TC ABSTRACT

I. BASIC PROJECT DATA

▪ Country/Region:	Trinidad and Tobago
▪ TC Name:	Increasing Competitiveness through Business Analytics
▪ TC Number:	TT-T1037
▪ Team Leader/Members:	Rafael Anta, Team Leader; Alison Cathles, Juan Carlos Navarro and Claudia Stevenson (IFD/CTI)
▪ Type of project:	Client support
▪ Reference to Request: (IDB docs #)	Pending
▪ Date of TC Abstract:	August 9th, 2012
▪ Beneficiary:	Firms of Trinidad and Tobago
▪ Executing Agency and contact name:	Arthur Lok Jack Graduate School of Business, University of West Indies Professors Keith Thomas and Gour Saha
▪ IDB Funding requested:	US$260,000
▪ Local counterpart funding:	US$60,000
▪ Disbursement period:	24 months
▪ Required start date:	October 1st , 2012
▪ Types of consultants:	Individuals and firms
▪ Prepared by Unit:	CTI
▪ Unit of Disbursement Responsibility:	CTI
▪ Included in Country Strategy: ▪ TC included in CPD:	Private sector development is a topic for further dialogue with T&T authorities. This TC is not included in the CPD
▪ GCI-9 Sector Priority:	Competitive regional and global integration

II. OBJECTIVE AND JUSTIFICATION

Information and Communication Technologies (ICT) is a key driver for competitiveness and innovation. Several studies around the world and also in Latin America and the Caribbean demonstrate positive relationship between ICT investments and productivity at the firm level (Brynjolfsson 2006, Rovira and Vergara, 2011). Under the umbrella of ICT for enterprise development, Business Analytics (BA) specifically refers to the skills, technologies, applications and practices for continuous iterative exploration and investigation of business performance in order to gain insight and drive business planning and improve processes. Business Analytics are based on the extensive use of extensive data sets, statistical and quantitative analysis and predictive models (Davenport and Harris, 2009). Formal research in the international arena reinforces a link between Business Analytics and increased levels of competitiveness (Lavalle et al, 2011 and Davenport & Harris, 2007).

In Trinidad and Tobago, on average, firms meet medium and low levels of business and innovation sophistication (Global Competitiveness Report 2011), and the impact of ICT on new

services, products and business models is low (Networked Readiness Index 2011). In general, there is a lack of culture of using analytical data and empirical evidence for planning and decision making. Feedback provided at a consultation session on Business Analytics, conducted by the Lok Jack GSB in December 2010, with participants from the financial services, telecoms and retail sectors, included: a general perception of a low-level of adoption/usage; C-level[1] belief/commitment exists in some sectors though it had to be repeatedly earned; lack of analytics competency and capacity in the majority of the sectors; and the need for improved communication of analytics-driven results within the business community (visualization).

The leader of a large Caribbean conglomerate headquartered in Trinidad and Tobago made a call to his executive team in February 2011, to seek to derive added value from their existing data, quoting from studies that advocate that "once you can have sensible discussions about your data, you can leverage it to make better decisions and achieve sustainability and higher profits" (Tapscott, 2009) and that "the economic crisis will reveal which enterprises have the information and tools to support management decisions and which do not" (Schlegel et al, 2009).

The goal of this project is to foster sustainable economic growth and enhance competitiveness in Trinidad and Tobago. The general objective is to promote the awareness and adoption of Business Analytics solutions to improve the strategic planning, decision making and business processes of firms. The specific objectives are: (i) to better understand the current status quo of Business Analytics in firms across the country as well as the drivers and barriers for effective adoption of Business Analytics solutions; (ii) to increase awareness of Business Analytics and its link to competitiveness; (iii) to support pilot implementations for creating demonstration effect and learning experiences; and (iv) to contribute to the design of policies and programs to promote the adoption of Business Analytics.

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

Component 1. Assessment of the adoption of Business Analytics. In order to establish an informed and consistent foundation to influence the adoption of Business Analytics technologies in Trinidad and Tobago, a detailed diagnostic will first be undertaken in the private sector. This component will finance a survey for a sample of about 500 executives in the private sector, in order to measure the level of awareness and identify attitudes and adoption factors related to Business Analytics for doing business and corporate management. The survey will also help to identify current access and usage levels of Business Analytics skills, tools and methodologies and the factors that support or hinder their adoption in organizations. A sample of about 50 experts across the private sector will be used for this study. For this component, the counterpart agency will assign three (3) researchers of its faculty, and the project will contract interviewers and data entry services. Expected results: (i) a report with a baseline on the current understanding and adoption of Business Analytics solutions; a baseline on the existing local supply of Business Analytics technologies and consulting services; the factors that could influence the adoption of Business Analytics as well as barriers for its effective implementation and absorption; and (ii) two workshops with private sector executives to discuss the potential of Business Analytics, disseminate the report and discuss the results of the survey.

