Business Intelligence and Analytics

A Roundtable Overview
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Thought Leadership Roundtable on Digital Strategies
An executive roundtable series of the
Center for Digital Strategies at the Tuck School of Business

The European chapter of the Thought Leadership Roundtable on Digital Strategies recently convened for a discussion on experiences, strategies, and best practices in Business Intelligence and Analytics (“BI/BA”). What are the most appropriate uses of data and analysis? What are the risks of over-reliance on numbers? What are best practices in using data to support business decisions? What challenges does the near-term future hold for BI/BA? Participants in the Zurich session included academics and business leaders from ABB, BMW, Deloitte, Hilti, Holcim, Lloyd’s Banking, Nestlé, Misys, Tetra Pak, and the Tuck School of Business at Dartmouth.

Key Insights Discussed in this Article:

BI/BA is no substitute for experience and expertise ........................................... 3–4, 6–7, 13
Although data and analysis can establish the parameters of a discussion, good decisions still depend on human experience, expertise, and common sense.

Discipline about data volumes and governance is difficult but critical .......... 4–5, 7, 9, 11
Decision-makers do best with the right amount of the appropriate data. Making “everything” available is not as effective as pre-filtering to give differentiated data to different kinds of users.

The impact of social media is only just beginning .................................................. 12–13
The growing use of Facebook and Twitter, among others, gives companies the chance to disrupt traditional business models. But it also gives puts them at risk of being disrupted themselves.

People who use the data the most care for it the best ........................................... 9–10
Bad data lead to bad decisions; the best way to capture and maintain good data is to assign responsibility to those users who depend on it for their success.

Learning comes from human interaction, not reports ................................. 10–11
Training in how to interpret and use data help workers and executives at all levels of the company learn how to use their data to make better decisions the next time. Frequent near-real-time coaching after-the-fact helps line employees; executives and managers improve decision-making skills with "after-action" reviews.

The goal for IT organizations is to support “better decisions with less data” .. 4, 6, 11, 14
Experience shows that simpler approaches often yield better results: avoid “analysis paralysis” by providing and considering only those factors that are truly critical.
Introduction

More data. More sources of data. More elements to track about more objects, people, and processes: integrated supply chains, real-time operations dashboards, pre- and post-sale customer information. Meanwhile, executives, sales teams, plant managers, governments, regulators, investors, analysts, suppliers, customers, and consumers all clamor for more data. They all want different things, but the common theme is “More, faster!”

And now along come social media—tens of millions of Tweets, Yelps, and Facebook postings per day, any one of which can become an instant global cause célèbre to provoke discussion of your company, your products, and your brand, for good or for ill. What’s a CIO to do?

Since the first applications based on relational databases were deployed in commercial operating environments in the late 1980s, the sheer volume of qualitative and quantitative facts available to be collected, stored, and analyzed has grown to inconceivable scale—in EPOS data alone, a company the size of Nestlé records transaction data on one billion units every day. There are 50 million Tweets a day and growing, and 700 Facebook updates every second. In all those transactions and communications lies sheer business gold—if it can be mined and processed effectively.

Hans Brechbühl, Executive Director of the Center for Digital Strategies at the Tuck School of Business, convened the roundtable by reading from Edna St. Vincent Millay:

“Upon this gifted age, in its darkest hour,
Rains from the sky a meteoric shower
Of facts…they lie unquestioned, uncombined.
Wisdom enough to leech us of our ill
Is daily spun; but there exists no loom
To weave it into fabric.”

-- From Huntsman, What Quarry? 1939

In the business world, the poem’s ‘shower of facts’ becomes what Brechbühl termed “the wild amounts of data that are available now—not just traditional corporate data or structured data, but also unstructured data of all types.” Brechbühl asked the group to what extent their companies were deliberately trying to become more data-driven and more analytical.

A Means or an End?

