

---

# 4i Insights Benchmarking Study Results

*October, 2012*



---

# Table of Contents

## I. Project Background

## II. Benchmarking Results

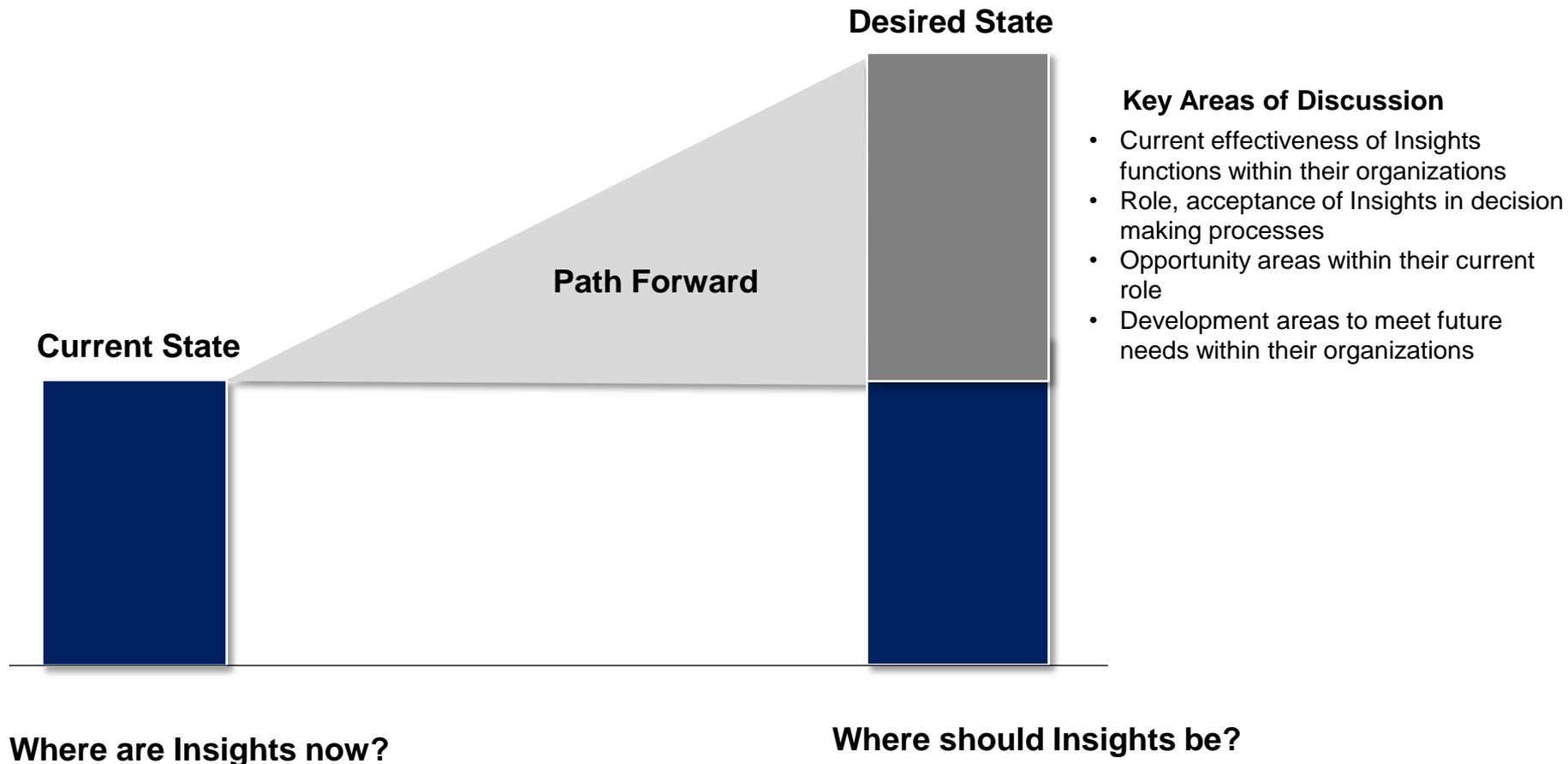
### I. Executive Summary

### II. Desired State

### III. Detailed Analysis

## 4i conducted benchmark interviews with Insights leaders from across a broad array of CPG firms and retailers

Through these interviews, 4i was able to gain perspective on the Current State of Insights functions, the “Desired State” of where they should be, and the path necessary to reach that “Desired State”