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[1]   C-level refers to chief positions in corporate management, such as; CEO, CFO, COO, or CTO, etc.

Component 2. Pilot implementations, results and impact evaluation. Company examples need to be created and disseminated in order to make the case for investments in Business Analytics and other innovative ICT solutions for increasing competitiveness in Trinidad and Tobago. Based on the findings of the first component, the project will select three firms, through an open, transparent and competitive process based on clear selection criteria, for a pilot implementation of a Business Analytics solution with the aim of generating demonstration effect and knowledge on when and how these tools contribute to a better decision making in business strategy, management and/or operations, as well as guidelines and requirements for its implementation. This component will finance consulting services for implementing Business Analytics in three organizations[2]. The counterpart agency will assign two (2) faculty members for conducting, monitoring and evaluation of these implementations. Expected results: (i) a report with the results and lessons learned along the implementation, and recommendations; (ii) two workshops with private sector executives to disseminate the report, discuss the results of the survey, have a dialogue about how to improve the supply of Business Analytics solutions and services, and have a dialogue about how to foster investments in ICT for business; (iii) training course on Business Analytics for C-level executives; and (iv) redesign of graduate and executive development programmes for the adoption of Business Analytics.

Indicative Budget (US$)

Component/Activity	IDB/Fund Funding	Counterpart Funding	Total Funding
1. Assessment of the adoption of BA in T&T	**35,000**	**15,000**	**50,000**
Survey to the private sector on the level of penetration, awareness, constraints and barriers related to the effective adoption of BA	35,000	12,000	47,000
2 Workshops for results dissemination and strategic dialogue (US$1,500 per workshop)		3,000	3,000
2. Pilot implementations, results and impact evaluation	**200,000**	**30,000**	**230,000**
Three implementations of BA solutions ($65,000 x BA implementation: software development, training and business consulting services)	180,000		180,000
Monitoring and evaluation of the adoption of BA and its impact on business performance/ productivity		27,000	27,000
Training on Business Analytics for C-level executives sector managers (8 hours training)	20,000		20,000
2 Workshops for results dissemination and strategic dialogue for competitiveness and ICT policies (US$1,500 per workshop)		3,000	3,000
Project Execution		*15,000*	*15,000*
Financial Audit	*10,000*		*10,000*
Independent results evaluation	*15,000*		*15,000*
Total	**260,000**	**60,000**	**320,000**

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[2]   Consulting services for training (concepts, models, techniques, data quality and tools), review of business objectives, identification of subsets of data to make available for BA, development of data interfaces, visualization.

IV. EXECUTING AGENCY AND EXECUTION STRUCTURE

The executing agency of this project will be the Arthur Lok Jack Graduate School of Business, of the University of the West Indies (UWI). This Business School, which is governed by a board of directors drawn from the UWI and respected private sector executives, has developed its mission, vision and purpose statements on the need to address competitiveness within the Region.

The Business School commenced operations in 1989 by introducing the MBA programme and In-Company programmes to the local, regional and international markets. The programmes have now been diversified into sector-specific and responsive programmes that address emergent needs in the Caribbean Region. The Business School has a Business Analytics and Business Intelligence (BABI) research center, designed to undertake academic research activities and to use the data to support the enhancement of professional practice in the field of BA/BI for increasing competitiveness.

V. PROJECT RISKS AND ISSUES

Participant firms will be asked to provide access to certain data related to their business performance that they may regard as sensitive data. Access to these types of data will be necessary for the project to evaluate and disseminate the results and impact of the use of BA on their productivity levels. There is a risk that, after the implementation, participant firms would not want to provide access to such data, arguing that it is confidential. This is a sensitive and common issue in most of the initiatives that promote the use of ICT to increase productivity. To mitigate this risk, the project will (i) inform the executives of interested organizations about the anticipated need to have access to business data for the project to be able to assess the impact of BA, (ii) before working with the project, each participant will sign an agreement describing and defining the scope of the pilot project and the commitments of each party; and most importantly,(iii) the project will guarantee the confidentiality of any information about the results and impact.

VI. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

The project will not generate any significant social or environmental negative impacts. In accordance with the toolkit program, this project was classified with "C", meaning that no environmental assessment studies or consultations are required for this category.