

# Towards an insight driven organisation

How to create an insight culture that drives business growth

MRS Delphi Group
With a foreward from
Professor Patrick Barwise



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Jane Frost, CEO, Market Research Society

The findings in this report provide further evidence that the insight function must prove its value to the organisation by creating a unified vision of qualitative research and big analytics – a proactive narrative for the board and other stakeholders.

Kantar Vermeer's 'Insights 20:20' found an unambiguous connection between commercial success and customer-centricity [see below]. What this report does is delve deeper into what an effective insight team looks like and how it operates within these successful private and public sector organisations.

The findings of our research serve as a wake-up call to the sector. While it is encouraging to see that 72% of participants claim their organisation uses insight to drive decision making, only 4% identified themselves as working within a fully fledged insight driven organisation. What's more, only 17% 'proactively' champion the customer voice. Based on a much smaller sample than the Insight 20:20 report, these findings are still indicative of a sector that has some way to go before it can move finally and fundamentally away from a support and service role.

The PwC Business of Evidence 2016 report clearly shows that the two growth sectors are data analytics and qualitative research. The two need each other. Qualitative techniques create the context and framework for the organisations' data resources. This framework not only explains

the data but identifies the numbers that are really relevant and, by creating a cohesive picture prevent users from getting lost in a warren of ever multiplying data wormholes.

By identifying lead indicators, which may or may not be generated from standard (and necessarily historic) performance metrics, we enable management to have future proofing discussions and identify risk and opportunity on the horizon.

In this data-driven era businesses are looking for the expertise and professionalism that I know exists within the research sector. As our joint MRS / PwC Business of Evidence 2016 report concluded, the researcher of the future must combine a flexible early adopter mind set, business acumen, good communications and sound data analysis skills. These four characteristics form the cornerstones of MRS training and professional development, and our role has never been more critical to the future health of the sector.

"Fifty-one percent of over-performers indicate that Insights & Analytics are leading their business. This is four times greater than the scores from under-performing companies and indicates that in these firms, Insights & Analytics are influencing all parts of the business planning cycle. To do this, we see some important changes emerging from the past. Winning Insights & Analytics groups are evolving from the traditional support function role to one of a pro-active team player, providing scenario planning and recommendations, and ultimately being regarded by the rest of the business as a fully integrated business partner that has a seat at the leadership table, driving strategy and real-time execution together with Marketing, IT and Finance colleagues."

Insights 20:20, Kantar Vermeer

## About this report

Insight-driven organisations exhibit a number of characteristics that help them focus on their customers and deliver against commercial objectives.

The MRS Delphi Group worked with the insight community to create a framework so that organisations could benchmark the current status of their insight teams. Links to best in class frameworks for public and private sector organisations are available at the end of this report.

The framework is summarised in the MRS Insight Wheel (below) which is a useful visual reference that highlights the characteristics of an insight-driven organisation.

In 2015 the framework is available as a self assessment questionnaire insight.mrs.org.uk and it has generated responses from teams in the commercial and public sector. More information on the methodology can be found on page 8.

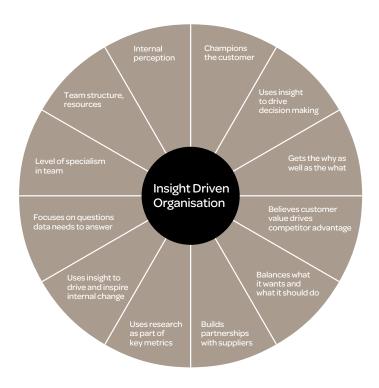
#### About MRS Delphi Group

The MRS Delphi Group is led by a collection of the most respected thinkers in the marketing and research sectors. The Group delivers valuable insight across a range of important business, social and political issues.

