



Dodging Lousy Statistics and Analytical Biases

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October 2018 | Version 1.0

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How do you make decisions?

- ▶ Data driven
- ▶ Rational and objective
- ▶ Gut instinct
- ▶ Peer pressure

Got Bias?



How often do we calibrate and/or ask why?

- ▶ Am I counting the right thing...and correctly?
- ▶ Are there outliers? Long tail?
- ▶ Statistical confidence
- ▶ Seasonality and Noise
- ▶ Baseline and normalization
- ▶ Do I have enough + representative data?

What info do you use to calibrate choices in front of you?

- ▶ Where is the information from?
- ▶ How credible is the information?
- ▶ Are there blind spots/factors I have not considered?
- ▶ What are the alternatives and trade offs?

What's your sphere of influence?

- ▶ Who's telling me to...
- ▶ Why do they care/how are they affected?
- ▶ Who's *not* speaking up and why?

A vocabulary to identify biases

...that creeps into many decisions

	Similarity bias	Expedience bias	Experience bias	Distance bias	Safety bias
What is it	People similar to me have better ideas				
Why humans have this bias ingrained	Helped us survive via a shortcut for trust				
Why it matters in our tech and business landscape	Crowded landscape: need all ideas to truly differentiate				
How it manifests at Products at Splunk or in our industry	<ul style="list-style-type: none"> • Group think • Bias for orthodoxy or for being contrarian • Poor interlock cross-orgs, “everyone else sucks” syndrome 				
How you might overcome it	<ul style="list-style-type: none"> • Recognize that we are fellow employees shareholders • Evaluate facts, not source of the idea • Get counter opinion, play devil’s advocate 				

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Why humans have this bias ingrained	Helped us survive via a shortcut for trust	Helped us survive expediently	Helped us survive better over time	Helped us survive with “food nearby”	Helped us survive physical threats
Why it matters in our tech and business landscape	Crowded landscape: need all ideas to truly differentiate	Complex landscape: many non-obvious dynamics / decisions	Changing landscape: what worked before may not work again	Complex landscape: many long-term, non-obvious risk/rewards	Mature landscape: need to balance risk and reward
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	<p>Call these out even-handedly. E.g., “Are we committing loudest voice bias here?”</p> <p>Recognize humans are prone to these biases even with good intentions and training.</p> <p>Establish virtuous cycle between diverse teams and diverse ideas that drive the business.</p>				

Tackle analytical bias as entry to unconscious bias

- ▶ Rally around self-evident improvements to better decisions for the business
 - ▶ Promotes thought diversity and inclusiveness
 - ▶ Builds culture of openness and respect
 - ▶ Establish virtuous cycle between diverse ideas and diverse teams
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- ▶ All these are non-optional in a crowded, complex, mature, and rapidly changing business and technology landscape



Q&A