Alexander Buresch, Vice President of IT Strategy at BMW, addressed the technical changes that have enabled advances in business intelligence: “The next generation of technology enables us to produce mass data and work with mass data, which in the past was just too slow from a performance point of view. So we are enabled now to do much more analysis in any of our business areas, to learn from it and to use it as another tool to improve our decisions.”
Per-Åke Tobiasson, Head of Global IM and Global Process Officer for Tetra Pak, gave a rather surprising response, given the context of the Roundtable: “That’s not a valid statement for Tetra Pak. We are saying ‘more customer focus,’ and then we use processes to achieve that. Data is just one enabler to reach the objective. You must have good quality data, but we have never used the phrase ‘data-driven organization.’”

Olivier Gouin, Group CIO of Nestlé, agreed: “We focus on consumers and on products that we sell. Data is an important part of what we’re doing; it’s a corporate asset, like many others, and we have to manage it in an appropriate way. But in total, we always remain focused on the consumer.”

Martin Petry, CIO of the Hilti Group, re-framed the question to focus on the quality of the data, rather than on change for change’s sake:

> Today in the market, we would say ‘Hit me where it hurts’ before somebody would say ‘I don’t care about data quality,’ or ‘That’s not the number one priority.’ It’s a huge focus and clearly you can’t focus on an infinite number of things. That means other things are not in focus because we keep the data quality at such a high priority level.

> But we don’t see an alternative. We went through decades with bad data quality; now we will invest in what’s necessary for good data quality.

Haider Rashid, Group Senior VP and CIO of ABB, put the current market excitement about analytics and BI/BA systems into context for an individual company:

> Analytics is very much a means to an end. We’re in a hype cycle right now, like e-business was. You have to do analytics, but it’s not the answer to everything; it’s a component and a solution. You can use analytics as another way to get better insight into what you really want to do, which might be risk management or being closer to your customer or fine-tuning your factory. But it’s just another tool.

Al-Noor Ramji, Executive VP and Head of Banking at Misys PLC (and former CIO of BT), carried the point farther, directly into the realm of the CIO: “We need to talk about what processes improve the business, and then improve the processes by providing whatever data is needed to underpin them.” He summarized: “Analytics are an underpinning; they’re not the end result. But not to have any data is also a bad idea. The question I’d like to answer is, ‘Is there a business model which takes care of decision-making driven by data and learning from the past?’ How would we use such a model to run our companies better?”

**Astronomy vs. Mass Data**

Do the new capabilities around data and analytics really improve companies and their performance? Rashid of ABB suggested the answer may be, “Not always:”
There are certain places where analytics fit better than other places: Optimizing and manufacturing process in a factory, inputs/outputs, for example. Another example—analyzing tax returns is relatively easy to do. When there are a relatively limited number of variables, analytics may well work. But the more you go to a great number of variables and into an atmosphere where what you do will cause reactions from others—analytics becomes less and less helpful.

Chris Shuttleworth, Senior Manager of Data Analytics at Deloitte, agreed that “the analytical technique applied will depend on the problem you want to analyze, and you need to be focused on what you’re doing, have a clear objective, and know what you want to achieve from it.” Shuttleworth disagreed, however, with Rashid’s suggested differentiation between the two types of situations:

The more variables you have, the more analytics can help you understand the relationships between them—we’ve built models that have thousands of variables. One particular model, to identify fraudulent activity in the gaming industry, utilised 17,000 variables to help understand the attributes that were indicative of that type of behavior. The model helped to bring patterns to the surface that would be very difficult to see otherwise. The more complex and fuzzier things become, the more analytics can help.

Ramji of Misys suggested a different distinction between when analytics are useful and when they’re not:

We mustn’t try and compare what I call ‘astronomy,’—one event, like [building] a Chinese factory, which happens every hundred years—with mass data like consumer records. There are different ways of using analytics for each piece. Even with the Chinese factory, you want to understand how the demographics of China are going to change in 20 years, for example.

Karl Probst, Senior VP and CIO of BMW, summarized this part of the discussion:

Analyzing data is just your basic homework. No business data will ever deliver the answer as to whether you should build a factory in China or not. You have to decide based on many factors. You have a set of data, what earnings in China are, what the population will be. That’s your homework, that’s basic stuff—maybe 10–20 percent of your whole decision—nothing more. Now you’ve done your homework—sit down, look at China, get a gut feeling, then decide. But please don’t base your decision solely on data.