The Steering Group includes: Dr. Nick Baker, Chair of MRS Delphi Group; Caroline Plumb, Freshminds Research Ltd; Phil Sutcliffe, TNS UK; Colin Strong, Ipsos; Nick Bonney, Camelot; Tim Britton, Springer Nature; Cat Wiles, VCCP; Jake Steadman, Twitter; Vijay Raj, Unilever; Jane Frost, CEO of MRS.

#### Acknowledgments

MRS Delphi Group would like to thank all the contributors to this report, especially Lisa Hazelden, NS&I, who worked with the Group to create the insight framework and Patrick Barwise Emeritus Professor of Management and Marketing at London Business School and a Patron of the Market Research Society.



# A 'mid-term self report'



Patrick Barwise, Emeritus Professor of Management and Marketing, London Business School

Organisations succeed by meeting customer needs – either profitably and better than the competition (businesses) or as well as possible within the resource constraints (public services).

In both cases, an effective insight team can help drive performance by ensuring that decisions are based on a good understanding of customers' current, emergent and latent needs, and checking that customers' reasonable expectations are being met.

The best insight teams are still rigorous and objective and use both digital and traditional market research techniques. So how are they different from a market research team, apart from the label?

First, they draw on all the potential sources of customer understanding, including market research and big data.

A valid, actionable insight achieves nothing unless it reaches the relevant decision-makers and they act on it. The key feature of 'big' data isn't so much that there's lots of it as that most of it is a by-product of things like routine operating systems and consumers' social media conversations.

Often, it's messy – on various legacy systems, with incompatible formats, lots of missing values and so on.

Integrating all this to provide a rounded picture of customers is a big, never-ending task, but it's central to the new, more ambitious role of the customer insight team.

The second new feature of customer insight reflects another aspect of this ambition, echoed in the MRS's emphasis on impact.

A valid, actionable insight achieves nothing unless it reaches the relevant decision-makers and they act on it.

The best insight teams keep their work relevant to the business agenda and actively communicate the results and implications to those developing and executing the strategy.

Some insight work will always be ad hoc, responding to internal requests and external market and technology threats and opportunities. The rest will be ongoing, monitoring strategically important customer behaviours and perceptions and other market trends.

To ensure that the organisation's leadership remains customer-focused, the most important customer metrics should be included in a balanced scorecard reporting system alongside the key financial, operational and HR metrics. They should be really simple, like the Net Promoter Score and traffic light displays. If these highlight an issue, they can be followed up with more sophisticated diagnostic research and analytics.

This report is about where we are on the journey towards insight-driven organisations doing all the above. It is based on those who have used the MRS's framework and self-assessment tool. The results paint a picture of some progress and much future potential.

Insight teams retain a reputation for rigour and reliability. Many are moving towards a more systematic agenda and communication strategy. Over half claim that their organisation uses a balanced scorecard combining customer and operational metrics. Many claim to be working more strategically with suppliers.

The best insight teams are still rigorous and objective and use both digital and traditional market research techniques.

Both inclusion in a balanced scorecard and strategic supplier relationships are strongly associated with claimed impact.

Conversely, few claim to be proactively championing the customer voice or ensuring that customer insights are routinely incorporated into decision-making.

So what do those managing insight need to do? As well as still recruiting the best technical talent, especially in emerging areas like analytics, they need to:

- Keep developing their own, and their teams', wider business awareness, knowledge of the organisation's strategic priorities, and leadership skills.
- Proactively drive the customer agenda across the organisation, rather than only responding to briefs and relying on 'basic reports and analysis'.
- Work hard to develop a rounded picture of the customer using multiple sources, with a sense of their relative strengths and weaknesses (e.g. research versus data analytics).
- Continue to develop a strategic network of complementary suppliers, increasingly collaborating to develop the insights that will drive customer-focused innovation and delivery.

# Findings and commentary: United we stand, divided we fall – why integration is key



Nick Bonney, Head of Insight, Camelot

The results of MRS 'Are You Insight Driven?' research project highlight how vital it is to adopt an integrated approach to insight, if research is to drive business impact.

