

# Leadership and Big Data - How do we make sense of it?

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*By Mick Yates*

## **Another Digital Day**

First thing in the morning, we download newspapers and check email. Facebook, Twitter, eBay, voicemail, phone calls: which of these are in your morning digital routine?

At each step, data is created. What we do, where we “visit” - both in the bricks-and-mortar world and the digital one – and what we see or buy is noted somewhere. Most of the data is collected by the websites visited or the services used.

The government watches us too - they are recording what taxes are paid, what education we have, what cars are driven, what laws are adhered to, how passports are used, who is in the family circle, and what our medical history is.

At work, there's more email and the web. Depending on the company, customer data is collected – sales, credit histories, names, addresses, likes and dislikes. Internally, the company collects data on suppliers, its manufacturing plants, process performance, and distribution systems. There is data on employee performance, salaries, and more.

Booking flights, hotel stays, or going to a restaurant creates more layers of data. In the evening, during leisure time, millions of people stream music over the web, or upload pictures so that friends and family can see what they are doing and where they have been. Not just pictures

are recorded - but also which friends view the pictures, their comments, where the photo was taken, and the camera settings used.

Beyond personal and business data, universities and scientists create terabytes of data, by watching the stars, splitting the atom, testing new medicines, or studying social patterns.

Big Data is therefore everywhere. Until recently, it wasn't possible to aggregate and then interrogate unstructured data, like email and social media conversations, in conjunction with structured data, such as spreadsheets and enterprise databases.

But now it's easier to combine these, using new technologies and algorithms. It's not only possible for industry, universities, and government – it is also becoming easier for individuals to collect and analyse all of their own data.

## **A Revolution – Big Data is Everywhere**

The real issue is not the data itself – but what use we can make of it, and what decisions it impacts, in businesses and also personally. Never before have individuals had so much access to so much data – and making sense of it all is hard.

Professionally I've been dealing with data for customer insight for a long time - I started my career in marketing at Procter & Gamble and continued in Johnson & Johnson where I was responsible for the Asia Pacific consumer business. Because leadership and change fascinate me, in 1997 I founded Leader-values.com, now one of the world's top websites in leadership development. I teach Leadership Development in networked systems, with special interest in the human changes arising from the impact of "Big Data" and social media, at the University of Leeds. Until recently, I was head of International Markets for Dunhumby, a company that turns customer insight into business decisions.

First, we need to define "big data." In the 1990s, one example of Big Data was deriving useful insights from customer loyalty programs to better communicate to and serve customers. Since then Big Data has exploded in the number of different sources and the ways in which it is connected. The need to generate useful insights and action is exactly the same, though, however big and complex the data set is.

IBM<sup>1</sup> suggested that Big Data spans four dimensions: volume, velocity, variety, and veracity.

- Volume: Enterprises are awash with ever-growing data of all types.
- Velocity: For time-sensitive processes such as fraud, Big Data must be used as it streams into the enterprise.

- Variety: Big Data is any type of data, structured and unstructured, such as text, sensor data, audio, video, click streams, and log files.
- Veracity: Many leaders don't trust the information they use to make decisions. Establishing trust in Big Data presents a huge challenge as the variety and number of sources grows. As ever, the data rule "garbage in, garbage out" is key.

While IBM suggests a strong technological framework, Gualteri <sup>ii</sup> argued that Big Data has massive strategic and organizational implications for operating effectively, making decisions, reducing risks, and serving customers. Gualteri wrote we must store, process, and access. Can we capture and store the data? Can we cleanse, enrich, and analyse the data? Can we retrieve, search, integrate, and visualize the data?

The Economist <sup>iii</sup> concluded that Big Data is a business game-changer. There is a strong link between financial performance and effective use of Big Data. Companies must have a well-defined data strategy in place before processing it, and engage their managers across the business - always thinking about how data can improve performance.

However, as change leaders, we must help individuals and organisations become comfortable with the revolution that Big Data brings in their day-to-day work, and not just look at the technical and analytical side.

This chapter aims to be a Big Data primer for leaders and provides a practical outline of how we can use programmatic change models to help deal with the "human" side of this revolution.

