Decision Driven!

8 Tips For Turning Data Into Action

Brad Kolar



Decision-Driven! 8 Tips For Turning Data into Action

Copyright © 2017 by Bradley Kolar

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law. For permission requests, please email info@availadvisors.com.



Contents

Introduction	1
Tip 1: Provide Answers, Not Numbers	2
Tip 2: See More By Looking At Less	3
Tip 3: Make Things Simple To Foster Understanding	5
Tip 4: Add Context To Create Meaning	6
Tip 5: Use Reasoning To Support Your Decisions	8
Tip 6: Be A Prosecutor Instead Of A Mystery Writer	10
Tip 7: Separate Relevant Data From Related Data	12
Tip 8: Design Reports Around Answers Not Data	14
Shift Your Focus From Data To Decisions	17
Are You Ready To Take The Next Step?	18
What people are saying	20
About Avail Advisors	21



Introduction

You've probably been asked to be more "data-driven."

But what does that mean? Where do you start? The value of data is not in the numbers. **The value of data comes from making decisions and taking action**. That's where you need to focus.

Having more data doesn't necessarily make you a better decision-maker. In fact, excess data may be slowing you down. You don't need more data; you need the right data. More importantly, you need to use it!

Data-driven organizations focus on data.

Decision-driven organizations turn data into action.

This book provides eight simple tips on how to shift from being data-driven to being decision-driven.



Tip 1: Provide Answers, Not Numbers

You don't manage numbers. Neither does your boss, your team, or your customers. You manage issues, risks, opportunities, people, products, processes, technology, and ideas. So why do you keep talking about numbers? Numbers should support the conversation but they should not be the conversation.

Answer people's questions simply and directly.

Example

Take a look at the most recent annual report from your company. In particular, pay attention to the letter from the CEO to your shareholders. Chances are that letter isn't about numbers. The letter tells a simple story about how the business performed in the last year. There may be a few data points provided as support. In most annual reports, you won't find the detailed charts and tables until you are several pages into the document.

- Before presenting facts/data ask yourself, "What do I want people to do with this?" Focus your presentation on that.
- Focus on answers. Only ten percent of your presentation should be numbers/charts. Ninety percent should be interpretations, decisions, and actions.
- Learn to turn information into action. Don't just pass along data—tell people what needs to be done as a result of that data.



Tip 2: See More By Looking At Less

All data enters our brain through our senses. That data (information) is processed and turned into perception. Only a very small amount makes it to the conscious part of the mind. Data and perceptions that do make it through are often distorted, manipulated, or altered by our unconscious biases. Similarly, most of our decision-making occurs in the unconscious part of our mind. That means that our decisions are often based on data that we didn't even know we considered. Once our brain connects data points (or makes a decision), it rarely breaks that connection—even when it's provided with new or contrary data.

For rote situations like driving to work or shopping for groceries, this works pretty well, as our brains just rely on old patterns and experiences to guide us. However, for situations requiring focus and attention, this could be a disaster.

You can't control your unconscious biases. You can, however, reduce the amount of data that you feed them.

Example

A 1996 study¹ looked at how juries award punitive damages. The researchers presented four simulated juries with identical evidence about a case. The only data point that varied across the groups was the amount requested by the plaintiff (\$100, \$20,000, \$5 mil, \$1 bil). The result: despite having the same data upon which to make their decision, the jury awards varied from \$990 to \$490,000. You never know what data might be subconsciously influencing your decisions.

¹ Chapman, Gretchen B., and Brian H. Bornstein. "The More You Ask For, the More You Get: Anchoring in Personal Injury Verdicts." Applied Cognitive Psychology. 10.6 (1996): 519-40



- Before collecting data, write down the criteria that you will use to make your decision. Only gather and use data relevant to those criteria.
- Look through your data twice. First, see if it confirms your assumptions (sales are up). Then, reverse your assumptions (sales may be lagging somewhere) and look again. Changing your assumptions might help you see things that were filtered out the first time through. This method will also ensure that you weren't just seeking data to prove that you were correct.
- Reduce your "data footprint." Remember that any information to which you are exposing yourself or your audience (not only numbers but also names of people, departments, or regions or colors, images, logos, etc.) might influence their decision making. Remove anything that is not relevant to the decision being made. Prevent yourself and others from connecting the "wrong" data.