The <u>self-assessment survey</u>, completed by 109 client side organisations, shows that client side insight teams who have the most impact on their business and organisations are most likely to be:-

- Integrating research data with other sources
- Ensuring customer metrics are part of the key KPIs for their organisation
- Working in an effective partnership model with their suppliers

However, as a whole, it seems that research teams still have some way to go to achieve this goal – whilst most organisations are running a structured programme of research, some projects can still be ad hoc in nature and data sitting in silos reduces the impact on the business.

The results in detail

1

# Research teams still struggling to take the initiative

Whilst the majority (6/10) of organisations are running a programme of structured research, many of these (2/3 of that group) are still relying on 'basic reporting and analysis'. Only 17% claim to proactively champion the customer voice – suggesting that many clients are still spending their time trying to juggle the plethora of inbound briefs from the business rather than playing a role in proactively identifying customer issues or opportunities for the organisation.

Less than 1 in 4 claim to develop insight which is directive and helps prioritise action and to be embedding insights effectively through business strategy and tactics.

17%

claim to **proactively** champion the customer voice

2

#### Research still a valued partner

This lack of proactivity does not appear to get in the way of strong internal relationships with many teams having clear business partnering models in place – 44% claim to be building credibility as a valued voice in the business.

Similarly, progress has been made in the journey to structure insights around key issues rather than on a project by project basis. Half of all participants have a clear communication strategy in place (16%) or are working on building narratives from various data sources (34%). However, this is by no means universal – at the other end of the spectrum 16% research buyers who responded claimed that individual reports are still held locally with limited dissemination and influence.

3

#### Integration is key

There is a symbiotic relationship here between clients and suppliers. 16% clients claim to have developed strategic partnerships with key suppliers and a further 38% work with a set portfolio with some evidence of supplier interworking.

16%

of clients claim to have developed strategic partnerships with key suppliers

44%

claim to be building credibility as a valued voice in the business

Perhaps the struggle to get on the front foot is linked to our inability to directly link research to business goals – only 14% of participants claimed to have achieved a sense of tacit importance of 'customer' in most things that are done within their business. Similarly, 43% claim that measurement of customer impacts currently have a limited impact on decision making.

Those clients who work with suppliers in either a strategic partnership or portfolio arrangement are far more likely to have a stronger influence on the organisation with 78% claiming to influence the organisation on customer impact compared to 29% of clients who don't work with suppliers in this structured manner.

Driving the presence and integration of research is critical here too – overall 56% claimed to use a balanced scorecard approach where research and operational metrics are blended to highlight customer value. Again this translates directly into business impact – clients who adopt a balanced approach between research and operational measures are far more likely to have an impact on the business – 78% vs. 31% where research sits in isolation.

#### Where next?

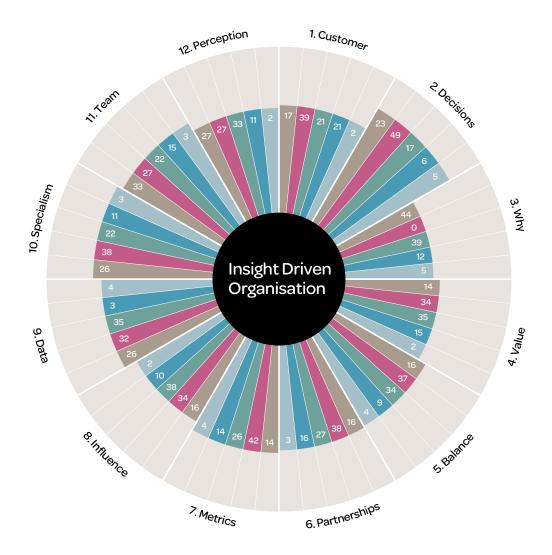
Whilst maintaining high levels of technical expertise is undoubtedly key (64% clients have teams with clear specialist skill sets), this is by no means enough in isolation to drive business impact.

