



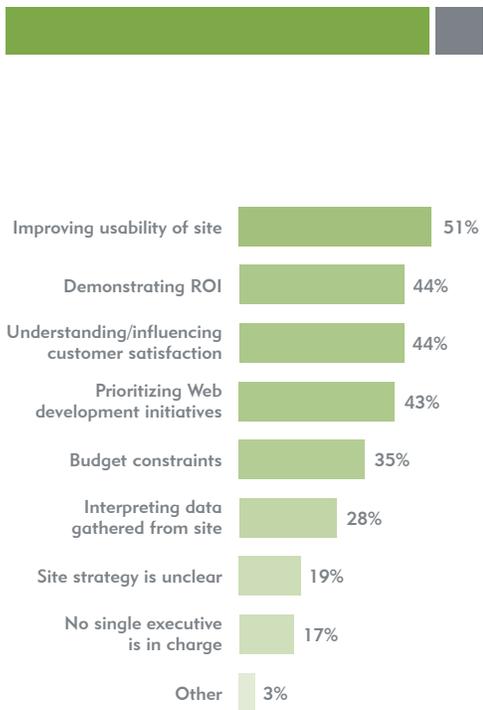
Best Practices for Web Analytics Governance:

How to Structure Internal Resources to
Ensure Success for Your Analytical Needs



INTRODUCTION

Who owns Web analytics in your organization? More than one person? Less than one person? Better yet, who “owns” the Web site? Many companies haven’t designated a single point of contact to oversee the entire Web site, much less the Web analytics program.



Percentage of Web decision makers in companies with \$50 million or more in revenue.

FIGURE 1: TOP CHALLENGES CITED BY LARGE COMPANIES

(SOURCE: JUPITERRESEARCH, WEB SITE SPENDING AND GOVERNANCE, MAY 2005)

Industry analysts such as JupiterResearch have noted that the key to e-business and Web analytics success lies in assigning ownership and establishing accountability, involving key stake holders, and giving the entire organization a reason to care about your Web data. While many companies have successfully embraced this philosophy, a significant percentage of large companies (with presumably sophisticated management strategies) have not. Rather, they create inefficiencies by not committing an individual or group to manage, mediate, and prioritize the e-business measurement and optimization needs of multiple departments throughout the organization.

Businesses with an online presence face challenges that are both familiar (budget constraints, site usability concerns, “analysis paralysis”) and daunting (demonstrating ROI, prioritizing initiatives, directional strategizing), as seen in Figure 1. While challenges like “no one person in charge” and “site strategy is unclear” are both near the bottom of this list, it’s critical to understand these issues are actually the linchpin in e-business success. As we work with customers, we continually witness how the resolution of these issues opens the door to more visible challenges like “improved usability” and “demonstrating ROI”.

As a subset of Web site governance, Web analytics governance is a foreign concept to most. What began—and in many cases remains—the exclusive domain of the IT staff, the Web site and the critical marketing data it generates has moved into the hands of (gasp!) nontechnical personnel; Marketers! This sea change—while delivering Illuminati-like insights to the marketing team—can generate stress, concern, and a feeling of inability within the IT team. Questions like, “who’s in charge, what is the process for reporting, is marketing aware of other groups’ needs, do they understand the sensitivity of the data?” become all too familiar in this environment.

Fear, uncertainty, and doubt. Not the best equation for driving organizational success. How then to get everyone on the same page? Who will prioritize the Web analytics initiatives? Who will lead the charge toward making data-driven decisions throughout the entire company?

Introducing the Web Analytics Committee

If the Chief Executive Officer of your organization consistently stresses the importance of measurement and accountability, then he or she should understand the need for Web analytics governance. Proper Web analytics governance ensures that each department’s reporting needs are understood, prioritized and delivered as completely as possible. Global standards are put in place to ensure consistent, timely reporting, aligned directly with requirements.

