salesforce

+ t a b | e a u®

3 Ways Data-Driven Leaders **Make Better Decisions**—and How You Can, Too

Adapting to change is nothing new, but today's challenges require a new mindset.

We've reached an inflection point where rapid-fire change is the new status quo. Every sector of society is reacting to micro and macro forces that are compelling a recalculation of the way forward. Some may say the times we live in are "unprecedented", and there's truth to that: the pandemic and its aftermath spawned disruptions and interruptions that could not have been anticipated.

Going into 2023, business leaders are racing to stay ahead and, at the same time, bracing themselves in anticipation of future uncertainties. Cutting expenses and maximizing profitability are top-of-mind concerns that must be balanced against the need for innovation, process improvement, technology and human capital investments, and forging a future-facing path that's sustainable.

LEADER'S TOP-OF-MIND: DATA-DRIVEN DECISIONS BEGIN WITH TRUST

Creating trust is critical when surrounded by ambiguity. Without trust, it's difficult to achieve the buy-in needed to lead. As leaders know, anticipating the big pivots and assessing impacts in a timeline without do-overs is the biggest "trust fall" of them all.

To face whatever may lie ahead, begin by focusing on the fundamentals, starting with a foundation of trust. And as Stephen Covey so aptly observes, trust should be an actionable asset. Data-driven decision making puts trust into action. When it's clear that decisions are linked to facts, it establishes credibility and confers legitimacy, and creates a precedent for a trustworthy decision process. Trust is the capital that leaders need to make decisions that build resilience, nurture effective teams, and enhance transparency.

The trust-based economy

88% of customers believe trust becomes more important in times of change.

Salesforce State of the Connected Customer, Fifth Edition

In the vortex of the COVID-19 crisis, business leaders experienced this in real time, knowing that one poor decision or ill-advised judgment call could have detrimental consequences not only for the business, but for their own reputations.

Forward-thinking organizations soon realized that making decisions based on reliable data insights made it easier to navigate complexity, collaborate, create consensus, establish rapid feedback loops, and align on strategy in real time.

Instead of "trust me" the savvy leader's refrain quickly became "trust the data."

And as a leader, you know that present and future success goes beyond just-in-time adaptation and blind faith in old solutions.

The decisions you make today are complex, and the stakes are high. Your colleagues and your customers need to trust your decisions, and feel confident you're headed in the right direction. To do this, you need to lean into data.

To gain some real-world perspective on the importance of data-driven decision making, Tableau turned to Olson Zaltman, a Harvard-University-affiliated consultancy that researches the power of metaphor to shape thought and influence behavior. In August 2022, Olson Zaltman conducted interviews with executives in the US, Japan, Germany, and the UK, based on imagery provided by each respondent, to understand the interplay between data and sound decisions. Insights and interviews related to the research informed this paper.

Yes, data-driven leaders *are* different.

> " **You want to be credible. You want to be right as much as you can be and that's why we rely so heavily on data.**
>
> **Olson Zaltman research study participant;** vice president, US company

What sets a data-driven leader apart? Spoiler: It's not a technology stack, or a staff of analysts with data science degrees. Fulfilling the potential of your digital transformation comes down to a real-world understanding that if you're not harnessing the power of data on a daily basis and evangelizing the benefits of data-first thinking, you will be left behind.

Here's a glimpse into why data-driven decision makers are more effective decision makers–and what you can learn from them.

1

They use data to identify obstacles and opportunities.

In times of uncertainty, leaders can feel like they're on a perilous journey. Determining the best way forward is never easy, but with so much at stake, there's no room for error. As a leader and decision maker, your team trusts you to read the signs, navigate every obstacle, and remove roadblocks large and small. Every moment lost to indecision is an opportunity for your competitors to gain an advantage.

But instead of being derailed by doubt, you can double down on data.

Data-driven leaders recognize that data is a living, breathing component of intelligent decision making, creating a common language that allows everyone to see the what and the why more clearly. They know that every data-informed decision builds trust, because decisions are grounded in analysis instead of assumptions.

Leading with data, it's easier to turn challenges into opportunities, and anticipate what lies ahead. This ability to harness data for deep analysis, modeling, and forecasting is table stakes for any organization that is focused on creating long-term customer value and at the same time, identify the drivers that influence revenue growth and operational efficiency.

> **How much data is enough?**
>
> **❝ I just need enough information, enough data, to make a decision that we can course correct if and when needed as we go. For me, I'm looking for 60% to 80% of the data I might need to make decisions.**
>
> **Olson Zaltman research study participant;** vice president, US company

Does this mean that intuition and gut-checks are passé? Absolutely not. But instead of relying on instincts alone, data insights provide a complementary lens that brings everything into much sharper focus. Data insights encourage deeper analysis and new perspectives that elevate the quality of decisions–giving everyone confidence that data is the cornerstone of trusted decision making.

2

They use data to accelerate agility and efficiency.

> **Agility is** the ability of an organization to renew itself, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment.
>
> **Aaron DeSmet,** Principal, Organizational Design, McKinsey

The cadence of modern business is dizzying for even the most seasoned business leaders. The "big picture" is constantly in flux, and without the right information at the right time, you can't make the course corrections needed to stay on track, let alone drive innovation. And having a firehose of information doesn't always put out the fire. Data-driven leaders rely on actionable insights to navigate rough waters, and shine a light on all aspects of their operations.

