



Business Communication

Your Business Needs Insight, Not Just Pretty Pictures

Introducing our month-long series on data visualization.

by Scott Berinato

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In 2007, if you were a Starbucks shareholder and you opened your annual financial report, the first meaningful information you encountered was this:

REVENUE COMPONENTS

The following table shows the Company's revenue components for the fiscal year ended October 1, 2006:

| REVENUES | % of Total Net Revenues | % of Specialty Revenues |
|-----------------------------|-------------------------------|-------------------------------|
| Company-operated retail | 85% | |
| Specialty: | | |
| Licensing: | | |
| Retail stores | 7% | 45% |
| Grocery and warehouse club | 4% | 24% |
| Branded products | <1% | 2% |
| Total licensing | 11% | 71% |
| Foodservice and other: | | |
| Foodservice | 4% | 27% |
| Other initiatives | <1% | 2% |
| Total foodservice and other | 4% | 29% |
| Total specialty | 15% | 100% |
| Total net revenues | 100% | |

We all have a Starbucks we call our own.

For customers, it may be based on a cherished coffeehouse experience. A smiling barista who remembers how they prefer their morning latte. Or the welcoming vibe they feel each time they enter their neighborhood store.

For coffee farmers, this sense of shared ownership may evolve as we work together to make their farms more productive and their communities more prosperous.

And for our employees, whom we call “partners,” it may represent something altogether different—a company with an enduring commitment to be caring, upfront and fair.

But no matter how you define *your* Starbucks, each unique meaning stems from the commitment that we’ve made to do business in a different way. A way that truly values individuals and their contributions. A way that balances good business practices with a passion to improve this world we share.

A better way.

And if you read the “narrative” annual report from that year, the first thing you saw was this:

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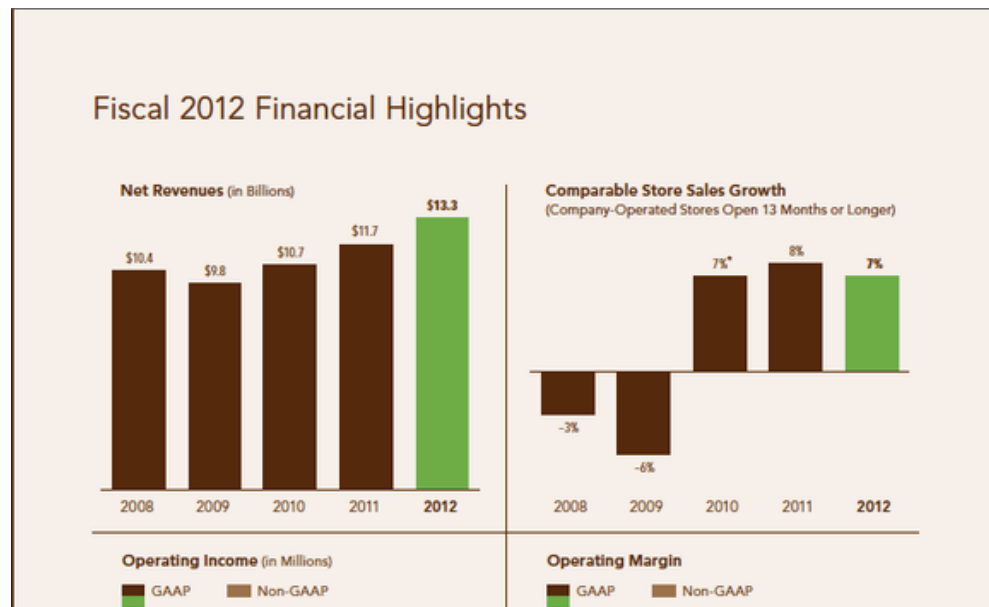
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Last year, if you were a Starbucks shareholder, you only received one annual report, and the very first page after the cover began with this:



The evolution of annual reports represents a broader trend in business communication: Data comes first, and it's increasingly visual.

Welcome to the Visualizing Data Insight Center, where for the next month we'll explore the broadening role data visualization plays in business communication. We believe this is not only an inevitable trend, but one you must embrace if you want to effectively communicate with all of your stakeholders.

Data visualization is taking hold now because of two trends. The first: big data is here, it must be analyzed, and one of the best ways to make sense of it is with visual representations. And two, the tools to create good data visualizations are being democratized, which has led to a growing community of programmers, designers, and statisticians who can apply their analytical and intuitive powers to creating meaningful visual stories.

We've already declared the data scientist to be the sexiest job of the 21st century. Those scientists will need visualization experts the way writers need editors.

While we'll be sharing some stunning visuals over the next month, this Insight Center is not just focused on pretty pictures. Our aim is to get you acquainted with this burgeoning discipline, emphasizing how and when you can practically apply visualization in order to be a more effective communicator. We'll cover everything from the basic — how you can improve PowerPoint slides using visualization — to the advanced ways graphics can make sense of big data sets.

We'll also share our contributors' and editors' favorite visualizations with explanations of why they find them so useful. And, of course, we'll share some all-time bad examples as cautionary tales.

We also want to know what your favorite — or least favorite — data visualizations are. You can email me, or post links in the comments.

We're kicking the Insight Center off today with a good mix of introductory content. Designer and art director Dylan C. Lathrop explores the growth of data viz, and the positives and negatives that have emerged during this period. I interviewed Amanda Cox, a graphics editor at the *New York Times*, to talk about how they create their stunning — and stunningly useful — visualizations. How do they decide what's worth doing? And how do they staff against it?

And for fun, we're re running one of our most popular features on “crap circles,” which explores the world of remarkably awful PowerPoint cycle graphics.

Thank you for joining us, and jump in with your ideas, insights, and visualizations as well.

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Scott Berinato is a senior editor at Harvard Business Review and the author of *[Good Charts Workbook: Tips Tools, and Exercises for Making Better Data Visualizations](#)* and *[Good Charts: The HBR Guide to Making Smarter, More Persuasive Data Visualizations](#)*.