Information as Competitive Advantage

Lee Levitt
Business Strategist
llevitt@oracle.com
The Economist

Theresa May v Brussels
Ten years on: banking after the crisis
South Korea’s unfinished revolution
Biology, but without the cells

The world’s most valuable resource

Data and the new rules of competition
The New Rules of Competition

Primary Approaches to Competitive Advantage

• Cost Leadership
• Differentiation
• Market Focus
Information *is* Driving Huge Competitive Advantage
Extensive use of customer analytics has a large impact on corporate performance

Percentage of companies above competition

<table>
<thead>
<tr>
<th></th>
<th>No extensive use of customer analytics</th>
<th>Extensive use of customer analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>22</td>
<td>49</td>
</tr>
<tr>
<td>Sales</td>
<td>22</td>
<td>50</td>
</tr>
<tr>
<td>Sales growth</td>
<td>15</td>
<td>43</td>
</tr>
<tr>
<td>ROI</td>
<td>20</td>
<td>45</td>
</tr>
</tbody>
</table>

Extensive users of customer analytics are more likely to outperform the market

1 Based on "Please describe the performance of your firm/business unit in the following areas relative to your average competitor". "Above competition" defined as 6 to 7 on a 7-point scale: 1 = Well below competition, 7 = Well above competition.
2 Based on "Please indicate how much you agree or disagree with the following statement: We use customer analytics extensively in our firm/business unit". Scale of 1 to 7: 1 = Strongly disagree, 7 = Strongly agree. Comparison of items assigned 1 or 2 vs. 6 or 7.

Successful companies outperform their competitors across the full customer lifecycle

Performance index

Strategic KPIs

- Customers acquired: High performer
  - 69 customers acquired, x 23
- Customers retained: High performer
  - 71 customers retained, x 6.5
- Customer loyalty: High performer
  - 80 customers satisfied, x 9
- Customer satisfaction: High performer
  - 81 customers satisfied, x 5.8

Tactical KPIs

- Sales to existing customers: High performer
  - 74 sales, x 7.4
- Customer profitability: High performer
  - 75 profit, x 18.8
- Value delivered to customers: High performer
  - 76 value, x 15
- Migration to profitable segments: High performer
  - 63 migration, x 21

1 Based on “Please describe the performance of your firm/business unit in the following areas relative to your average competitor.” “Above competition” defined as 6 to 7 on a 7-point scale: 1 = Well below competition, 7 = Well above competition.
2 Based on “Please describe the performance of your firm/business unit in the following areas relative to your average competitor.” Aggregate index derived from the dimensions Sales, Sales Growth, Profit, ROI. Comparison of bottom vs. top quartile.

SOURCE: McKinsey, DataMatics 2013
72% of large companies do not have a data culture

69% have not created a data-driven organization

53% don’t treat data as a business asset

52% are not competing on data and analytics

Source: Companies are Failing in Their Efforts to Become Data-Driven
Harvard Business Review, February 2019

Copyright © 2019, Oracle and/or its affiliates. All rights reserved
Data Management

30% are *almost always* successful in finding the data they’re looking for

20% are *almost always* successful in preparing data for analysis

Source: *Data Literacy: A Foundation for Succeeding in a Data-Driven World*  
IDC 2019
Story Time

• Focus on Outcomes
• Build a Culture of Curiosity
• Build Bridges Between Data Silos
Information Management as Competitive Advantage
Actions to Take

- Focus on *Outcomes*
- Build bridges between data siloes
- Build culture of data quality, usability, curiosity
- Change the 80/20 mix
- Ask for help
Thank You!

Lee Levitt
llevitt@oracle.com
linkedin.com/in/leelevitt