### **Tiny Data + Unstructured Data = Big Data**

I define "Tiny Data" as data from a single source in a structured format, which, while possibly a huge quantity, is limited in its complexity. The sheer number of terabytes is not really important nowadays, with our computing power. It is this combination of multiple data sources that makes things truly "Big." Even the databases held by major global enterprises, like credit card companies are, by this definition, "Tiny."

Unstructured data is exactly that – there is no fixed database format or coherent structure. Twitter messages, uploaded images, Facebook posts and likes, phone calls, customer service calls – all are unstructured data.

Big Data combines the two. My definition of Big Data is thus:

- Complex: Includes data sets from multiple sources and owners
- Combinatorial: Multiple "tiny" structured data sets and unstructured non-homogenous data

- Analysable: Needs new tools to capture, store, process, curate, analyse, and visualise it
- Useful: Creates decisive action plans by delivering insights within a tolerable elapsed time
- Pervasive: Impacts all organizational and people processes in the enterprise
- Personal: Provides individual access to data of all kinds

Technologies are now available that combine and make sense of these different sources – and most importantly, help turn the analytical results into useful insight and action.

For example, you might look at someone's Facebook timeline and note that they like wearing blue but never orange. If you are a clothing manufacturer and knew that fact, wouldn't that help you make more appropriate offers to that potential customer? And, personally, if you systematically knew people's colour preferences in this way, wouldn't you be able to buy them more appropriate presents?

This raises privacy issues, of course, yet there's another revolution going on – the move from business and government ownership of the data to individual access, and thus ownership.

### **Personal Ownership - An Individual Moment**

Governments, companies, and universities collect all kinds of data, yet often an individual has to fight to access their own data; individuals create 70 percent of the data but enterprises are responsible for storing and managing 80 percent of it <sup>iv</sup>.

This is shifting, as individuals are beginning to have personal access to all of their own data. Companies or government won't have the same broad access across all of the many data sources we generate.

Obvious privacy issues make it hard for even governments to aggregate disparate personal data sources (at least legally). Yet individuals will be able to analyse all of their own data, accessible via mobile devices and connected through the cloud, and create their own action plans from the insights. No longer will business or government have the monopoly on data and what to do with it.

Control, or at least the right to control, is shifting.

Industry has another challenge – trust. Would you let Facebook have your bank account details? Would you let your bank or Amazon have your emails to friends and family? That seems unlikely.

On the other hand, even if individuals are not directly using some form of "aggregation app" all their data turns up on their locally controlled device, whether PC, Mac, tablet, or phone. Accounts are already connected in the social media sphere (login with Facebook or Twitter, anyone?), but the technology now allows us to go much further.

Many companies are racing to create a secure "wallet" on our devices (Google, Apple, Square, credit card companies, and many others). In the first instance, these wallets will be for secure bank and shopping transactions. But when travel or restaurant details are added, movies and music included, you "chat" profile and what your friends like and do, the wallet will be a hugely powerful data source for analysis and predictions of all kinds.

At its crudest implementation, knowing a little more about individual preferences and likes can lead to more targeted and therefore more effective advertising. That's what Google does. But it also gives us, the individual, a better understanding of the value of our own data.

We are entering a data marketplace. Individuals create and increasingly access all of their own data, and government and business want it. An exchange will take place. Individuals will want something of value to them in return for access to their data.

Pre-Big Data, businesses offered loyalty programs in exchange for customer purchase data. The currency of exchange was rewards, gifts, miles, and cash back. Today, when the individual has the data, the exchange will go the other way.

With ever increasing demands from customers and dramatic advances in technology, business has no choice but to learn how to understand and then effectively work with this change in data control.

Change leaders must understand both the enterprise and personal implications of Big Data if we are to help deal with these revolutions.

In my work, I have used a leadership framework researched at Oxford and HEC as part of my Master's program to practically organize how to approach this challenge as programmatic change.

### **A Big Data Action Plan for Human Change**

My focus is organisational and people change, not technology. The words "enterprise" and "business" are used interchangeably, as are "consumer" and "customer". "Client" is used to reference business-to-business, as I am focused on commercial rather than government implications.

The framework for the programmatic change plan is the 4Es, beginning as a top-down process. First, my leadership definition:

Leadership is the energetic process of getting other people fully and willingly committed to a new course of action, to meet commonly agreed objectives while holding common values.

