

: Is an insight-driven organization myth or reality?

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An insight-driven organization seems more like marketing hype, building on a catchy name, than reality. One can tell interesting stories about the benefits of insight and about finding something new and exciting from data analytics. Those stories are exceptions however and not the norm. Finding evidence and basing decisions on data is the norm in decision processes. Seeking insight seems like a fool's quest. Deloitte Consulting is urging managers to create an Insight Driven Organization (IDO). Supposedly, managers will realize a rapid return on analytics investments by using data, analysis, and reasoning in the organization's decision-making processes. It is important to use all three to assist in decision-making, but focusing on finding or gaining insight is an unrealistic and inappropriate goal. The focus of analytics and decision support should be on making better decisions.

Insight is an important concept; it means a person understands the inner nature of things or of seeing a situation more intuitively. Is it possible to increase your intuitive abilities and become more insightful? Is it realistic or desirable to encourage more people in an organization to make decisions based on their insights and intuition? Perhaps when insight means understanding the facts of a situation in a broad context, then striving for insight may have benefits. Some equate insight-driven with the concepts "data-informed," "data-based," "data-driven," and "data-science driven". Deloitte (2015) argues, "an insight-driven organization (IDO) embeds analysis, data, and reasoning into the decision-making process, every day". Supposedly turning an organization into an insights-driven business is genuinely transformational, enabling innovation and differentiation.

How does one "create" insights? Questionpro.com offers seven tips that I have translated as questions:

1. Identify and clarify the 'real' question. ... What is the 'real' question?
2. Find out what is known and what is available. ... What are the facts?
3. Find out what people expect the results to be. ... What are the expectations?
4. Know whether your results are good news or bad news. ... Are the results good or bad news?
5. Focus on the big story before diving into the weeds. ... What is the big picture? the context?

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6. Don't tell the client everything you know, tell the answer to their problem. ... What is the answer to the specific problem of interest?

7. Create a story that when simplified is still correct. What are the basics? What story will simply communicate the findings?

These questions and steps provide a rational approach to solving problems, making decisions, and communicating with clients and colleagues about findings. Asking questions and following a process is a sound problem-solving strategy, but it is a leap of faith to say the answers to these questions and following this process provides insight.

Building a data-based culture requires both an internal and external "team" approach. Deloitte contends "The true strength of analytics lies in its ability to help leaders make more informed, more effective and more intelligent business decisions. This is the value of becoming an IDO. By entrenching data, analysis, and reasoning into the organization's decision-making processes, IDOs turn analytics into a core capability while promoting a culture of data-driven decision-making. As a result, organizations embed analytics across the entire organization and gain access to the analytical insights they need to tackle complex business problems. Too often, organizations struggle to realize tangible benefits from their analytics investments. That's because it's no longer enough to turn data into insight, you need the ability to turn insight into action."

Supposedly, "by using data, statistical and quantitative analysis, and visualization tools and techniques, IDOs empower their people to use insights to change the way they do business." Focusing on insight seems unrealistic and undesirable for a number of reasons. First, using judgment to make decisions based upon facts is a more appropriate goal. Managers can learn to improve their use of facts and can get feedback to improve their judgment. There is some evidence that most people are not "as good at reading people" as they think they are. We don't want to return to the age of seers, fortune tellers, and tea leaf readers. Intuition may have a place in our judgment and decision making, but if you can't explain what you are sensing or feeling you should be concerned that it might be wishful thinking, imagination or even delusion. In some cases, your intuition may be correct based upon chance alone rather than skill. Do you really want to trust important choices primarily to instinct and intuition?

Becoming insight-driven is more wishful thinking than reality. Becoming a learning organization (Senge, 1990) is a desirable and worthy goal. People in a learning organization have a shared vision, use systems thinking, explore, refresh, and share mental models about how things work, promote team learning, and they are rewarded for personal mastery. An adaptive decision process focuses on responding quickly to changing realities -- adapting to change.

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Managers should make informed decisions using analytics, intuition, and collaboration derived from trust relationships. In data-driven environments, data must be analyzed to provide facts. Intuition based upon experience and feedback about prior outcomes should be nurtured and should not be ignored. An experienced manager can often interpret a situation better than a less experienced person. Trust and collaboration are critical for knowledge acquisition, sharing and candid discussions.

In general, leaders and managers should learn to use both intuition and reasoning to guide data and fact gathering, hypothesis testing, and decision making. Managers, based upon past experience, should assess routinely how much confidence and trust they can have in any recurring, intuition-based decisions. Learning about what works in routine decision making is important. Understanding intuition, instinct, and human pattern recognition are timely in an age of data-driven analytics. Data analytics must be assessed and informed by facts, human insight, reasoning, and intuition. Managers need data to guide decision-making. Building a data-based organization is desirable and possible, cf. Power and Heavin, 2018. Let's avoid hyperbole and exaggerated promises as part of digital transformation efforts.

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Last update: 2019-08-18 10:54