Generating Meaningful Insights from Analytics: Lessons Learned

Moderator: William Schiemann, Metrus
Panelists: Mark Blankenship, Jack in the Box
           Doug Grant, Johnson & Johnson
           Dawn Klinghoffer, Microsoft

SHRM Foundation Thought Leaders Retreat 2016
Agenda

◊ Overview: Generating Meaningful Insights from Analytics

◊ Panelist Comments:
  - Mark Blankenship, Jack in the Box
  - Doug Grant, Johnson & Johnson
  - Dawn Klinghoffer, Microsoft

◊ Discussion Q & A

◊ Closing Comments
How Many Is a “Whole Bunch?”
## How Many Is a “Whole Bunch?”

<table>
<thead>
<tr>
<th>Common Phrase</th>
<th>Absolute Value(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>1</td>
</tr>
<tr>
<td>A couple</td>
<td>2 to 4</td>
</tr>
<tr>
<td>A few</td>
<td>3 to 5</td>
</tr>
<tr>
<td>Several</td>
<td>3 to 9</td>
</tr>
<tr>
<td>Many</td>
<td>3 to 8</td>
</tr>
<tr>
<td>Most</td>
<td>4 to 6</td>
</tr>
<tr>
<td>Half a dozen</td>
<td>5 to 7</td>
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<tr>
<td>A lot</td>
<td>6 to 10</td>
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<tr>
<td>Quite a lot</td>
<td>7 to 11</td>
</tr>
<tr>
<td>Around ten</td>
<td>7 to 13</td>
</tr>
<tr>
<td>About a dozen</td>
<td>9 to 15</td>
</tr>
<tr>
<td>A bunch</td>
<td>8 to 15</td>
</tr>
<tr>
<td>A whole bunch</td>
<td>9 to 19</td>
</tr>
<tr>
<td>A couple dozen</td>
<td>21 to 27</td>
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<tr>
<td>A few hundred</td>
<td>75 to 125</td>
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<tr>
<td>Half a million</td>
<td>90,000 to 125,000</td>
</tr>
<tr>
<td>A majority</td>
<td>50% +1</td>
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<tr>
<td>A clear majority</td>
<td>51%</td>
</tr>
<tr>
<td>An overwhelming majority</td>
<td>61% to 70%</td>
</tr>
<tr>
<td>Practically everyone</td>
<td>76% to 80%</td>
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</tbody>
</table>
### 2011

- Still struggling with definitions
- Increasingly recognition---Talent is major business risk to be managed
- Over-reliance on benchmarking
- Have not connected talent metrics to business strategy/metrics sufficiently
- Weak use of predictive models; few leading indicators
- Have not used analytics to make strategic choices
- Lots of measures but many are tactical

### 2015

- Know business **value proposition**
- Use **aligned strategic metrics**---beacon
- Ask the **right questions** before . . .
  - Big Picture, followed by micro studies
- From hindsight to **foresight** ---Descriptive to Inferential to Modeling
  - What **has** driven important outcomes?
  - What **will** drive important outcomes?
- With **practical implications**: Evidence-based decisions
- HR (and all functions) must **demonstrate value**
Measure What is Important

- Impact
  - Talent Meets Customer Needs
- Effectiveness
  - Recruit Talent that Stays
- Efficiency/Activity
  - Number of Requisitions Filled
GENERATING MEANINGFUL INSIGHTS FROM ANALYTICS: LESSONS LEARNED
OUR BRANDS TODAY

1951
Founded in San Diego
2,251 Restaurants
82% Franchised

5th Largest

1995
Founded in Denver
683 Restaurants
51% Franchised

2nd Largest
THE STAKEHOLDER PARADOX

- GUESTS
- EMPLOYEES
- OWNERS
- SHAREHOLDERS
STRATEGIC ENTERPRISE ARCHITECTURE

Enterprise Brand Strategy
Overarching direction of brand portfolio; establish guardrails for where brands can/cannot go

Brand Essence:
The heart and soul of a brand, summarizing key emotional attributes of brand ladder; long term positioning across footprint

Consumption Moments:
Key consumer groups, day-parts and occasions to target and win

Brand Execution:
Key activities (pillars) that will drive business over long term; starting point to build and prioritize detailed brand initiatives

Key Enablers:
The necessary activity systems by function that will determine the eventual success of brand initiatives

Enterprise Enablers
Core capabilities that drive competitive advantage; areas of enterprise focus for capability-building (not scale)
TOP VS BOTTOM QUARTILE IN SALES PERFORMANCE

- System Top 1/4: 8.3% YOY Sales Growth
- System Bottom 1/4: 7.3% YOY Sales Decline

