



AI LEADERS PODCAST #51: SHORT-TERM AND LONG-TERM VALUE WITH AI

AUDIO TRANSCRIPT

Krishna Cheriath [00:00:00] Have an integrated strategy approach that links together information technology, data analytics, talent management, business process, innovation, etc., and then divides your value imperatives from that.

Jeff Kaminski [00:00:17] Hi I am Jeff Kaminski, managing director and head of strategy for Accenture's Data and AI practice in the Northeast. And welcome to the next edition of Accenture AI Leaders Podcast. Today, we're here to speak about how do you balance innovation with short term and long-term value in the world of data and analytics? And today I'm joined by an esteemed friend, colleague and client, Krishna Cheriath, who's the head of Digital Data and Analytics at Zoetis Krishna, why don't you say hello to the community here and tell us a little bit about yourself.

Krishna Cheriath [00:00:48] Jeff What a great podcast. Happy to be part of this conversation today. As Jeff introduced, my name is Krishna Cheriath. I lead digital data and analytics here at Zoetis. We are the world's largest animal health company, 9 billion business, 50% of our business in the US, 50% international across a range of species. I've been here for about two and a half years now. Prior to that, I was the chief Data officer at Bristol-Myers Squibb, and before that I spent a career in management consulting across digital data and analytics, PWC, IBM, Accenture, etc... Besides being the

head of digital Data and Analytics here at Zoetis, I love teaching. I'm part of the adjunct faculty at Carnegie Mellon University and Rutgers Business School, where I talk about data and analytics strategy as a part of their respective executive education program. Happy to be here. Looking forward to this conversation.

Jeff Kaminski [00:01:51] Yeah, same Krishna. Thanks for joining us today. And for a little bit of your journey like you mentioned, you've spent a lot of time in industry is also consulting. And the last point you made about education and being faculty, the faculty at Carnegie Mellon and Rutgers, what brought you to that? What actually got you down that path?

Krishna Cheriath [00:02:10] Yeah, I think yeah. You know, along the way, if I just backtrack, I was born into a family of physicians, so in many ways I was destined to be in healthcare one way or the other, but I gravitated towards engineering. So even though the rest of my family were in physicians, I went into technology first. I was a technologist for a long time. Then along the way, I developed a lot of interest in data and analytics and then that variety of roles to become a data and analytics practitioner. First a leader, consultant, before pursuing roles like Chief Data Officer and Chief Data and Analytics Officer.

Jeff Kaminski [00:02:56] Excellent. And so, for



today's conversation, we were here to talk about data and analytics strategy and how does it actually drive short term and longer long-term impact. So, as we dive into what's your top-level point of view of that? You have a lot of experience. We've had these conversations a lot through the years, but what's your perspective in regards to how do you think about it and how do you go start approaching both short term and long-term value generation through data and analytics?

Krishna Cheriath [00:03:25] Yeah, I think that the key word there is value and it is becoming extremely an important point to be picked in as far as your data and analytics strategy is concerned. To me, it all starts with strategic clarity for companies. All of us are not going to be Google, Uber, Facebooks of the world. So, we really need to start with clarity around what are the company objectives, what are we trying to deliver for our shareholders, customers? And then in the context of that company, strategic imperatives, what role does data and analytics play? I would say not in isolation, but as a part of an integrated strategy that involves information technology, data and analytics, business process and business model innovation, talent, and a risk management strategy. So, all of them linked together needs to drive towards that company north star of strategic imperatives. So, I like to think about value in that envelope. So, what are we trying to achieve from a big D digital strategy for the company? And within that context, what specific value does data and analytics need to drive? Now it is a tough thing to measure, but nevertheless it is a very important thing to anchor. Here at Zoetis When we think about data and analytic initiatives, we try to think of four value drivers that we center our strategy on. First is how does it help our topline? How does it increase sales? How does it help enable sales execution? How do we deliver more value to our customers? Second is how does that improve our bottom line? What can it do to optimize cost of goods sold? how can it improve our margins as a company? Third, around customer experience. We have many analytic initiatives that is focused around

measuring customer experience and then precisely target what we need to improve from customer experience improvement across our multi-channel engagement strategy. And finally, how can it improve productivity? What can it allow us to do high value work at better productivity points. Those four value themes drive our data and analytic initiative selection. Because just like any other company, we have finite resources, finite mindshare, and finite focus. So how do you deploy against those problems that matter for the company is what we seek to do. And for me, it's that value question starts with the company priority and then you need to devise your data and analytics strategies within that context. And the last point I would make that is as you think about it, you come to a quick realization that you really need to operate in what I call a Ferrari and cargo ship strategy. You need a lot of things that you need to solve here and now. These are either business opportunities or challenges that need support here and now. So, the question is, how do you deploy that fast based Ferraris of value creation, quick win initiatives or fast paced, to value delivery. But in order to have a sustainable ecosystem that sustains data and analytics success, you need the cargo ships as well. You need sometimes you need investments in your data infrastructure. Sometimes you need cultural changes, governance changes, things like that. That is more longer lead time. So, start with the company's strategy. Have an integrated strategy approach that links together information technology, data analytics, talent management, business process, innovation, etc... And then devise your value imperatives from that.