It is clear from the initial responses to this survey that this takes a far more joined-up approach both in terms of our ability to integrate data but also in terms of the ability of the whole research and insight ecosystem to work collaboratively together.

Effective working partnerships (both client to agency but also agency to agency) are at the heart of us weaving more impactful and compelling narratives and driving a greater presence for research within the business. However, if we are to truly deliver on our ambition to see insight drive the business, our ability to better integrate research with the commercial heartbeat of the businessis key.

\*For research methodology and access to data see page 8.

### Questionnaire results



#### Methodology

This report analyses the findings from a self assessment research questionnaire which asks the user to select where their insight team currently operates against the questions in the wheel.

Q1	Champions the customer		
Q2	Uses insight to drive decision making		
Q3	Gets the why as well as the what		
Q4	Believes customer value drives competitor advantage		
Q5	Balances what it wants and what it should do		
Q6	Builds partnerships with suppliers		
Q7	Uses research as part of key metrics		
Q8	Uses insight to drive and inspire internal change		
Q9	Focuses on questions data needs to answer		
Q10	Level of specialism in team		
Q11	Team structure, resources		
Q12	Internal perception		

Each of the 12 key areas has a scale of 1–5 (1 being most advanced, 5 being least advanced). You can see the percentage of responses within each key area in the image above.



You can see all the questions, charts and data at <a href="mailto:mrs.org.uk/insightdata">mrs.org.uk/insightdata</a>

109 anonymised responses from public and private sector clientside organisations were submitted in the period March 2015 – March 2016.

# From reactive to strategic in three steps



Jessica Salmon, Head of Research, O2 (Telefonica UK)

At O2 we pride ourselves on having a customerled culture and a passion for insight. Our fundamental belief is that putting the customer at the heart of decision making delivers success.

This translates to our insight world in two ways. On the positive side we have a well-structured team, budget and an openness to experimenting with new techniques. The challenge for us is the sheer scale of the demand for insight. It's wonderful to work in an organisation that appreciates insight but that workload pressure often forces us into being more reactive than we would like.

This challenge of moving from reacting to inbound 'briefs' to providing direction for the business has been the prime focus in my role as Head of Research for O2. I am always looking for ways to increase our effectiveness and impact. There's no point just doing research for the sake of it – we have to step up and proactively drive the conversation with the rest of the organisation.

We are still on the learning curve but three key actions, outlined below, have helped deliver improvement.

Firstly, I sit on our Marketing 'Planning Board' which allows us to embed insight upfront into our strategic planning, to flag the risks and opportunities on the 3 year and annual horizons. This puts the customer voice and market context right at the heart of our plans. It also gives line of sight of the commercial challenges for the business so I can direct resources to answer relevant strategic questions.

We have recently introduced a gating process for our plans so we are able to focus our efforts on those briefs which support 'the plan'. As this process matures and beds in I am sure we will see continued benefits in shifting the balance of reactive vs proactive work we do.

The second challenge is a broader industry one. I wish I had a pound for every 'Will big data kill off MR?' conversation I've seen. Before big data it was social media. I firmly believe that as a profession our core value lies in our ability to understand a business question and interpret 'inputs' regardless of whether they be customer data, survey data, qualitative observations, market pricing etc. At O2 we work closely with our analytics colleagues and the most powerful insight nearly always comes from collaboration across sources. This is equally important for our agency partners who have an opportunity to expand the disciplines they can call on to support us.

Finally none of this matters unless we tell the story back to the business. This last part is critical – we're generally not bad at the interpretation but I sometimes find researchers, both client and agency side, like to sit on the fence and hide behind their 'findings'. Yes it is essential to build your opinion on evidence but then take people with you and tell them the story of the answer. In today's client side world very few stakeholders have the time or inclination to listen to how you got there or all the other interesting stuff you found out. They just want you to tell them the answer in an engaging and impactful way!

