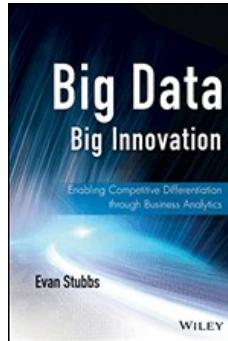


Chapters *To Go*



Big Data, Big Innovation: Enabling Competitive Differentiation through Business Analytics

by Evan Stubbs
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Chapter 9: Creating a Plan

Without knowing where you want to go, it's impossible to know where you'll end up. However, it's important to remember that a plan is just a plan. Paraphrasing one of the world's greatest military strategists, Helmuth von Moltke the Elder, "No plan survives beyond first contact." Spending months of effort and millions of dollars on internal costs and consultants to develop the "perfect" strategy is an instant recipe for disaster.

Starting the Conversation

The best approach is to start and finish with a vision. From there, learn by doing, not by theorizing. Large-scale change is both risky *and* uncertain, especially when it comes to culture. Without the ability to point to clear successes on the way, even the best attempts to create a new culture will fail. Because of this, business analytics and innovation from big data are best supported through continual incremental returns rather than all-encompassing programs of work. Success comes from building plans that involve shorter time to return, plans that rely heavily on experimentation and continual feedback, and plans that emphasize delivery over creativity. Always keep in mind that the most innovative solutions in the world are worthless if they can't be commercialized.

Successful leadership requires three things:

1. Knowing where you're going
2. Bringing everyone with you
3. Making others equally responsible for the journey

It's essential to remember that business analytics is a team sport focused on cultural change, first and foremost. Because of this, planning *must* be designed to form a team. Without this coalition of the willing, the best attempts will fail; when the team disappears, business analytics devolves into analytics.

Knowing where you want to go is essential. Somewhat surprisingly, working out the precise path to get there is less important. Few journeys follow the planned route exactly. Instead, most journeys take a variety of detours along the way, visiting interesting destinations while still moving in the right general direction.

Because of the rapid rate of change in big data and business analytics, plans should follow a similar philosophy. In the early stages opportunism should be the focus, working off a maximum 12-month return cycle. Any innovations or proposed projects that take longer than a 12-month delivery cycle should be deprioritized in favor of opportunities with shorter return cycles. There's nothing wrong with extending this horizon as incremental successes help build trust. What's important is *getting* there, not planning for it.

The remainder of this part of the text runs through a few planning tools that may help move a group through the storming, norming, and forming stages of team creation.^[1] They provide an example framework from which a leader can expand, covering:

- Defining a vision through the use of the *Cover Story*
- Identifying opportunities through the use of an *Affinity Map*
- Mapping responsibilities through the use of a *Stakeholder Matrix*

When executed effectively, they can help bring a group together, establish a common vision, and start working out individual responsibilities.

^[1]Using visual techniques is an excellent way of getting people engaged. Good books on the subject include David Sibbet, *Visual Leaders: New Tools for Visioning, Management, & Organization Change* (Hoboken, NJ: John Wiley & Sons, 2013), and Luke Hohmann, *Innovation Games: Creating Breakthrough Products through Collaborative Play* (Boston: Addison-Wesley, 2007).

Defining the Vision

This exercise helps the team create a view of what the future could look like. This vision will act as a framework to start developing a change plan leveraging big data and business analytics. It will act as a mobilizing force to consolidate the

core team and allow everyone to state a common vision and message. And, it will act as a litmus test against which initiatives can be examined to confirm that they will move the organization in the right direction.

As the facilitator, by the end of this exercise your group should have:

- A variety of potential "constraint-free" future states for the organization or business unit
- A point from which to start working backward to develop potential initiatives and opportunities

The full exercise should take approximately 1 to 1.5 hours.

Approach

The goal of the exercise is to get the team to develop of a vision of how big data and business analytics might transform the organization. Once this vision is agreed, it's simply a case of mapping out everything that would need to be in place to make it a reality.

There are often two challenges in trying to create a strategy for innovation from big data. First, it's a technical field. People often feel uncomfortable strategizing in a domain they may know little about. What happens in most cases is that the technocrats direct the conversation while the business experts stay quiet.

Second, it's steeped in detail. Reality often acts as an anchor, constraining our creativity. Rather than think of the way things *could* be, individuals will often think about how things are and how things might incrementally change. When this happens, strategic planning turns into tactical planning and the team focuses almost exclusively on evolutionary innovations.