Tip 3: Make Things Simple To Foster Understanding

The conscious part of our brain is easily overwhelmed by details. Simplicity creates understanding. Crisp, concise statements are easy to understand. Long, drawn-out explanations create confusion. Make your statements simple and clear.

The easier it is for someone to understand you, the more likely they are to make a decision.

Example

Think about the "dummy lights" on your dashboard. They don't show the fuel mixture, O2 emissions levels, or battery charge. They simply turn on when there is a problem that needs further investigation. That's all of the data that you, as a driver, need to decide whether you can drive or whether you need to take your car to a mechanic. If cars constantly reported that detailed data, you'd be less efficient. You would constantly be trying to interpret the data rather than acting upon it.

- Apply the "5 second Rule". Your audience should be able to understand any point that you make (slide, sentence, report, etc.) within five seconds. The longer it takes to understand, the more biases can creep in.
- Shift from using functional titles on slides (e.g., "sales by quarter") to stating the key take-away point ("We need to rebuild our Southwest region"). That way, people don't have to spend time trying to figure out why you are showing them the data.
- Get to the point! If you haven't gotten to your answer/recommendation by the third slide (PPT), third paragraph (Word/email), or within 5 minutes (speaking), you are providing too much detail.



Tip 4: Add Context To Create Meaning

Meaning is created by making connections. The brain uses context (or the big picture) to make sense of details—not the other way around. Think about a puzzle. It's much easier to understand how the pieces fit together if you look at the final picture. Trying to figure out the picture from the pieces is less efficient and takes a lot more time. Data without context is meaningless. To connect the dots, provide context.

When the brain understands the bigger picture, it is able to fill in the blanks between details.

Example

Consider the following story:

He lowered his eyes with a tense, apprehensive look. A bead of sweat rolled down his forehead. The people around him looked on with nervous anticipation. His body jerked forward and he let out a loud scream. Some gasped, others straightened up; all were fixated upon his body, but nobody moved. As his body shook, he let out a low, guttural noise. Nervous smiles began to emerge, but still nobody moved. He was clearly enduring more than anyone could have imagined. Then, it was over.

How do you feel right now?

Now what If I told you that was a story about a person who had just set a world record for power lifting? Does that change your view?

Context creates the filter through which you interpret data. Be sure to provide context before getting into the details. Without it, people will assign whatever meaning they see fit to the information that you provide.



- Spend at least ½ of your presentation setting context. That will make the rest go far more smoothly. (Note: Based on Tip 3: Make things simple to foster understanding, I am assuming that your presentations are going to be under ten minutes).
- Answer three questions to set context:
 - 1. What's the problem?
 - 2. Why does the problem need to be solved?
 - 3. What is causing the problem?

Anything else is background and should be moved to the appendix.

 Add context when interpreting data. Ninety percent of the "story" that you tell should come from information outside of the immediate data set.



Tip 5: Use Reasoning To Support Your Decisions

Before you get to the facts, you need to provide your reasoning. While facts play an important role in supporting your argument, they do not sell it. If someone disagrees with the reasons (criteria) that you provide for a decision, they will never agree, regardless of the data.

Be sure that the reasons you use to support your argument match the reasons that your audience uses to make the decision.

Example

Suppose that you are trying to make the case for increasing your marketing budget for a particular product. After careful analysis, you make your pitch:

We should increase our marketing budget for product X

- Profitability is down from last year
- Market Share is down from last year
- Retailers aren't providing enough shelf space

That sounds like an air-tight argument. The data support it and it makes sense. What could prevent the decision-maker from agreeing? It's quite simple. Misalignment of criteria. Suppose that he or she believes that the right time to increase marketing is when:

- Consumers aren't aware of the product
- Consumers are price-sensitive
- Competitors are aggressively driving promotions

All the data in the world will not be able to convince a decision-maker if you are arguing from the wrong set of reasons. Misaligned reasoning is the number one driver of lack of consensus for a decision.