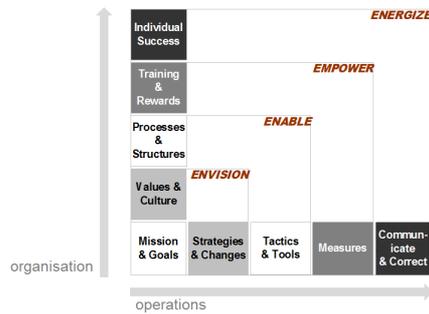


Figure 1: The 4 Es framework

This has two dimensions – organizational (people) and operational (task) - and is a sequential leadership process:

- *Envision* the future, using the vast array of insights available from Big Data.
- *Enable* the enterprise, with strategies, technologies and systems to create action on this insight.
- *Empower* individuals, to organize effectively, to innovate, deliver results and drive value.
- *Energize* everyone in the team consistently and constantly, and course correct as needed.

The framework is focused on “actions in use” rather than “espoused” competencies, individual styles, or personality types. It therefore defines a practical process. Let’s apply it to the Big Data revolution by first examining some macro-themes.

**Johnson & Johnson: Global and De-centralized**

Whilst Company Group Chairman in Asia Pacific, we needed to maintain local customer knowledge but do a better job of spreading best practice to speed the flow of ideas across the region. Why were we changing? I offered:

*Currently, if you have a business issue that you cannot resolve, you pass it up the line – to your boss and the country manager.*

*In the new world, you will know someone in another country – maybe in another discipline – that can help you solve the problem. You will then be able to present solutions to your boss, not problems.*

*This gives you the chance to innovate and solve problems – owning your own business - rather than being told what to do.*

The change was successful. Today, moving best practices around like this is a fundamental of business. Technology can help drive this, and data can inform success. But it needs to be rooted in clear strategies. In my research, two strategic dynamics are entwined with Big Data.

- Customer Centricity – Big Data Style
- Innovation in a Network

The change challenge is then the integration and blending of these.

### **Customer Centricity – Big Data Style**

First, the transition of data ownership to the individual and increasing customer power suggests that the most important response to Big Data is to embrace customer centricity. The Customer truly is in charge.

Customer and client interactions are moving from “push” strategies to “pull” (Hagel v, Siegel vi). Instead of businesses “pushing” services and products at customers, the individual can now discriminate and “pull” services to them – to suit their exact needs, preferences, and timing.

Big Data makes this ever more practicable. Think of Amazon and its “other customers also bought” feature. Individuals view other customers’ recommendations, access the products and services that they need, and optimize how it is delivered and how it is used.

Customer centricity is about meeting all customer needs, and using data-driven insights to build effective customer programs is critical. This requires everyone in the enterprise to change his or her mind-set.

In the 1990's, Kroger, now the USA's second largest retailer, was losing the battle to Wal-Mart. They decided to focus on delivering what customers really wanted, and adopted a “Customer 1st” program. All Kroger employees were educated on the strategy shift and implications, and trained on better serving customers. Kroger has shown consistent sales growth every quarter since 2003 - even through the 2008-2012 recessionary periods. The customer rewarded Kroger's strategic focus.

In my experience, there are several steps needed to create a successful customer centric approach.

#### **A. Offer a fair exchange for the customer's data**

Customers are used to getting value from loyalty programs. In the most successful cases, redemption rates on targeted offers are extremely high, and customers like getting cash back on purchases. The customer

believes that they are getting consistent value from the exchange; otherwise they would give up the loyalty program.

As more data types are included, the data has even more value than "simple" purchase records. Businesses need to offer more than promotions. Possible approaches include helping the customer make sense of all of their data with analytics, multi-business partnerships to broaden the returns and rewards from the data exchange, connecting together the experience at every touch point with the business to make things easier for the customer, ever more personalised products and services (see 'B' below), and even paying the customer for their data.

The mind-set shift is from "We own it to profit from it" to "We curate it to create value for you, the customer."

### **B. Personalise the offer, service, or product**

Today, everything is becoming increasingly personalized, and the traditional mass market is dwindling. Databased methods are really important to help customers navigate this personalisation.

Amazon identifies books and other items that customers might like based on previous purchases ("If you liked that, you might like this"). iTunes matches music tastes with suggested "genius playlists."

UK Tesco is another good example. Every 3 months, millions of direct mail offers are sent to their customers. Virtually all have a unique combination of product and promotional offers, as well as a cash "reward" for past purchases made. After all, there is no point sending a dog food offer to someone who only has cats!

