

An Introduction to Successful Insight Management

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The best time ever to work in Insight?

There has never been a better time to work in an Insight team. Research and analysis roles have always provided intellectual challenge and the buzz which comes from successfully identifying a new insight about a consumer's behaviour and its effect on an organisation. However in recent years, three major developments have had a dramatic impact on the scale of Insight teams' opportunity. And all three are sure to increase this year.

First, there has been the exponential growth in customer data, driven largely by digital transactions and social media conversations. Companies which had previously never known the identity of their end consumer, now offer products and services online enabling them to collect vast amounts of information about their customers, their transactions, and other interactions with the organisation.

Second, our ability to understand human behaviour has evolved significantly, in particular our comprehension of human decision making. Developments in the fields of psychology and economics have combined to give us a rich knowledge of behavioural biases, so we can now better interpret the data we see, or know what data to look for to explain consumer choice.

And finally, a new breed of CEOs and marketing directors are preaching the importance of customer-centricity. This has led to an unprecedented increase in the demand for customer insights, and a premium being paid for analysts and researchers who have the skills to ask the right questions and manipulate data to provide the answers.

Data is the world's fastest growing resource, and the appetite and ability to use customer and market data is growing exponentially. With no exaggeration, it can be said that here has never been a greater opportunity for Insight to transform the performance of an entire organisation.

Despite the apparent opportunity, Insight departments across sectors in Europe and North America regularly report that it is actually getting more difficult to do their jobs. The Insight Management Academy (IMA), set up in the UK in 2004 to support corporate research and analysis teams, speaks to Insight leaders from multiple companies each week. And the message is consistent: the data situation may have changed, the software improved, the science developed, and the appetite increased, but how many organisations are really Insight-led? How many companies can truly claim to have put a sophisticated, joined up understanding of consumers right at the very centre of their decision making processes?

How has this happened? The increase in available data and ways in which it could be manipulated, together with a larger demand from decision makers, have combined to make Insight teams more task-focused. They are doing more and more analysis and research, but in it itself this doesn't make their companies Insight-led. Far from it.

If Insight leaders are going to seize the opportunity and really make Insight make a difference, they need to step back and reflect on the precise nature of the opportunity they have, and plan for how they are going to utilise their resources more effectively to turn opportunity into reality. To put it another way, if we want our organisations' performance to be transformed by Insight, we first have to transform our Insight functions and the role they play in our companies.

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Making Insight make a difference

In 2004, the IMA coined the phrase 'Insight management', defining it as the discipline of making Insight make a difference. In the 15 years since then it has been carrying out research into best practice in all aspects of Insight management to provide inspiration and guidance to corporate Insight teams.

This began with the creation of the Insight Forum in London, a group of 40 Insight leaders from organisations like ebay, McDonald's, Tesco, Barclays Bank and Nestle who share a passion for seeing Insight increase its impact.

The Forum has now met over 50 times, and over 30 topics have been explored and best practice reports written. The conversation has expanded to enable end-user Insight leaders in North America and Europe to contribute to, and benefit from, the IMA's understanding. Members range from National Public Radio of America to Carlsberg in Denmark, from Boehringer Ingelheim in Canada and Germany, to Transport for London and Highways England.

Drawing all these conversations together, the IMA has developed a framework which charts the 8 key territories, and 32 core areas, which all Insight leaders ought to explore - a roadmap for successful Insight management. It is based entirely on senior leaders' experience, and can now be used by any company to benchmark their current Insight capability for free and identify ways to improve effectiveness.

4 territories relate to the day-to-day activity of Insight teams. They are:

- **Insight generation** – from truly nailing the business issue, to taking a joined up approach to solving it
- **Insight knowledge** – to make an organisation Insight-led you have to develop and structure an accumulated body of customer and market understanding
- **Insight influence** – there is no point in carrying out research or analysis unless it is used effectively to drive major decisions
- **Insight communication** – an appreciation that Insight professionals cannot take part in every decision, but insight itself can, if communicated effectively

The other 4 territories are leadership issues, too often neglected. They are:

- **Insight strategy** – fewer than 1 in 6 major organisations have a properly structured plan for how Insight can transform company performance
- **Insight positioning** – a strategy has to translate into a changed perception of Insight and its role within the company
- **Insight commerciality** – to make a bottom line difference, Insight has to be developed from a commercial foundation, and ultimately achieve a great ROI
- **Insight people** – from detective skills, to better reporting structures, to true teamwork, to an appreciation of what it takes to be an effective Insight leader

