



## The Solution to Analysis Paralysis: Dialysis

YOU ARE RESPONSIBLE for maintaining and improving the competitiveness of your business. It may be doing fine, but in today's market, just fine is not good enough. Fortunately, you have innovative managers, who continually come up with ideas for process improvement, more effective marketing, a more efficient supply chain, and dozens of other attractive ideas for improving your business's bottom line. The problem is, while each idea sounds great on the surface, you wonder how changing process X in department A will affect the profitability of department B. So you ask the department managers to analyze the data they have, and estimate how the specific changes will affect overall profitability.

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The managers do the best job they can with the information they have, but they come up with vastly diverging scenarios of how the changes will affect your company. Whose scenario is correct? Are any of these scenarios correct? So you study the issue in greater detail, and those results only confuse the issue further. You cannot decide which change to implement, so you wind up implementing no change at all. The worst part, however, is that your competitors *are* evolving *their* tactics and strategy, and gaining on you. “Analysis paralysis” has cost you your competitive advantage.

Some believe that they can avoid analysis paralysis by implementing changes that simply have a good gut feeling about them. When asked about why the company made this or that change, a spokesman for such a company might say,

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“It seemed like the right thing to do.” or, “We just wanted to shake things up.” But to succeed, you need more than change for change’s sake. That approach, especially when combined with no follow-up to measure the effectiveness of change, sadly leads to companies going “extinct by instinct.”

### **An Impediment as Old as the Hills**

Although you might think that the easy availability of petabytes of data to today’s businesses may have created the phenomenon of analysis paralysis, it is a predicament as old as the human race. Aesop even wrote a fable about it.

A fox and a cat were talking about how they might escape should a pack of dogs attack them. The cat had one solution: scamper up a tree. But the fox bragged about how, by dint of his cleverness, he had dozens of escape routes and stratagems to foil such a threat. On cue, the sound of hounds baying in the distance spurred the two to spring into action, more or less. The cat was up the tree in a flash. The fox, however, started thinking about which device to deploy, weighing the advantages of each against the others, until it was too late, the dogs caught him, and the cat watched the carnage from above.

### **Data is Your Friend**

While the arrival of big data to medium-sized businesses can at first seem like a container full of potential for analysis paralysis, it does not have to be that way. Decades ago, biochemists faced a similar situation when they began to unlock the secrets of the cell’s molecular machinery. They could extract active mixtures of thousands if not millions of different molecules from living cells. But how to make sense of such complicated mixtures? In order to understand

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precisely what the cells were up to, they had to study the molecules in isolation. At this point, they found the principle of dialysis to be of crucial importance. In dialysis, a membrane permits the transit only of small molecules, not large ones such as proteins. Biochemists used dialysis to simplify their research, breaking complicated mixtures down into their component parts. In a similar way, big data and complicated business issues can be broken down, understood in more basic terms, and be dealt with in ways that provide an excellent return on the investment in “dialysis.” This is the core of Business Intelligence.

The best-selling book and popular film, *Moneyball*, told the tale of how the creative use of large amounts of data broke through the logjam of gut-instinct decision making, and allowed a low-budget baseball team to compete with the richest teams in the game. Like the pre-*Moneyball* baseball managers, too many business decision-makers operate without understanding the data behind their decisions. Understanding what the data indicate, and using that knowledge to drive business decisions, is the way to get ahead and stay ahead of your competition.

#### **Another Way of Saying “Business Intelligence”**

A qualified team of Business Intelligence consultants can help you collect, prepare, mine, and analyze your organization’s datasets to find patterns and correlations that can point the way to not only better-informed business decisions, but perhaps more importantly, business decisions whose effectiveness can be measured. Being able to measure the effectiveness of your decisions is the heart of analysis paralysis dialysis, because knowledge of your decisions’ effectiveness enables you to refine and diversity those

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decisions, leading to the cyclical production of further positive results.

Every aspect of your business that uses and accumulates data (and what aspect does not?) can benefit from BI consultants trained to cut through analysis paralysis—workforce planning, inventory control, business processes, finance, IT. In the case of business processes, a qualified consultant can help you dissect your processes and determine how technology can reduce or eliminate waste. With the deployment of performance metrics and dashboards, your data drives tracking reports, allowing you to continually monitor and improve your processes immediately.

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### **Easier to Deploy, With a Faster Return, Than Ever**

The technology to enable analysis paralysis dialysis is more affordable than ever before, and can be tailored to practically any enterprise. Data with different structural characteristics, and even unstructured data such as emails and images, can now be resolved to yield the kind of patterns and relationships that lead to smarter business decisions. Find out how BI can make your business run smarter, more competitively, and continually improve its position in your markets.

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