A Recipe for Good Analytics

The group agreed that analytics can only ever be one of many inputs into decisions, and much of the day’s discussion revolved around how best to make the right amounts of the right data available to the right people. Gouin of Nestlé caught the spirit of the meeting: “The whole
discussion is around governance and process, not around data and systems. We have all the
data worldwide as of yesterday in one single database. If we want to use it, it’s there. The
problem is what data to use, how to use it, when to use it, so there’s a whole governance
question around it, more than the data itself. The data is not the issue.”

As members of the Roundtable gave examples of both successful and unsuccessful applications
of BI/BA throughout the day, a consensus emerged on a number of best practices and
approaches:

**Get Agreement on the Numbers**

Much conflict over the years has resulted from differences of opinions over what the relevant
data actually are. As Gouin of Nestlé described the situation, “Finance comes with a set of
numbers, operations with a different set, supply chain with a third set. And they spend their
time aligning the numbers instead of discussing, ‘How can we work on our business with the
same number?’”

Ramji of Misys pointed out yet another data problem endemic to big companies: “Everybody
will use data to support their own case. They won’t start with the data or start with an
intuition; they’ll start with, ‘What makes me look good?’ So there’s this battle between the
one-truth guys and the multiple truth suit-me guys.”

Probst of BMW agreed, stating that it was not unusual for people to play a power game in big
companies and indicating that information is not just generated to make the right decision.

In each of these scenarios, Tuck’s Brechbühl pointed out, Andrew Lang’s (1844-1912)
comment on unsophisticated forecasters applies: They “use statistics as a drunken man uses
lamp-posts—for support, rather than for illumination.” The key issue in BI/BA today is how to
obtain illumination, and not merely conflicting props.

It’s revealing of the importance of the topic that global companies now have executives with
titles such as “Leader for Decision Support and Data Management.” One of those executives,
Nestlé’s Susan Barry, described their initiative to get agreement “on the numbers:”

We’ve really focused heavily on performance management and bringing transparency to
those metrics. For each business unit in our core entities, we put in a standardized series
of four meetings throughout the month. We defined for each one of these meetings what
are the inputs and the outputs, who the participants are, and what decisions are made.

This is truly cross-functional; this is not just a finance exercise. It’s also supply chain.
It’s operations. It’s finance, and it’s marketing and sales. We designed information
flows to support each one of those meetings, and also to present the information in the
meetings in a very interactive and graphical way.
Barry’s colleague Gouin chimed in: “So what we have done is put all that into a standard approach, and there is no more discussion on the number. There is discussion on how we move to the next step—and that approach has really helped the business.”

“So the task,” summarized Russell Saunders, Global Payments Director of Lloyds Banking Group, “is to get the data in which you have complete confidence to the decision table quicker—in a format that people can bring their own insight to. Then there’s more discussion and debate around the final decision.”

**Don’t Go Too Far**

Franz Wirnsperger, CFO of the Hilti Group, emphasized the importance of drawing the line between analysis and judgment:

> Analytics is not the end of the story. The final step from data, structured data, information, into decision-making and knowledge—the complexity is so high you can never, ever get to the stage through analytics that you would be able to just tell everybody what to do and then we don’t need human beings.

> We build these tools so that people use their own capability and skills to combine them and take that information and then really make decisions. It’s very critical to ask, “Where is the limit? What is the ultimate potential you can achieve with this type of analytics? How far can you get, and where is it that the human being or the entrepreneurial spirit has to kick in?”

> You can go too far. You can overdo it, and then you’re in a situation where you have too many metrics, too much data, and so on and so forth. And way too much effort wasted in getting this done. It’s important first to know exactly what you want, and then have an incredible amount of discipline to put this hygiene in, but then stop at the point where you’ll need human judgment to kick in, and not to go too far from there, not to be too academic.

Christian Moraldo, Vice President Group Financial Control of Tetra Pak, agreed, and introduced several themes that ran through the conversation for the rest of the day:

> Everybody has different requirements for data at different levels. We need to ensure that we capture the real requirements for different units throughout the organization so people can make their own right decisions. That’s the most difficult piece.