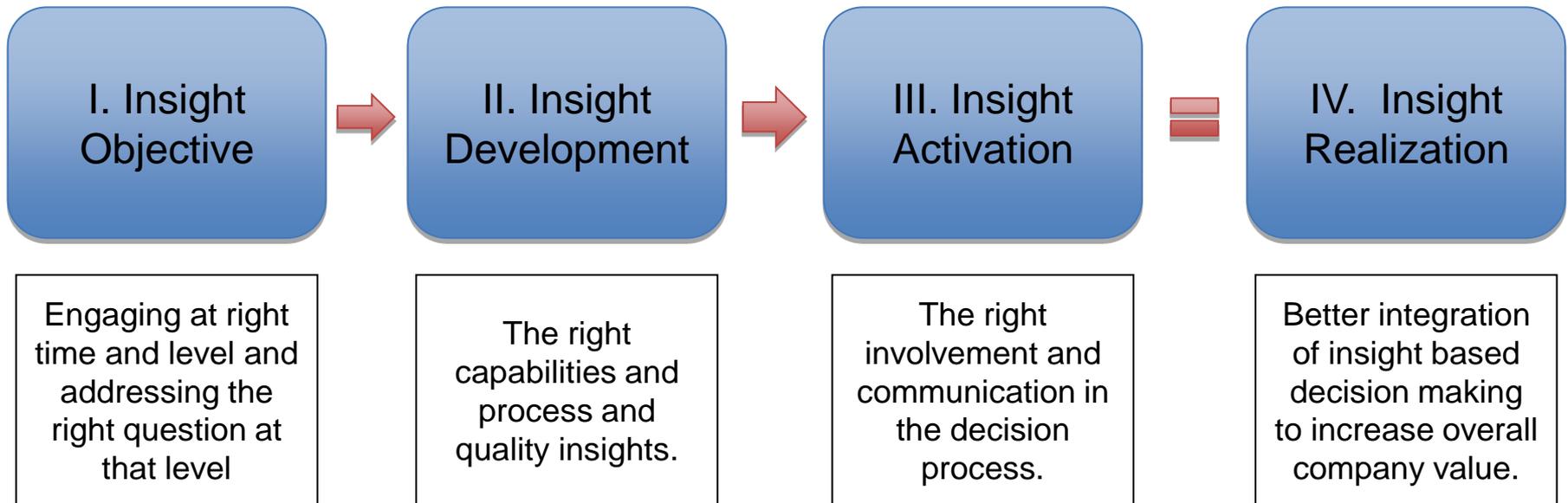


## The benchmarking study covered the following areas in detail and provided insight into the implications to Insights functions

<u>Focus</u>	<u>Key Topics</u>	<u>Questions</u>	<u>Implication</u>
Goals	Corporate Goals and how Insights aligns to them	What are the company's goals and how do you see the Insights function contributing to them?	Desired State
	Insights Mission	What is the mission of the Insights function, vision and goals?	Desired State
Insights Role	Role Played	What is the role of Insights in your company's decision making?	Desired State, Path Forward
	Acceptance Level	What is the current level of Insights acceptance in decision making?	Desired State, Path Forward
Insight Value Chain	Insights Objective Insights Development Insights Activation Insights Realization Barriers to Realization	What is the current level of the Insight Value Chain activities and what changes are required in future?	Path Forward
Future State	Changing Nature of Insights	How will Insight Function evolve?	Desired State

