

THE ANALYTICAL EXECUTIVE: GETTING THEIR HANDS DIRTY WITH DATA

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Report Highlights

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Analytical executives are 88% more likely to have a data-driven mindset for decision-making.

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33% of analytical executives need information delivered within an hour or faster.

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Analytical executives are 37% less likely to have critical information delivered late.

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75% of analytical executives saw an improvement in knowledge sharing / collaboration.

Today's most critical decisions not only rest on the business feel and gut instinct of our senior executives, but also on a bevy of descriptive underlying data. The involvement of that data may have once been purely supporting or affirming in nature, but now plays a more central role for top executives. This report explores how today's senior managers are leaning more heavily on a data-driven mindset and analytical philosophy to drive their organizations forward.

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Top managers are now becoming more personally involved in generating their own tailor-made insights rather than simply reading a pre-canned report or analysis.

Definitions

As a follow-up to Aberdeen's inaugural [Analytical Mind Map](#) study, recent survey findings demonstrate that more executives are becoming active with analytical activity and technology.

Based on these recent findings, Aberdeen defines **Analytical Executives** as those inclined toward *creating* insight on their own rather than just consuming what is given to them.

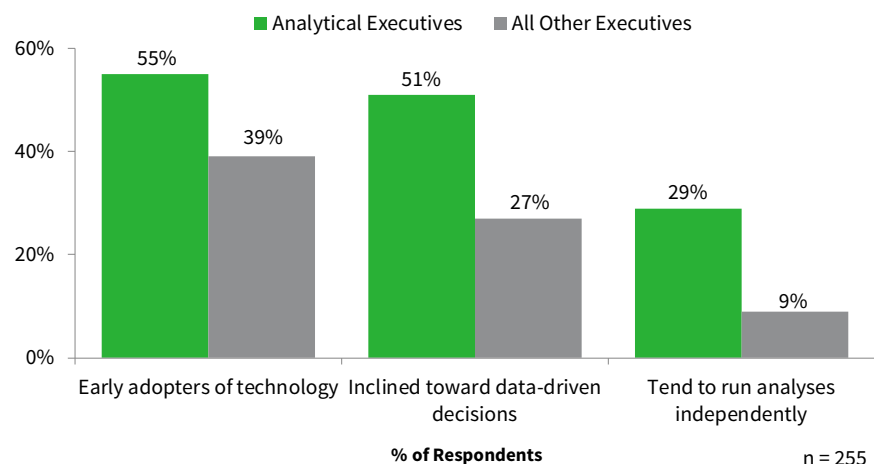
On a scale of 1 (consumers of insight) to 6 (creators of insight), this report focuses on 83 executives that self-reported as a 5 or 6 on this scale.

Creating, Not Just Consuming

Someone once said that the most powerful business intelligence (BI) tool that an executive has at their fingertips is the telephone. The implication at the time being that a senior manager, when faced with a critical decision, would simply pick up the phone and call any one of a dozen people to create a report, run an analysis, or provide a tidbit of key information needed at the time. This “hands off” approach to analytics most certainly still exists in the executive ranks, but these days top managers are becoming more personally involved in generating their own tailor-made insights rather than simply reading a pre-canned report or analysis.

Part of this trend has to do with the evolution of the technologies themselves, and the research proves this. The research shows that analytical executives (defined in the sidebar) are more than twice as likely to be satisfied with the ease-of-use of their BI tools. Perhaps more importantly though, these executives share a mindset and philosophy that lends itself to better data-driven decisions (Figure 1).

