



Grant Thornton

An instinct for growth™

Leveraging knowledge in a data rich world - Big Data and Business Analytics

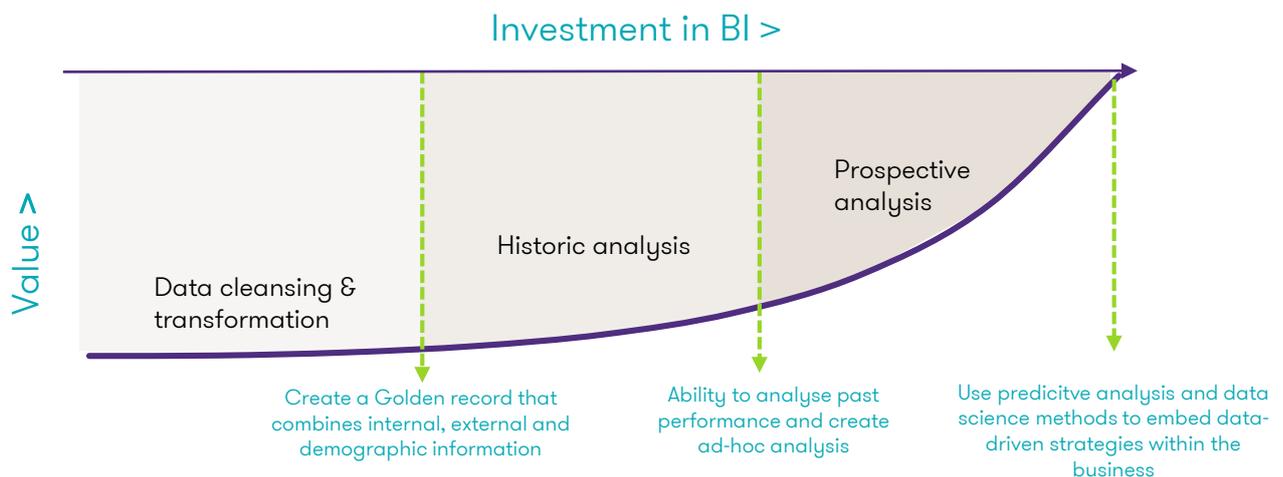
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We all heard about “big data”, which are incomprehensibly large data generated by real people. To render an idea of scale, 90% of all data was created in the last 2 years, and we currently generate c. 2.5 quintillion bytes of data a day. Large volumes of data bring challenges to business: how to process such incomprehensibly large datasets to extract real value? What does this mean for an enterprise in Malta which owns such data?

Business intelligence (BI) is an umbrella term that covers architectures, databases, analytical tools, applications, and methodologies that allow companies to gain insight from big data. The diagram below depicts how investment in BI is expected to drive business value exponentially, when it reaches a point where most business decisions can be driven by data through prospective analysis..



To generate real value from data, a business can start by asking itself:

- am I able to achieve an objective or goal by using big data analysis?
- can I do something more with the data I possess (i.e. secondary use)?

Tackling these questions brings about added challenges for Maltese businesses, such as: (1) dealing with the lack of resources to effectively use BI to answer the questions above, and (2) the lack of scale to be able to have resources in place to effectively answer such questions. There are several solutions on how businesses can start to scale upwards once they start adding value.

Case studies

1. **Objective-driven:** One of the authors was part of a programme management team for a Know Your Customer (KYC) remediation project in a tier 1 bank in the UK. One of the project goals was to reduce information requests to customers, by gathering data that can inform us of client Anti-Money-Laundering (AML) risk, by combining data to form a detailed profile of the customer. The data gathered included the average salary per post code. While this information by itself may not have yielded significant value, when combined with other data, it provided granular data on the customer that reduced the need for information requests.
2. **Data-driven:** The intra-bank payment gateway system - SWIFT, observed that their transaction data which they keep for audit and traceability purposes, correlated with regional and national GDP growth data. SWIFT realized they can analyse the data they hold to produce reliable leading GDP indicators.

