



PRIVATE EQUITY PERFORMANCE IMPROVEMENT

A&M Case Study: How Data Re-Architecture, Mapping and Design Can Transform EdTech Businesses

An A&M Case Study on Harnessing Data Flow in Educational Technology Companies to Improve Integrity and Grow Margin

The Situation



Rapid Growth Outpaced Processes and Technology Architecture, Leading to No Single Source of Truth

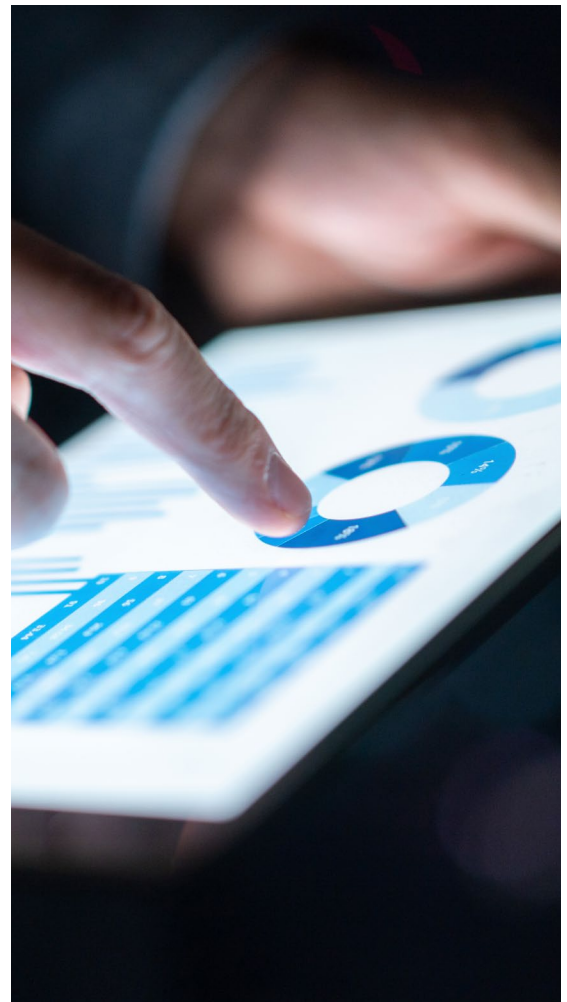
An educational technology (EdTech) company experienced substantial growth over the previous five years, with a compound annual growth rate of more than 20 percent. However, the processes and data flow within the company were not adjusted to reflect the additional business, leading to a lack of visibility into the organization's data that hindered decision making.

As the former startup gained market acceptance, the organization began to evolve into a mid-size company and faced new competitive dynamics. While the in-house technology professionals excelled at creating workarounds and quick-fix solutions to support the company's growth, the processes failed to evolve to match the larger company and its new needs.

Leadership sought to assess its business and competitive needs, seeking to revamp its operating model to be more of a SaaS provider. The company's system engineers and technology professionals continued to struggle with managing the data and kept focusing on creating better workarounds, but the change in strategy could not be supported with the technology and processes currently in place.

Leaders also understood that the company's margins were not where they should be for an organization of its size but had competing priorities that took precedence over the need to improve performance.

With spotty data integrity that included several sources of data, leadership toiled to make good decisions that aligned with the business strategy.





What A&M Did



Data Re-Architecture: A&M assessed how the company's data flowed through the organization — the data architecture — documenting key areas in which employees were unable to access the information they needed. A&M reorganized the processes for working with the data into one standard source.



Discovery: Define KPIs and Metrics: Simultaneously, A&M worked with leadership to get back to the basics of what makes the company successful and settled on the key performance indicators (KPIs) that could translate into success across the organization.



By Building a KPI Tree: an exhaustive list of metrics that everyone agrees are needed to run the business — the company was ready to address its data integrity challenges. A&M helped the client streamline multiple sources of data into a single source and repair corruption in data sets and master lists. With data organized more efficiently, the company chose to provide access to a restricted group of employees to prevent future data corruption. A&M then conducted a series of workshops to help employees that needed the data understand the new processes.



Data Mapping: Next, A&M worked with the client to map the data, building the foundation to establish one source of truth for each metric, define data governance and centralize the data. Once the sources of data were simplified and established, the client needed to step back and redesign its processes to ensure the data and processes conformed to the KPI tree.



Data Visualization and Adjustments: Finally, A&M helped the client construct visualizations of KPIs and organizational performance, adhering to the company's new data governance, and to automate, realign and improve existing processes.

It is imperative for management teams to have clarity and alignment on strategic goals and the operational requirements needed to get there. Technology should be used to enhance management's ability to alter directions and see results in real time.

Outcome: Data Architecture Transformation



Innovative use of process and data re-architecture, combined with deep operational and technical expertise, enabled accurate, accessible performance data that aligned with the company's business strategy and allowed them to operate more efficiently as a larger, growing company.