Mitigating these challenges is straightforward. Rather than plan around technology, the plans should always be defined in the context of the business. What's important are the *business* and *value* outcomes, not the *technical* outcomes. For example, many teams immediately leap to their organization becoming a "leader in big data." Unfortunately, this is largely meaningless and probably very expensive. Creating infrastructure just to be better than everyone else does little to improve profitability or shareholder value.

Instead, the team might focus on what that might mean for the organization's customers. In most cases, it's unlikely that any particular customer will care what kind of infrastructure the organization is using behind the scenes. However, having access to broad and deep behavioral information might enable new forms of offer relevancy. It might eliminate the need for all physical branches, moving to a totally virtual engagement structure.

As the facilitator, the goal is to get the team to think as creatively as they can and then get them to take it one step further. Rather than focus solely on evolutionary or revolutionary innovations, the facilitator should be guiding the team to think harder in the areas where they're not necessarily focusing. Think not only within your industry vertical but across industries as well; where might you expand into new businesses? How might your business model change and what might that mean for how the organization is currently structured?

However, this still needs to be somewhat grounded in reality; the team needs to understand that the final vision should represent an aspirational, game-changing position for the company in question. It's not an exercise in science-fiction. Suggestions about inventing telepathic devices should be qualified based on how feasible they are.

Equally, specificity is important—generalities like "right offer at the right time" should be probed and clarified. What does that mean in practice? How do those offers go out? How might they change the customer's relationship with the organization?

And finally, not everything need focus solely on big data or business analytics. *All* good ideas should be captured. Big data and business analytics are a core part of business but they're not the only part.

Instructions

Using the Cover Story template shown in [Figure 9.1](#), get the groups to create the story of your organization 10 years from today, told "after the fact." The story should have narrative; it needs to be interesting enough that it would justify being on the cover of one or more magazines.

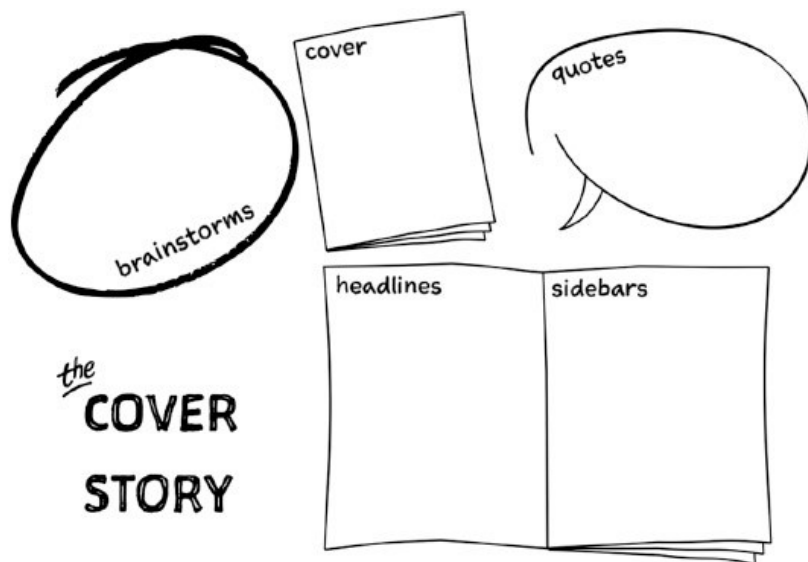


Figure 9.1: The Cover Story

Each group should structure their narrative around the following sections:

- **Cover:** Describes the major success achieved by the organization or business unit. It should be a one-liner, suitable for the magazine or publication's cover. To help the group ideate, get them to consider what might be significant enough that the magazines they've identified would dedicate an entire issue to their organization.
- **Headlines:** Outlines the detail behind the story in headline form. These should also be one-liners and would represent the articles contained within the special edition or focus issue.
- **Sidebars:** Interesting side stories associated with the major success. While somewhat tangential, they should fill out the edges of the narrative.
- **Quotes:** Quotes from people involved, benefiting from, or impacted by, the success (inside or outside the organization). These should be written from the perspective of the individual being described, not from the perspective of a marketer. In many cases, it helps to do a sanity check on whether someone might actually say the quote in question.

The groups should also identify which magazines are publishing the material they describe. Is it *Time* magazine, *U.S. Banker*, a special edition of *The Economist*? To get the most out of the exercise, the facilitator should employ the following approach:

- Split the team into two groups of maximum six people. If there are too many people, split them into equal groups of no more than six people.
- Each group gets its own markers, templates, and sticky notes and is responsible for populating the template.
- Allow everyone 5 minutes to consider their own view of what the future might look like.
- At the end of the 5 minutes, each group should work collaboratively to generate one common story over the next 30–45 minutes. The goal is to create a strong narrative, working from the end-state back to today. What's important are the results and outcomes, not the details on *how* they got there.
- At the end of the collaboration session, each group then has 5–10 minutes to present their findings.
- Once each group has presented, the team should discuss common themes, observations, insights, or concerns about what each of the future states might imply.
- The team should then work together to create a single common vision.