- If you are making a recommendation to someone else, be sure that your reasons/criteria for making the decision match those of the decision-maker. If they don't, revise them until you are aligned.
- Aim for 3-5 reasons to support a decision. If you have more, lump them together into broader categories and use those as your reasons. Remember, simplicity creates understanding.
- Always present your reasoning prior to presenting data. If your audience doesn't agree with your reasons for making a decision, they won't care about your data.
- Define your reasoning process up front EVEN IF you are the sole decision-maker. This will prevent you from being distracted or biased by data that are not relevant to the decision.



Tip 6: Be A Prosecutor Instead Of A Mystery Writer

Become a prosecutor. Make your argument and then lay out your case (with data). This strategy will drive more effective decision-making, and more importantly, it will give people what they wanted in the first place: an answer to their question. Mystery writers wait until the end of their novels to reveal the answer. That's a fantastic technique for creating suspense and entertaining an audience. Your boss doesn't want to be kept in suspense or entertained. Neither do your peers, customers, your team, or your business partners.

Start with the answer and then make your case.

Example

Several years ago, I took my dog to the veterinarian. He was having trouble breathing and generally seemed worn out. The vet ran several tests. A few days later, she called. She went through each test, providing the result and its interpretation. The longer she talked, the more anxious I became. I didn't care about the test results. I wanted to know whether my dog was ok, and if not, what we needed to do to help him.

She was being a mystery writer. I would have much preferred that she start the conversation by saying, "Your dog is anemic but it's curable," and then go on to explain the diagnosis and treatment.



- Lead with the answer and then lay out your evidence. Skip the process, tools, and techniques. Those go in the appendix.
- Randomly re-order the slides or key points in your presentation/report. Then read through it. If it still makes sense, it's a data-dump and not a logical argument.
- Remove most of the details from your presentation. Put them in the appendix. If people need clarification, they will ask.



Tip 7: Separate Relevant Data From Related Data

Technology allows us to capture a lot more information about something or someone in a much more fluid and dynamic way. However, just as a doctor doesn't send you for an MRI to diagnose a cold, you don't need to gather every available piece of data on a topic to make a decision.

Reduce the amount of data that you collect by first carefully defining your problem or decision.

Example

In *Blink*, Malcolm Gladwell talks about a revolutionary change in the way that Myocardial Infarction (heart attack) is diagnosed in emergency rooms².

You would assume that collecting as much data as possible would provide a more accurate conclusion when diagnosing a heart attack. Well, that's not necessarily the case.

According to Gladwell, the traditional data-intensive approach to diagnosing heart attacks resulted in 2–8% of people suffering heart attacks being sent home (false negative) and 90% of people admitted for possible heart attacks not having one (false positive).

On the other hand, an old decision-making model from the 70s, based on four data points, turned out to provide a more accurate diagnosis. This model was re-discovered and adopted by Cook County Hospital in Chicago in the 90s. Having the right data will speed up your analysis and simplify your decision making.

² Gladwell, Malcolm. Blink: The Power of Thinking without Thinking. New York: Little, Brown, 2005. 125-136.



- Never look through a dataset or report without a specific question, hypothesis, or decision in mind.
- Don't jump into the data once you identify your question. First, determine the criteria that you'll use to answer the question. Let the criteria drive the data that you collect.
- If you are in the midst of collecting data and someone asks, "What are we going to do with all of this?" stop collecting. Take a step back and define your problem and data needs.



Tip 8: Design Reports Around Answers Not Data

A good report answers your questions in 5–10 seconds. You probably look at your reports to determine where to focus your attention or where you need to make changes regarding people, business areas, or projects. Most reports, even color-coded reports don't answer those questions simply. You have to figure out the answer yourself by comparing the numbers or mapping the colors (in your head). While that's not a difficult task, it's unnecessary and can lead to misinterpretation and bias.