All are effective but relatively simple examples of personalised offers based on prior purchases by customers. Now, multiple data sets can be combined to provide a more comprehensive view of customer behaviour. If a business knew what restaurants you like, or vacation places you go, they could suggest new books, music, or other products which couldn't be predicted based merely on your past purchases.

Glimpsing into the future, 3D printing is coming. We will be able to order unique items "on demand." Imagine a shoe store that can create an exact fit in an infinite range of styles and colours. Imagine the customer viewing the shoes against the database of her own wardrobe. Imagine checking what friends and others have created or tried, to be sure it is the perfect choice. Combining different data sources will be key to this "extreme" personalisation.

Technology encourages such "mass personalisation." With this comes a mind-set change from "This is how we do it" to "This is what you've asked

for." Ford's comment about the Model T - "You can have it in any colour you want providing it is black" - is as dated as the Model T itself.

### **C. Engage customers to positively advocate your products and services**

According to Forrester Research <sup>vii</sup>, more than 60 percent of consumers interact with brands in multiple channels. As they shop in-store, browse for recipes on their phone, view catalogues on their iPad, look for input from other consumers in online forums, and ask questions via Twitter, it is increasingly difficult to distinguish between traditional shopping and communication or marketing channels.

Customer mind-sets are shifting to an integrated view of their universe, regardless of device. As individual customers share their views, likes, and ideas, "social curation" shares these at zero cost.

And "crowd distribution" of advertising is essentially free. As an example of a brand making good use of this, Palmolive ran a social advocacy "word of mouth" campaign. They gained good recognition for the absence of unnecessary chemicals or heavy fragrances in the "Pure and Clear" campaign – and they drove sales.

7,500 Agents participated (via BzzAgent <sup>viii</sup>, a US subsidiary of dunnhumby). With product information activities, samples, coupons, and social media, the campaign reached over 430,000 people, and over 75,000 purchases were made.

Then consider the power of instant news disseminated by Twitter and news aggregators like Zite. Users define the news that is really important to them, not the traditional broadcasters. We pick and chose what to read and what to share, influencing how our friends view the world. At each step, as we curate and share that news, Big Data sets are forming and being used.

We listen to what friends say about products, brands, and services. We take notice of what people write about books and music on Amazon. "Voting" on products is everywhere, and we happily give vendor feedback on eBay, Amazon, etc.

Yet only the individual considering the purchase has all the information needed to make the choice – the "personal data revolution" is alive and well.

The mind-set shift here for business is from "defend and protect" to "converse and collaborate."

### **Innovation is a Network**

Long gone are the days of a single genius creating everything. Edison was indeed a genius – but even he had a research lab. These days,

networks help businesses innovate and take advantage of Big Data. These networks speed the flow of new ideas, best practices, products, and services across functions and across geographies.

Historically, innovation came from internal Research & Development groups (R&D), yet ideas can come from anywhere – suppliers, customers, universities and government. Networks are powerful innovation tools.

When Proctor & Gamble's "Connect & Develop" opened R&D to external networks, results were astounding: according to a Harvard Business Review study <sup>ix</sup>, R&D productivity increased by nearly 60 percent. Externally created innovations comprised 35 percent of new products (up from 15 percent), and 45 percent of all product development initiatives.

### ***Innovate in technologies to enable network operations***

Technology begins with database design made "fit for analytical purpose." This includes the right data capture systems, storage, processing, and access (Gualteri), and it impacts the entire business.

According to Gartner <sup>x</sup>, by 2017 Chief Marketing Officers (CMOs) will outspend Chief Information Officers (CIOs) on data and analytics. If CMOs and CIOs develop strategies in silos, a seamless customer experience will be impossible. Technology enables change, but it is the human being that creates insight, conversation, service, and action.

Delegating this to the CIO or the CMO without an overall business strategy across the organization is wasting the investment and missing the opportunity. [See Flinn & Budzier on Projects and Success; their insights are as applicable to the C-Suite as they are to Boards.]

### ***Innovate in the right kind of analytics***

The literature is awash with talk about Customer Relationship Management (CRM) tools. But usually CRM is focused on customer contact and communication, and it does not automatically drive new insights and action. Nor do such systems allow constructive two-way involvement with customers. Too often CRM systems are about "push" strategies and handling complaints. Leaders who let CRM stay in this space are missing an opportunity.