An overview of the Insight Roadmap

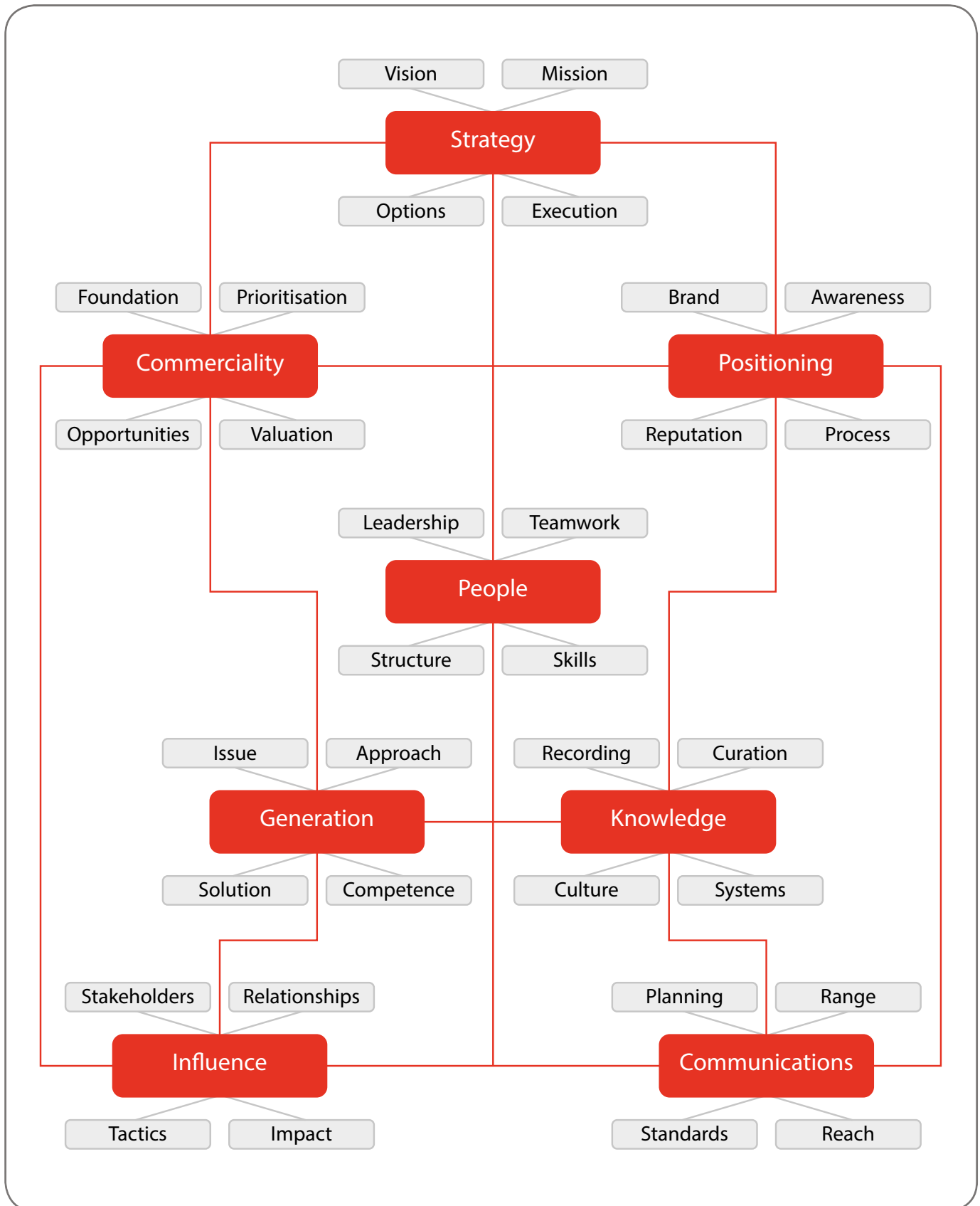


Figure 1: The Insight Roadmap

Insight generation

The ability to generate new insights lies at the heart of any Insight team's activity. It is no surprise then that the IMA's benchmarking shows that many Insight leaders consider this to be their team's strongest attribute. But there is major scope for improvement, especially in terms of the consistency with which the insights produced address the underlying business issue. Too many teams operate in a world of research briefs and research findings, not business issue identification, and business solution definition.

Most projects go wrong right at the very start. If an Insight team has a service function mentality, then there is a presumption that it is there to take requests from other departments. Frequently these requests come in the form of lists of information required, or detailed instructions for what sort of research the other department thinks it needs.

A step change will only come if researchers and analysts learn how to work with other departments to nail the underlying business issue, and then use their expertise and creativity to come up with analysis and research approaches. The best insights nearly always come from multiple sources of data, so Insight managers have to become proficient in synthesising evidence and working across datasets to avoid providing partial solutions and fragmented findings.