This has huge implications for the researcher of the future – a passion for the customer and solid research skills are now just a hygiene factor. We need to recruit and develop people who can think strategically and commercially, interpret a wide range of data inputs in context and then tell a story. Commercial, agile and impactful at the highest levels, our professionals will be steering their businesses to success in a challenging world.



# Too many insight teams in a support role



Lisa Hazelden, Assistant Director Retail Experience, NS&I

The level of integration of an insight function into the decision making processes of an organisation typically determines its ability to drive insight into action, and hence its potential level of impact.

In general, organisations who aspire to be insight driven, rely on specialist teams, who can integrate increasingly more complex and diverse data and information sources into relevant insight which they proactively position with key decision makers in a succinct, meaningful and timely way. This has become even more important in a world of increasingly rapid change and uncertainty.

Being able to identify the lead indicators of change and relevant scenarios for developing and future needs, whilst still measuring current performance and driving improvement around existing key customer metrics, all in reduced timeframes and at lower cost, reflects some of the current expectations and pressures the client insight teams face. More and more, organisations are looking to their insight teams to provide expert guidance and advice in lieu of what we would traditionally call 'support and service'. This requires the teams to evolve their skills and reposition their role in the organisation to be able to deliver on this new brief.

For many organisations, transforming the way they work can prove to be quite daunting. Where does one start?

The beauty of the MRS Insight Wheel is that it breaks down what it means to be insight driven into digestible components. The self assessment questionnaire then allows teams to benchmark themselves in terms of where they sit on the path to being insight driven for each component and prioritise their development programme and resources according to what they would like/need to achieve.

Interestingly, when we look at the results of the self assessment survey, we see that around 55% of respondents, on average, would position themselves as 'support and service' related functions within their organisations; 41%, on average, provide an 'evaluation and advisory' type role, whilst only 4%, on average, would fall into the 'insight driven' category.

Nick Bonney has given a great summary of the results and key take outs in his section.

What is clear from this work, is that many organisations are still grappling with how to evolve their insight functions to allow them to better leverage the data and knowledge assets they hold.

Insight integration, transformation and exploitation are key to organisations evolving to being more insight led, being better able to differentiate themselves in increasingly complex, faster paced and uncertain ecosystems.



# Connecting insight to growth



Vijay Raj, Vice President, Consumer and Market Insights, Unilever

At Unilever, the vision of the CMI team is "to inspire and provoke to enable transformational action". Note that the word 'insight' is missing. This is intentional and reflects our belief that insights are a means to the end of actions that drive business growth. To reinforce the connection between insights and growth, CMI bonuses are linked to the wider business unit performance.

The action orientation necessitates recruitment and training of 'action oriented' employees.

One approach which CMI uses is Upping Your Elvis workshops, run by a company of the same name. This pushes people out of their default thinking styles and gets them to engage in creative problem solving. The CMI Academy runs courses on topics like effective business partnering and finance for non finance, to help teams think outside traditional areas.

In order to address the challenge of integrating massive and disparate sets of data, Working closely with IT, CMI has implemented a Global Marketing Information System. This system integrates data from different sources and presents it in consistent formats. This ensures that all users, see the same information in the same way. It has freed CMI from resource intensive reporting activities and focuses the team on delivering insights and actions. Having all the data in one place, enables CMI to participate in the planning cycle by answering the questions of 'where to play' using a tool called Growth Scout and "how to win" using a tool called Growth Cockpit.

CMI has recognised the need to move away from 'rear view mirror' led work to predicting and influencing the future. At a broad level, a team called Human and Cultural Futures (HCF) has been created. The HCF team is dedicated to imagining the future, examining developments in key regions and exploring the implications for strategy.

CMI engages with research agencies in true partnership. This extends to two way feedback and CMI paying a bonus to high performing individuals at the agencies.