> Now the fantastic initiative taken by the organization has nothing related to tools and so on, but what is interesting is the approach: “How can I make the right decision with less data?” It’s very powerful in the sense that we make the process shorter and focus on what is really essential to help make the decision. Because too much data kills information.
Martin Petry, CIO of the Hilti Group, gave his perspective on the same topic:

Hilti has a consolidated environment and consolidated reporting and therefore is very strong in the rearview mirror. We have a lot of insight into the past. Using analytics as a recipe for success in the future—that’s difficult. We had rules engines that we put into the Customer Information Management system where we tried to use historical positive performance patterns to guide salespeople into the right customer calls with the right topics.

But to be honest, there are limits. We haven’t found the ‘super model’ yet, if there is one. Until you find it, you get the issue of, ‘Do you want robots in sales or do you want people in sales?’ The difference between the burner in the cement factory and the sales rep in the field is that one is a machine and the sales rep is a human being and he wants to be treated like a human being.

In addition to avoiding an ‘I, Robot’ syndrome, Urs Bleisch, Senior VP and CIO of Holcim, pointed out another reason to neither over-invest nor become completely beholden to data models:

Our business plan is five years. Our strategic plan is even longer. At the beginning of 2007, we were going in one direction. No imagination could have predicted what happened, which changed everything, really everything. That’s when I asked myself, “Now what is the value of doing this level of planning?” You try to be as accurate as possible, and then you have such dramatic external factors, which really change the game completely.

Get Humans in the Loop

The theme that companies cannot live on data alone came up in many examples during the day. In one of them, Eric Johnson, the Director of the Center for Digital Strategies at the Tuck School, described the phenomenal success of 7-11 stores in Japan using EPOS data to direct extremely rapid replenishment cycles:

The part that I found interesting was they couldn’t dispense with humans actually looking at the data and thinking about it, because invariably the analytics would miss important factors. For example, if there was a heavy rain that day, that could completely change what they’re selling in the store. And if they just based it on the analytics, the analytics would predict that they needed something in the afternoon or the next day that they wouldn’t need because it wouldn’t be raining the next day. Or if there were a sporting event that was driving traffic by the store, it would completely skew what the store was selling.

And so on a weekly basis store managers would gather for sales meetings on Saturdays and they would pore over the data and people would add the human intelligence: “No, that day we had a big sporting event,” or “No, it was school vacation that week and
that’s why we see this big drop-off of a certain carton of milk.” The human element was critical to the success of their analytics.

Johnson’s example related to front-line managers and even customer-facing clerks; Rashid of ABB made the same point at the manager/executive level:

All businesses are always forward-looking. The data we produce may well be backward-looking, but as managers we all automatically interpret our data to understand, “Am I going to meet my budget? What should next year’s targets be like? Do I need to build a factory in China?” I don’t think that managerial ability, managerial competence, can be replaced by a computer model which will make those decisions. By definition data will be backward-looking and managers will use that to be forward-looking.

Wirnsperger of Hilti contributed another example that further supported the point:

Our biggest value generator is the use of time of our sales force. Whether they use their time right or wrong makes more or less profit for us. And so, of course, we focus all the effort in giving them the right information to make a decision where they should use their time.

We went as far as giving them a rules engine, based on very well thought-through algorithms. We have the sales potential for every customer, how often he was visited in the past, et cetera.

But this is still not good enough, because (a) it’s a myth to think that we can have high enough data quality that it is always right, and, (b), there are so many other things you can never measure. The human intelligence and experience have to kick in.

His colleague Petry raised another problem about the use of predictive (or prescriptive) analytics: the concept of probability.

Our very thoughtful model is a little bit over-engineered, so not everybody understands the mechanics. And, there is obviously not a 100-percent success rate. It’s more playing with likelihood. So the idea is, if you follow the model, your likelihood of success is greater than if you call randomly in your territory.