The best insights nearly always come from joining the dots across multiple sources

Insight knowledge

One of the earliest principles established in the IMA's best practice work was the critical distinction between:

- **insights** - individual discoveries about customers and markets and their effect on a business, and
- **insight** – an accumulated understanding about major dynamics in customers' interaction with the organisation

It is rare to find a progressive Insight leader who does not believe that there is more value in accumulated understanding than in the next individual research project. And yet Insight teams across all sectors spend most of their time on those individual projects, not on joining the dots between them.

Insights first have to be crystalised and recorded, then curated and cultivated. Every team needs to develop a model which shows how its customers interact with it, and the value created for both customer and organisation through those interactions. The IMA describes this as a Business Blueprint, and it should provide the context for every subsequent piece of research and analysis. Every substantive project should produce new insights which enhance the model – or question it.

There is a systems angle to this. Really effective Insight teams have a system which supports the recording and management of insights, and helps to share knowledge around the team (and possibly beyond, but that's a different issue). But culture is just as important. True understanding requires time for reflection, and time for team discussion; time to paint big pictures, and time to debate their implications.

Insight influence

Although researchers and analysts strive for an academic purity in their work, most of us do not work in universities. The companies that employ us – banks, supermarkets, utility companies, manufacturers, telecomms or charities – are not interested in academic understanding. They invest in Insight as a means to improving organisational performance.

It follows that there is no point in doing any research or analysis unless it drives change, now or in the future. But whether Insight work leads to action depends at least as much on how it is shared with the rest of the organisation as on the quality of the research itself.

There is no point doing any research or analysis unless it drives change

That can feel rather uncomfortable for many researchers. We all want to be appreciated for the quality of our work, and have a tendency to believe that great insights speak for themselves. But it is a truism evidenced over many years that a great insight poorly communicated will usually sink without trace, whilst a reasonable insight, brilliantly communicated, will spread like wildfire throughout an organisation.

To persuade senior decision makers to act upon our work, we must first understand them and their communication preferences; then build trusted adviser relationships with them, and finally become savvier about the tactics we use to influence. It is an irony observed in many companies, that the researchers and analysts who are so proficient at examining the organisation's customers, are relatively naive when it comes to understanding the customers for their insight – in other words the senior decision makers within their own company.

Insight communication

How many decisions are taken every day in your organisation? How many of them need to go the right way for your company to become truly customer-centric? How many of them can you realistically influence? Or even be aware of?

Insight professionals cannot possibly be involved in every decision. But a key aspiration for a progressive Insight team is to ensure that key pieces of research, or key dynamics identified in the Business Blueprint described above, should be taken into account. The only way to do this is to treat the body of knowledge which the Insight team has developed in much the way that a news media editor would treat their news stories. They would focus on content, audiences, and channels through which the content can be communicated.

Structure is also critical for communication, whether this means investing in storytelling, or management consultancy techniques like SCQAB. Improving communication standards might include developing data visualisation skills, or de-cluttering charts and presentations so that key messages stand out. Our Insight stories need to make a stronger impact and leave a longer-lasting impression.

This is a world away from the “everything goes in PowerPoint” tradition of market research. It's a world of intranet portals, workshops, posters, postcards, internal communications, even gamification. One UK-based insurer recently communicated key facts about the retired market by utilising an app to show senior executives what they would look like themselves when they reached retirement. Just like good journalists, we need our stories to be noticed if they are to have effect.

Insight strategy

There is much that can be done to improve our corporate Insight teams' day-to-day activity, but a focus on Insight generation, knowledge, influence and communications alone will not transform Insight's effectiveness. To do this we need to start with a plan. Not a terribly radical idea, you would have thought, but most Insight teams have the sort of plans which list projects and allocate resources to them. This is very different from a strategy to transform Insight, and with it, the organisation's performance.

An Insight strategy should include a forensic analysis of the environment in which Insight operates, starting with the market in which a company competes and the nature of its business with customers. It goes on to look at the decision making environment within the company, and an audit of the current Insight capability and knowledge asset. Another key component in the thinking is ambition; it's all very well realising that Insight could make an enormous difference, but how great is your ambition to make that happen?

From a realisation of the opportunities, and a definition of the role which you see Insight playing to realise them, comes a vision for how Insight will operate in the future. This is followed by a mission statement to help motivate all involved in Insight and its transformation journey; and an examination of the options for scope, scale, activity, output, measure of success, etc – the tangible expressions of how an Insight team's role is changing.

Insight positioning

Insight is like a lighthouse, shining a powerful light on the issues which may prove a hazard to the company. But a lighthouse does not just rely on a powerful light; it also has to be built in a place where shipping can see it.

So it is with Insight. Insight functions can improve the quality of their insights and the way they communicate them, and they can even write a great strategic plan. But if nobody has heard of the team, or if there are negative perceptions about it, then nobody is going to give its messages any attention.

Sometimes positioning can include an element of luck. The Insight leader at one European company sits across the desk from the CEO in an open plan office, and is invited to tell him every morning what new insights have been discovered. The CEO then spends the rest of the day asking all his senior management team if they have acted on the latest findings!