Jeff Kaminski [00:07:28] So those are great insights there Krishna. And one of the things that I love when you mentioned in the beginning in regards to how it's really important to map back to the overall corporate strategic objectives and you went through the four value drivers. Top line, bottom line, customer experience and colleague productivity. So, a question I would have for you is to kind of double click into that for our listeners. Many times, as organizations are growing their data and analytics capabilities and



talent and the like, it's a journey. It's a long journey of ups and downs. And sometimes when starting our clients would say that they feel like they're in data and analytics, maybe regulated to the basement by the boardroom, and that they're just there to maintain data. And we know that it's so much more than that to drive value. My question for you would be how have you seen that evolution over time to making sure you're getting the proper seat at the table to have the business conversations, to do the top line growth, the bottom line optimization, the customer experience, and the like? how do you change the persona and the perception of what data and analytics truly is or and what it could be for the organization? So how have you navigated that to really get to the point and get that seat at the table with the business colleagues?

Krishna Cheriath [00:08:42] Great question, Jeff. And I think it is a critical ingredient for data and analytics. Success is for data analytics thinking to be part of the strategic thinking of a company or a business area. How many of... Think about different dimensions of a company's track plan. If digital, including data analytics, is a key part of it, then step one crossed. From my experience, I think I would say there are several things. It one, it starts with the sponsorship within the company for the data and analytic agenda, because this is at some point, some level, this is going to come to strategy is all about choice. So, the choice to invest in data analytics or continue to evolve data and analytics culture is part of a strategic choice of a company, and it needs to start from the leadership. And I've been very fortunate here. If you've listened to some of the interviews or read about what our CEO, Kristin Peck, has talked about, about our company or our chief digital technology officer of our firm, Mamilli has talked about. It is very clear that this is not a sideshow. Digital data and analytics is not a sideshow, but we think of it as one of our key growth imperatives and strategic imperatives. Sponsorship is key and it is not just about talking the talk, it is about walking the talk as well, and that starts there. Second is this is where it starts to become a skills question for people who will

occupy data and analytics leadership roles. You need to have the ability to be a boundary spanner. You know, you need to be viewed as a part business strategist, part thought leader, part technologies, part data and analytic strategist. Because you really need to have the art of having the conversation with a business area leader. So, for example, if you are sitting down with the head of your chief scientific officer or head of R&D, the conversation you are not having is you're having there is not about the mechanics of data management or data governance or an analytics execution. You're trying to have a conversation around how can it accelerate your discovery or how can it optimize clinical development, how can you better target your molecular assets and then have more precision targeting in your portfolio, etc.? That's a key skill and a key credibility you need to have in the organization to be part of it. And then I talk to many aspiring chief data officers as a part of my mentorship to then this is one thing that I really stress, is that the more you can be viewed as that boundary spanner, somebody who is can be and have a seat at the table as a business strategist, but at the same time has the ability to turn around and be a technology strategist and data and analytics strategist. You will start getting wins along the way. Sponsorship first. But then there is the question of boundary spanning skills.

Jeff Kaminski [00:11:59] I love that boundary spanning. So, Krishna I'm pulling on that thread a little bit. So sometimes we've seen folks in data and analytics almost run around the data and analytics hammer looking for a nail. And the point you mentioned there in regards to relevance to the business is so critical. We see that across the board and the example you gave, we say many times it's how might we so how might we to your example earlier, how might we accelerate clinical trials by 30%, make them 30% faster as an example. And those are things that are important to the business stakeholders. And I think what you're hitting on is this concept of relevance, because at the end of the day, the business side, whether it's manufacturing supply chain, R&D in your example, commercial, they