## 4i's Insight Value Chain Model was leveraged for a critical portion of the interviews

### 4i's Insight Value Chain Model

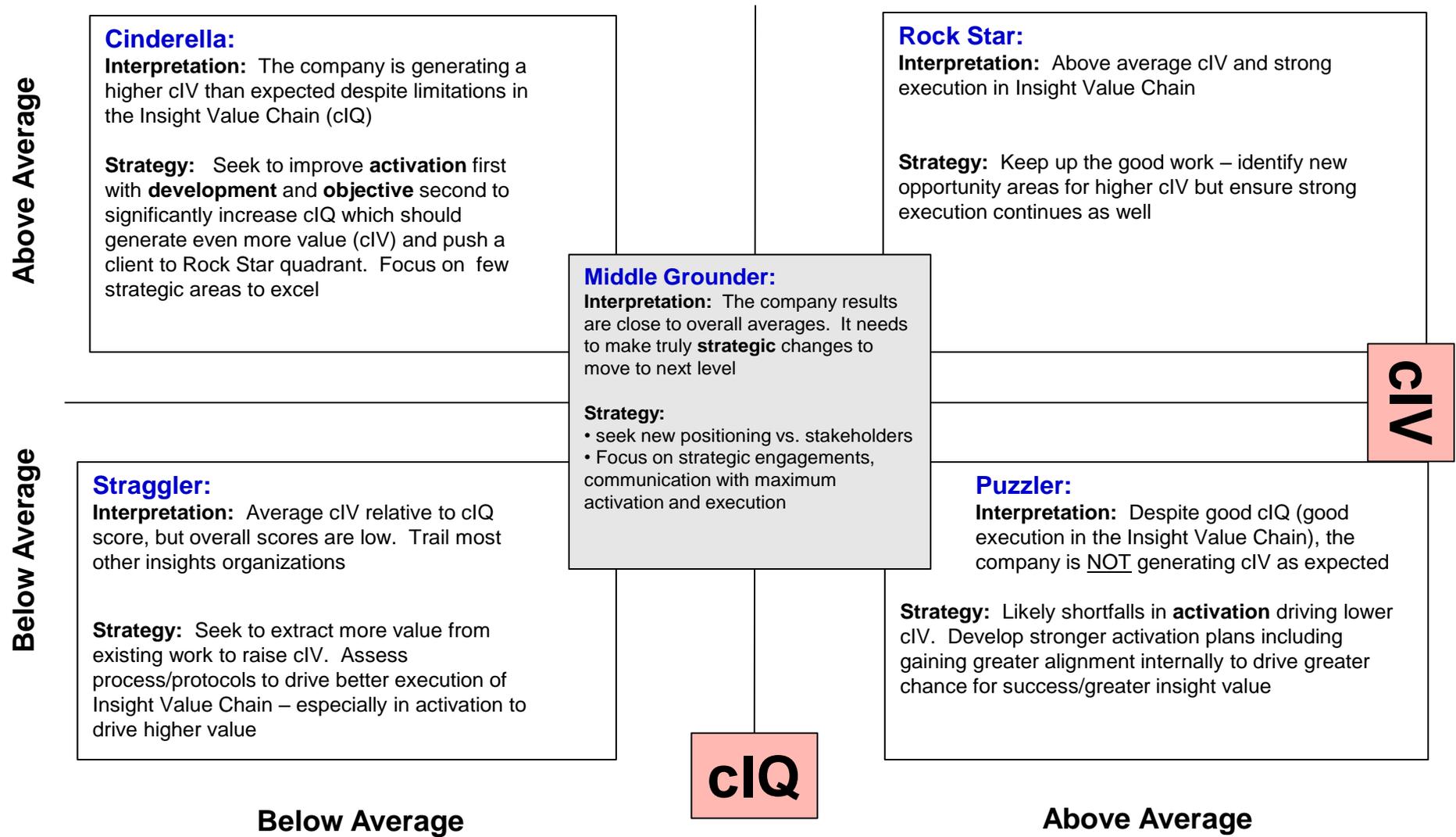


**Additionally, 4i's Insight Value (“cIV”) and Insight IQ (“cIQ”) proprietary scores were used to provide overall assessment of insight effectiveness and value**

- **cIV**
  - A metric representing a company's **realization of value** from insights based on its ability to effectively execute across the Insight Value Chain
  
- **cIQ**
  - A metric representing the weighted average of the three key activities in the Insight Value Chain – **Insight Objective, Development and Activation.**
  
- Comparing **cIV vs. cIQ** provides an understanding of how an organization translates insight function's activities into value and how it should improve this translation process

$$\text{cIV} = f(\text{cIQ})$$

**Based on cIV and cIQ scores, participants were placed in one of the five segments below, helping identify necessary strategies to improve value and effectiveness of their Insights organizations**