### ***Innovate in a common language***

Businesses need a common customer language across their organisations, and need to share this with suppliers and other third parties. A connected internal and external network is of no value if different language is used in different parts of the network.

Language and definition is thus a major change effort – and the leader's focus on the right language is a daily discipline necessary for success.

### ***Innovate with external networks***

Innovation networks drive new product ideas and execution. Online exchanges between "seekers" and "finders" are now everywhere, expanding the group creating ideas, and dramatically lowering cost. Technology, connectivity, rapid data flows and analysis are the keys to success. Open source must be the organisational paradigm. The mind-set shifts from "invented here = right," to "invented anywhere = best."

Research (Harvard Business Review <sup>xi</sup>) has shown that a large number of novel ideas come from "solvers" working outside the fields normally expected by the "seekers." In other words, new knowledge is coming from unexpected quarters, including customers.

### ***Engage individual customers in the co-creation of products and services***

Digital growth and data explosion provide opportunities to gather broader, timelier, and more actionable feedback, to prompt customers to co-design and innovate products and services.

Indian multinational Tata Group's Tanishq invites customers to co-create jewellery. Ideas submitted reveal insights on the collection, and identify intelligent, creative, and smart young designers with great ideas.

Full co-creation of products with customers is in its infancy but firms as disparate as Coca Cola, MTV, E.ON, and Heineken are exploring the possibilities. Coca Cola encourages customers to add to its creative stock by telling stories about events at which its product is drunk, while Heineken runs a design contest for its consumers to create a "unique club experience."

In these examples, the business works cooperatively in social systems with customers to identify new ideas. Feedback loops iterate and improve the ideas, and the data created is used to manage everything for best results.

## **ENVISION an Enterprise that is Customer Centric and Uses Innovation Networks**

Most change practitioners will be familiar with Kotter (see bibliography) and other forms of programmatic change. Based on research at Oxford and HEC, the 4Es can align change activity in 11 sequential steps. Here I have focused it on the questions raised by big data, entwined with the imperatives of customer centricity and innovation networks.

### **1. Create a clear case for change that inspires people**

There are three questions for leaders to consider:

1. What are the strategic implications for business and the personal implication of Big Data ownership and the upcoming value exchange to your business?
2. Consider the operational challenges. Do existing strategic choices in the business help or hinder the use of Big Data?
3. From an organisational viewpoint, consider the value system of the enterprise. Are your organisation's current values conducive to the world of Big Data, or do they need adjustment?

Getting everyone in the business to understand the differences between the current state and the Big Data future state is essential in an effective change program.

### **2. Create and describe a viable vision of an alternative and successful state which touches each individual in the organisation**

In other words, what will the "case for change" mean in practical terms?

## **ENABLE a Big Data Business**

Change leaders create the enabling conditions for the organisation to succeed. What follows does not focus on the obvious need for the right technologies. Rather, it prioritises the organisational and "people" issues.

### **3. Put change agents in place with a guiding coalition of willing leaders**

Teams are fundamentally important to the success of the program. No one person can develop the right vision, eliminate all obstacles to success, lead dozens of subsidiary change projects, create quick wins en route, write all necessary processes, and shift an organisation's culture.

Who is best placed (attitudes, skills, and influence) to co-lead the change? Is the pipeline of talent ready for Big Data? Big Data is creating a major talent gap in most organisations. In a recent Economist <sup>xii</sup> survey,

41 percent of top managers said their organisations did not have the skills to deal with Big Data.

#### **4. Consistently drive the change from the top of the enterprise**

Without top-level leadership nothing will happen. Change leaders must not only stay the course, but also ensure that their "guiding coalition" does, too. Do you as a leader have the discipline and will to see this through? To quote Kotter:

*Guaranteed to Fail: The problem in failed change initiatives is rarely that the case for change is poorly thought out, or not supported with sufficient facts. A solid business case that has a theoretically "compelling" rationale only appeals to people's head and not their heart.*

*Guaranteed to Succeed: Leaders who know what they are doing will "aim for the heart." They will connect to the deepest values of their people and inspire them to greatness. They will make the business case come alive with human experience, engage the senses, create messages that are simple and imaginative, and call people to aspire.*

It is necessary to "be the change" (as Gandhi said) and to do so with consistent and constant messaging. Bring alive and make real what the new world of Big Data, customers, and networks means to people.