don't necessarily care about the underpinnings of data and analytics and the mechanics of how it works. But they do care about market growth, they do care about cost take out, say, CFO and the like. And so that's I think the key point you hit on is being extremely relevant for what people care about as opposed to having your own personal agenda of pushing data and analytics. And I think that's a key facet you mentioned, which I really appreciate and I think it resonates with the listeners here as well. The other thing you mentioned earlier on was the concept, I think you called it the Ferrari versus a cargo ship. And that's another key component of this when we're talking about relevance to the business. So, if you take six months or a year, or eighteen months to get back to somebody about how can you, in that example, help with the clinical trial acceleration if it takes you 18 months, that's way too long. So how do you balance those quick wins along the way to show value with also giving the promise of future scale? And that's usually the sweet spot. Are there any tricks, tips that you've found along the way to do that balance that a Ferrari versus a cargo ship? Because there's so many factors that come into play. Speed's obviously one of them. The concept of budget is one of them. We don't have endless budgets and endless amounts of people, so how do you figure out how to navigate the sweet spot of quick with long term, as well as the concept of getting people engaged and believing in what you're about or what are you're about to go on the journey or what you have been doing for a while. What's the way to get people engaged and believing and balancing those types of approaches?

Krishna Cheriath [00:14:23] Yeah, in a way it also depends on your organizational credibility and organizational political capital. So, the reason I say that is here at Zoetis, when I joined the company in October of 2020, really fortunate to have the senior leadership support and mandate to build a team from the ground up, build a data and analytic agenda and then deliver value. But and that said, we had to establish our credibility as a data and analytic

team. That is not about us doing data analytics on the site but is about delivering business value. So, in our year one, we kind of always viewed ourselves as a kind of a startup within an established firm, and then we had to build our internal customer base and that involved us getting some core funding so that we can do a range of exploratory projects with different areas that we have never worked with before. This is the first time we are working with them. We have broad understanding of the business area, but we don't have the deeper relationships and understanding. So, the first year of our existence, we did a lot of exploratory projects. It was in many ways, many of them translated to real value driving initiatives. But a key outcome was we built our credibility, we built relationships, and we built that brand image internally as a team that delivers. Once we crossed that maturity, that was all about the Ferraris, lot of Ferraris and that kind of thing. And that to your point, in order to do that, you need to have the right alignment from objectives, budgets to sourcing, etc., to be able to have the latitude to drive many different Ferrari experimentations. But now, in our second going into third year of existence, we have now pivoted into the big impact areas that matter. So, we have intentionally shifted away from many different experiments and explorations to now this is embedded into business area strategies and we pursue big ticket items around analytic progress. So, in a way for us here it has been about evolution and We are doing several cargo ship investments whether is investing in bridging data silos and moving data into the cloud to be able to accelerate data analytic initiatives or investing in cultural evolution. We call it digital fluency, a digital slash data and analytic upskilling program that improves the data and analytics ocean of the talent pool at large. So, we heavily invested in those. So, I would say the Ferrari and cargo ship combination is something that a chief data and analytics officer has to...the mix and the proportion depends on the organizational DNA and where they are in the maturity curve. But at any given point of time, having that focus that I need to deliver value quarter to quarter while at the same time



investing in things that is going to have a longer lead time is a good execution mindset to have.

Jeff Kaminski [00:17:52] And that example you gave with the Ferraris and the cargo ships and the concept of when you started out at Zoetis you mentioned, the first year was a lot about a lot of these Ferraris quick wins, proofs of concept. Could it actually happen to get the excitement and proof points along the way to start to build to consensus that there's something there? This is a reason to believe and there's more to it. And let's continue down this path. How do you balance working with colleagues and working with the greater organization when the questions come up? Krishna team, this is great. We see some initial insights, but it's just a POC can it really scale? Should we really bother with this? Like, is this worth our time and effort?

Krishna Cheriath [00:18:35] Yeah, I think that's when we take any initiative for exploration, exploratory proof of concept. We start with the value hypothesis. You know, there are two things that we ask our business sponsors of initiatives when they come to us for this. One, that they're going to work with us to put a value hypothesis on the table around the potential if this exploration we're able to hit the exit criteria and we scale up what is the broad-based potential? It may not always be quantified, but at least we need to start with that value hypothesis. That is ask number one. Ask number two is to stay with us through the iterative journey, because in data and analytic initiatives, especially in new areas, you need to iterate first to see whether you know, is there value to be had if we are able to successfully do this analytic initiative. Second, is it technically feasible? Can you, do it? does it have scaling potential? So, all of those needs to be ironed out as we go through the iterative phases and we ask our sponsors to stay with us through that journey and commit time and energy to be with us during those times. So, you know, we don't take in those initiatives where experimentation for the sake of experimentation. We may do that for selective areas. For example, generative A.I. is

now a hot topic and we are looking at we are taking that with a learning mindset to say we want to do a few targeted areas of potential high value for the company, but we want to experiment to learn. What are the limitations of the capabilities? what do we need to get right? What are the things that we need to put in place to be successfully leveraging this capability? But those are very targeted experiments and tech R&D, if you will, versus taking you on the exploratory process has to start with the value hypothesis. If you don't have that, then you run the risk of doing many different things without really having clarity around how you're going to deliver business value.

