

Jim's Profit Accelerator 121: Swimming in Spreadsheet Pollution?

Numbers are the refuge of leaders who are afraid to lead. They somehow got it backward, believing that you look to the numbers to build a hypothesis, and look up to see how reality fits the theory. With the possible exception of robot stock pickers (votes aren't all in yet), that's backwards. Yes, numbers are a critical part of reality, and essential in business. In fact, a retired CEO of two multibillion multinationals told me, "If you don't understand numbers in business, you'll have your head handed to you."

SPEED BUMP: Knowing the wrong numbers is worse than not knowing any numbers.

Compare the role of numbers in two companies:

1. **Ten employees:** Usually know sales and cash every week. Do financials quarterly, if at all. Most decisions driven by the sales and product departments. Nimble, high chance of failure, good chance of success.
2. **Ten thousand employees:** Numbers, analyses, and reports so big it takes the Cloud to contain them. Frantic search for answers in "Big Data," whose power is mostly in 5–10 year strategic direction, not daily activity. Struggles to execute basic plans well. Slow enough to allow small innovators to nibble new business from its edges.

What's going on here? This is:

Everyone wants what the other organization has. Action succumbs to "If only"

- We had better information
- We could find clear answers more quickly
- We knew where the problem was

Spreadsheet pollution drowns high-payback execution. Great starts dwindle into analytic recrimination. Sample content: "What's the data say?" Instead of framing one or two likely options and then confirming with data, hypotheses come from data, which is strange, since data looks backward looking and at best reports gaps, not opportunities. The step from gap to action is judgment beyond data.

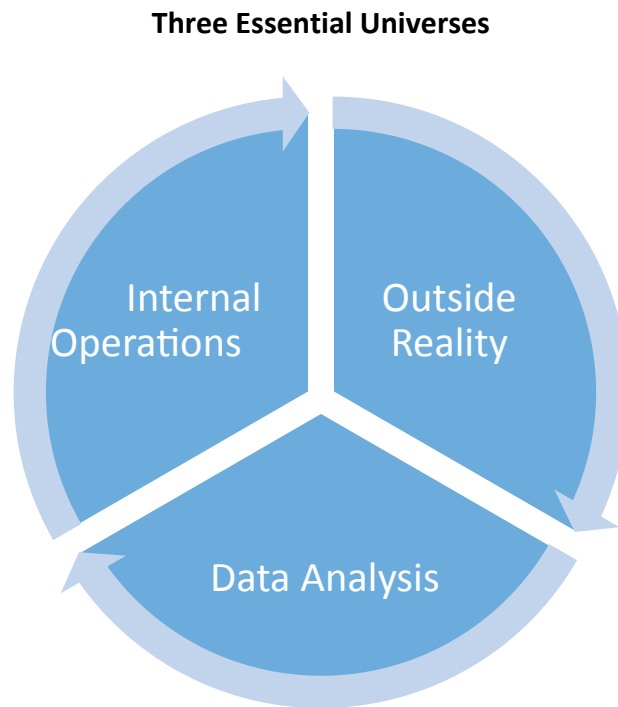
Failure to track and respond to the three universes that are essential for life:

1. **Internal operations.** The weekly question is always the same: What went well, and what needs immediate laser attention. (Of course a solid strategic frame must accompany these questions.)
2. **Analysis of essential data only.** Which leader will step up and address the data elephant: "That data is useless. Delete it." Make it earn its way, instead of assuming that its existence proves its

worth: “It must be useful somehow.” A refrain like the sobriquet “if it’s on the Internet, it’s true.”

3. Outside reality. Here’s a breakthrough: Ask customers and prospects any question before you search the data. Their answers are the Autobahn to winning data-driven decisions.

SPEED BUMP: Ask customers dangerous questions instead of digging into numbers.



Consider that Alan Mulally and his executive team turned around a Ford that Mulally first described as “going out of business for 40 years.” In eight years the company leaped from free-fall declines in stock price, market share, and reputation to powerful positions in all three elements. Profit came along too. The strategy was good, but the focused execution pushed them into their successful future.

ACCELERANT: Where are you looking for the next answer?

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

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 2016. All Rights Reserved. *Do Business Faster*