CMI is an independent function with the Executive Vice President of CMI reporting to the Chief Marketing and Communication Officer who is a member of the executive board. CMI's independence is enabled by having autonomy over its own budget, a mandate to drive business performance and accountability for helping other functions to achieve business targets.



# From ad hoc research to strategic partnerships



Cat Wiles, Head of Planning, VCCP



I think there's never been a more exciting time to be part of the insight function. Businesses have woken up to the fact that if they are to be truly customer-led, they must transform their organisation to become insight-driven. This thrusts those of you in the insight function into the very heart of the organisation – meaning that the demands on the quality of your inputs and analysis will have never been higher.

This newfound dedication to become insight-driven, requires a shift in the way that the organisation both works with, and views, its research suppliers. There needs to be a shift in both mindset and behaviour away from commissioning ad hoc research to building on-going strategic partnerships in order to unearth deeper insights and unlock bigger business opportunities.

The insight function of the future will need to be populated by storytellers – people who are able to knit together the story of what is happening and why. They will need to possess many of the core skills seen in the best brand planners – an ability to simplify the complex as well as an insatiable curiosity to discover the 'why' behind what drives consumer behaviour.

It will be this curiosity which will drive those in the insight team to get out into the field and blend a greater diversity of research methodologies, rather than defaulting to the old faithful 6–8 participants behind the glass. And they will find powerful ways to present these rich learnings in a way that will inspire the business and galvanise action.

The insight function of the future will need to be populated by storytellers – people who are able to knit together the story of what is happening and why.

## The researcher of the future

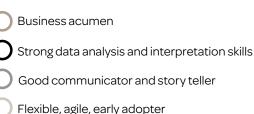




Jake Steadman, Research Director, Twitter, and Dr Nick Baker, Chair of MRS Delphi Group

The research sector is facing a growing challenge to recruit and nurture talent.

The recent report MRS/PwC Business of Evidence 2016, sketches a blueprint for the researcher of the future. We broadly agree with their findings, but think that there is a need for additional clarity around what each of the elements mean and what they could look like in a business context.



What we have done for this report then is provide a set of second level attributes that sit below PwC's overarching themes.

The below is in part our belief, and in part our hope for the future. We'd love to hear from you if you agree or disagree. This is an important debate.

1

#### Business acumen

Research is only valuable if it has impact.

In a world of ever increasing data, methodologies and techniques, the ability to read and understand business context only becomes more critical.

When commissioning, designing and delivering projects, the researcher of tomorrow will start with business objectives, not research methodology. They will focus on delivering the right insight, at the right time, in the right way – as opposed to repurposing past techniques or doing things simply because that's the way it's always been (shout out to trackers in particular here).

#### The researcher of the future

2

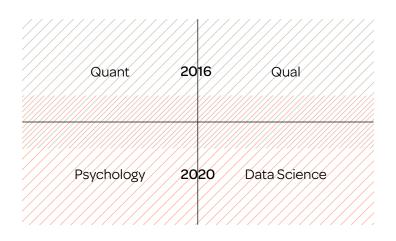
#### Strong data analysis and interpretation skills

Regardless of which end of the qual/quant spectrum you sit, the researcher of tomorrow will have a more thorough understanding of data and the tools available to them to interpret it.

They will see rise of the machines as an opportunity, not a threat. They will act as guides through data, not as owners of it.

Ultimately the researcher of tomorrow will focus on the context of what they're doing and how to make it better. They will be consultants, business partners or trainers rather than the 'owners' of insight, or the customer.

THE SHAPE OF MARKET RESEARCH 2020



Skills and techniques that currently sit on the fringes of traditional research will become central in the near future.

3

#### Good communicator and story teller

Death by PowerPoint is a thing. Including endless charts in a presentation creates an inability to tell a story. People get number blind.