Jeff Kaminski [00:20:48] It's a great point about the starting with the value hypothesis, first and foremost. Krishna building on that point. One of the things that we see clients ask questions around or sometimes they struggle with is they will say they have an initial good set of hypotheses that the organizations collectively agreed to. Then the challenge comes when a lot of POCs happen, a lot of scales starting to happen. Now there's a very big data and analytics portfolio across the organization. You mentioned earlier R&D and supply chain. So, it becomes very fast, very quick. So how do you...How have you seen value realization almost at scale in order to run a smart and progressive data and analytics portfolio to make sure your puts and takes are the ones that should be done to drive the most impact for the organization? So how do you make it more than just the initial hypothesis of value, but you almost have a value realization framework in place? What are your thoughts in regards to that?

Krishna Cheriath [00:21:46] A couple of things. One, as you mature, the data and analytic portfolio needs to be part of a digital portfolio for business area. So, I don't believe in having a separate data and analytics portfolio and having a set of initiatives under that. Rather, the best thing for the company is for that to be part of a digital portfolio of R&D or a digital portfolio of manufacturing and supply chain, and there you



do the tradeoffs to say between technology and investments you need to make. Data and analytics investments you need to make. Maybe there are other process changes that you need to do. What is the best portfolio prioritization or what is the best diet, balanced diet that you can have to make sure that you are maximizing the value of that digital dollar for the company? So that's what we have tried to do as we have matured, is to embed data and analytics initiative into the digital portfolio prioritization rather than having a separate data and analytics portfolio. It has lots of things that you need to get right. It is not easy, you know, as a chief data and analytics officer I would love to do many more analytics initiatives, but I am mindful that the company has a finite set of digital dollars and we need to invest that against many different priorities and we need to have that business area focused priority. So that's point number one. Second is in order for you to sustain success, you need to have value measurement and then not just talk about value just to get investments approved. Quite often you see, you know, business cases with their high value ambitions. We're going to deliver X, lot of qualitative and quantitative numbers, but very little in terms of measurement. So, what we are really trying to make an effort is to that of a possible measurement by design. So, we have an initiative that is focused around predictive insights and prescriptive insights for our sales force as we developed the algorithms, the technology that the data management to deliver that. We also put mechanisms in place so that we are able to measure the impact of those for the audience that is using it versus the audience that is not using it. High users, low users across types of customers, etc... But that requires work and thinking. So, it is measurement by design because that allows you to demonstrate to your sponsors within the company and to the wider organization the real results that you are able to do. Now, you may be able to do that for a subset of analytics and some areas it is very hard to discern what is a unique contribution that analytics is doing. Among many things, that is being done as a part of an integrated execution. So, there we are investing heavily in value

stories. So, what we do after Analytic Initiative goes live recently had one that went live with our manufacturing and supply chain team. We do that qualitative interview check ins with the business area leads the end users who are using the analytic insights, etc. to just describe how they are, how are they using it? If they are using it, what are their lessons learned from it? What are the impact that they can see? So, we try to capture those value stories as well, qualitative value stories. So, some combination of a measurement by design and value stories is needed. So upfront analytics need to be embedded part of our digital portfolio prioritization. At the back end of it, you need to have mechanisms and processes in place to measure how these are delivering value, because that's what allows you to continue to build organizational credibility and attract the ability to do more. If you show that you're delivering value and real value or CFOs, certifiable value, as I call it.

Jeff Kaminski [00:25:46] One of the things I love that you said is that just this value hypothesis and the framework to bring it through. what you mentioned about tying it back to the business value, there's a thread that's going on in this conversation. And what we say at times is data and analytics does not have to be the star of the show all the time. As long as you're driving supply chain optimization, inventory on hand, etc., etc., all those things, as long as you're doing the business, driving business outcomes usually we find by and large the supply chain head or manufacturing head they don't necessarily care as long as again, as long as you came and help power that greater good. To your point, what you're mentioning, that's super important. And then the point you made about the measurement to make sure that you're going according to plan, or just understanding what's happening and how you may have to pivot. The point you made about it's more than just quantitative stats like the return. There's the how does this feel? Is this working for you or are we operating in a re-operating model? That's a big component. Things like operating model, the interaction model between the business and the



various folks in digital, data, technology and the like. That's an important part of it too, for the operating model. So, as we pivot a little bit of the conversation, can you share your points of view in regards to the operating model? There's so many different points of view of what should I centralize, what should I decentralize? Now data products are in the mix, which is making it exciting, but you know, equally Questions for the operating model. Generative A.I. is exploding all over the place now. So, when you think about the operating model as a head of data and analytics globally, what does that all mean? What are you thinking lately? What's on your mind? What's the evolution? Where is it going next from an operating model standpoint?