If calls from the rules engine were all successful, clearly everybody would think, “Okay, being a robot but earning a lot of money versus getting the door slammed on my contract, I’ll go for the money.” But the reality is you follow the rules engine, your call does not end in an order, and it gives you a negative experience and increases your mistrust in a model that you didn’t really understand from the beginning. I think there is simpler lead generation that we could do that would be easier for our sales people to understand and would probably wind up with more success.
Give People What They Can Absorb

Bleisch of Holcim described the learning process his company went through in providing a comprehensive data platform that could consistently provide value to people who needed to consume its data:

From the beginning we had management reporting, not just the financial reporting required from a listed company. We embraced all communities and defined our information platform very well, to provide information and to benchmark internally. It’s not just financial indicators, and costs, but also energy consumption, environmental performance, occupation, health, and safety performance, everything.

Where we failed is what Mr. Petry called “robots or people.” We went so far that we said, “All reports have to be the same. There is no freedom whatsoever in how it looks. You must compare Page 3, Column A, Row whatever: same figure. And there we failed miserably because some people like numbers, others like bar charts, pie charts, colors and so on. We found out people don’t know what to do with data. Normally you assume the people are knowledgeable and you give them a report and then they can read it. That’s not the case. Frankly, people don’t always know how to read reports. So we had to start training the people.

Wirnsperger expanded on the theme of what CIOs have to do in order to get usable data to decision-makers:

The keys are a very digestible quantity and the right quality, and both of them very differentiated by user. A really good business analytics system will have very clean data. And then the cleverness kicks in that you actually dissect that information, understand your model, and deliver to every user group the right set of information in terms of granularity and quantity and quality.

Keep the Data Clean

The requirement for clean data to support decision-making is clearly paramount. Tobiasson of Tetra Pak described their efforts to obtain reliably good data that all stakeholders can use without debating its quality:

We have worked the last three or four years to have proper master data, and equally important, to explain the different uses. Otherwise you can’t make any conclusions and you will make the wrong decisions. We worked quite a lot to have a single source of truth. Then you can say 80 percent of the information is reliable and globally centralized, and for the last 20 percent, you can let the local market organizations work with their own data.

His colleague Moraldo added to the topic of how best to use that centralized data:
The single source of truth is in the business warehouse. We also have strong governance around our KPIs and balanced scorecard, which are very fundamental to drive the focus in the organization. It’s important to have the strong governance. The process owners, process drivers, the finance function, HR, and all the other functions evolve as part of that governance, so that we don’t have thinking about silos, but rather about processes.

And that’s very important to mold the teams into the same strategic direction. Everybody has different requirements at different levels, so we need to ensure that we capture the real requirements for the different units throughout the organization so that people can make their own right decisions. And that’s what the most difficult piece is.

Another “most difficult piece” is to keep the data clean once the single source of truth has been established. The participants gave many examples—some of them ruefully—of bad decisions based on the age-old “garbage-in/garbage-out” principle, including a deli cashier who converted all prices to the currency of hard-boiled eggs, the telco that billed an executive for 3 non-existent phone lines for more than 20 years, and the doctors who keep two sets of patient records—one for themselves, and one for the national databases. Ramji of Misys identified one of the core problems in keeping data clean:

Take telcos for example. Nobody gets paid to keep the data clean, and the local worker thinks by putting correct data in, he’s going to help some other guy take over his job. So he keeps the data in his own files. He won’t update the master file.

The same thing happens in the sales force. The guys use CRM, but if you claim it’s 100 percent correct, you’re kidding yourselves because the salesmen don’t like sharing. So they’ll take data out for sure, but they’ll never put it in. Everybody wants to use the systems. Nobody wants to input to them.

Barry of Nestlé observed that customer-facing systems, such as frequent-flier programs, can rely on the consumer himself to keep his own data clean. In the back-office environment, however, the company has to be responsible:

It’s a huge amount of data, but our philosophy is to manage the quality in. Sometimes that takes a while, but it’s remarkable how through transparency you can actually drive the behavior. Now the challenge is to keep it sustainably clean, but if you regularly use the information it tends to improve in its quality. We also use data quality KPIs. Then the second approach is designing data quality in at the source. So when you’re keying in the information, the system will either accept or reject the information based on some business rules.

