

Case Study

Incorta Delivers Data Advantage to Nortek



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Brian Keare
CIO
Nortek

NORTEK™ SECURITY & CONTROL

Industry

Security, Home Automation, and Personal Safety Systems and Devices

Objective

Like most dynamic organizations, the priorities of Nortek executives were consistently being diverted by unexpected crises. Mitigating them required thoughtful responses based on data-driven analyses, but arriving at data-driven responses was incredibly time-consuming. Assembling and analyzing data from disparate, global systems always took significantly more time than expected and froze large parts of the organization. The result: important strategic priorities were forced to take a backseat to the urgent crisis of the day. Nortek's mandate was to find better solutions to this constant struggle, so it could become sophisticated, nimble, and proactive rather than constantly reactive.

Why Incorta

- Fastest time-to-implement (six weeks) compared to alternatives
- Easy to consolidate tons of data from multiple systems and sources
- Dramatically more simple to use versus traditional data warehouse and business intelligence platforms and processes
- Provides power combined with flexibility, allowing nimbleness in analysis and an ability to very quickly translate understanding to action

Benefits

- Delivered real-time operational intelligence dashboards with new analysis in two hours instead of two days
- Precisely, strategically responded to the China tariff issue, with 2,000 SKUs repriced within 16 hours
- Nurtured data curiosity by enabling CEO and the executive team to access reports using iPads
- Elevated CIO interactions with the leadership team
- Eliminated the need for costly upgrades to data warehouse (replaced by Incorta), with a 75% lower TCO
- Integrated acquisitions 40 percent faster

About the Customer

Headquartered in Carlsbad, Calif., Nortek Security & Control is a global leader in smart connected devices and systems for residential, security, access control, AV distribution, and digital health markets. With more than 50 years of innovation, the company has deployed more than four million connected systems, and more than 20 million security and home control sensors and peripherals. Nortek designs solutions for national telecoms, big box retailers, OEM partners, service providers, security dealers, technology integrators and consumers via its family of brands, which includes 2GIG®, ELAN®, GoControl®, Linear®, Mighty Mule®, and Numera®.

Increased Competition, Acquisitions Present Data Analysis Challenges

While Nortek is a global market leader in security and home control systems, the speed of change in everything related to connected, Internet of Things (IoT) products, smart homes, and buildings has created a very competitive environment in recent years. Nortek's executives were under pressure to focus on the right products, services, and distribution channels in order to deliver value to customers, at a reasonable profit. Analyzing an already-complex business with over 10,000 products was further complicated by a handful of recent acquisitions—each of which came with its own people, products, systems, and data.

Brian Keare, CIO of Nortek, described the challenges: "We had two problems. Number one was we had a ton of data from many different systems. And number two was that the tools we were using to try to sort that data were incredibly time-consuming to implement and maintain. We needed a new way to figure out how to make sense of all of that data."

Nortek uses Oracle NetSuite for enterprise resource planning (ERP), but to analyze ERP data, users frequently

needed something besides NetSuite's built-in tools. Like at many companies today, they dumped data from the core ERP system into Microsoft Excel, where it was analyzed using a lot of pivot tables and lookup functions. "When that didn't work," Keare explained, "we would turn to more powerful business intelligence (BI) tools like Tableau or Microsoft Power BI, which could leverage data from a data warehouse—provided it was structured correctly."

Unfortunately, that wasn't always the case. As a result, Nortek struggled to keep data in its data warehouse both up-to-date and structured optimally for Power BI. IT team resources eventually became so consumed with break/fix efforts and Extract Transform Load (ETL) processes that little time was left to deliver analytics to the business.

Leaders knew they had to either double down and create a next-generation data warehouse—or do something entirely different.

"There had to Be a Better Way"

Knowing the repetitive nature of Nortek's existing approach wasn't sustainable, Keare searched his network for a better way. "Through my research, I found a few mentions of a young company called Incorta that was doing amazing things and delighting its customers."

Keare initially was skeptical Incorta could integrate all of Nortek's system and customer data across the globe so easily, and deliver real-time operational intelligence to its business in a way that did not require all of the people, processes, and tools of the past. Yet Incorta said they could do it all—and within only three months.

"I thought three months was aggressive," Keare said. "But the Incorta team confided that they, in fact, were being conservative, and they actually were aiming for completion in only six weeks. And so I took that bet, and we rolled up our sleeves."

But then the Incorta team surprised everyone when they delivered critical dashboards to Nortek's executive team within only three weeks of starting the project!

"Our CEO and CFO were immediately hooked. The iPads showing Incorta's real-time analytics never left their sides after that first meeting. It was amazing," Keare said. "Within six weeks, we deployed Incorta into full production. I have never come across an enterprise IT project of this magnitude that could be delivered in six weeks. But we did it."

With Incorta, Nortek leap-frogged into a new era of analytics and operational intelligence for its business. "Incorta was the first data analytics platform of its kind I ever encountered that could actually keep up with the kind of customizability and flexibility we had come to expect while using NetSuite as our ERP."