Krishna Cheriath [00:27:30] Yeah, I think when you think about things like the operating model, how do you design the organization? Where do you put data and analytics, reporting relationships? What is centralized, decentralized? I try to come down to first principles to say at the end of the day, company interests first personal and parochial interest second. So, the question at table has to be at this moment in time, what is the best way you can organize data and analytic capabilities? When I say organize, that includes where do you put the people, the boxes and lines, where do you put decision rights? What do you centralize? What where, what is the level of flexibility you provide to various areas, etc? That needs to be designed based on what is best for the organization at that given point in time? So that means that you have to take a very nuanced approach. Quite often, unless you are part of a digitally native company and you have a blank sheet of paper in a building, building new and in most in both my ten years as data and analytic leader whether it was at Bristol-Myers Squibb or here at Zoetis, I walked into a company that has a long history of data and technical debt and the history of evolution. So, you have to configure to work best. So, the approach that I like to take is, at the end of the day, it is about driving data and analytic value to enable business area strategies and campaign strategy. What is the best way to do it? So here at Zoetis for example, when we

initially started our data analytic journey, we looked at to see which business areas already have some level of maturity from analytic execution and data management standpoint, which areas don't, and how does that link to company strategy? And based on that, we came up with a construct that said we're going to build out an enterprise level data and analytic engineering team, analytics and data science team, a digital upskilling center of excellence, etc. But we're going to be flexible in our engagement with the various business leaders depending on the level of capability and proficiency they have. So, some areas which already had embedded analytic capability. We said, Great, we will act as your extensions so that we'll add more capacity and augment your ability to deliver value. But we can offer you data and technology at scale. You can do the quantitative modeling and analytic insight innovation. That works for a couple of areas because they have the capability historically versus other areas which did not have it. We said we will do all of the above, so to speak, appetizer, entree and dessert. So, we will do the data and analytic work, the engineering work, the management and governance as well as the analytics execution. Now, that is a model that worked for Zoetis at that point in time. And you need to constantly look at that to say, where do you need to evolve it to best fit the value proposition and where the maturity is at that level. So, I'm not a big fan of centralization or decentralization. I would say at the risk of giving a political answer, it really depends. It really depends on the organizational DNA, where they are and the maturity, the level of capabilities and competencies. That said, I would say there is some value in a few areas to have enterprise consistency to make sure that you are having the best bang for the buck of the company's digital dollar. One, there should be a standardized technology selection versus where you can allow flexibility. Second, treating data as an enterprise level resource and then making sure that you're able to use it effectively and reuse it effectively across use cases in business area. Third, how do you put in place the right mechanisms in place that is protecting the



company's assets and then making sure that you're doing it in a risk compliant and ethical way. So, there are some horizontals that you need to get right. Now, how do you put that in place? Whether you go through weighted towards centralization or decentralization or some kind of a hybrid like VR. It really depends on the company's, a company's history, its DNA and where it is in its maturity curve.

Jeff Kaminski [00:32:12] Love the insight, Krishna! And it is funny like you said, it depends and it does sound cliché, but it is so true. So, I fully agree with you there and the points you made that I think the listeners it will resonate with them is I heard a few things. You have to have some kind of structure in your operating model, but yet it still needs to be flexible. It's not a set and forget it type of operating model that you put out there. And then again, being conscious of speed and outcomes. I heard that as well. And this the fact that it will evolve over time and that's a good thing. And it's okay if it evolves and it's not a bad thing. You need to constantly pivot and evolve with how things are shaping up around you so that those are some really good points.

Krishna Cheriath [00:32:50] Thank you so much for the opportunity to have this dialog. I've enjoyed every minute of it. I hope the leaders, the listeners do as well.

Jeff Kaminski [00:32:58] Yeah, thank you very much, Krishna, for joining us on the most recent episode of the Accenture AI Leaders Podcast. Thanks to all our listeners for checking us out and we'll be with you all next time.

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