Format your reports to answer questions, not just provide numbers.

- Don't ask yourself how to format the data. Ask yourself how to align that data with the answer to your question.
 - 1. What question am I asking/What decision am I trying to make? (e.g., Which metrics require my attention?)
 - 2. What are the possible choices/options for the answer? (e.g., "Immediate Action Required", "At Risk", "No Action Required")
 - **3.** What criteria will I use to make the choice? (e.g., "Status against target", "Trend from last month")
 - 4. What values/rules will I use to make the choice? (e.g., Missing Target AND Getting Worse from Last Month = "Immediate Action Required")
- Sort color-coded reports by color (e.g., All reds together, all greens together, etc.)
- Strive for your report to answer your questions in under five seconds



Example 1

An HR manager was tracking compliance on a safety course. Employees were required to take the course and a quiz. If they received less than 90% on the quiz, they had to retake the course.

Here is his traditional report compared with a decision-based report. Which report answers his question in 5 seconds? What if he managed 100 people?

Traditional Report

(You have to find the answers)

Decision-Based Report (Answers your question in five seconds)

Name	Quiz 1 Date	Score
Barbara Hamilton	5/1/2014	85%
Larry Hernandez	5/30/2014	87%
Virginia Boyd	5/20/2014	92%
Cynthia Stevens	4/29/2014	95%
Anna Crawford	5/21/2014	99%
Dorothy West	5/23/2014	98%
George Martin	5/21/2014	86%
Melissa Porter	5/30/2014	97%
Robert Williams	5/13/2014	97%
Ralph Cooper	5/5/2014	100%
Helen Ellis	5/29/2014	85%
Aaron Bennett	4/24/2014	85%
Heather Mills	6/2/2014	86%

Pass Virginia Boyd Cynthia Stevens Anna Crawford Dorothy West Melissa Porter Robert Williams Ralph Cooper

Fail : Retake

Barbara Hamilton Larry Hernandez George Martin Helen Ellis Aaron Bennett Heather Mills

The HR manager didn't need to know that exact score. He or she just needed to know who had to retake the course. By reducing unnecessary information and organizing around the answer, the report speeds up the decision-making process.



Example 2

The first example was pretty simple. However, most of your reports are probably much more complicated. Here is another example using more data.

Traditional Report

(You have to find the answers)

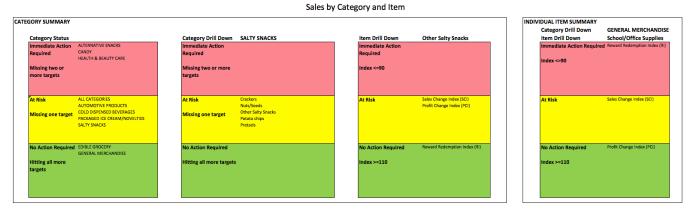


This report shows sales for a convenience store. It provides current sales, prior sales, and various sales KPIs.

Even though the data are more complicated, the decision-based version remains simple and clear. It also lets you "drill-down" in any category or item with just one click. All answers are available within 5 seconds.

Decision-Based Dashboard

(Answers your questions in five seconds)





Shift Your Focus From Data To Decisions

None of these tips negate the need for good data. In fact, if your conclusions and decisions are not based in data, don't bother with them. These tips assume that your decisions and actions are grounded in fact and can be supported with evidence.

However, working in a world that is awash with data requires finding new ways to navigate and cut through the noise. Adopting these new tips will make you a more efficient and effective data-driven decision maker. The power of data is not in the individual bits and bytes. The power comes from transforming numbers to insight and more importantly, action.



Are You Ready To Take The Next Step?

Our Rethinking Data workshop will teach your team how to put these tips into action.

This workshop provides an overview of how to shift from being datadriven to being decision-driven.

Workshop Options

The Rethinking Data workshop is offered in several formats. We recommend the full, eight-hour instructor-led workshop, as that option provides the deepest learning experience as well as the opportunity to practice and receive feedback. We offer other options to help meet your schedule and audience needs. All workshops address the eight tips at varying levels of detail and application.

