

Crisis Management and Advanced Analytics

Are you into extinguishing fires or are you into preventing fires?



As temperatures soar across Europe with raging fires causing massive destruction and creating unforeseen costs, people are being displaced and firefighters are on red alert and in real crisis mode. As I observe and read about these events, even in my home country of France, I have been reflecting on how companies react and respond to crisis mode, and what they can do to move from firefighting to strategic prevention and management.

As a specialised Advanced Analytics Solution company, the majority of the relationships that we build with our customers start with a crisis of some sort:

- We are losing customers and we don't know why, and we don't know how to predict/prevent it?
- We have stopped growing our revenue with our current customers, we don't up-sell or cross-sell well,
...
- Winning new customers is harder and we are not growing fast enough?
- We are haemorrhaging cash in our out of stock of goods and we cannot serve our customers well enough?

The list can be quite diverse and the final question from our customers is usually: Can you do something with our data to help us address this challenge?

So that's what we do. **There is a significant crisis to address, and we help our customers to address it.** There is a fire and we use our Advanced Analytics expertise to extinguish it.

This is all well and good and everybody can tap each other on the shoulder for extinguishing the fire. Truth is, if there had not been a fire in the first place, our customers probably would not have tried Advanced Analytics.

What happens next truly makes the difference between organisations that live in a permanent state of firefighting and those that truly focus on growth strategy execution. Unfortunately, a large number of organisations still have this firefighting culture.

For me "what happens next" is defined by the set of questions organisational leaders ask (or not) once the fire is under control:

- Did we do any damage to our business in extinguishing the fire?
- Is there a risk of another fire? If so, where might it come from? Could it be the same as the last one? Do we truly understand the roots of the fire we just controlled?
- If there is a next time, are there any chances that it will have evolved? A fireman would tell you that the nature of fires has evolved in history as a result of preventative measures that humanity has made - but fires still happen. If so, do we have the intelligence and agility to best address the next evolution of the fire/crisis?
- Have we made the really tough decisions to reduce the likelihood of the next fire happening? Have we changed the landscape?

If you are not addressing these questions, you are leaving yourself in a position of waiting until things heat up and then overheat. You are putting yourself in a position of just resting until the next fire takes place, hoping for the best...

My own observation over the years is that there is a great correlation between analytically mature organisations and organisations that are asking/answering the right questions about fires.

When you think about it, it should not be a surprise.

- The way decisions and investments are made in firefighting culture organisations are almost always focused on solving current problems, i.e. delivering Return on Investment against current problems. It is all about the short term.
- More analytically mature organisations treat data as a truly strategic asset and they see analytics as a true enterprise capability. This data is there not only to help answer the business problems of the moment but is there [long-term] to help shape how organisations anticipate and address risks over the long term.
- Culturally the difference is significant.

Organisations invest in Data and Analytics to answer the “what happens next”. If they don’t, the “what happens next” questions are not answered, people stop asking these tough questions and a vicious cycle starts. Let me be clear, I know that this is not easy, as balancing short term results and long term investment for long term value presents daily challenges.

Advanced Analytics Solutions provide powerful solutions to address specific problems, but they can do much more as a strategic capability. They can give you the confidence that your organisation can weather storms and, extinguish, and even prevent fires as long as you are ready to look at Data/Analytics as a long term investment.

So please, for those of you that think about Analytics, have these thoughts in mind.

Do you want Data Analytics to help you extinguish a fire or do you want to develop Data Analytics as a strategic capability to manage the fires that business life will throw at you?

The latter vastly outperforms the former...

About Presidion

Presidion have operated for over 20 years and have been the pioneers in implementing cutting edge Predictive Analytics solutions with top UK and Irish organisations. We specialise in helping organisations leverage their data to deliver tangible practical returns on investment, aligned with their strategies.

Presidion works with both government and commercial clients, currently partnering with hundreds of organisations enabling them to understand what has happened in the past, anticipate what may happen next to take appropriate and timely strategic decisions for their organisation.