Ramji agreed that the frequency of data usage is critical to quality, and suggested another key tactic, based on experiences in both telcos and financial services:

Who uses the data, and who inputs it? Most of us think of data as our own data, so we care a lot about it, and we’re going to look after it. If it’s not your data, and you see
them once every seven years and there are millions of them, it doesn’t really matter to you. So transparency to the end user or the end customer is absolutely key. Nothing else has ever worked, and there’s a huge amount of cost associated with getting the wrong data and having to do cleanups every three to five years.

On the trading floor, the only way we sorted it out was to make the trader read his book through the computer screen. We took his physical book away. Since the only way he could get it correct was to give the runner the right data. He eventually decided to dispense with the runner and do it himself.

He concluded with a comment on the difficulty of the data quality task: “You see these whiz bang traders and you’d think it would be easy. It took 12 years to get them to change. These are guys being paid millions of dollars a year to keep it straight, and they wouldn’t do it.”

**Coaching is Important**

We tend to think about data as either related to Key Performance Indicators (“KPIs”—looking in the “rearview mirror”) or predictive (looking through the “front windshield.”) The Roundtable reviewed a third important use case—perhaps the side mirror. Barry of Nestlé described a big operational improvement on the front lines based on the combination of analytics and coaching:

In one of the Nestlé business units, at the beginning of the day, every salesperson has their route that’s determined for them. They have their customer visit list with the various different issues that are associated with each one of those customers. They go out and service the customer and make decisions. When they come back at the end of each of their shifts, their supervisor spends 15 minutes with them reviewing the decisions that they’ve made throughout the day. It’s 15 minutes of intensive decision coaching: “Why did you propose this as opposed to that?” It’s tracking the decision through a kind of performance management system and building the learning in live, tangible ways. It’s been really quite powerful how you can build confidence in decision-makers on the front line very quickly, and with a high degree of expertise.

**Review is Critical**

If coaching is critical at the individual/operational level, a similar process of review is critical at the group/planning level. Aebischer of Holcim gave a compelling example of the need to promote learning by reviewing decisions made based on data and analytics:

Data itself doesn’t present you with what decisions you have to make. You take all that data, turn it into information, and then finally someone makes a decision using that data. It is very important to understand how that decision was made, and then to go back and review the outcome of that decision.
For example, look at coal prices. They move in a certain way. We have all that data across the United States. Now we have to make the decision to contract, or not to contract, to buy one amount or to buy an additional two, three, four, and so on. So we had big disagreements between the procurement people who had the view of, “Here is all the data. That’s exactly what we have to do,” and the plant manager who actually was responsible for running the plant, and was judged based on his cost structure.

We then started to document these decisions, and then look a year back or even two years, to figure out was that right decision at that time? Who was right in hindsight, and why who was right in hindsight and why? Is there a pattern we can figure out why one guy had all the information available and still took the wrong position?

Bleisch, Aebischer’s Holcim colleague, summed it up: “And the journey we started from here—and where we are still struggling—is to get from data to information to knowledge, knowledge being the data-driven intelligence to make a better decision. And then to determine whether it went well or not, and to share that.”

**Simple Processes Yield Better Answers**

While technology has given us the ability to crunch vast amounts of data, how the insights are put into practice is also very important. The group gave many examples of simple processes—extracted carefully and analytically from all the possible reams of data—that yield better results than huge models. Shuttleworth of Deloitte described a successful project that analyzed multiple factors about hundreds of individual customers and divided them into 36 segments to optimize individual customer experience and profitability for a financial services firm:

Two attractive segments from the 36 were selected for targeting and the segmentation model provided the information needed to determine which five best questions to ask a client in order to classify them into one of these two segments. When a new client walks in the door, they use these questions to quickly determine if the client is an A or a B, and which customer experience to offer them, or a C, which is someone they are not focused on doing business with.

Johnson of Tuck described a similar example at Cook County Hospital in Chicago:

Heart attacks are notoriously hard to diagnose and you can waste gobs of money observing people for long periods of time, trying to figure out whether they’re having a heart attack or not.