Identifying Opportunities

This exercise helps the team use the overarching vision to define potential points of improvement through structured brainstorming. It focuses on the future and ignores existing organizational constraints; the goal is to map out what would

need to be put in place to achieve the vision.

As the facilitator, by the end of this exercise your group should have:

- A series of potential improvements or opportunities aligned by functional, outcome, or domain groupings
- A starting point for prioritizing projects or programs of work based on potential value

The full exercise should take approximately 30 minutes to 1.5 hours.

Approach

The goal of the exercise is to get the team to work out what's needed to achieve the vision. It might be technology. It might be new skills. It might even be a significant change in culture. It will probably need all of these along with many other things.

By identifying the necessary building blocks and grouping them into categories, the team will often find patterns that map fairly cleanly into logical programs of work. The more information and the better the clustering from the exercise, the more valuable the output. As the facilitator, feel free to get engaged to ensure an appropriate level of granularity and parsimony.

Instructions

Starting with the vision established through the Cover Story exercise, complete the Affinity Map template shown in [Figure 9.2](#).

- Spend 10 minutes having each participant write sticky notes on how the organization could move toward achieving the vision. It might help to frame these around what new capabilities might be needed across people, process, data, and technology. If the vision involves real-time customer engagement and the organization doesn't yet have a real-time communications platform, then that would justify a sticky note. If there's broad reluctance to doing things differently, there might need to be a more customer-centric culture. The goal is to generate as many as possible; feel free to inject a bit of competition to reward whoever gets the most sticky notes up on the wall.
- At the end of this period, paste these sticky notes on the wall and, based on consensus and discussion, group them into categories. These categories should be organically determined and iteratively allocated, striking a balance between excessive granularity and oversummarization. They might span function, outcome, domain, or activity—as long as the groupings are internally consistent, they're doing their job. For context, these categories will eventually form the basis for identifying the streams of work that will need to be put in place to achieve the vision. Put any sticky notes that don't immediately fit into the "parking lot" for further consideration or discussion.
- Avoid spending time discussing categories—if there is overlap and disagreement, write both and consider consolidating them if some categories are underrepresented. Aim to achieve a large number of data points with a reasonably parsimonious set of categories. These categories should represent initiatives that *could* feasibly be delivered in under a year. If they would take longer than a year to deliver, consider how the initiative might be broken into smaller chunks of work.
- Once categorized, the team should then group the initiatives into logical phases. External value and ease of execution should be the focus; quick wins should be early.

WHAT DO WE NEED?

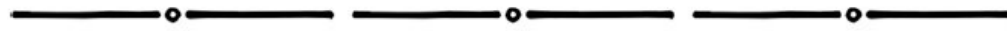


Figure 9.2: Affinity Map

Mapping Responsibilities

This exercise helps the team plan the core of an engagement strategy. It uses the outputs from the prior exercise as the guiding framework and identifies key influencers, decision makers, and other stakeholders of interest. The goal is to work out who should be included in the planning process and how they should be engaged.

As the facilitator, by the end of this exercise your group should have:

- A ranked list of key stakeholders across the organization taking into account their influence and power
- A skeleton targeting plan for use within a broader communication plan
- A responsibility matrix that outlines each individual or group's engagement model

The full exercise should take approximately 1 to 2 hours.

Approach

The goal of the exercise is to get the team to start planning their communication and engagement strategy. Business analytics is primarily about change management; without getting broader organizational buy-in and commitment, even the best ideas will likely be rejected.

However, the reality is that not everyone has equal influence. Effective change management is more about identifying the *right* people to engage with rather than trying to influence *everyone*. There are usually more people that *could* be engaged than there are hours in the day and spending too much time on communication can actually be detrimental. Communication is important. So is delivery.

It's useful to view things in terms of interest and influence. Those who have low influence on the vision may simply need to be kept occasionally informed, ideally through low-touch techniques such as quarterly briefings. Those who have high influence on the vision but low interest may need regular catchups along with a strong value proposition to get them enthused. Those who have low influence but high interest might be the ideal people to join the coalition of the willing, becoming change agents in their own right. And, those who have high influence and high interest may make ideal sponsors or champions to take part or full ownership over aspects of the transformation.