#### **5. Set a realistic scale and pace of change with a clear sense of urgency**

Most change programs are started with a great sense of urgency from the leaders of the enterprise. There is often a "burning platform" which is a major business problem to fix.

Yet, in research from Kotter in 1995, and again later from McKinsey <sup>xiii</sup>, 70 percent of all major change management programs fail. Many are late and go over budget. There are several reasons for this, although in my own experience, having unrealistic expectations is a critical factor.

I was responsible for the Asia Pacific consumer business at J&J in the 1990s, when we decided to install the SAP financial and operational system region wide, rather than rely on legacy programs that varied by country. The value of SAP is the consistency and quality of the data it produces, and thus the decision making it facilitates. In the end, this project helped regional business, but it exceeded budget and was many months late. What went wrong?

First, we underestimated the time needed to remap the current business processes to the SAP ones. Secondly, the schedule was too tight – when one thing slipped behind, everything slipped. Third, we needed a more realistic assessment of the training needs. Expectations were mismatched with reality.

The moral of the story? Just because we have moved on with Big Data and new technologies doesn't mean that some of the old constraints no longer apply. Every change project must balance this need for realism with the need for urgency. Helpfully, Big Data can help dramatically improve transparency inside the enterprise. It can thus drive down execution times and underpin organisational urgency.

#### **6. Create an integrated transition program, from the current state to the desired future**

The objective of a step-wise transition plan is that everyone embraces it. In the J&J SAP example, we initially had a lacklustre integration program.

Have you got a clear road map from pre- to post- Big Data, customer and networked states? How are you enabling and embracing everyone in the organisation?

The insights from Big Data can inform existing decision processes across all of the business, adding a new lens rather than competing. For example, all retailers have ways they set prices, often based on competitive pricing. Demonstrating how Big Data can give better insight on how customers view and act on pricing provides an alternate plan, which can be tested and validated in-store.

Feedback loops can help fix problems and adapt plans as things move forward. Data use and the insights from Big Data help leaders continually assess progress. In effect, measurement allows the enterprise to close the loop on action planning and course correction.

#### **7. Create a unique organisation shape to show how tasks and people fit the new world**

"Every organisation is perfectly designed to get the results that it gets," Dave Hannah <sup>xiv</sup> wrote when describing high performance work systems.

The corollary is that any existing functionally based enterprise will have to exert energy to change, and some will have a hard time morphing into a successful Big Data business.

Are you and your leadership willing to develop structure outside the hierarchy? Are you able to make these pre-eminent? New multi-functional project teams, outside of the hierarchy, may be the best way to execute change.

## **EMPOWER Everyone to Think and Act Big Data**

### **8. Execute a symbolic end to the status quo**

Having a clear and visible end to the “old” while also dealing with change can be very powerful.

What elements of your culture do you need to preserve? What needs to change? What will demonstrate this change?

Here is an example not to follow: Al Dunlap was hired to turn around Scott Paper. The same day that he took over as CEO, he invested \$2 million of his own money into the business to show his confidence that the company could be changed. On his first day, Dunlap offered three of his former associates top jobs in the company. On the second day he disbanded the powerful management committee. On the third day he fired nine of the eleven highest-ranking executives. On the fourth day he destroyed four bookshelves crammed with strategic plans of previous administrations.

While this “slash and burn” approach did dramatically improve profits in the first year, it lost customers, killed company culture, and destroyed employee loyalty. Essentially Dunlap was saying that everything before his tenure at Scott was bad, and he had a lock on the truth.

A better example to follow: Lou Gerstner successfully turned around IBM by shifting the focus from products and big machines to client services – and he cut costs and reduced the workforce. The change succeeded. Gerstner spent time ensuring that all employees understood the change, and so did all customers. IBM remains a powerful business today.

Gerstner was criticized at the time for being “slow” but the process was respectful of the company’s history and culture, while very clear about what needed to be done. Gerstner succeeded in building trust while creating a sustainable culture change, where Dunlap didn’t.

Empowerment is about building sustainable trust and interdependence, with people working together for a common set of objectives, and culture is key. Understanding the current culture (paradigms, rituals, stories, routines, etc.) allows the design of effective interventions.