---

# Table of Contents

- I. Project Background
- II. Benchmarking Results

- I. Executive Summary**

- II. Desired State
- III. Detailed Analysis

## 62% of benchmarked companies are not realizing adequate value from their insights suggesting significant improvement opportunities

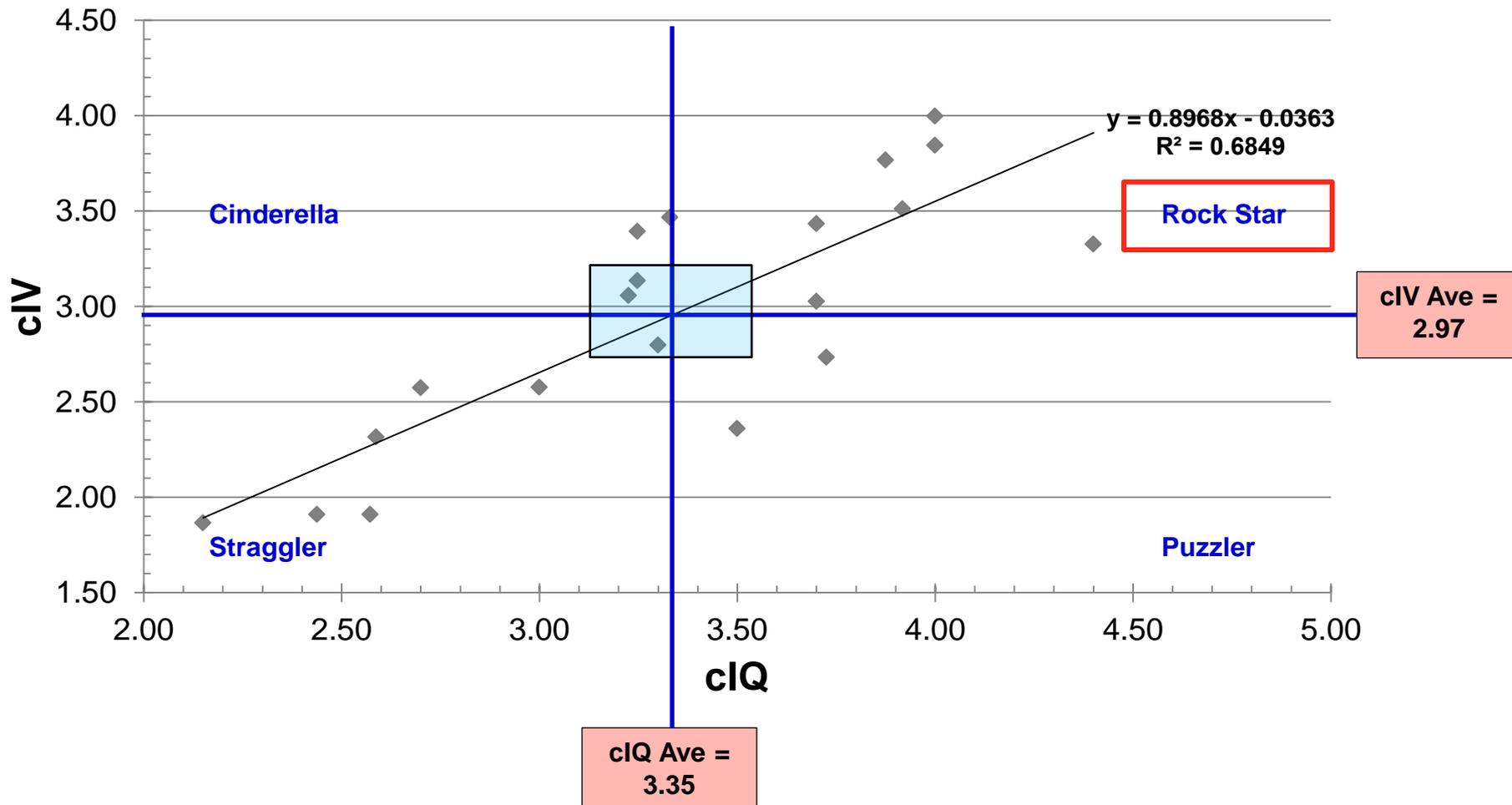
- Only 8 of 21 reached highest level “Rock Star” status through strong execution and value creation
  - The greatest differences between Rock Stars and the remaining benchmark peers are due to activation activities and overall engagement
  - Rock Stars had much higher activation than other benchmark peers, which was driven by a combination of several factors - including stronger cultural acceptance for analytics, embedding insights members into business teams, engaging with stakeholders on a variety of activities, creation/use of analytic plans and development/tracking of activation plans
- Where value creation was not sufficient, **limitations in execution** were the cause
  - **Insight Activation** was the largest opportunity (average 3.0/5.0) as it was often hampered by lack of proactivity, post activation involvement and inadequate communication. Improving activation will increase insight value the fastest as activation explains 57% of the changes in value compared to 23% for objective and 20% for development
  - For **insight development**, People (3.4/5.0) and Business Processes (3.3/5.0) trailed behind “traditional” Approaches (3.7/5.0) and Solutions/Tools/Data (3.8/5.0). Insights organizations did not perform as well in these “softer areas” due to limitations in areas such as business acumen
  - **Objective Creation** was typically strong with a score of 3.5/5.0. Firms that scored higher generally had well established engagement protocols, frequently had Insights members “embedded” in business teams – keeping them more linked in to the businesses they supported