Instructions

Using the Stakeholder Analysis template shown in [Figure 9.3](#), list and map as many stakeholders as possible who will be impacted by, can influence, or will make decisions on the shortlisted target initiatives.

- Using sticky notes, populate the Stakeholder Analysis template with key stakeholders. Have the team populate the template with only the people who are directly relevant to phase 1 of the vision as *well* as people who have influence

over key stakeholders to the vision. The goal is not to create a comprehensive organization chart; be pragmatic.

- As the sticky notes are attached to the template, pay specific attention to their relative power: the ability to make or break a project does not always map to seniority or formal responsibility. If everyone clusters around a particular quadrant, rescale the entire diagram—not everyone has the same level of influence.
- Once completed, review the relative position of everyone and discuss how or where people's interests may not align to the targeted state. Where their current reality does not match the state that the vision would require, discuss what might influence their position.
- Once the diagram has been finalized and the group agrees on everyone's relative positioning, tag each person with a *RACI* code representing the targeted communication model. Each stakeholder should have at least one letter written on their sticky note along with the initiative it refers to (identified in the previous exercise). If they will need to be *responsible* for the initiative, they should have an *R*. If they will need to *assist* but won't be responsible, they should have an *A*. If they have valuable insight and should be *consulted*, they should have a *C*. Finally, if they should simply be kept *informed*, they should have an *I*.
- The team should then go through each of the initiatives identified within phase 1 from the previous exercise and continue to map them against all the stakeholders in the influence map. Once completed, the data can be entered into a spreadsheet and expanded into a comprehensive communications and engagement strategy.

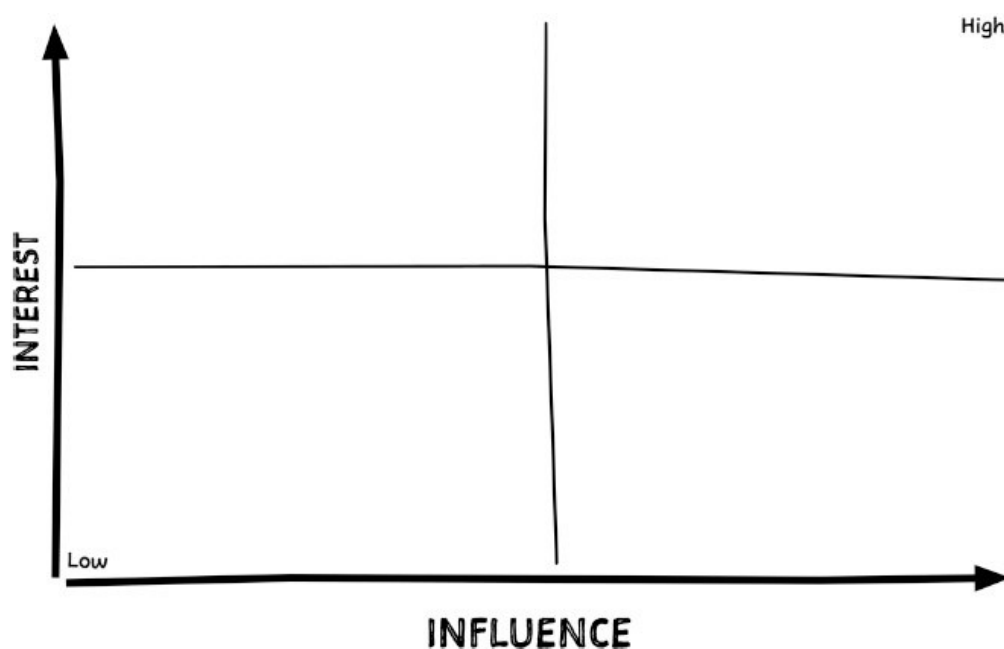


Figure 9.3: The Stakeholder Matrix

Taking It to the Next Level

These exercises serve as an excellent starting point. There's nothing to stop an adroit leader from extending them; other useful exercises might include:

- Working out how best to link activities to value through a common measurement framework
- Creating a roadmap of initiatives that balance internal and external value
- Crowdsourcing innovative through participative innovative
- Turbocharging innovation through hackathons or other competitive games

Remember: the goal is not just to innovate. It's also to have fun.

Note

1. Using visual techniques is an excellent way of getting people engaged. Good books on the subject include David Sibbet,

Visual Leaders: New Tools for Visioning, Management, & Organization Change (Hoboken, NJ: John Wiley & Sons, 2013), and Luke Hohmann, *Innovation Games: Creating Breakthrough Products through Collaborative Play* (Boston: Addison-Wesley, 2007).