Trade War Mid-Implementation Presents Major Challenge

Only four weeks into its Incorta implementation, the Nortek leadership team faced its first major challenge: President Trump's trade war with China and the accompanying global tariffs.

Not only did the global trade war represent an existential crisis for Nortek—with tariffs potentially impacting 40 percent of its business—but the manner in which tariffs unfolded meant the problem Nortek was trying to solve was constantly morphing. Additionally, all of the factors impacted by tariffs—affected countries, product groups (as designated by HTS, or Harmonized Tariff Schedule codes), tariff start dates, and tariff rates—also changed constantly in response to negotiations, lobbying, or the latest tweet by a U.S. government official.

For Nortek, the China tariff situation affected all parts of its business. As Keare explained, "Our supply chain was

heavily focused on China, as over the past decade we had invested in a world-class production facility there. So we needed to break down our 10,000 products in order to see which were impacted by the China tariffs and understand our global sourcing alternatives. In this process, we needed to take into account our competitors' supply chains, which certainly had different global footprints than ours. But we also needed to understand how a changing cost structure impacted product line or customer profitability. We needed to know how much pressure—or flexibility—we had in passing along cost increases to our customers and where we were in our pricing contracts with them—how much lead time we needed to give customers for any price changes we were considering."

All of these questions demanded fast answers, but the war room of analysts and managers assembled to respond to this challenge were drowning in data and slow to analyze all of the permutations of the tariff crisis. As an alternative to the ineffectual war room, Nortek decided to focus Incorta on the problem.

Incorta's impact was immediate. Within 24 hours, the Nortek team built dashboards that gave the company robust insights into the impact of China tariffs across the entire Nortek business.

"It was surprisingly straightforward and simple to implement, yet profound in its ability to give us understanding," Keare marveled. "We had multiple systems' worth of global data at our disposal, and Incorta allowed us to look at it from every single dimension. As each tariff wave was implemented, we were able to implement thousands of actions across our global supply chain and re-price thousands of products across our customer base, within hours of receiving the definitive notice of the tariffs."

He continued, "Because of Incorta, we were able to be very targeted and strategic in our analysis and actions. This precision ensured that, at the end

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Nortek Security & Control

of the day, we knew we were doing right by our company, our employees, and our customers. In fact, we were able to transparently share the insights we got from Incorta with our customers to help them understand and buy in to why we were making the decisions and taking the actions that we were.”

“Data Curiosity” Transforms Nortek Mindset

Thanks to Incorta, the Nortek leadership team now makes decisions in a much different way.

“I think data curiosity is a perfect term to describe how Incorta allowed Nortek to change its mindset about how it does data analytics,” Keare reflected. “Before, Nortek was full of war rooms, and analysts would be driving to answer specific questions posed by management, like ‘I’m worried about a specific customer who buys a lot of a specific product and want to know how the proposed tariffs will impact them.’ Analysts answer that question, but the answer begs more questions that require specific answers. And so on, and so on.”

“With Incorta, you can create comprehensive dashboards which allow you to see the big picture as well as details of individual transactions, so you can dive in and immediately see the answers to many sequential questions you may have. Moreover, Incorta’s power and flexibility allows you to iterate quickly, so you not only can be data-curious, you also can act on that data curiosity and get insights in pretty close to real-time. With Incorta, we can schedule a meeting where we know we can start at the beginning of a very complex problem and work through it in real-time until it’s solved.”

“It was only after we implemented Incorta that we realized how really profound was the return on our investment in Incorta. What I think we didn’t realize was how much time our infrastructure team spent extracting,

blending, and shaping the data for the business—not to mention all of the time business analysts would then spend manually manipulating and analyzing that data on their own. Incorta’s streamlined platform eliminated almost all of these time-consuming tasks, allowing them to focus instead on using the tool to deliver results.”

After Nortek implemented Incorta, they eventually decided to retire older tools and infrastructure because, as Keare discovered, “Incorta does everything our legacy data warehouse used to do, and more.”

Ultimately, Incorta transformed “how the CIO interacts with the CEO, CFO, and president of the company in a way that made our ability—my ability—to add value to the organization much more immediate and profound,” Keare said.

“Before Incorta, a lot of my role as CIO was fixing things that broke—whether it be a data warehouse or an ETL process—or, for instance, helping our CFO validate financial data to close a period of time. What Incorta allowed us to do was give everyone a tool that then became the focal point of a management discussion. And not only did it become a focal point of the management discussion, it became something we could deep-dive into in real-time.”

Concluded Keare, “Because of Incorta, my business users are less focused on crunching data and analyzing data—say, in Excel—and more focused on asking questions of the data and being explorers of the critical issues that they face in the business. Using Incorta helps them understand and then develop action plans far more quickly than was ever before possible, and this action-oriented mindset makes all the difference for our business.”