Based on our first-hand experience with multiple customers, Omniture recommends putting Web analytics responsibilities in the hands of a committee comprised of business leaders from every area of the company. The committee members should be appointed by the Chief Executive Officer or similar executive. This establishes clear lines of ownership and accountability. It also creates a democratic group capable of making decisions about how to allocate cash and resources. When deciding which departments should comprise the Web analytics governance committee—be inclusive. While the Finance or HR departments may or may not need to be involved, extend an invitation and allow them to accept or decline. You’d be surprised at how these two departments can actually contribute significantly to your Web analytics ROI. And after all, this group is designed to keep everyone in the loop, so don’t be exclusionary. The committee will codify the implementation and reporting process by creating a document of standards that dictate the steps that each person needs to follow any time a change is made to the Web site or a new campaign is launched.

This committee requires a leader—and in this case, we call the leader an Executive Sponsor. The ideal candidate for this role has somewhat of an IT bent, but need not be a technology expert as much as a businessperson. They should have a Web analytics background, enjoy working with numbers, and have an understanding of the various Web analytics business models, including on-demand (or Application Solution Providers—ASP) solutions and installed (software) solutions. They’ll also need to be fluent in the various methods of data exchange on the Internet and between servers, and they should have some budgeting, negotiating, and project management experience.

Figure 2 shows the ideal Web analytics employee, as conceptualized by JupiterResearch. Add some seasoning (as in “time in the job”) and you have the recipe for your Executive Sponsor.

Once an Executive Sponsor has been chosen (and those painful-looking red dots from their head, chest, hip, knee, and ankle have been removed), their first task should be to get out of their office and speak to the power users of the Web analytics tool. Questions to ask include the following:

- How many seats their department requires versus how many they have?
- What reports they find most valuable?
- What metrics or measures they use?
- What reports they would like to run that they currently aren’t able to?

The Web analytics governance committee should address the following:

- Will all reports adhere to a standard?
- Will there be a standard for code placement?
- Will there be standard naming?
- Will there be a standard for Flash tracking?
- Are there corporate or global variables?

Note: Your Omniture team can provide you with additional strategic questions

Informal interviews are a great way to accomplish this. In fact, we recommend face-to-face meetings rather than sending out a questionnaire via e-mail. The Executive Sponsor will get more buy-in if they sacrifice some of their personal time to understand the needs of other groups. In-person interviews also allow him or her to explain why certain requests may not be feasible, giving the users a better understanding of what is and is not possible with Web analytics.

After this internal fact-finding process is complete, the Executive Sponsor should share summary information with both the interview participants and the other members of the Web analytics governance committee.

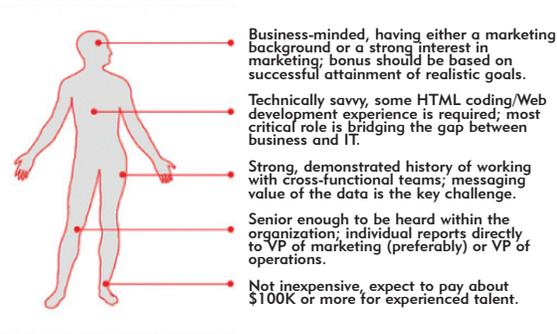


FIGURE 2: TRAITS OF SUCCESSFUL WEB ANALYTICS LEADERS

(SOURCE: JUPITERRESEARCH, WEB ANALYTICS, STAFFING, SPENDING AND VENDOR SELECTION, OCTOBER 2004)

➤ **SIDENOTE: Keep your SOX from Stinking**

Also important to understand is the permissions each Web analytics customer requires. Sarbanes-Oxley (SOX) legislation has thrust this element of governance into the spotlight. Do your developers need to know your company's quarter-to-date net profit versus goal in order to do their jobs? Probably not. Consider employees who work remotely and how they will access the data (wireless networks add risk, as do PCs without firewalls). Create a process to terminate access for those employees who are no longer with your company. This is especially important if you're using an on-demand system that can be accessed via the Web. Think through which reports should be accessible to which users and you'll thank yourself later. Setting up and changing permissions is easy in SiteCatalyst, so don't neglect this important area of governance.

