



LEVERAGING DATA TO MAKE BETTER BUSINESS DECISIONS

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Today's presentation

- Use the QA section to submit questions
- Questions will be answered at the end

After the presentation

- Recording
- Slides



Presenter

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ACCELERATE CHANGE
EFFECTIVENESS
THROUGH
COMMUNICATION

Agenda



1 Why is data important

2 Using data to find insights and make decisions

- Experian
- IBM
- Clarks
- Shell

3 Data project break down

4 Take-aways

Why is data important to decision making?



- 1 Data is neutral, it democratizes decision making and avoids human personality pitfalls



- 2 Data enables more confident decision making



- 3 Data allows for broader and quicker understanding of the logic behind any decision

Reducing Attrition Using Data - Experian

- Experian had attrition 3-4% higher than their target
- Built a model that used 200 attributes to predict employee turnover
 - ✓ E.g.: team size, manager performance and length of commute
 - ✓ Multiple data sources, including the HR system and consumer profile data

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Insights:

- Optimal team size 10-12 people
- Employees moving out of London were much more likely to leave

Results:

- Over 18 months they reduced attrition by 2-3%, with a net savings of \$8-\$10M

Reducing Attrition Using Data - IBM

- IBM wanted to understand the sources of high turnover in certain business critical roles
- Built a model with data from HR system, employee sentiment tool and internal social media platform
 - ✓ E.g.: performance, tenure, promotion history, length of commute, role, and salary

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Insights:

- The analytics helps identify the factors driving people to leave, but not how to mitigate against it

Results:

- Ability to identify people at risk 6-9 months out
- Over 4 years reduced turnover in critical roles by 25%, yielding \$300M (productivity increase and recruitment costs declines)

Employee Engagement Leading to Better Business Performance - Clarks

Clarks wanted to understand the connection between employee engagement and business performance

- Is it a leading or lagging indicator?
- What is the value of improving engagement?
- 450 data points on business performance by store and a suite of people data:
 - ✓ E.g. Store productivity, customer conversion, sales and profit

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Insights:

- Identified an optimal in-store team size
- Moving store manager too soon led to lower performance

Results:

- Engagement is a leading indicator
- Every 1% increase in engagement yields 0.4% improvement in business performance

Employee Engagement Leading to Better Business Performance - Shell

Shell wanted to understand the connection between employee engagement and workplace safety (a key metric in the industry)

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Insights:

- Employee engagement is a key driver of safety performance, which in turns drives business performance
- Employee engagement is the single biggest driver of individual performance
- The main determinant of engagement was team and organization leadership

Results:

- Provide annual actionable feedback to line managers showing how well they engaged their teams
- Intervene to retrain low-scoring managers and revamped their leadership curriculum

Step By Step Approach to a Data Project

- A global fast food chain with both franchise and corporate owned locations has employee attrition significantly higher than their peers
- Management had exhausted traditional strategic approaches and was open to new approaches
- Management believed reducing the attrition rate would lead to a better customer experience and result in improved revenue



Step By Step Approach to a Data Project



Define the desired outcomes

Took the time for extensive data exploration and discussions to arrive at the right metrics to measure

- Revenue growth per store
- Average customer satisfaction
- Average speed of service



Find the relevant data

They had some of the data, but had to supplement in 3 areas:

- 1 Personality traits and cognitive skills - some leaders thought these may be a significant factors
- 2 Management quality – deployed McKinsey's Organizational Health Index
- 3 Employee behavior and collaboration – used sensors to measure intensity of physical interactions