A technique that I use is Appreciative Inquiry (AI). This gets individuals to participate in the change process, rather than just be passive observers.

AI is a cycle that goes from “discovering the best of what is”, via “imagining what could be” to “designing what it should be” to “creating what it is”.

AI discovers the good things already going on in the enterprise, and builds on them. The process encourages people to dream about the

conditions for these successes, and how to codify, magnify and make them happen. [See also Barchan and Rice on powerful cultural change tools for trust-based interventions.]

### **9. Build options and plans to deal with likely resistance**

Most people fear change to one degree or another, which can lead to outright resistance to the change. Understanding the nature of this resistance is vital. People are concerned about not having the skills or experience to do new work. But other issues are usually more important to them – being out of work and not being able to support the family, or losing respect and position in the company, for example. All combine to create anxiety and possibly outright resistance.

Consider external implications: customers are used to a certain way of things happening. A friend told me recently about changes at his bank. Currently, he has a premium account, reflecting long-standing loyalty to the bank. The bank is in the process of splitting into two separate parts, to create more “shareholder value” and my friend has been told a) they have no choice but to continue to do business with one part of the bank chosen for them and b) that means they become a regular customer, no longer premium. Do you think he will stay with that bank or switch?

Change leaders need to move decisively on real blockages to the change, including removing individuals from the organization if necessary. However, the most effective leaders create a picture of a positive future and build a sustainable culture that nurtures the change to Big Data, not engenders a negative culture of fear. They will spend time ensuring individual customers understand what's happening, and why they should both stick with the organization and perhaps even help make the change happen.

Of course there might still be resistance, and the change leader must act accordingly and decisively. If people won't help drive the bus, they need to get off it. [See also Lewis and Saco on positive deviance, a powerful methodology for influence-based change, and thus appropriate for use with customers.]

Overcome resistance by understanding what is good, and only act on the negative as a last resort. And involve your customers in the change from the beginning.

## **ENERGIZE Everyone by Becoming a Big Data Leader**

### **10. Constantly advocate the change – course correct on problems and maintain momentum**

Usama Fayyad is the founder of ChoozOn, a business that helps individual customers decide between competing offers. Working with many companies on their most challenging (Big) Data analysis problems, Fayyad concludes:

*The real challenge is one of Leadership. The technology provides the raw material. The art puts that raw material to good use. But Leadership is what puts it on the agenda so action can be taken.*

Are you, the leader, prepared to show up day after day as the Big Data Leader? Are you prepared and able to change metrics and rewards to support your Big Data program?

The leader's personal commitment to the change must be communicated in all media – traditional, social, and face-to-face. Face-to-face interaction is where the leader's message can really come alive. [For more on communications, see Susan Goldsworthy's chapter.]

### **11. Create a locally owned rewards plan, so everyone benefits from the change**

A locally owned rewards plan ensures that everyone benefits from the change. For example, some companies base a large percentage of senior management bonuses on meeting customer Key Performance Indicators (KPIs) as well as on the more traditional profit and sales targets. You get what you measure and reward.

## **Conclusion**

Our everyday lives are no longer built on interpersonal connections and choices. In every aspect of our day we create data, amassing an unprecedented footprint that weaves into our professional, social, and personal experiences.

Any leader, commercial or otherwise, must consider the impact of the Big Data revolution – both for business decision making and the personal "control" of our own data – and make it a priority.

Technology is just beginning to let us capture this wealth of customer insight, analyse it, and turn it to good purpose. But the shifting axis of power means that we will simultaneously rely more and more on the trust and cooperation of individuals who want to control their data identity.

Even a glance at the recent revelations that the US and UK governments gathered citizen data without consent reveals the growing wariness of those who want to study our digital selves.

Businesses need to offer a fair exchange for access and use of this data, but they must accept that they are no longer in control. The individual is.

Enterprise-wide focus on customer centricity, deep analytics, and consequent insights can drive decisions in all parts of the business. Internal and external innovation networks will further drive new ideas in the business.

The principles and processes of programmatic change are time honoured. Build on shared values; envision the future; enable with tools, technologies, and appropriate organisation structures; empower employees to act, and build trust and interdependence; and energize the entire system by "walking the talk" and asking the right questions.

The leader's role in the era of Big Data is as important as ever.

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