Why is this relevant?

Firstly, and most important; you want to remain relevant in your market; examples like the rise and fall of Kodak and Nokia show us how the lack of adaptability can quickly make you irrelevant in a market, even if you were initially the innovator in that market.

In a survey by [Dresner Advisory Services, LLC, 2017], the authors found that SMEs are the most prevalent users of BI. This is probably due to the use of scalable cloud technologies that empowers SMEs. In fact, more than 25% of SMEs with 1-100 employees have mastered BI and use it to automate 80% or more of the reports they issue. This shows that SMEs worldwide are using BI already, and have found ways to evolve its use to add value. There are no existing local studies which explore the prevalence of BI in Maltese businesses, but based on our view of the local market, the use of BI is yet to be fully leveraged by Maltese businesses.

We believe the main reasons for the delay in adoption include:

- the data collation stage is not integrated, we have observed cases where data on transactions and stock is hosted by a franchise and not used locally
- the lack of data warehousing capability, with no joined-up offline data interrogation capability
- the lack of real data automation, with most management accounts prepared manually, leading to an absence of automated checks alerting users as issues occur
- the lack of efficient stock management
- the outdated systems in place that rely on IT departments to hold them together with regular manual data inputs.

What should my objective be?

Your ultimate objective should be to develop a system which you are continuously improving to maximise the marginal benefits that you can obtain. This point in the curve is hard to achieve in a “micro” economy like ours – in Malta we lack the scale that can be achieved in larger countries. However, new BI tools and cloud technology have made these tools accessible to all types of enterprises, allowing businesses to start analysing big data without having to invest in an expensive IT setup.

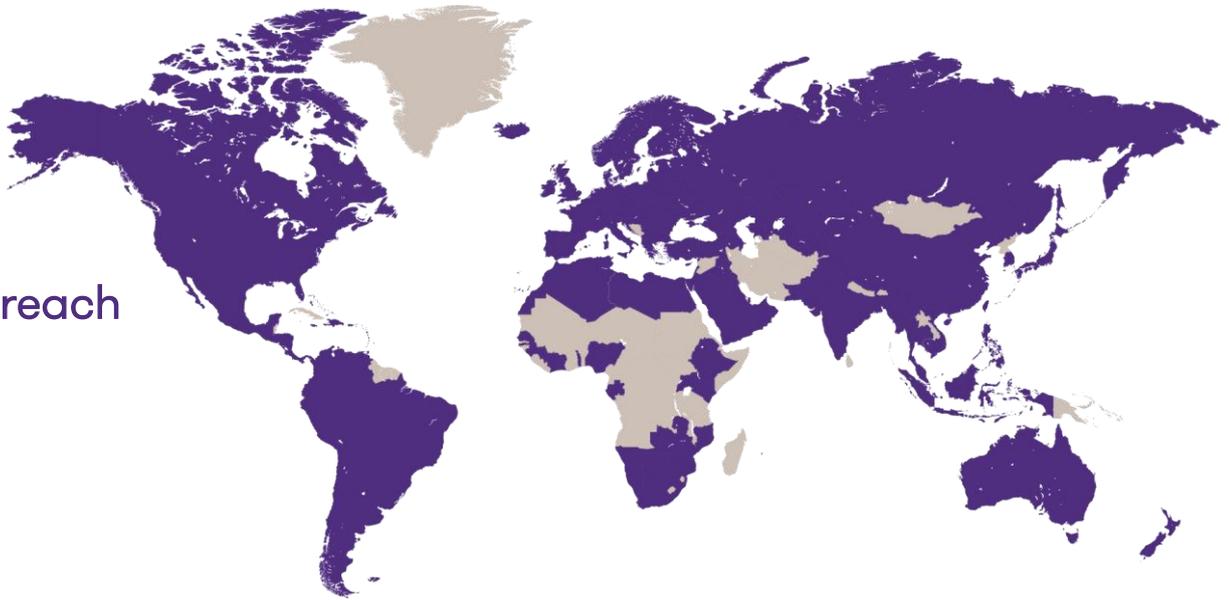
How can I start working towards that?