## 62% of benchmarked companies are not realizing adequate value from their insights suggesting significant improvement opportunities

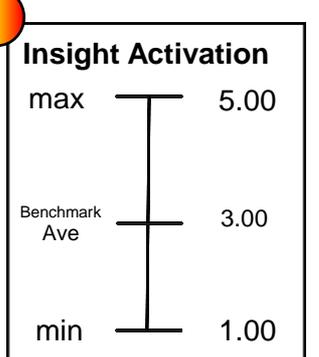
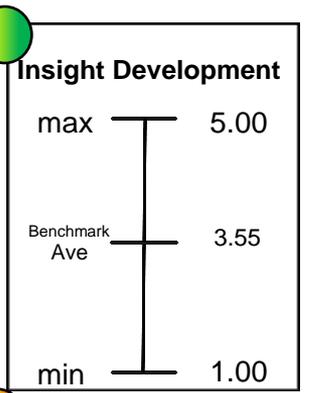
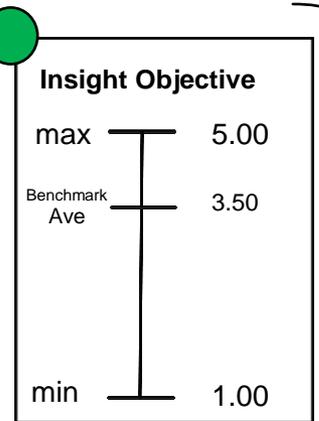
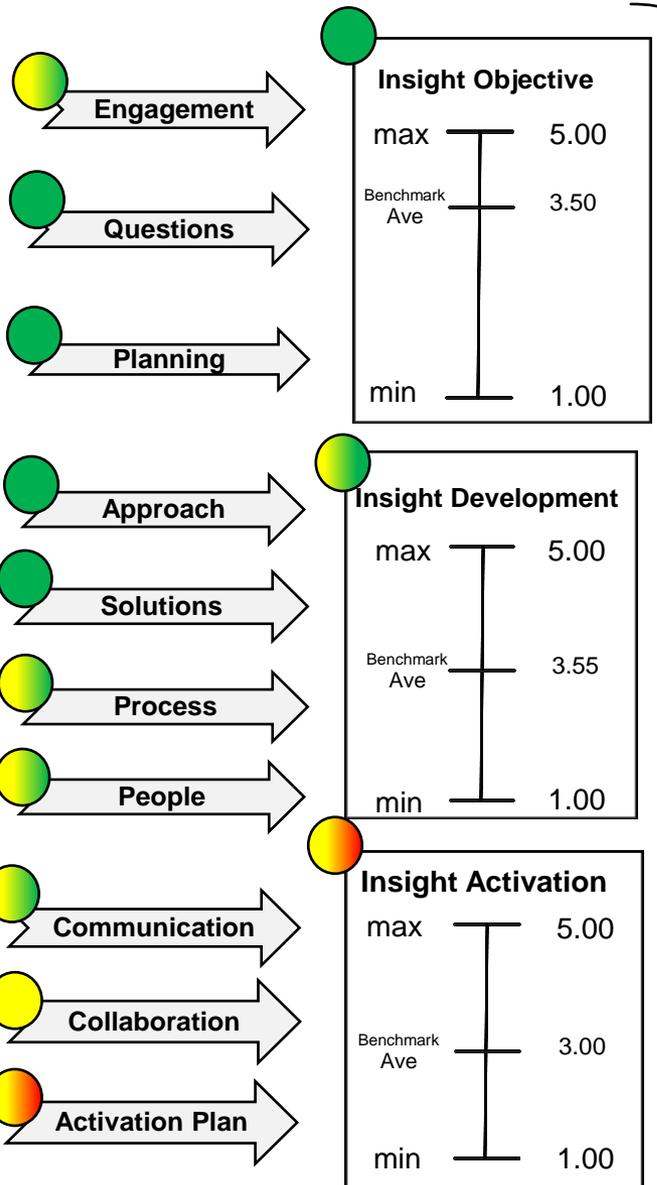
- The insufficient value has limited the **role** of insight functions
  - 50% of Insights activities were in the role of Business Advisor with 21% as a Data Provider
  - Only 27% of activities were considered as a Decision Partner - the role to which Insights functions should strive in a “desired” state
  - Improving status requires focusing on activities that drive greater value for stakeholders – deeper insights, faster with implications while driving greater activation of those insights
  
