



Whitepaper

# How to Avoid Five Potential Pitfalls of Analytics Projects

Analytics



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If you Google “success rates with analytics projects” and you will find several results citing Gartner claiming half, more than half, and even nearly 67% of analytics projects fail. These results have dates from as recently as 2015, and as far back as from 2011. With 2014, 2013 and 2012 in between. The truth is, there are varying success and failure rates of all types of projects—analytics, ERP, websites and more. The reasons for success or failure can often be as wide ranging as the types of projects. One can’t judge an entire category on a broad “average” number.

But, over the course of developing analytics solutions for many different businesses, we have pinpointed five potential pitfalls that can delay, kill, or otherwise cause analytics projects to fail. Every situation is unique, but understanding these traps can help you avoid them, thus, increasing the odds of *your* analytics project becoming a success.

## 1. Understand *WHY* You Want Analytics

Analytics is an extremely broad category. There’s data analytics, financial analytics and operational analytics—solutions that companies have been employing for decades. Over the last few years we’ve seen the emergence and adoption of what industry analyst firms now call advanced analytics—these solutions often encompass both predictive and prescriptive analytics, as well as cognitive computing.

From a technology perspective, at some point in a project it matters whether you are using predictive, prescriptive or cognitive. At that level, there is a significant difference between those technologies—what they do, how they work and what they will deliver for you. But at the onset of your project—or really, even *before* the onset of your project—you shouldn’t be thinking about the type of technology you need or want. You need to be thinking about your business objective.

Or, as [Meta S. Brown](#), a consultant, speaker and writer who promotes the use of business analytics [shared with us in an interview](#), “I’d never approach an executive by starting the conversation with predictive analytics. Executives want to know ‘how can I solve this problem?’ or ‘how can I remove the obstacles that are standing in the way of this business opportunity?’ It’s much better to understand what business problem the executive wants to solve, and then connect the dots to relevant applications.”

Before you select your solution (e.g. technology), you need to define your problem.

## 2. Plan for Measurement and Metrics Before You Begin

It may sound like a cliché, but it’s quite difficult to declare success if you can’t define it. Sure, you could claim your application or solution is successful if you or your team met your project goals: it was delivered on-time, within budget and with the features promised to your business users. But that doesn’t really mean the application or solution *is* a success. It might work, but does it deliver the envisioned end results? Well, in order to answer that question, you need to know what those results are. And they can’t be created after the fact. They must be defined and agreed upon *before* you start the project.

Look at it on a very simple level: if you want to say your predictive analytics project made the sales or marketing team X more effective by raising their close or conversion rate by Y, you’d need to know exactly what their close or conversion rates were with the previous business process or solution.

A common challenge in measuring analytics results is overcoming the “what would have been” objection. Analytics project results can be difficult to separate from the ebbs and flow of normal business operations. Frequently, analytics leaders must prove their results are truly incremental, not simply due to seasonality or a personnel change. Therefore, many analytics projects require proper measurement techniques built in, including control groups, test and learn processes, metric definitions and more.

You need to take a detailed approach and holistic approach towards identifying and understanding what you need to measure before you roll out the solution in order to prove the success of the analytics project.

### 3. Your Analytics Project Needs to Have a Goal

Some large organizations have IT groups with dedicated skunk works groups or the ability to do dev ops projects for the sake of trying out new technologies. But business users can't justify a project just because someone in the organization thinks they should "embrace Big Data." Or that the solution to their problem is predictive analytics, simply because "everyone else is doing it."

Companies need to be focused on profitability and maximizing profit. Any analytics project needs to move in that direction. Your business goal for an analytics project needs to be big enough for people to care about—and big enough for executives to fund. It must be aligned with your corporate strategy and tied to a business outcome.

Before you go to make your case for an analytics project, you need to make the case for *why the company* needs an analytics project and *what analytics will deliver for the company*. What will the expected business outcome be?

### 4. Your Analytics Team Needs to Work with Your Business Users

You can have a team of data analytics rock stars, but that won't necessarily ensure your project is successful. Data scientists understand the data, how to access it, how to query (note: not ask) it, how to manipulate it, and how to present you with the data you asked for. They may not, however, be able to present you with the *answers* you need.

On the other hand, your business users—be they in finance, sales, marketing or any other department—know their business and what they'd like to ask of the data, and what types of answers they'd like to get. They just don't know where the right data is, how to get at it in an efficient and effective manner, and how to "ask" the question in the right way to get the type of answer they desire.

Depending on the size of your organization, you might also have some visualization experts in the organization. They don't care where the data came from, what technology the data scientists used (predictive, cognitive—it doesn't matter) or what the business user is going to do with it. But they can make those "numbers" make much more of an impact by showcasing them in ways that are visually more appealing than a spreadsheet.

When you understand that you need to involve all these experts and constituencies in your process, then you avoid creating a stellar analytics application that the business users can't use, or a lightweight application that doesn't go deep enough into the right data, or just more and different numbers in yet another spreadsheet.

### 5. You Understand the Critical Need for Speed to Insight

Your analytics project should not be another multi-year development and deployment project like the ERP monstrosities of the 1990s. The speed of business—and the speed of change in business—can't wait for years for the biggest and most ambitious analytics solution your company has ever seen.

What your company needs is a comprehensive solution that incorporates predictive analytics or cognitive computing—which ever technology best suits your business goals—that are visual-based, drag-and-drop and enable your team to avoid writing code. You want an approach that automates much of the "dirty work" and lets your team focus on the big picture, instead of worrying about the underlying algorithms.

Chances are, someone in your company wants the answers to those business questions yesterday. It's your job to figure out how quickly analytics can deliver that insight. Can you do it in two months? Four months? Twelve months? Can you afford to wait that long?

### Let Revelwood Help You Start Your Analytics Journey

Whether you *know* you're ready for advanced analytics, or you're not yet sure you're ready, Revelwood is here to help you start your journey. Or determine *when* you should start your journey. We're offering a free [Advanced Analytics Assessment](#), where our analytics experts will conduct a requirements gathering session, assess the technology you have in place, and make a recommendation on how and when to get started. Contact us today to schedule your [Advanced Analytics Assessment](#).

## About Revelwood

For 20 years, Revelwood has helped organizations grow revenue and profits through the use of data and analytics. We leverage the best of IBM's Analytics technology and Cognitive Solutions to optimize operational performance, customer outcomes and financial results.

Predictive Analytics | Financial Performance Management | Business Intelligence



## What Makes Revelwood Different?

- We speak business first, which means we deliver useware not shelfware.
- With hundreds of successful implementations under our belt, we're known as the industry's leading IBM Analytics experts.
- Our out-of-the-box implementation accelerators and tools ensure that our solutions are delivered in a fraction of the time required by a standard implementation.
- Our implementation methodologies are built on more than 20 years of best practices to ensure the best results, on time and within budget.
- We make "heroes" of our clients.

Get to know us and our Analytics solutions. You'll find our rapid growth and stellar reputation is due to our ability to provide world-class solutions. Contact Revelwood today.

## Contact Information

Revelwood  
14 Walsh Drive  
Parsippany, NJ 07054

201.984.3030

[info@revelwood.com](mailto:info@revelwood.com)  
[www.revelwood.com](http://www.revelwood.com)