But it turns out that three simple things, together with a very simple decision matrix, outperform a lot of the best doctors, who would often collect lots more information. All that information really wasn’t relevant to whether this person is having a heart attack right now, and the doctors would get confounded by it all, and miss the two or three simple things.
That’s the promise of analytics: Go back to the human, the decision coaching, the experience, the doing it over and over and over again. Then take the ideas, put them together with the data, and find the simple two or three things that say, “Hey, we’ve got a heart attack going on here.”

What Comes Next?

The group agreed that achieving the right mix of analytics and experience will be a continual effort, and moved on to other near-term challenges in business analytics. There were three problems shared by nearly everyone:

- The difficulty of obtaining reliable data in emerging markets
- How to balance transparency of data vs. proprietary information in integrated supply chains
- How to assemble a single customer view, as for example described by Probst of BMW: “We have a bank. We have a bike business. We have a car business. We have a Mini business. We have 20 or 30 possible opportunities for a customer to be in close contact with us, so we have a lot of different views of the customer. Our challenge is to bring all these views into one database.”

By far the emerging trend that provoked the greatest interest—and the fewest answers—was the impact of social media. Social media poses multiple challenges by virtue of its volume, its immediacy, and its lack of structure. Most of the companies represented at the Roundtable were only just beginning to develop BI/BA plans around social media.

Johnson gave an example of the benefits of data obtained through social media: A fashion retailer used the popularity of Likes and Dislikes on Facebook among teen-aged girls to make traditional market testing obsolete, and figure out “What was going to be hot, and what was going to be not hot, very, very, very quickly. They could see it all happening in real time, right in front of them.” On the other hand, the entire Roundtable group was familiar with the well-publicized cases from airlines, restaurants and others, of irate consumers provoking disproportionate responses, both with and without cause.

Ramji of Misys articulated one key challenge that social media poses for companies:

What we forget about the web is, these social network tools are not brand new—they used to be called “Meet me in the pub.” What social media cut out is the time lag, and now they’re magnified by a thousand or a million times. People make a mistake when they Tweet because they think they’re talking to Hans in a pub, and they put down real nonsense. It’s not that people didn’t use to complain about your products, but now this is instant and a million people. The reality’s always been there. What our tools have to address is the magnification, which can hurt us more than people imagine.”
Lessons Learned

At the end of the day, the assembled executives reviewed some key lessons learned. One had to do with the real purpose of analytical decision support. Petry described a day spent visiting customers with one of Hilti’s top salesmen:

I was kind of frustrated, quite frankly, by the day. It was a great day. The guy did absolutely fabulous. Super sales for Hilti. But he didn’t use any of the tools; neither laptop nor PDA. I asked him, “Are you actually using the tools?” He said, “No, not so often.”

When that guy went into a client, he already knew everything. He knew much more than we have in the database and quite frankly, I’m happy that we didn’t blow up the database to what he needs, because it would completely overwhelm the sales reps.

Ramji of Misys drew a key lesson from the story:

I like Karl (Probst’s) words from earlier, “It’s just homework,” meaning if we don’t do it, we’ll get an even worse answer. With analytics you get a better answer. Anybody who says they do it by gut instinct just has a built-in analytical engine in his head. So the best guys can’t be helped because they’ve got a better model than the data tells them.

So our main ambition as CIOs is to move the average up a few points. Not the best guys up a few points, because that’s just too ambitious and you’ll never do it. But if your average worker can be moved up two or three points, then we’ll get massive benefits.

Aebischer of Holcim summarized several of the day’s key themes with some final thoughts about the impact of the flood of data and analysis on society as a whole:

With respect to our takeaways, less is clearly more. It’s extremely important for the IT community to think about how to make information and data available. There are schools of thought out there who believe you make everything available to everybody and let them pick and choose. I believe not everybody is mature enough to pick and choose; it has nothing to do with intelligence, and much more to do with experience. I do not believe that we have to have the same information for the top and the bottom; I think that’s very wrong. We’re overwhelming people with data.

We have massive challenges in our society’s belief that the truth is out there, and that all the data is there to make decisions. But in very simple terms, the financial crisis, for example, was an outcome of analysis paralysis, of too much data available. We have models that drive us into the wall without applying common sense to what we actually see.
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Business Intelligence and Analytics
19 April 2011

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