- Most benchmarking participants define key elements of **future** of insight function
  - Shift from one off insights to proactive growth, innovation and sales strategy plans
  - Shift to more consultative (so what and now what) and less research based work
  - Maximizing reuse of existing insights and leveraging predictive analytics to generate insights
  - From transactional project delivery to continuous process and knowledge accumulation addressing key business issues
  - From insights to foresights

**Respondents fell into all segments of the cIV/cIQ matrix –  
Seek to achieve “Rock Star” status as an indication of strong and  
efficient delivery of value**

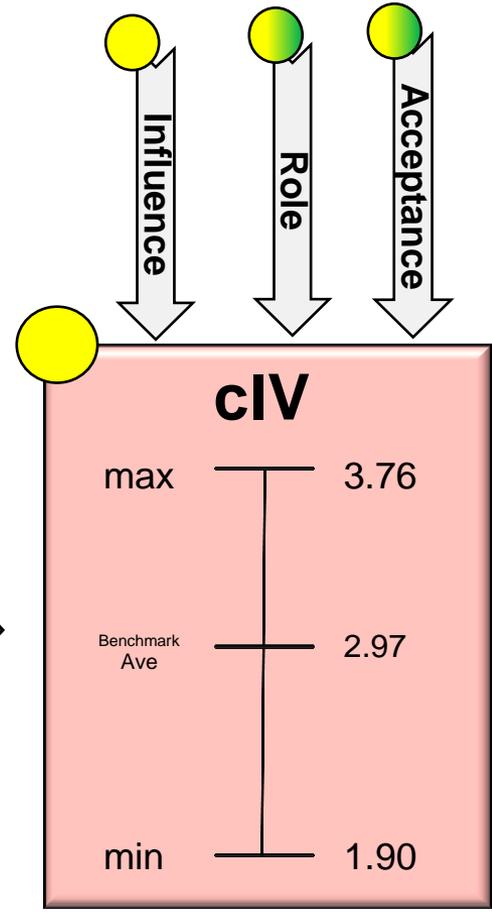
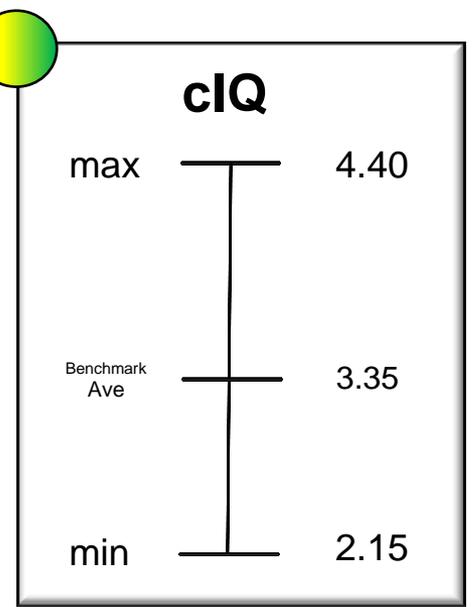
Benchmark Peer Results