BEST PRACTICES FOR IMPLEMENTATION GOVERNANCE

Once you have a committee in place and an Executive Sponsor to set the course, you're already well on your way. Next, you'll need to level the playing field. Certain departments, such as Marketing, Advertising, Merchandising, and Product Development are constantly competing for resources and real estate on the Web site, and consequently for Web analytics support. It's inevitable that sometimes one department's needs are served at the expense of another department. It's the natural tendency of many executives to look at some departments as "cost centers" (IT and HR) and others as "profit centers" (Marketing, Merchandising), but this can be a faulty method of resource allocation. The right way to allocate is through a process of checks and balances.

By understanding the timeline of enhancements and project priorities, the Web analytics committee can plan ahead, building time into the estimates to create the reporting infrastructure.

Enter the Matrix

Many companies use project matrices, but few include Web analytics dependencies in the template. If project matrices are a new concept to you, don't panic—they're not as complicated as they sound. From a best practice standpoint, proceed by listing all the projects in the pipeline and what specific tracking they require from the Web analytics team (visits, CPA, revenue, conversion, etc.). Also include who owns the project, its strategic value, the approval date, its anticipated go-live date, how many man-hours it will take to complete, and the anticipated revenue or cost savings. When all the projects are in one place, the committee can begin to assign a weight and prioritize each project, based on the factors listed above and taking into account the reporting requirements for each.

Ideally, the same group that creates the project matrix will comprise the Web analytics governance committee. Whether or not this is the case, the governance committee needs visibility to the projects so that they can make informed decisions about how and when to allocate resources. By understanding the timeline of enhancements and project priorities, the Web analytics governance committee can plan ahead, building time into the estimates to create the reporting infrastructure. This will allow the project owner to test the feature on a development site to assure both the feature and the associated reporting work properly before it goes live. This step is frequently overlooked, but critically important. Often, new features go live without forethought given to reporting. Requesting Web analytics resources after the fact is an avoidable mistake. By participating in the Web analytics governance committee, leaders in other departments will gain a better understanding of the process and what reporting is available to them. This in turn allows the company to harness the full power of their Web analytics system, furthering data-driven decisions and driving adoption across every department.

Creating a Culture of Change

“Oh, if it were only that easy,” you say. All organizations, large or small, have their politics; conflicting interests or infighting that hinder productivity. How to get past the politicking, gerrymandering, and filibustering? The first piece of the puzzle comes from on high—buy-in from the Chief Officer. You’ve heard about the importance of executive evangelism before, and you’ll hear it again. Because without an executive working to make the organization care, Web analytics success can be elusive. In fact, according to a June, 2004 Forrester Research report, only 44 percent of the companies interviewed characterized their Web analytics success as “high.”

Under the Influence

There are many ways in which Chief Officers can influence a culture of change, particularly with regard to Web analytics. They should assign key resources, namely Director, VP, and C-level executives to sit on the Web analytics governance committee. These people will give the Chief Officer visibility to changes and improvements that may need to be made to the Web analytics implementation to meet business objectives. While no Chief Officer likes to write checks, they like surprises even less, such as unexpected bills for reporting enhancements.

The Executive Sponsor should deliver relevant data analysis to the Chief Officer—and the Chief Officer should frequently reference this information. His visible use of the information lends credibility to the value, accuracy, and mission-critical nature of Web analytics data. In data-hungry organizations, Business Intelligence (BI) and Online Analytical Processing (OLAP) tools, such as Cognos, Brio, or Business Objects may be heavily used. The Web analytics data can be fed into the BI or OLAP tools (or vice versa in the case of SiteCatalyst). This will help to increase the visibility of the Web analytics data without making those staffers who are familiar with the BI platform learn to use another set of tools.