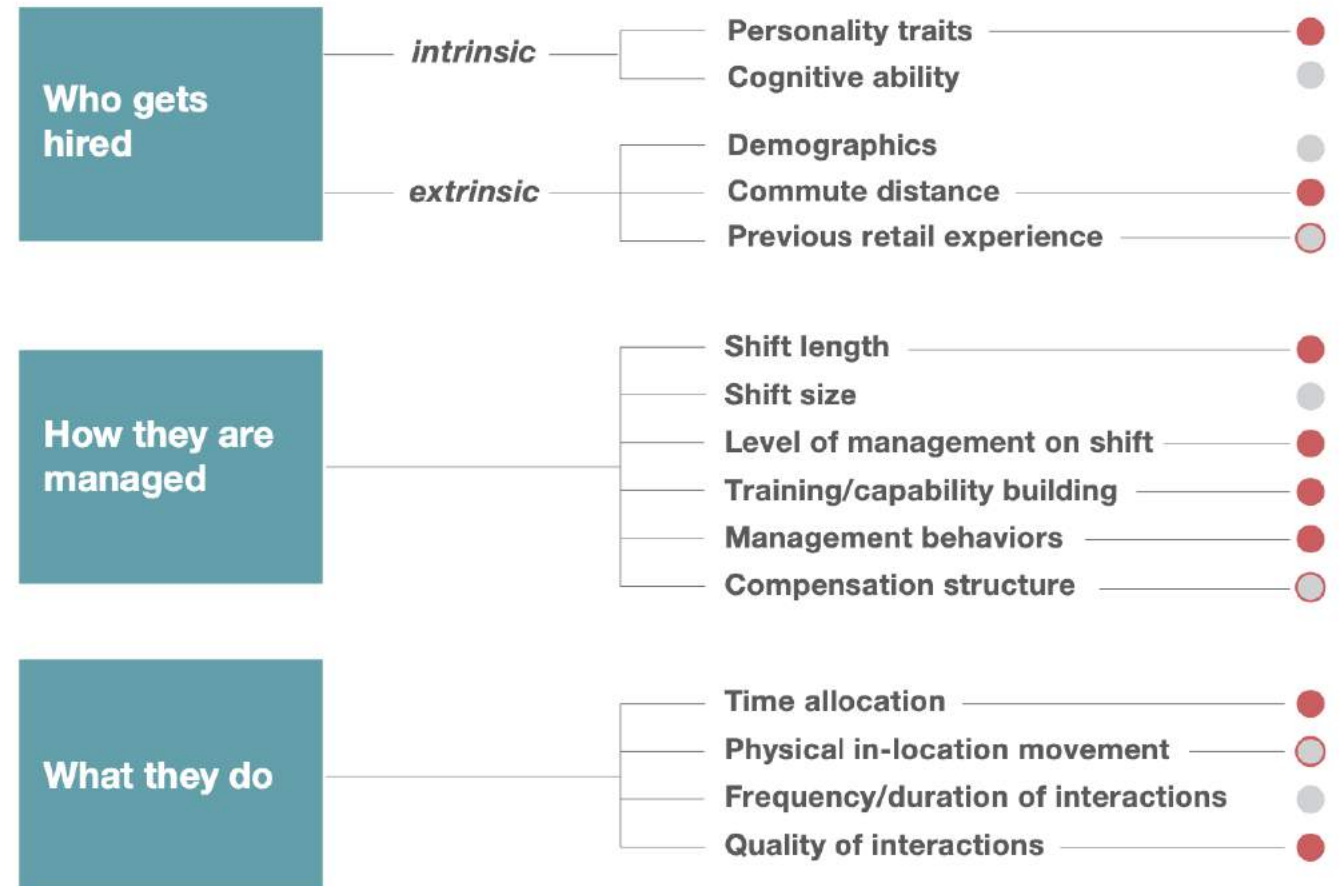
Implementation & Insights

- 6 data sources with over 10,000 data points
 - ✓ 4 US markets
 - ✓ people, shifts and restaurants including financial and operational performance data for each location
- Determined relationships between drivers and desired outcomes
- Tested over 100 hypotheses, many were 'gut feelings' from senior managers

Analysis identified which employee features correlated to the desired outcomes.

Global restaurant chain, example

- Affected outcomes¹
- Myth busting (thought to affect outcomes but did not)
- Did not affect outcomes



¹ Targeted outcomes were customer-satisfaction scores by shift, revenue growth by store, and speed of service by shift.

Implementation & Insights

Insights:



Initial Results:

- Customer satisfaction >100% increase
- Speed of service 30 seconds improvement
- Sales increased by 5%

Take-aways

- Using data to find insights and make decisions can have a material impact to your businesses
- Focused employee engagement for a specific purpose can drive business outcomes
- You don't have to start a large-scale project to get started
- You can start small and simple by having targeted Journeys to specific cohorts of employees with content designed to for a very specific purpose (e.g. Shell improving workplace safety)
- Integrating your HR system with the Guidespark Communicate Cloud™ for instance will allow you to send specific groups of employee with content targeted for the identified business outcome desired

Q&A

Better change communications drive better business results.

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