



Customer Story: Majid Al Futtaim

ANALYTICS TRANSFORMATION

By David McClellan

A conglomerate is a relatively rare class of business enterprise currently in the world. What was considered the ultimate goal in the previous century was followed by several examples of poorly executed mergers & acquisitions, over leveraging, and regulatory scrutiny, with relatively few successful examples. Thus, to be a successful conglomerate, a clear vision and solid execution are merely table stakes.

Majid Al Futtaim is one such success case. Operating in industries from finance to cinemas, real estate to retail, Majid Al Futtaim has been able to unify a diverse network of businesses into a cohesive framework for consistent success. With over 40,000 employees and operations in over 15 countries, MAF is a massive enterprise requiring a robust executive level strategy for any initiative to have a substantial impact on the business.

Majid Al Futtaim

Elevating Analytics Capabilities with Cloud Machine Learning

How Fractal Analytics, a ~100 Person Consulting Firm, Drives Significant Impact in Such a Large Company

At Fractal Analytics, we have a few metaphors we use to describe our ability to engage with large firms and win against larger, more established global competitors. The most commonly known “punching above our weight class” is certainly apt, but the implication is a bit different than we prefer. Rather than Fractal Analytics simply putting a more competitive offer on the table, we engage in an entirely different framework. That is to say, “while others are playing checkers, we’re playing chess.”

Where others engage seeking a multi-year, multi-million dollar (often full of bloat) engagement up front, we focus on demonstrating value immediately and proving our worth at every step of the journey. With MAF, we accomplished this through an executive envisioning workshop. We gathered the leadership of each business into one room to work through their priority issues and use cases for data, technology, and analytics. Rather than trying to sell a technology driven outcome, we focused on the business outcomes we could improve and fit the right technology to solve the problem once the desired end state is well defined. With many competing priorities, the MAF leadership picked four use cases across the different Majid Al Futtaim businesses for limited production pilots. While these projects were handed off internally to individual analytics teams for each business, MAF maintained a central IT/Analytics presence alongside Fractal Analytics’ management consulting leadership. This continuity was critical for consistent project management and results.

“We’re trying to build these individual use cases, and then build a sort of AI layer across our organization. Vision and Strategy without execution is called hallucination.”

*- Richard Wingfield
Chief Technology Officer
Majid Al Futtaim*

Early Warning Indicators

Perhaps one of the more interesting use cases, MAF’s Finance analytics department wanted to use machine learning to classify individuals’ risk for defaulting on their credit.

Without going into proprietary specifics, the goal is similar to other financial services tools for evaluating risk, but due to MAF’s unique ability to cross reference datasets from their other businesses, provides a much more complete view of the problem. Where a bank may only have insight into the transactions placed with the card, MAF can look at spend across any other avenues a customer interacts with MAF’s retail or consumer services.

Fractal Analytics’ bespoke machine learning pilot algorithm was stood up in mere weeks and performed valiantly in cross validation testing, but due to practical considerations of customer lifetime and the relative rarity of fraudulent transactions, in-market testing is still ongoing.

Next Best Offer

Also with MAF Finance’s team, Fractal Analytics assisted with improving incremental spend and conversion rate for various banking and credit offers MAF finance offers. This pilot campaign was successful by some measures but not others, identifying clear potential but more importantly, additional learnings for the project as a whole. It is unrealistic for pilots developed in a few weeks to have consistent and universally positive results, indicating that additional model development time is needed before any final judgement of ROI is passed or not. With this evaluation, it became clear that while the pilots would demonstrate some initial quick wins for MAF, expectations must be managed when it comes to solution performance and utility.

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Fashion Promotion Optimization

Retail fashion is perhaps one of the most visibly promoted product categories, with promotions and sales constantly leveraged to move inventory and keep products fresh. Because there are often a number of supply and inventory considerations when determining promotions or markdowns, it is rare that enough diligence is put into determining the actual ROI of such an effort. Our solution sought to evaluate promos fairly and remedy this problem.

By looking at each individual product group's promotion calendar and the promotion calendar of store wide sales, we were able to isolate baseline sales and calculate the uplift each promotion was providing during its run. From there it is a simple matter of arithmetic to determine ROI, profit, etc.

These results were fed into an analytics dashboard useful for post event analyses, informing planners of the best and worst performing timings and tactics. To automate the selection, we attempted to build a promotion recommendation engine but accuracy suffered due to a lack of historical data, indicating a need for more modeling before the system could be relied upon over planner experience.

Concession Recommendations

Lastly, we piloted a fun but very impactful topic to model, improving concession stand spend per head via targeted offers. Leveraging a simple associated rules and market basket approach, we identified key combos and patterns in purchases, which varied significantly across the two pilot markets, indicating a need for a tailored solution.

This solution generated a variety of complex analytical dashboards for

their analysts to dissect and mine insights from, identifying popular combos and the purchase likelihood if an offer of a third item was made to someone who had selected two or more items already.

To truly prove solution value, we would expect to implement some recommendations from the model and see an increase in spend per head. However, given that it was a limited production pilot, deploying the tool as an active recommender service outputting to the concession kiosk was not feasible in the timeline or budget. Such an evaluation is currently in the planning stages.

How It All Comes Together

After walking through each of these pilot use cases, it should be clear that Fractal Analytics was able to demonstrate some quick wins and business value in the 6-10 week timeline of each pilot solution. However, no pilot was perfect, and that's completely OK, preferable in fact. As Fractal Analytics works with Majid Al Futtaim to develop a robust data and AI platform for the future, imperfections are critical to guide people & process development while highlighting any shortcomings of the original approach.

That, is the key to Fractal Analytics' continued success. By adopting the position of trying things early, failing fast and learning from it, we can work with our stakeholders in a much more collaborative manner while keeping our focus on driving real impact with every solution, no matter the size, location, or industry of our customers. While pretenders spend months wasting time talking about what could be done, Fractal Analytics has already tried several things and figured out the right path forward. If anyone asks, we have the data to back it up.

"Everybody wants to talk about AI, but honestly, without data, all you will do with that fancy AI technology is make mistakes with greater confidence than ever before; you have to build a data estate... Majid Al Futtaim has worked with Fractal Analytics to have that technology take root in their lines of business."

*- Judson Althoff
Executive Vice President,
Worldwide Commercial
Business, Microsoft*



Author Profile

David McClellan, Director of Portfolio and Strategy
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David is a passionate and talented individual who has been with Fractal Analytics for about 4 years, pivoting and driving Fractal Analytics' growth from an internally facing Microsoft partner to an industry leading advanced analytics provider in Retail & Consumer Goods, as well as other industries. After creating a successful portfolio of solutions for Retail/Consumer Goods, David has transitioned into a new role to define the portfolio and engagement strategy for all of Fractal Analytics.