

Maturing into a Culture of Analytics

I can tell how mature an organization is by its use of analytics to run the business. By that, I don't just mean the financial reports they produce for investors or Wall Street. I mean the use of analytics in every aspect of the organization—from product development to HR, from marketing to supply chain, and everything in between.

Immature organizations build a lot of fiefdoms. It may look like they are working together, but they really aren't. You will find groups hiding issues, blaming others, or even hoarding data. I know you've seen these things in the different places you have worked. Fortunately, the availability of data, easy to use tools, and a culture shift toward pervasive analytics is speeding up the maturation process for many businesses.

When everyone runs the business with data-driven decisions instead of subjective opinions, it creates a transparency that shines the light on all that is good or bad. The ability to see the performance of every function and every process helps break down barriers between departments, encouraging better interaction and healthier collaboration.

Today, every company has data and most have a lot of it, and many have access through reports or analytical tools. Departments may be reporting their own metrics. But, I would argue this still is not a culture of analytics. To me, a true culture of analytics is not only one in which every employee has access to the information they need, but they make a conscious and willing choice to use it.

Transforming the culture

Changing corporate culture doesn't happen overnight and is not something you can force on the organization. It must be something that benefits the employees in order for them to be motivated to make the change. In fact, it's common for organizations to try to implement an analytics culture by directives from leadership.

However, a directive alone is not enough. If the effort to incorporate metrics and analysis hurts productivity, you will certainly face pushback. Having said that, the change in culture does need to be from the top down and leaders need to be the first to set the example.

You will find one of the biggest challenges to be fear, and rightly so. When the results are not good, there is a potential to use analytics to blame employees. Personally, I believe that failure should be ok, and that it should be used to learn from and not to punish people. We know life isn't perfect, and having data to shed some light on it should be considered as a wonderful opportunity to find ways to improve it. This opportunity can actually help people advance their career as they become smarter and stronger.

Having had conversations with some of our customers, they noticed it can be overwhelming in the beginning. Some parts of the business surprised them. They found that the truth can be so different from their perception and there can be a tendency to overreact.

I suggest starting with the good news. Share what is exciting. The positive experience will continue to promote a culture of sharing and transparency.

We Walk the Walk

I am proud of our culture of analytics at Pyramid Analytics. Everyone here embraces that culture, including me. In fact, we live by our own mission statement:

To provide trusted insights for every employee and every decision across your business.

In addition to the usual high-level metrics, like revenue and profit, we have metrics for everything in every department at Pyramid. We look at data surrounding the full customer lifecycle. For instance, in R&D we measure things like time between release dates and amount of customer input. We measure customer service metrics like number of open tickets, time to close, and even capacity so we don't exhaust our support staff. We even have metrics in HR. Running our company by the numbers is just part of who we are.

I love this W. Edwards Deming quote, *"Without data, you're just another person with an opinion."*