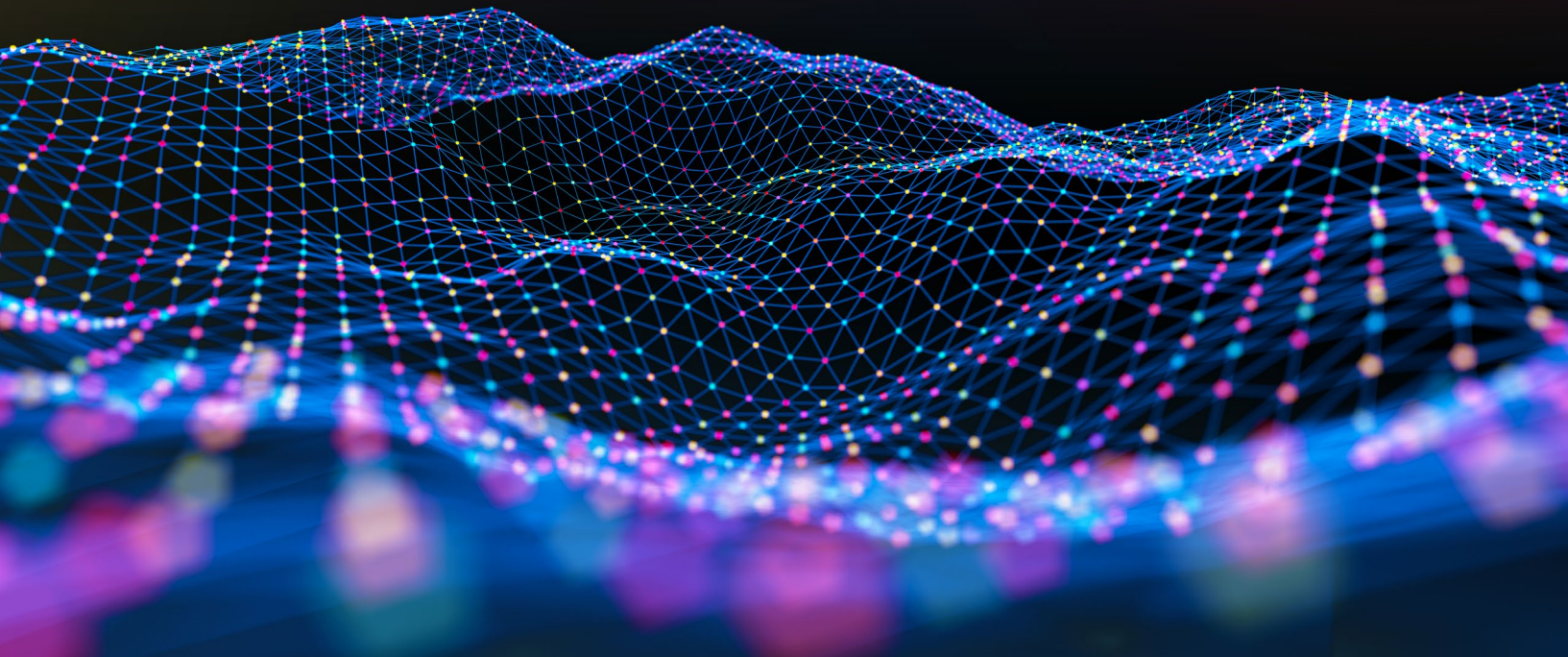
Significant Improvement in Data Flow and Savings

- Value creation in terms of process improvements, as well as labor and no labor savings, were in excess of \$50 million.
- Streamlined data architecture across key functions, including IT, product development, sales, finance, human resources, marketing and legal.
- Removed redundant applications and systems, resulting in significant savings.
- Freed engineers from having to create workarounds, improving efficiency and positioning the company for more growth.
- Deployed a sequential approach to implement the data re-architecture and process redesign, ensuring minimal operational disruption and optimizing in-house resources.
- Aligned management on key initiatives, timing and priorities.
- Provided the client with a clear direction to margin improvement and a single source of data accessible through visual dashboards to enhance strategic decisions.

Key Re-Architecture Strategy

Companies can restructure their data sources and processes while continuing to operate the company — imagine changing tires on a moving vehicle — with a sequential approach that includes these crucial actions:

- **Agree on what makes your business great:** By aligning the essential KPIs that affect the business and effectively measuring continuous improvement, companies can gain real clarity on areas to address to support the business strategy.
- **Get cozy with the data:** Eliminating data corruption and addressing integrity issues requires organizing all data sources in a streamlined manner that moves away from multiple sources to a single source of data.
- **Conform data and processes to the KPI tree:** The list of metrics is only as good as the unencumbered flow of data through the organization. That means eliminating duplicative systems and agreeing on must-have data.
- **Visualize KPIs and performance:** With unobstructed, clean data flowing to decision makers, take the next step to visualize it via dashboards and other interfaces, building in automation as the processes and architecture are redesigned.



A&M's Expertise Leads to Results



Unlock Efficiency with Our Sequential Approach to Restructuring Data Architecture

Clients who face growing pains as they transition into larger organizations can streamline and re-design their data architecture to position the company for growth and realize savings through technology efficiencies. With A&M's operational focus and

technology rationalization expertise, companies can regain mastery over their data and processes, leading to a single source of data for more effective decision making.

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ABOUT ALVAREZ & MARSAL

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