Trusted, actionable insights give leaders a superpower that helps accelerate the decision-making process, making it possible to adapt swiftly to every shifting headwind. Even better, this data-infused agility increases exponentially when your people are data leaders, too. A common language of data makes it faster and easier for everyone to communicate, collaborate, iterate, and achieve consensus. In a data-transformed organization, agile, data-driven thinking becomes the expectation—and the norm. Team agility for the win!

To nurture agility, your organization's data needs to be accessible, freed from silos, and properly governed. Data-driven leaders know that this is the key to a thriving Data Culture, and actively promote organizational strategies that prioritize data democratization and ensure data is an integral part of every workflow and every process.

GET AGILE. GET RID OF SILOS!

82% of surveyed enterprises are inhibited by data silos
Data silos can be technical, organizational, or cultural in nature, but regardless of the reason, they wreak havoc on your aspirations to champion agility. Here's why:

- **Data silos inhibit collaboration, because data formats are not always standardized**

- **Data silos lead to siloed thinking, because you don't have visibility into the big picture**

- **Data silos make governance tricky, because it's hard to prevent leaks or breaches**

By leading with data, it's possible to find the fastest way to the finish line. And getting there first is a distinct competitive advantage, critical for success in today's warp-speed world.

3

They use data to navigate uncertainty.

> **The world is noisy and messy. You need to deal with the noise and uncertainty.**
>
> **Daphne Koller**, computer scientist, artificial intelligence researcher

In a business climate that is exceptionally noisy and decidedly messy, leaders must be ready to face uncertainty and adapt to the winds of change at a moment's notice. Adding to the complexity are the "unknown unknowns", from geopolitics to climate change, that can't always be quantified, but play a part in long-term, strategic decisions.

The good news is that data-driven leaders have an edge in our new normal

world. With insights guiding the way, they are better equipped to weigh their options, model what-if scenarios, analyze alternatives, and truly lead with data.

These leaders know that personal and organizational resilience is about more than tenacity–resilience is informed by the confidence that comes when you can accurately identify potential risks, opportunities, and outcomes.

> **❝ We wanted to launch a product in Japan. People on the ground said, 'The market's not ready. We don't think there'll be demand.' But our data was telling a different story. We discovered it was a huge hit, because at the end the data was proven to be right.**
>
> **Olson Zaltman research study participant;** chief financial officer, Japan

When you upend uncertainty, it's easier to advance the mission of your organization, grow your vision, inspire teams to collaborate, and catalyze the kind of innovative thinking that leads to competitive advantage.

THE LOOK OF DATA-DRIVEN SUCCESS

Leaders who put data at the center of their decision-making process are impact players who understand how to drive innovation and results that lead to competitive advantage across a number of KPIs, including:

• Revenue growth
• Cost savings
• Customer value
• Risk reduction
• Accelerated productivity
• Decreased redundancy
• Employee satisfaction and retention

Delivering hyper-relevant decisions in a warp-speed world

> **❝ I believe we need to get there first. I don't want to be one of many. I want to be one that leads the pack.**
>
> **Olson Zaltman research study participant;** vice president, US

Achieving the potential of your most important strategic asset–your data–means expanding your digital transformation to encompass a true data transformation. With data as your co-pilot, you can see the right direction to take, and your

decisions will create trust that's necessary for long-term success with your stakeholders and your customers. Not coincidentally, your reputation depends on making sound, informed decisions, and you need to get it right, quickly.

It's easy to see that organizations leaning into data-driven decisions are far ahead in their digital transformation efforts, not to mention creating essential "resilience ROI".

Data-driven decision making is the next chapter of digital transformation, and it's a team sport that requires an organizational mindset that's biased towards data-first thinking (we like to call this Data Culture), investments in people and the right technology, executive support, and an unflagging, laser-focus on putting data at the center of every decision.

Data-driven success won't happen overnight, but with a long-term strategy that includes technology, people, and process, you can gradually establish and scale a data-first mindset across your organization. Consider the journey to be the destination, with infinite opportunities to use data to solve your greatest challenges and reveal your biggest opportunities.

Ready to learn more about how you can create value for your organization with data-first decisions?

Tableau is the analytics platform of choice for many of the world's leading companies. Our mission is to help business leaders like you see and understand data, and find the answers you need, now.

The best way to experience Tableau is to give it a try.
We invite you to explore Tableau today!

+ + + t a b l e a u ®

Tableau helps people see and understand data. Tableau offers visual analytics with powerful AI, data management, and collaboration. From individuals to organizations of all sizes, customers around the world love using Tableau's advanced analytics to fuel impactful, data-driven decisions.

Tableau also integrates with Salesforce Customer 360–a customer relationship management (CRM) platform that connects the business with a shared view of customer data–giving every department access to the most powerful, comprehensive, and intuitive analytics features embedded directly into workflows. By bringing your customer data to the center of your work, you can grow your relationships with your customers and employees.