It takes a huge amount of confidence and skill to reduce your presentation to 15 minutes and a handful of graphs. In fact, it goes against the whole ethos of our sector which has taken confidence in presenting data and methodology to earn credibility. Presentation length does not equal robustness.

The researcher of tomorrow will be able to entertain and tell stories. They will understand the connection between the business and its customers more than anyone else and see their primary function as one of persuasion.

What if PowerPoint or Keynote didn't exist?

4

#### Flexible, agile, early adopter

Being time poor, having access to real-time data and needing to provide faster insights to action; these are all part of the growing liberalisation of access to data which is happening across agencies and clients in equal measure. There is immense pressure to reduce timelines and develop key insights – or stories – from data.

The second wave of digital is transforming what we do, how we can do it and the costs of doing it. The researcher of the future needs to embrace these changes, adapt a more agile approach, and ensure that they are embracing change to continually deliver relevant and targeted insights from data (whether passive, transactional or social) or primary research.

# The researcher of the future: Key attributes

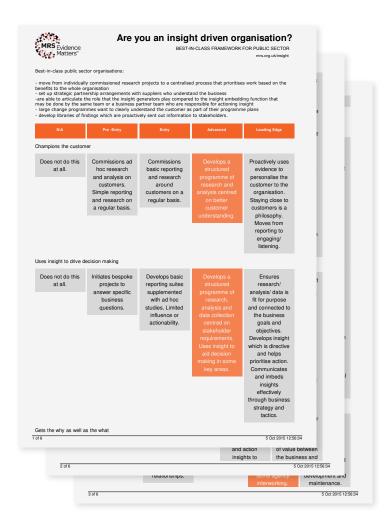
PwC attribute	2nd tier attributes	Description
1	1.1 You are led by commercial objectives	Your research will only be commercially useful if the business objectives are baked in right at the start of the research design.
Business acumen	1.2 You understand your client /stakeholder	Having a relationship with your client builds trust and ensures you are focusing on what is achievable and important to them.
	1.3 You nurture partnerships	Clients and suppliers should consider themselves partners working toward a common objective. This is also the case between multiple suppliers working to help a single client.
2 Strong data analysis	2.1 Hypothesis development	You start with a hypothesis and are prepared to challenge and change it through the course of a project.
Strong data analysis and interpretation skills	2.2 You understand data science	Regardless of which end of the qual/quant spectrum you think you sit, the researcher of the future will have a more thorough understanding of data science than is common today.
	2.3 You see technology and AI as an enabler	You are not threatened by the rise of the machine but see it as an opportunity to focus more on the key human skills of interpretation and driving business.
Good communicator	3.1 You entertain, you tell stories	Make sure your stories are business led, not project led; talk meaning, not numbers. You talk the language of your customers / audience.
and story teller	3.2 You use mixed media	Film, animation, data visualisation, physical props – are all legitimate mediums to convey the message. Avoid PowerPoint wherever possible.
	3.3 You use emotional story telling	All the best story writers take their audience on a journey across several emotional states. Use this to get the response you desire.
Flexible, agile,	<b>4.1</b> You have a multi-disciplinary skillset	Where necessary, you are open to partnerships to enhance and fill gaps within that skillset. You take ideas and techniques from wherever you find them.
early adopter	<b>4.2</b> You embrace the liberalisation of access to data	Rather than try to stop non-researchers (other departments or non-traditional research suppliers) from accessing and interpreting data, become a leader and an advocate of best practice. Help them.
	4.3 You have a proactive curiosity	You do not wait to be instructed but rather you 'lean in' to issues and opportunities as they arise.

#### Benchmarks - Private and Public Sector

These benchmarks for public and private sector organisations were created with input from relevant insight professionals.

To access the Public Sector document in full click on the link below: http://insight.mrs.org.uk/pdf/Best%20 public%20sector.pdf

To access the Private Sector document in full click on the link below: http://insight.mrs.org.uk/pdf/Best%20 private%20sector.pdf



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