Other ways in which Chief Officers and Executive Sponsors can influence the adoption of Web analytics is to show examples of decisions that the company has made with and without the help of Web analytics guidance. Choose examples that show how unfounded or unproven hunches about an initiative’s success can cost the company time, money, and competitive advantage, while data-driven decisions can save man-hours, cash, and enable a company to be first-to-market instead of an also-ran. Lastly, we recommend that the Chief Officer incentivizes Web analytics innovation, offering rewards for those who come up with valuable new ways of looking at the business.

Making it Relevant

Then there are the hold-outs. Those who, even in the face of overwhelming evidence of data-driven, successful decisions, have decided that Web analytics is not for them. Instead, they steadfastly stick to their time-honored (and time-consuming) ways of collecting, analyzing, and disseminating data. Since “Change Agent” isn’t a position most companies are hiring for, how can you get through to those who don’t embrace Web analytics?

Getting through to the hold-outs is all about effort and relevance. A member of the Web analytics team should take a few minutes to explain to the hold-outs how using the Web analytics tool can make their lives easier and perhaps get them out of the office earlier. Show them how to bookmark their favorite reports. In reports that are specific to their responsibilities, look for nuggets of wisdom that couldn’t have been uncovered without Web analytics. Lastly, make it easy for them—use the distribution methods in your Web analytics platform to automate delivery of the information they really need. (For example, SiteCatalyst makes it easy to set up dashboards and schedule e-mail delivery of reports.) Getting the hold-outs onboard may take a little longer, but it’s all part of creating a culture of change. Someday they’ll thank you. And they’ll definitely want more.

SIDEBAR: If you need further assistance in optimizing your web analytics governance, please contact our best practices group at **801.932.7515**.

No Train, No Gain

Is training part of Web analytics governance? Absolutely. Many companies approach training as a one-time endeavor and a sunk cost when in reality, it should be an ongoing process with exponential ROI, i.e., training should be considered an investment. Some people tend to view training as an unnecessary expense, but remember that with training comes better product understanding and increased usage, which should result in exponential ROI on your investment in the training. Such is definitely the case in the area of Web analytics, where vendors, such as Omniture, version their software multiple times per year. While not all Web analytics vendors offer the level of training—and on-demand training opportunities—that Omniture does, the Web analytics governance committee should include initial user training and ongoing “refresher” or expansion education as part of its charter. Ongoing education doesn’t need to be time-consuming, since the trainees ostensibly know the basics already. Ongoing education should focus primarily on strategies that support specific responsibilities, while ensuring up-to-date training on any new product features and functionality. The best vendors want their customers to engage them in a dialogue about training, because it means the user will deepen their relationship with the vendor’s product. Deeper relationships lead to increased customer satisfaction and retention, so don’t hesitate to contact your Web analytics vendor about training. They’ll be happy to talk to you!

CONCLUSION:

Web analytics governance is sorely lacking in many companies, leading to inefficient or incomplete allocation of assets. This lack of support and structure has a snowball effect as new initiatives are launched and can’t be measured to the satisfaction of the business owners. Putting in place a Web analytics governance committee with a strong executive sponsor, supported by a methodical prioritization process, an emphasis on training, and best-practices data sharing will vastly improve organizational productivity—and elevate the importance of Web analytics as a means of supporting business key initiatives.

CALL US! 

For more information on Web analytics governance or successfully structuring internal resources, please call our Best Practices Group at 801.932.7515. We’re here to help. 

NEXT STEPS:

FAST TRACK YOUR WEB ANALYTICS GOVERNANCE PROJECT

Form a Web analytics governance committee comprised of interdepartmental business leaders.

Choose or appoint a committee leader.

Interview stakeholders to learn requirements, pain points, and wish-list items.

Share feedback from interviews with committee and all interviewees.

Use feedback to create Standards Document codifying the Web analytics implementation and reporting processes.

Create a project matrix of upcoming projects and their Web analytics dependencies, along with their strategic value.

Assign a value or weight to each project in the pipeline based on strategic and financial value, go-live date, time to complete, etc.

Foster Web analytics adoption by rewarding innovation and highlighting smart, data-driven decisions in internal communications.



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