Activation is a key area of improvement within the Industry. Improving activation will drive greater cIQ and cIV (value)



# Industry Results



**Key area for improvement!**

- Solid
- Average
- Opportunity

---

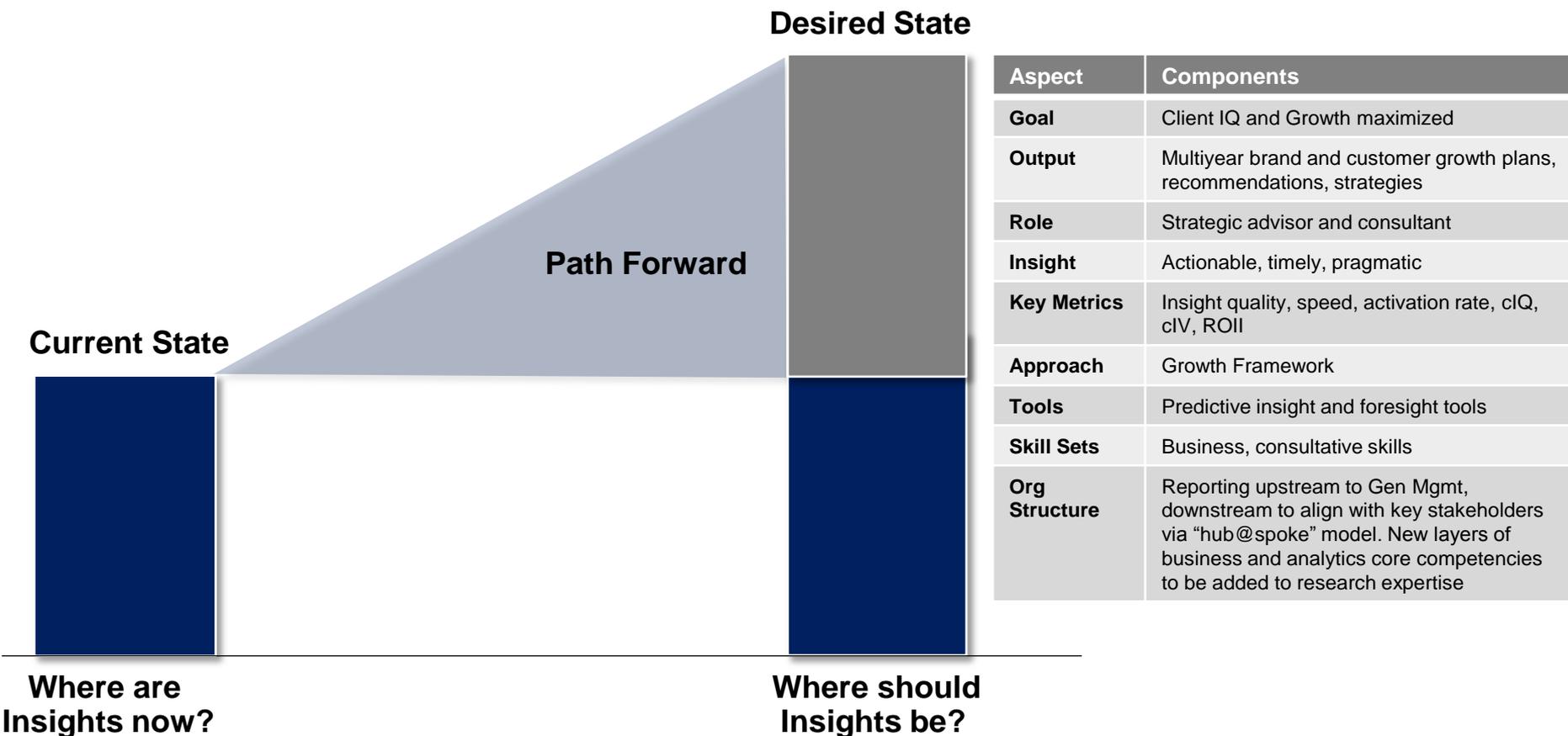
# Table of Contents

- I. Study Approach
- II. Benchmarking Results
  - I. Executive Summary
  - II. Desired State**
  - III. Detailed Analysis

