

Base Your Strategy (and Leadership) on Analytics

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Problem: Too often, leadership teams create strategies in reaction to growing uncertainty without a real understanding of how to harness data and analytics during the process.

Opportunity: Instead of treating analytics as an afterthought, leaders can restructure their strategic framework to revolve around analyzing and interpreting data.

Resolution: Understanding how to harness analytics as a leader can be the difference between marshaling your organization toward a painful decline and empowering it to adapt quickly enough to grow and thrive amid a new landscape.

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Analytics is all the rage in business circles these days. Everyone is talking analytics, doing analytics, and on their way to becoming analytics ninjas. At least, that’s what you might think if you believe all the hype.

I’ve seen this phenomenon before. It reminds me of the mid-2000s. Back then, marketing channels such as blogging and social media were just coming into the consciousness of business leaders. As a result, people used terms incorrectly, ideas passed off as truth were unfounded, and the interest level was so high that people were more interested in activity than productivity.

Honestly, this is where I believe the general business community is today with respect to analytics. No one wants to be on the “out” in a conversation, so they proactively posture among their peers to make sure they aren’t the only one who looks like they don’t understand what’s happening in this space. Most people call this posing.

The downside is that, without an accurate understanding of why analytics should be foundational to your organization’s strategy, it is impossible to know how to effectively harness their power.

What an Analytics Poser Looks Like

Posers regurgitate what some “expert” on a podcast or at a conference recently said without really understanding it. They incorporate words they don’t really understand or would normally use. And they can’t take a theoretical concept and connect it to a concrete reality, because they haven’t done it before.

I’ve been participating in the business analytics space since the mid-2000s. My journey started with Cognos and Business Objects. (Yep. I’m that old.) Now it involves tools like Google Data Studio, Tableau, and Microsoft’s Power BI—almost daily.

No, I'm not a quantitative analyst. I don't pretend to be one either.

I come to the analytics space with the mind of a business leader. And the truth is, technology is quickly eliminating the distance between data and a business leader. (Can I get a high five for Tableau's Data Prep?! More on that in Chapter 12.) Soon enough that distance will be nonexistent because data will be everywhere, in everything, and accessible on any device.

Just like the early days of social media, leaders find themselves with an urge to integrate analytics into the boardroom. And the resulting effect in many ways is terrible. Like any changing leadership disciplines, many current leaders will need to expand their skill sets, thinking, and workflows before we'll see a shift in behavior.

Until then, expect the posers to stand confidently and speak boldly. But maybe, just maybe, I can add some clarity in the minds of the undecided, those willing to learn, and the leaders who recognize that data can help them but aren't yet sure how that changes their daily activities. (And to be clear, that's most of us.)

10 Things I Wish Every Leader Knew about Analytics

1. ***Analytics is not a department. It is a discipline.*** If you're just ordering reports from the business intelligence team, you are limiting your capacity to participate as a leader in the analytics conversation.
2. ***Analytics forces companies to agree on terms, measures, and priorities unlike ever before.*** If more than one answer to the question "What does success look like for your business?" exists, you have a leadership problem, not a data problem.
3. ***Analytics is more than just fancy Excel reporting.*** Descriptive visualizations are valuable and standard protocols for business managers. But technology has afforded prescriptive and predictive efforts to fall into the hands of the business leader too.
4. ***Big data is not the opposite of analytics.*** Unfortunately, big data is a phrase that has been coopted and politicized. You have to be working with a lot of data to get even close to calling what you do "big data." It's really descriptive of companies that are processing petabytes or more of data coming from multiple ingestion points and that are pooled together to provide multidimensional insights. It really describes the quantity of data that needs to be processed in order to produce a complex output.
5. ***Analytics necessitates action.*** When you interact with data, it should challenge or validate what you believe to be true. When data no longer validates your assumptions, you must adapt. Don't just change your parameters or measures. And if you're not committed to acting on the data you have, then you're just wasting your time.
6. ***Analytics makes business leaders more informed partners in building value into business intelligence efforts.*** Measuring for measuring sake is a hobby. Using data to make smarter decisions is what leadership is all about. Be a better business partner to your peers and your business intelligence team.

7. ***Analytics will force you to confront your current management methodology.*** Before analytics can even impact your leadership outcomes, you must organize around an iterative management structure. Otherwise, data is just as useful as a garnishment on a dinner platter. It's nice to look at but isn't required nor functional.
8. ***Analytics will force business leaders to develop new skills.*** The most important lesson to learn today is how to interpret data in real time and make new decisions. Intuition isn't enough anymore.
9. ***Analytics only works if you have data.*** If you're not capturing it in a defined format consistently, you can't expect good output. Further, if you don't have data governance or have not set data hygiene initiatives in motion, you're putting your output at extreme risk.
10. ***Analytics is an emerging space.*** You can resist it, ignore it, outsource it, or even attempt to explain it away. But you can't escape it. Either you adapt or your organization will be forced to help you adapt to a new role.

If you're a business leader looking for a great way to get started in the data conversation, check out the book *Keeping Up with the Quants* by Thomas H. Davenport and Dhiraj Kumar. It will help you learn how to navigate your way through the world of data, analytics, and data visualization without overwhelming you. But let me warn you, this is a "gateway" book. Once you get curious, I promise you won't be able to stop digging into this emerging business reality.

New challenges require new thinking. And, very often, new thinking results in new decisions, habits, and behavior. Growth isn't always fun, but it is always necessary. After all, biology tells us that when you stop growing, you die. I also think that's a safe leadership principle to abide by.

About

Ben Stroup is Chief Growth Architect and President at Velocity Strategy Solutions where he helps leaders design, develop, and deploy smarter business growth strategies. Ben is a futurist, disruptor, and data champion. He leads a team that takes a structured learning approach to business challenges, which allows them to assist leaders in bridging the gap between ideas, innovation, and revenue—taking ideas from mind to market.

Velocity Strategy Solutions is an on-demand, next-generation business strategy and management consulting firm which provides clients with a relentless focus on data, execution, and results that positively impact the bottom line. Velocity delivers integrated people and revenue strategies combined with a disciplined approach to growth architecture that elevates the capacity of leaders, teams, and organizations to succeed and win more.