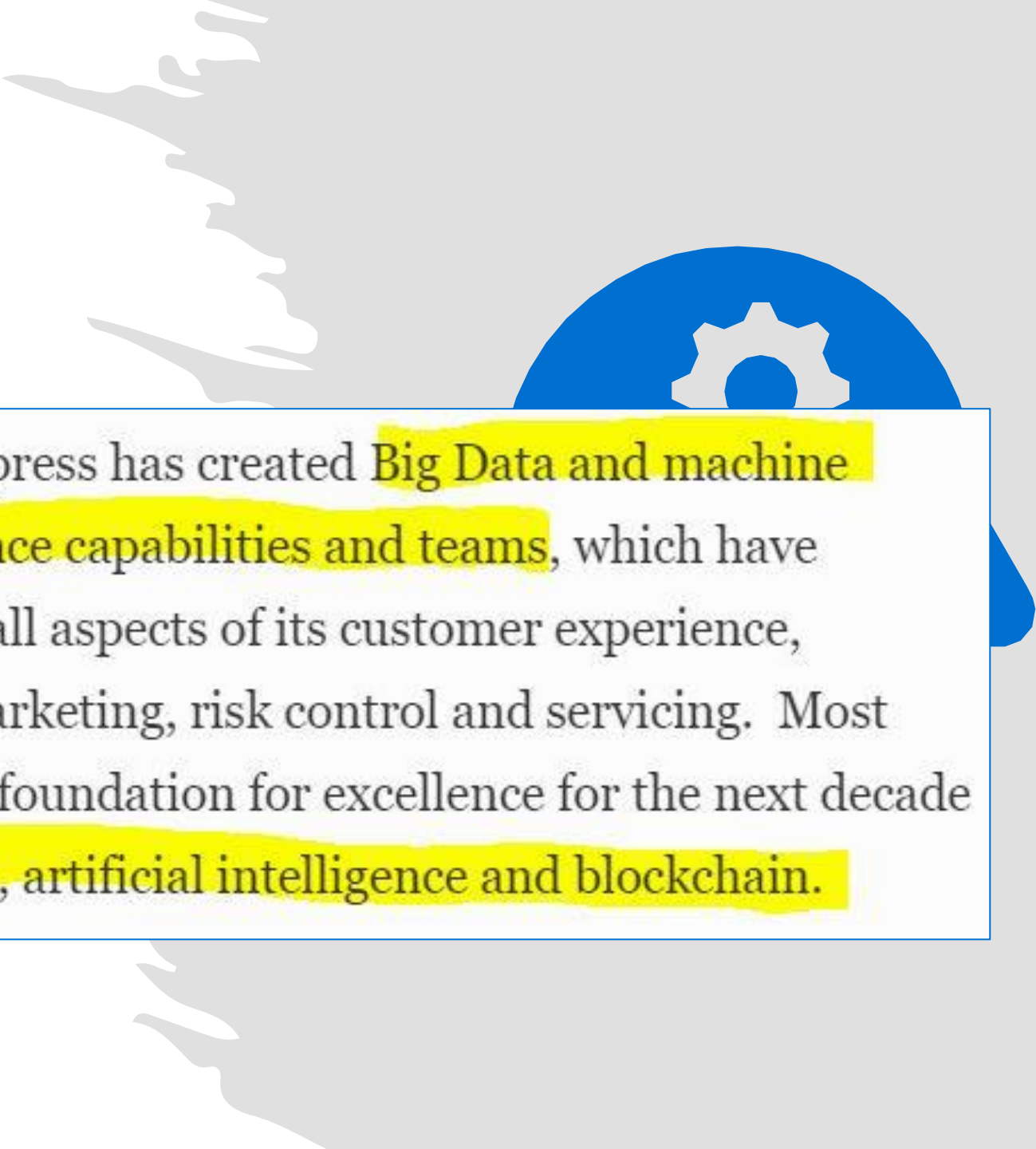


Learning



Mentoring

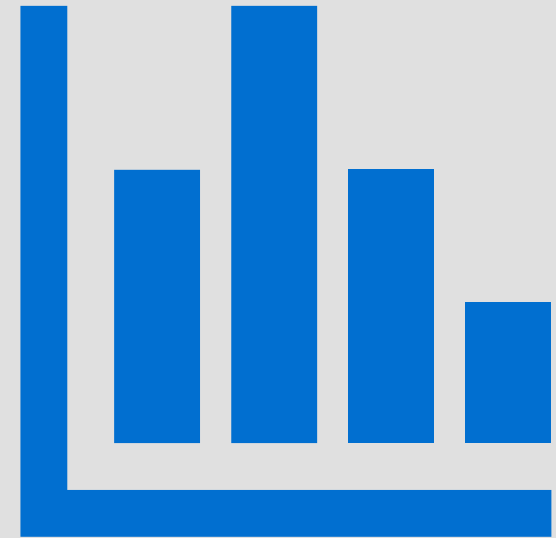
Analytical skills



In this decade, American Express has created Big Data and machine learning based decision science capabilities and teams, which have fundamentally transformed all aspects of its customer experience, including product design, marketing, risk control and servicing. Most importantly, it has created a foundation for excellence for the next decade as we invest in deep learning, artificial intelligence and blockchain.

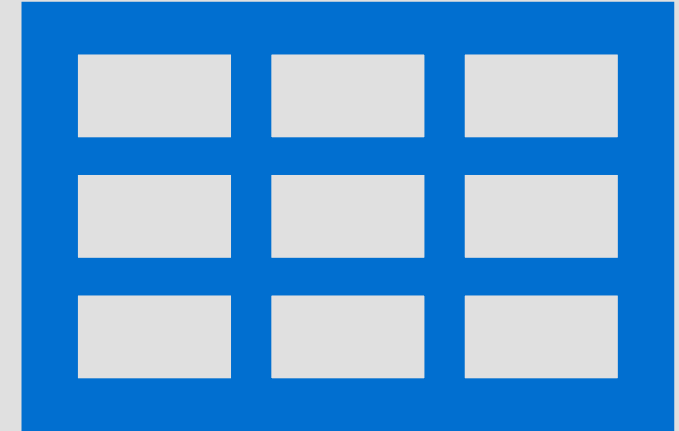
Statistical Methodologies

- Utilize and embrace statistics within organization
- Perform massively parallel processing (MPP)



Data Visualizations

- Simplify data, enabling various skills-set to absorb and utilize data
- Example: PREMIER INSIGHTS launch by American Express Global Business Travel



Data Fluency

- Utilize the language, vocabulary, and conversational skills that go along with data literacy
- Example: Center of Excellence in India



Cornerstone -- This is a global, big data ecosystem is where data is organized in one place with shared global capabilities, to democratize its use across functions and geographies, recognizing that the very essence of innovation must happen at the company's DNA rather than exclusively from the top.

Two decades ago, it was creating a Center of Excellence in India as a collaborating team across all its global businesses to provide data and decision science partnership as American Express launched new products and services. This team remains an internal source of competitive advantage, an envy of competitors and often a benchmark for how to build a "knowledge center" in an international geography;

Learning

- Establish a consistent learning cadence, studying and learning different areas of data and analytics



Gupta observes that good data-driven organizations have a “test-and-learn” culture and encourage experimentation that can challenge long-held beliefs. These organizations promote listening and learning, and adequately synthesize it with the institutional knowledge and experience. For American Express, this

Mentoring

- Allow those who have more data literacy skills to pass those skills on to other employees within the organisation



Conclusion

Shifting towards a data-driven organization requires a cultural change.

To become data-driven, the organization needs to focus more on data and start using data in their day-to-day activities.



Q & A session