# Moving forward, there are clear elements of a future state for Insights

## Insight Function Objective

- *Become a partner in developing key decisions by driving proactive growth plans via more consultative engagement supported by combining insight, predictive foresight analytics and business frameworks*



## Successfully raising activity further in the Insight Value Chain will continue to drive increases in value realization

- 4i study underscores the **fundamental transformation** that is currently taking place in the Insights industry
  - Insights leaders asked to **do more with fewer** resources, reduced budgets...
  - ...yet also being asked for insights to become one of core competitive advantages,
  - ...focusing on new powerful consumer, complex channels, market dynamics...
  - ...requiring better, faster and more predictive insight based decisions
- Addressing current issues is **not sufficient** to move Insights functions to the future
  - Need to move towards forward looking real-time partner in decision making
  - Need to change how insight function viewed within the company and become more decision
  - Need to move away from one off transactional projects, constant buying new data and analyses
  - Need to bring different more business focus and information integration and implication development skill sets supported by predictive analytics

***... but it may not be enough to address needs for tomorrow***

## How 4i Can Help

- We can help you run “smarter” insight functions by changing **what** you are producing and **how**

### What

- From disjointed insights to proactive growth and execution plans and strategies
- From transactional insights to fundamental knowledge (e.g. category “law”)
- From low quality and activation insights to insights with implementation and impact (i<sup>3</sup>)

### How

- Organizing insights around business issue frameworks (e.g. growth framework)
- Developing new predictive analytics driven insight development process that is based on
  - mapping and modeling all business issues with key factors impacting them
  - maximum reuse, integration and synthesis of existing data and previous studies
  - leveraging technology to automate insight generation processes

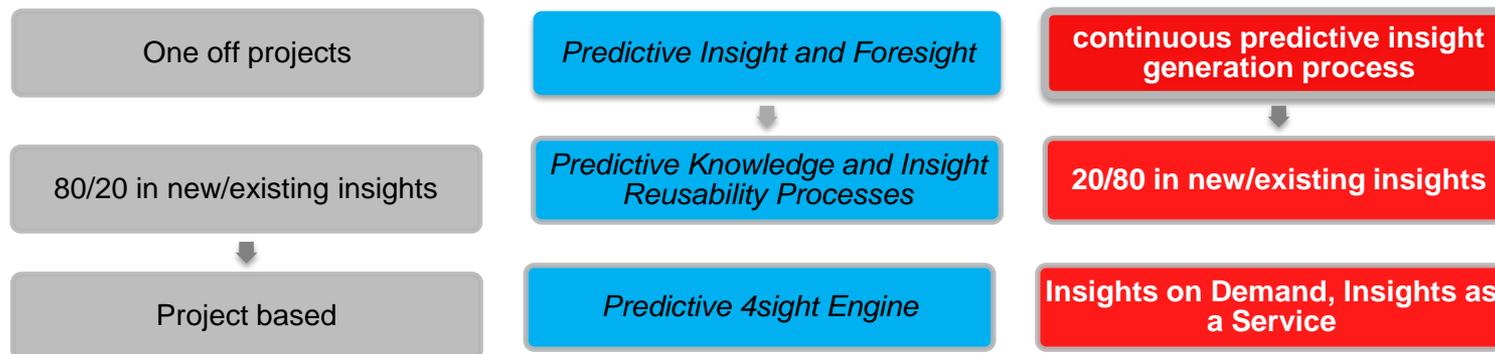
### As a result, you will...

- maximize your activation rate, insight quality and value, ROI while minimizing spend
- produce faster and actionable insights and foresights
- reposition your limited resources to focus on value add work
- prepare for future by building fundamental knowledge, new skill sets and new internal tools

# 4i will help transform what you are working on...



## ...and how you are doing it



↓

**Much higher  
Insight quality,  
Value and ROI**

---

# **Please participate in our benchmarking study**

Visit us at:

<https://www.surveymonkey.com/s/iabench>

Thank You!