Workshop Outcomes

Improve fact-based decisions and actions by:

- Understanding and managing the three key biases that inhibit data-driven decision making.
- Quickly defining the data needed to make a decision so that you spend more time thinking about what the data is telling you and less time searching for it.
- Turning data into actions that drive decision making.
- Creating reports that provide answers rather than numbers, thus significantly decreasing the time needed to make a decision.
- Creating simple, logical, fact-driven recommendations and presentations that speed up and drive audience decision-making.



Workshop Components

- Rethinking how we think Provides an overview of how our brains process data and information. Introduces common thinking and decision making errors/biases and shows how traditional ways of reviewing and presenting data actually contribute to those errors.
- Aligning data and decisions Focuses on honing in on the data that is relevant to making a decision. Improves leader efficiency by providing a structured approach to exploring data.
- Turning information into action Introduces the "Value through Information" model which moves leaders from simply summarizing facts and figures to telling a comprehensive data-driven story. Focuses on building an evidence-based argument that drives decisions and actions.
- **Telling a data-driven story** Provides a simple template for creating a datadriven, logical, and concise recommendation or story.
- Rethinking reporting Introduces Avail Advisor's "Decision-based reporting" approach. Decision-based reporting organizes information around answers and decisions rather than simply providing a data dump.

For more information or to schedule a workshop for your organization please contact us at www.availadvisors.com/contact or 630.343.9354



What people are saying ...

Our Rethinking Data offerings are having a profound impact on the way that people look at and use data. The workshops and our consulting offerings have been delivered in nearly every industry and to audiences around the world.

Here are some selected comments from participants:

- Loved it! Game changer! We need more of these. (Sales Manager, Fortune 50 Consumer Packaged Goods Company)
- Your common sense and efficient approach this week was refreshing. I thought about trying to get out of this session but I chose to attend. Boy am I glad that I did and I really mean that. (Manager, Fortune 100 Financial Services Company)
- I thought that my reports were very simple until I took this course.
- Fantastic workshop and one of the best I have ever been to! You kept our attention and engagement all day and really demonstrated to us that we can really improve how we get through all of the data and what we really need and want from it. (Claims Executive, Fortune 50 Insurance Company)
- I will be able to drive insights and decisions out of data with effective presentation, visuals and elevator speech.
- I learned to make simple reports which however are conclusive and more decisive in nature.
- This is one of the best classes I have taken. What I learned will help me use a better approach to making decisions and determining the best direction going forward. (Director, Systems Department, Fortune 100 Company)
- I love the simplicity of what you taught us while appreciating how complex it can be underneath the data! I am excited to start planning my report from the reverse order and then communicating in the same way! (City Manager, City of Champaign, IL)
- This training has really made me think about how I should look at reporting and influence decision making.
- This is probably one of the most relevant trainings I've attended and I hope we can cascade this to more people in the organization.



About Avail Advisors.

For nearly a decade, Avail Advisors has been helping leaders improve the effectiveness and efficiency of their decision-making. Our goal is to help leaders drive business success by bringing clarity, simplicity, and resolution to their complex issues.

We provide executive consulting, speaking, and leadership development to executives and leaders around the world. We bring a unique combination of business acumen, an understanding of how people think and process information, and innovative ways of re-framing challenging issues. We help leaders become more mindful in their decision-making and actions without sacrificing speed or agility.

Our clients range from Fortune 50 businesses to mid-sized companies. We also serve large non-profit organizations and local government executive teams. Avail has helped leaders in nearly every major industry across thirty-six countries.

Our clients seek us out to help them think differently about their businesses, their roles as leaders, and their problems and issues. We pride ourselves on being "agitators"—we will challenge what you know, what you do, and how you think. The result: better outcomes for you and your organization.

Our services focus on helping executives frame problems more effectively, develop a strategic focus, drive outcomes and accountability, use data more effectively, and drive change.

If you are tired of the status quo, contact us today.

Visit us at www.availadvisors.com

