

How to protect
insights and analytics
budgets in Covid19



Insight and Analytics (I&A) leaders are preparing for tough decisions on the budget or resource adjustments or even reductions deciding what projects to keep, shelf, or let go of and even tougher negotiations with management and CFO. These discussions will be framed as where do I focus our budgets now, should I&A be priority vs. other competing priorities, and if yes, why, efficiency (doing same for less) vs. effectiveness (doing more for same). Of course, I&A leaders would want to communicate, [“it is even more important than ever to understand consumer now and be prepared for the future to define new normal,” see my post from last week.](#) However, the reality is that cost reduction, and efficiency will be on top of management/finance minds for the foreseeable future, so how should I&A fight this battle of efficiency vs. effectiveness and have a good chance of winning?

The answer is ...with short and long term ROI and insight Value (IV)! How much of incremental dollar revenue increase or dollar cost reduction or percentage productivity can be attributed to the recommendations and process improvements directly coming from I&A? Similar concept as with Marketing Mix, short and long term effects.

We first developed the concept of Insight Mix Modeling (IMM) ten years ago to help the I&A function address the significant budget reductions in 2010/2011. At that time, we also began the dialogue with I&A leaders about the need to bring more value-oriented metrics (beyond just total dollar budget and # of projects) to start demonstrating and communicating I&A value. Unfortunately, not much (by way of introducing these metrics and making them current norms) was done in the past ten years that would make it much more challenging to win in the looming fight.

However, hopefully, there is still time to do a few things:

- Make sure every project has a clear connection to business issues/goals and financial/functional performance metrics. Have EXPLICIT dollar value associated with these projects (we would be happy to share our expertise and experience).
- Make sure every project is and will be activated, and there is a measurable value that can be documented. No zero activated projects!
- Make sure these values will be communicated frequently across the organization.
- Make sure there is a real-time I&A Value Dashboard to capture and share the value on a monthly or even weekly basis.
- Make sure you start immediately educating stakeholders and management on I&A value metrics and use as a part of frequent communication with them.

I&A folks have talked about moving from cost center to value creator for a long time, and, while they made good progress in driving strategic thinking of their stakeholders, they need to claim the \$ financial credit as well!