We always advocate to tread water and make continuous improvements to achieve all the marginal benefits obtainable to your business from automating different levels of your reporting mechanisms. A picture says a thousand words; one can generate real value by showing a management accounting

dashboard such as an automated income statement report. This will help outline the added benefits of investment in BI, eliminating repetitive tasks. This will in turn free resource to focus on more value adding tasks.



A global reach



We discover what is important to you and make it important to us

Our culture is built on a genuine interest in our clients – their challenges, growth ambitions and wider commercial context. You get the attention you deserve from approachable, senior professionals who ask the right questions, listen and provide real insight and a clear point of view.

The bottom line

- A relationship-led approach with more time and attention from partners and senior advisers
- A deeper understanding of your business for more meaningful advice and recommendations.

Agile and responsive service

Our size and structure creates advantages for you. We adopt a flatter structure, with shorter decision making chains, empowered teams and no complex chain of command. We have all the necessary processes and controls in a streamlined, efficient and responsive environment.

The bottom line

- A faster response when you need quick answers and clarity
- Anticipating the answers you will need before you ask.

Pragmatic solutions to help you improve and grow

Our teams bring ideas to the table, going beyond the technical issues to recommend ways to make your business better. We balance a desire to do what's best for you in the future with an experienced sense of what is going to help you now.

The bottom line

- Helping you think ahead and think more broadly
- Proactively identifying opportunities for improvement and growth

Collaborative teams with a different mindset

Our people are open, accessible and easy to work with. We work through the issues alongside you and challenge your ideas where necessary, whilst keeping an independent perspective. Our collaborative style also enables us to assemble teams across service lines, industries and geographies to tailor our capabilities to your requirements.

The bottom line

- Teams and solutions built around your needs not our structures
- A better working relationship with you and your team



US \$4.8bn
(2016 revenue)



47,000+
people



700+
offices



130+
countries



**Our distinctive
client experience
sets us apart**

How can we help you?

At Grant Thornton, we utilise a host of different tools that can help your business get value from data. Our services range from consulting, project management, and hosting of management information (including management accounts) that are automatically reconciled and updated periodically.

We understand that each organisation is different, having a conversation with us about how to tailor your approach to start analysing data will help you generate ideas, and if our services are not right for you, we will guide you and suggest the next steps.

Related experts



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George is a Partner in the Advisory arm at Grant Thornton. He has over 17 years experience in corporate and project finance, research and development, strategic and project management. As a partner in the Transaction Advisory Services at Grant Thornton, George leads a team of professional business advisors that provide projections, feasibility studies and cost benefit analyses, assistance in the preparation of business plans, business valuations, due diligences, assistance with mergers and acquisitions, project finance and corporate finance advisory services for a range of private sector and public sector organisations. As all such assignments require complex financial models, George provides on-the-job coaching to all his staff when required, in order to meet the client's requirements. Grant Thornton Malta is an accredited Corporate Advisor on Prospects and an accredited Listing Agent on EWSM.

George has led his team on several assignments for the MCA including the review of Vodafone and Melita's regulated accounts in 2015, the calculation of the weighted cost of capital for the fixed and mobile market in 2012, as well as the analysis of a fair rate of return for the postal industry in 2012. George was also the lead partner in respect to the buy-side due diligence for a potential bidder with respect to GO plc in 2016. Prior to joining Grant Thornton George was a Finance Director at the Corinthia Grand Hotel Royal in Budapest, Hungary and a Corporate Finance Executive at the Corinthia Head Office – a multi-national chain of Hotels. He was involved in numerous large projects, including the raising of finance by way of bonds and syndicated loan facilities, which were then used either to acquire or develop mixed use projects. George's qualifications include a B.A (Hons) Accountancy (University of Malta), and a Master in Business Administration (Henley). He is also a member of the Malta Institute of Accountants.



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