Figure 1: In the Mind of the Analytical Executive



Source: Aberdeen Group, October 2015

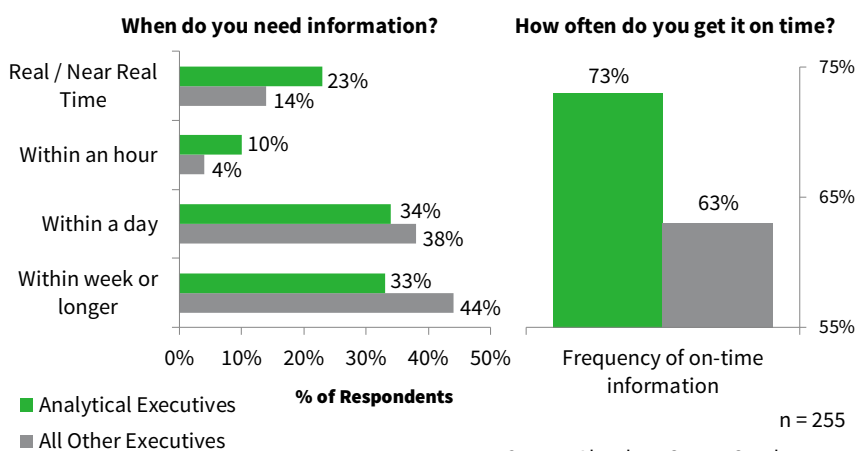
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One needn't wait in line for six hours in the middle of the winter for the latest iPhone in order to be considered an early adopter of technology. As aspects of analytical technology evolve and become more approachable to a line-of-business audience (e.g. interactive visualization or predictive analytics), these top executives are more likely to explore how they might apply in their own business areas. These executives are also more likely to report having a data-driven mentality (as opposed to relying only on their gut) when it comes to decision making. Rather than taking what is presented to them at face value, the analytical executive has a proclivity to run analyses independently with a "trust but verify" mentality.

The Impact of an Analytically-Led Organization

When a data-driven approach to decisions comes down from the top, it has the effect of creating a healthy urgency for information and an enhanced ability to deliver against that urgency (Figure 2).

Figure 2: Delivering Against Data Urgency



Executives need both strategic and tactical information, and they need it quickly. The analytically inclined executive is more

- ➔ [Related Research, "Everyone's Analytics: Key Insights for the Non-Technical User"](#)
- ➔ [Related Research "Interactive Dashboards: When the First Answer Just Doesn't Cut It"](#)

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Fast Facts

Organizational Maturity

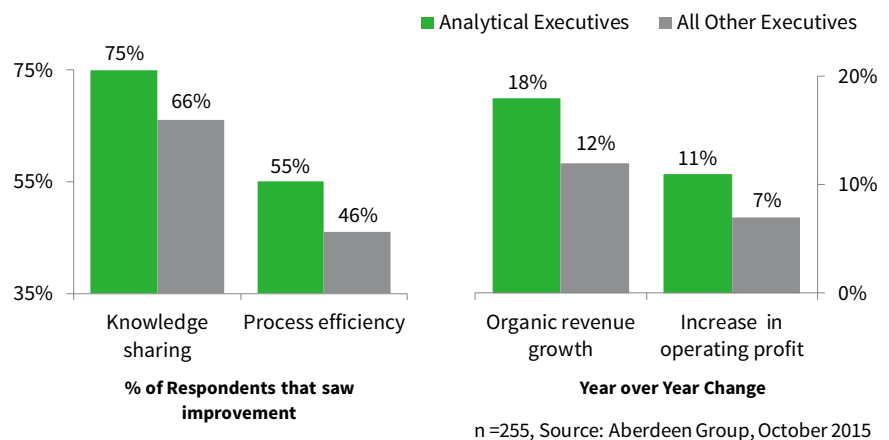
Analytical executives are:

- **38%** more likely to have policies and/or tools in place for governing end-user access to data
- **65%** more likely to have processes in place for defining and communicating business needs for analytics
- **73%** more likely to have strong analytical knowledge within non-technical roles

likely to need information on a real-time or hourly basis. These executives push their organizations to accelerate the flow of information between departments, and make that information available more quickly and more broadly across the company. As a result, their organizations respond by delivering information on-time. If you flip the information in Figure 2 on its head, it becomes even easier to understand the implications of this decision speed. If all other executives get information on-time, 63% of the time, that means that 37% of their critical information is delivered late, compared with a significantly smaller number for analytical executives. For the unprepared, late information often leads to missed opportunity, lack of operational efficiency, and diminished business performance.

