

# Instinct is about contextualising good data

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1 Dec 2015

Good leaders act intuitively based on their prior experience, insight and ability to read a market such as knowing when to do introduce a new product, make an acquisition, how to go after clients, what success will be, and which failures to avoid.



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But gut-feel and experience are no longer enough to make sense of the often entirely new issues that have become the norm in everyone's average business day as a result of increasingly sophisticated consumers, rapidly evolving technology and greater global competition. You need good data too.

A problem is getting fast access to accurate data. According to Epicor Software Corporation research, 50% of the UK's CFOs rely on gut-feel because they don't have quick access the right information. Only 43% of CFOs felt they had good visibility of financial information. In addition, 70% of CFOs in the manufacturing and engineering sectors still rely on Excel spreadsheets to access data despite the wide availability of specialist business systems and applications.

## Effect on bottom lines

This inability to quickly access data has a direct effect on corporate bottom lines, hampering time-sensitive decision-making and introducing errors that can get CFOs fired.

A study by The Economist Intelligence Unit has also found that many leaders know they need to make better use of data, but don't know how or which data they should select from the enormous quantity available to them.

This is where gut-feel and good data meet. Leaders need to trust their intuition and start to experiment with where they believe the right data lives. But this means putting aside endless IT development cycles and the current obsession with clean data.

In e-magination's experience it is best to test whether your instinct is right - put key performance metrics in place to track that gut-feel over time. This will show how a decision might need to be changed or refined for a profitable outcome, before the business commits to a full roll-out.

## **Data collection**

For example, if you're a South African business trying to venture into a new market, you might have a gut-feel that there's a business opportunity in Zambia. Tap into a data bureau there to validate this idea. Or, based on this hypothesis, do a survey and get 100 people to respond to see if the results are a positive indicator. With surveying or other forms of very low risk data collection, you can establish an initial need or desire in the market.

Your assumption might have been that there'd be more business opportunities in the northern region, but then the data shows that the potential in the south is better. Based on the hypothesis and data collected, you'll reduce risk as decisions can be quickly and accurately assessed before the business commits to a full roll-out.

Gut-feel is about contextualising and checking the data. While the data is painting a picture, you still have to decide what to do about it and not overly rely on it. If you only ever use data you could miss the emotional opportunities - what someone sees on the ground could be different from what the data says, or data could be misinterpreted. But relying on intuition alone is also hard when there's a high degree of novelty involved.

Gut-feel leveraged on top of a strong foundation of data can deliver significant benefits.

## **ABOUT THE AUTHOR**

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