~16 pt Sales Gap
**TOP PERFORMERS ARE PROVIDING A BETTER GUEST EXPERIENCE**

<table>
<thead>
<tr>
<th>METRIC</th>
<th>TOP SALES QUARTILE</th>
<th>BOTTOm SALES QUARTILE</th>
<th>DELTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alerts Per 10k Trans</td>
<td>4.5</td>
<td>7.3</td>
<td>2.8</td>
</tr>
<tr>
<td>VOG Overall Satisfaction Top Box</td>
<td>73.9%</td>
<td>70.4%</td>
<td>3.5 ppts</td>
</tr>
<tr>
<td>Speed of Service</td>
<td>4:22</td>
<td>4:40</td>
<td>0:18</td>
</tr>
<tr>
<td>VOG Organized, Fast, &amp; Efficient Top Box</td>
<td>73.6%</td>
<td>69.6%</td>
<td>4.0 ppts</td>
</tr>
<tr>
<td>VOG Friendly Top Box</td>
<td>77.6%</td>
<td>74.6%</td>
<td>3.0 ppts</td>
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<tr>
<td>VOG Order Inaccuracy</td>
<td>5.2%</td>
<td>6.8%</td>
<td>1.6 ppts</td>
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<tr>
<td>Food Safety Score</td>
<td>96.9%</td>
<td>93.5%</td>
<td>3.4 ppts</td>
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PEOPLE EQUITY

ALIGNMENT
- GOALS
  - BRAND
  - CUSTOMER

CAPABILITIES
- COMPETENCIES
  - INFORMATION
  - RESOURCES

ENGAGEMENT
- ADVOCACY
  - COMMITMENT
  - SATTISFIERS
HIGH ACE RESTAURANTS
PERFORM BETTER

PRODUCTIVITY
2.3%

TURNOVER
21%
DELIVER BETTER SERVICE

HIGH ACE RESTAURANTS

GUEST SATISFACTION
5 POINTS

PROBLEM RESOLUTION
56%

GUEST PROBLEMS
14%
HIGH ACE RESTAURANTS
HAVE BETTER OUTCOMES

SALES
10%

PROFIT
30%
Introduction to Organizational Analytics at Johnson & Johnson
The success of our enterprise is built on Our Credo and a unique set of strategic principles.
Global Leader in Healthcare

More than 265 Operating Companies in 60 countries with ~126,500 employees

Conducting business in virtually all countries around the world

<table>
<thead>
<tr>
<th>Pharmaceutical</th>
<th>2015 sales $31.4B</th>
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<tr>
<td>Remicade</td>
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<td>PREZISTA (darunavir)</td>
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<td>VELCADE</td>
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<td>Xarelto</td>
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<td>Invokana</td>
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<td>Stelara</td>
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<td>Simponi</td>
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<td>Zytiga</td>
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<td>Imbruvica</td>
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<td>Invinta Sustenna</td>
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<table>
<thead>
<tr>
<th>Consumer</th>
<th>2015 sales $13.5B</th>
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<tbody>
<tr>
<td>Johnson's</td>
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<tr>
<td>Neutrogena</td>
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<td>Clean Clear</td>
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<td>Aveeno</td>
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<td>Medical Devices</td>
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<td>DePuy Synthes</td>
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<td>ETHICON</td>
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<td>Johnson &amp; Johnson Vision Care Companies</td>
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<td>Biosense Webster</td>
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</table>
A Strong, Consistent, Sustainable Business

32 ↑ Consecutive years of adjusted operational earnings growth*

53 → Consecutive years of dividend increases**

AAA RATED Balance Sheet Operational & investment flexibility

~70% of sales from #1 or #2 global market share position

~70% of 10-year free cash flow returned to shareholders***

$1B 24 Brands/Platforms with ≥ $1B in sales

~25% of sales from products launched in past 5 years

* Non-GAAP measure; excludes intangible amortization expense, special items and the impact of translational currency

** Inclusive of the April 2015 dividend declaration

*** Non-GAAP measure; defined as operating cash flow less capital spending; estimated as of 1/22/16
HRBI@Microsoft
SHRM Foundation
Thought Leaders Retreat

Dawn Klinghoffer GM,
HR Business Insights
HR Approach

1500 people worldwide, diversity of experience

5 COEs (Center of Excellence)

Line (customer facing) teams include HR business partners, talent management, and OD

COE/Line model, in place for 10+ years

Shared Services within Global HR Operations
HR Business Insights

To deliver on our vision of #datadrivenHR, HRBI is organized around 4 core teams that will partner seamlessly:

- Advanced Analytics & Research
- Workforce Data Insights
- Workforce Data Solutions
- Workforce Data Programs
Thank you!

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