Analytical executives mitigate this challenge by creating an environment that nurtures data-driven insight and supports more efficient decisions. Leaning on a clear understanding of user needs and strong policies for data governance, the research shows that top executives were more likely to see improvement in knowledge sharing and collaboration, but also in operational efficiency as well (Figure 3).

Figure 3: Decision Efficiency and Business Execution



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Revenue growth, especially in a time of economic uncertainty (is there such a thing as economic certainty?), can be elusive, at best, and downright unattainable, at worst. Analytical thinking and activity, however, can be a mitigating factor to support this performance. Using more data for active analysis, delivering relevant capabilities to the right job roles, and building a culture of data-driven curiosity in the organization, are all characteristics that analytical executives foster within their organizations. This leads to more opportunities identified, more swift action taken, and the kind of revenue growth and profitability depicted above in Figure 3.

Key Takeaways

The glut of information available in the business world today is ripe with opportunity, but doesn't necessarily make life easier for those with executive management responsibilities. In order to sift through the noise to find game-changing nuggets of insight, executives not only need a solid analytical infrastructure in their organizations, but a strong curiosity and appreciation for data-driven decisions. The following points highlight the most important research findings about this new breed of analytical executives.

- ➔ **Top executives share an analytical mindset.** Ten or fifteen years ago, analytical capabilities in the C-suite might have consisted of static reports or dashboards created by IT professionals or a data-savvy business analyst. Nowadays, more executives are getting actively involved in not only the consumption of business insight, but the creation of it as well. These executives share a propensity for data-driven decisions, as opposed to relying solely on their gut instinct, as well as a disposition toward new and emerging technologies. This well-rounded analytical mindset is what enables these

➔ [Related Research](#),
"Interactive
Dashboards: When
the First Answer
Just Doesn't Cut It"

➔ [Related Research](#)
"The User's Guide to
Embedded
Analytics"

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As an executive, you might be more inclined to think and act more strategically and long-term in your efforts to manage the business. However, that doesn't mean you can tolerate late information.

executives to take advantage of the tools at their disposal and make better decisions.

- ➔ **Decision speed is the name of the game.** As an executive, you might be more inclined to think and act more strategically and long-term in your efforts to manage the business. However, that doesn't mean you can tolerate late information. Operational and strategic decision makers alike face a shrinking decision window these days, and the ability to obtain critical information on-time is vital to the success of the decision process. The research shows that analytically-inclined executives have a greater need for fast information, but also deliver what is needed on-time, and within that necessary decision window.
- ➔ **Analytical activity begets business performance.** As the technologies and activities for business analytics have evolved, the challenge of proving an ROI on implementation of these tools has lightened considerably. This is partly due to the fact that the tools have expanded into other job roles, but also due to the fact that the budget holders and ultimate buyers are typically outside the IT department and residing in the line-of-business. With the right tools in place, but arguably the right analytical philosophy and mindset, the impact of business analytics is magnified. Executives that espouse these notions themselves and then cascade them throughout the organization are enjoying the benefits of faster and more efficient decisions, but also improved revenue growth and profitability as well.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[Introducing the Analytical Mind Map: The BI Personality Test](#); June 2014

[Analytical Detectives: Solving Data Mysteries](#); June 2014

[Analytical Gunslingers: The Quick and the Dead](#); June 2014

[Everyone's Analytics: Key Insights for the Non-Technical User](#); September 2015

[Analytics in the Modern Cloud: Soaked with Data, Raining Insight](#); July 2015

[Interactive Dashboards: When the First Answer Just Doesn't Cut It](#); June 2015

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