Not all Insight teams are so fortunate in their physical positioning, so they have to work harder on developing a team brand, promoting themselves to raise awareness of their work, and improving the experience which other departments have of working with them.

The most effective Insight functions also examine the decision making processes around them and figure out where and how they would need to intervene to have the most impact. For one chocolate manufacturer in the UK that meant establishing a "Gate 0" in their new product development process, ensuring that Insight's high-level approval was needed before any new range of confectionary got investment funding.

The most progressive Insight leaders develop a plan for how they will transform Insight, and with it, their organisation's performance

Insight commerciality

One of the biggest barriers to Insight teams making a commercial difference is that customer research and analysis tends not to be anchored in commercial understanding. The IMA's benchmarking work regularly identifies this as the territory which Insight leaders have explored the least.

It is natural for Insight professionals to be obsessed with understanding consumers. But it is not excusable to forget that our work is paid for by those who need to apply it to commercial decisions. Even not-for-profit organisations and public sector bodies have to consider the financial aspect of their operations, and so their research and analysis needs to reference financial stats and operational dynamics as well as customer metrics.

One of the biggest barriers to Insight teams making a commercial difference is that their work tends not to be anchored in commercial understanding

How do you improve on this territory? The starting point is to build a commercial foundation, comprising key stats about financial performance, and then an interpretation of them through a customer lens. There won't always be hard data on everything you would like to know, but there are very effective techniques available to bridge gaps in understanding.

From a commercial foundation, an Insight team can start to prioritise by value rather than by who is shouting the loudest for some project support. The same commercial foundation provides a reference point when new findings emerge, contextualising observations and helping companies to identify new opportunities to create value. And finally it can be used as the basis for calculating an Insight team's Return on Insight Investment, a concept which is starting to get traction.

Insight people

Last, but by no means least, there's us. The researchers, analysts, competitor intelligence officers, decision scientists and Insight managers. Everyone who works in end-user Insight teams, and the people who lead them.

There is, of course, a strong case for better professional development, not only in technical skills but in storytelling, critical thinking and structured problem-solving. But it's as much about developing the right perspective as the right skills, an ability to blend big picture awareness with an eye for key facts and figures.

The ways in which Insight teams are structured and encouraged to work together also plays a critical role in their success. There is a tendency for analysts and researchers to work alone to enable a team to cover more projects at any moment in time. This is understandable, but great insights are often developed when researchers discuss their findings, calling out the contradictions, and piecing together the story.

The last area to explore in this territory is Insight leadership. Leading an Insight function requires a unique blend of technical, managerial, strategic, diplomatic, commercial and entrepreneurial skills. Because it is rare for Insight leaders to report to executives who have worked in Insight themselves, there is a growing realisation that they need outside support, whether that is from peer group forums, mentors, or membership organisations like the IMA.

About the Insight Management Academy

The Insight Management Academy is the world's leading authority on transforming corporate Insight teams. Over the last 15 years we have helped over 1000 organisations on 3 continents to use Insight more effectively to drive change and create competitive advantage.

We provide our members with inspiration and guidance through conversations, benchmarking, training, consultancy and publications.



About the author

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James Wycherley joined the IMA as CEO in May 2015 after 10 years as Insight Director at Barclays Bank. He is regarded as an expert on Insight strategy, analysis, and communication. James has delivered consultancy and keynote presentations in Europe, North America, India, Australia and the Middle East.

About this guide

This Insight leader guide is part of a series published by the Insight Management Academy to define best practice in all aspects of Insight management.

It is based on extensive research and on-going conversations with our corporate members, as well as the practical experience of the directors and advisers who work with us.

The IMA's Insight Forum met in London for the 55th time in November 2018, and at each meeting the group has explored a different aspect of Insight management. The IMA has now published over 20 detailed best practice reports and Insight leader guides. Taken together, they provide Insight leaders with comprehensive guidance on how to set up, develop and run an effective Insight function.

If you would like to know more about Insight management, the IMA's Network and Forum members can read the 48-page Successful Insight Management guidebook, and Digital members can download short Insight leader guides on:

- Insight generation
- Insight knowledge
- Insight influence
- Insight communication
- Insight strategy
- Insight positioning
- Insight commerciality
- Insight people

For more information, please email info@insight-management.org

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Aviva	Premier Foods
Barclays Bank	Primark
Boehringer Ingelheim	Simply Health
British Gas	Skipton Buiding Society
Carlsberg	Spire Healthcare
Carnival	Sport England
Dignity Funeralcare	SSE
Dixons Carphone	St James's Place
Dow Jones	Suunto
eBay Europe	Tesco
Futures Housing Group	The Open University
Gamesys	TI Media
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