CEO Analytics

While CEOs may benefit greatly from insights gleaned from data, few have seen the practice of business analytics as a worthy place to invest their own time. That's not surprising, given the competing demands for their attention. After all, analytics has always been considered a tactic, and it's hard enough for CEOs to stay locked in on strategy.

But today analytics is rising as a strategic issue as data becomes increasingly more plentiful—and more valuable. From analysts and equity firms to shareholders and beyond, CEOs are increasingly fielding more questions about analytics. For many, that means analytics has landed squarely on their agendas. In some cases, it has even changed the makeup of the executive suite, as chief analytics officers begin to join the ranks.

What's at stake

Many analytics operations focus on routine reporting with occasional bursts of innovation. And why not? It's easy, it carries little risk, and it doesn't require big thinking. That's why CEOs should step in. They're the leaders who can ask strategic questions that force analytics teams to stretch into new areas and opportunities.

Even in organizations that understand the potential importance of analytics-driven insights, there is often a critical lack of accountability within the C-suite. CEOs are responsible for enforcing accountability—and determining whether they themselves have primary responsibility for analytics or if responsibility rests with other C-level leaders.

Analytics connections with other roles

For CEOs, all C-level reports are important—not just a few of them. The CEO's job is to act as the orchestrator, making connections that individual CXOs aren't in a position to see, and demanding real business insights—not just more meetings.

Crunchy questions for CEOs

While CEOs will rarely engage with analytics directly, they should be comfortable orchestrating the analytics responsibilities of their direct reports in the C-suite. It doesn't fall to the board, or to the chief analytics officer, or the CIO. It's the CEO's job. Unfortunately, many CEOs are missing out on the opportunity to set the strategic direction for their organizations' analytics investments—and measure their progress. As a result, business-critical questions continue to go unanswered. Here are some of the types of questions that CEOs should be answering today with analytics. We call these "crunchy questions"—highly detailed business inquiries that pave the way for action.

Business strategy

- Business model transformation is on the front burner. How can predictive analytics help discover the most effective path forward? What's the first step?
- M&A activity is heating up. How can analytics improve target screening, due diligence, and merger integration performance?

Customer

- It's more efficient for us to retain customers and sell more to them than try to attract new ones. So who are the next thousand customers we're likely to lose? Why will we lose them—and what should we do about it?
- Our customers may have different needs than they did when we first established relationships with them. How are their needs changing—and which of our products or services should we be selling to them in light of those changes?

Operations

- HR is worried about recruiting in several critical workforce segments. Is the worry real or imaginary?
- How can we improve the efficiency of our supply chain without exposing ourselves to excessive risk?
- How will pricing changes likely affect other parts of the organization, either by opening up new opportunities or restricting our options for action?
- What advantages should we expect from the ability to make real-time adjustments to business operations using analytics insights?