

Decision making in the face of **uncertainty**

Among the most significant competitive advantages that a company can achieve is the ability to read and react to shifts in consumer demand faster than its competition. This is doubly true in times of economic uncertainty.

The combination of big data analytics and the latest business intelligence technologies offer companies the potential to quickly identify changes in market behavior and accurately anticipate those that have yet to occur. Firms that understand how to harness this potential are those that will have the most success navigating a volatile marketplace. A recent Thorogood project at a leading consumer goods firm offers a good case study in this reality.

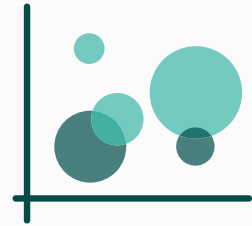
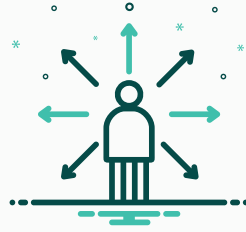
Combining technological capabilities with statistical expertise and business acumen

Even before the COVID-19 outbreak led to economic shutdowns across the world, the firm in question had committed itself to becoming a company that could use data to quickly respond to and even capitalize upon sudden changes in consumer behavior. As part of this organization-wide effort, the consumer packaged goods giant enlisted Thorogood to create a special analytics task force that would be charged with briefing C-Suite executives on market-wide trends that could be contributing to fluctuations in demand for the company's products. Along with one of the company's Information and Analytics Product Managers, a team of Thorogood

consultants leveraged the power of Databricks and Power BI to create a series of monthly reports that monitored key performance indicators of a portfolio of our client's most prominent brands, and surfaced key insights into the markets in which they were competing.

As the coronavirus pandemic began to expand across the globe, Thorogood's consultants found themselves tackling new, critical questions about how our client should alter its strategy to respond to the unprecedented disruption. Delivering these insights and testing new hypotheses required tools that read and integrated market data in real time, as well as a modern, cloud-based data platform that was able to scale up when extra processing speed was required. The firm's infrastructure already included an Azure data lake that Thorogood consultants had previously developed and deployed, which enabled the automatic loading and standardization of data from various external sources. One of the key benefits of using the data lake was the ability for real time analysis – once the data lake processed data, the inquiry of that data could begin on the same day, with no waiting.

But infrastructure is only one component of an agile, enterprise-scale analytics strategy. Also required is a knowledge of how to best utilize those tools to isolate the variables that are impacting business. With a vast



portfolio of brands across a wide variety of consumer goods channels and an expansive network of retailers, our client's sales are contingent upon a variety of different inflection points. Revenue changes can be the result of a shift in behavior on the part of consumers, or on the part of retailers, or on the part of competitors. Those behavioral changes can also be globalized, localized, or isolated geographically and can pertain to an individual product, or a sector, or an individual brand, or the whole portfolio of brands. The key is to spot the trend and then quickly diagnose its cause.

In order to identify underlying factors requiring C-Suite attention, Thorogood relied on point of sale data from IRI and Nielsen to create a series of Power BI reports that would build up a story for senior leadership and guide them from a 30,000-foot view to the detailed insights responsible for the bigger picture. Using applied statistics modelled in Databricks, the task force was able to monitor changes in market share across all of these relevant variables and spot any anomalies in demand and the scale on which the shift was impacting business. In one instance, they discovered that a dramatic change in the market share of a particular line of products was having a significant effect on the performance of the channel as a whole. The reports that Thorogood had developed showed that the poor performance was out of line with the overall growth of the US market, leading to further investigation that revealed that the poor performance was entirely due to a decline in volume shipped to a major retailer. This allowed our client to reach out to that retailer and learn about the root cause of the decline.

Quick response and pro-active action

Instances like this offer a vivid example of the enormous value of an analytics practice that combines the right technology with the right expertise. In an environment of rapidly changing externalities, the ability to quickly identify and address these sorts of problems is essential to remain ahead of the competition and keep pace with market fluctuations. The ongoing pandemic has introduced a slew of new variables that companies must account for, and, thus, a slew of new questions that they must ask themselves. As COVID-19 has spread across the globe, Thorogood's task force has increasingly found itself focusing on these sorts of questions.

The companies that best endure recessions are those that best anticipate and respond changes in purchasing behavior. It turns out, the same can be said of pandemics. The first step toward conquering uncertainty is building an agile analytic framework that offers an accurate and comprehensive picture of marketplace realities. Achieving rapid responsiveness requires a scalable, flexible solution that utilizes the vast capabilities of cloud technologies and tools. Equally as important is putting those tools in the hands of people who know what they are looking for and how to find it. Even in the most daunting of economic circumstances, the combination of technology and expertise can yield crucial insights that enable a company to thrive.



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Contact: Deb.Lee@thorogood.com

Deb Lee – Bi & Analytics Consultant at Thorogood