



DO BUSINESS FASTER™

Jim's Profit Accelerator 255 The Data Gap

As Leslie and I watched a sunset in Maui, the sky produced endless patterns and hues. Everywhere I looked there was a riot of color, swirling and changing so fast that I struggle to describe it, let alone remember it.

SPEED BUMP: In your business, are your numbers outrunning you?

You're not alone. Numbers seem more vital than ever, with multiple dashboards, analytical models, and new software tools. They are fine, and a few may help. However, consider this a plea to your inner businessman:

SPEED BUMP: Numbers can offer insights; they don't make decisions.

(Yes, I know there are algorithms that automatically trigger maintenance routines. That's not the issue. The issue is how you guide your resources.)

A more reliable approach is to increase your reality checks (what's happening in the real world) as you increase your data.

A substantial client pushed its financial team to provide more comprehensive data analysis to help improve their daily operations. The output was more impressive data displays, not better results. Data complexity was appealing in its breadth but provided a distraction that guided its leaders away from close observation of what worked and what needed attention daily or weekly. The problem, of course, wasn't in the data, but in how it was used. Said another way, research seems to suggest that we have limits to the amount of data we can hold and react to, at least at one point in time.

Here are some insights from others who are studying how best to use the flood of new data (all can be found at www.wsj.com, published on October 18, 2019):

- The summary: Data can be helpful, but there are costs and risks.
- KPMG LLP's recent global CEO survey shows just 35 percent of executives highly trust their organization's data. Two-thirds of CEOs ignored insights provided by data analysis or computer models in the past three years because it contradicted their intuition.
- Brad Fisher, KPMG's U.S. leader of data and analytics: "You should collect as many data points as you can," he said. "But don't throw out your intuition."

- Bill Belichick, the New England Patriots' head coach, has said he always prefers to "evaluate what I see" over analytics.
- Cassie Kozyrkov, Google's chief decision scientist warned that data isn't infallible. Much like intuition, it's malleable and can be distorted to confirm pre-existing biases. Multiple studies suggest that managers who bury themselves in data lose their ability to see how their decisions play out in the real world.
- Amazon founder Jeff Bezos, a heavy user of data: "It turns out in life that your most important decisions are always made with instinct and intuition, taste, heart."

What to do with all that?

- Focus on decisions that matter to results.
- Find out when the decision must be made.
- Supplement available data with your judgement (intuition, gut).

ACCELERANT: What decision are you delaying in hopes that data will point the way?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS:** Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: "How can I use this today?" or "Who can use this?"

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

©Jim Grew 2019. All Rights Reserved. *Do Business Faster*