Following the **Data Trail** for Competitive Advantage
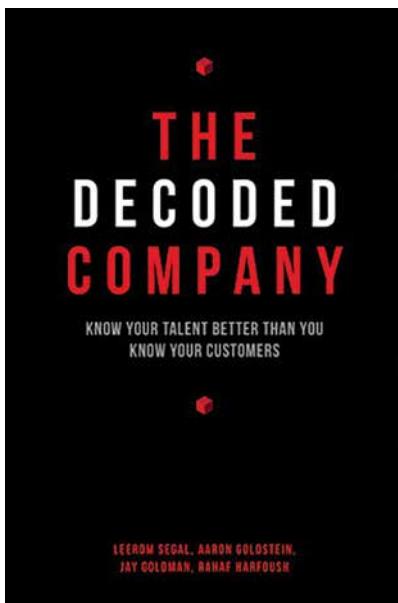
Mary Broughall

The Decoded Company: Know Your Talent Better Than You Know Your Customers by Leerom Segal, Aaron Goldstein, Jay Goldman, and Rahaf Harfoush examines and describes methods to utilize the pervasive trend of tracking data about everything around us. While this book is not intended specifically for records professionals, anyone working with people will be interested in the ideas advanced by the authors.

The Decoded Company

The key to "sustainable competitive advantage," according to the authors, is to become a *decoded company:* one that is "talent-centric, data-driven, flexible, and fast." The authors

highlight companies like Google, Starbucks, and Whole Foods, who use big data for serving their customers – and have turned their algorithms inward to decode their own employees.

The authors write that decoding the "real story that is embedded in the data trail" that follows employees and their projects allows companies not to "get the better" of their talent, but to "get the best from them."

3 Transformative Ideas

The Decoded Company distills how this process works with what they call the following "three transformative ideas."

Technology as Coach

The first idea, "Technology Can be a Coach," posits that by personalizing processes to the individual based on experience, an organization can offer training interventions precisely at the teachable moment.

For example, the telecom Sprint was struggling with customer service issues in 2008. The authors' relate how Sprint was able to identify a troubling statistic in one call center:

> Thanks to their informed intuition, managers were able to track down and identify the problem: a group of recently hired agents were unfamiliar with certain features on a newly released device. Therein lies a teachable moment. Sprint was

> able to identify the agents who needed training at the precise moment when they really needed it. They were able to intervene with real-time training…

Data as Sixth Sense

The second idea proposes that "Data Can Be a Sixth Sense." By collating organizational insights using actual data, organizations can watch their blind spots and give their people enhanced decision-making ability. An example cited in this section is Google's "Did you mean…?" feature. In the authors' words:

> What you probably don't know is that it works entirely based on ambient data fed by Google users into a sophisticated, statistical, machine learning algorithm…

the algorithm looks for a repeated pattern of a search term entered followed very quickly by an almost identical term seconds later. That pattern indicates someone realized the mistake they made the first time and fixed it the second time, teaching the algorithm one way to misspell the correct term. With its steady diet of ambient data from hundreds of millions of users, Google was able to create a spelling correction system without teaching the system anything about spelling.

Engineered Ecosystems

The third idea is that "Engineered Ecosystems" that give employees flexibility and autonomy will prevail over hierarchies, reduce bureaucracy, increase transparency, and be wildly inspiring to teams. The premise is to deliberately engineer data-driven cultures guided by clearly outlined priorities and vision. An example cited here is from grocery chain Whole Foods:

Whole Foods eschews traditional hierarchy in favor of an autonomous team approach. Each store is an autonomous profit center, broken down

into an average of ten self-managed teams… each team operates autonomously, with its own performance metrics and an elected team leader… The company has engineered a program called gainsharing to reinforce the importance of the team as the central unit; it uses ambient data to measure productivity in the form of sales per hour each team is to make. This creates an easily measurable financial consequence to bad decision making.

Resources to Explore

The book wisely includes resources organizations can use to assess these ideas. Reading lists and recommendations are highlighted with one icon, and another icon indicates experiments to try.

In addition, an accompanying website, *decodedbook.com*, is full of further resources to explore.

The conclusions of chapters about the core ideas include a summary, a toolbox, experiments, and industry examples, among other things.

A Guide for Getting Started

The last chapter in the book, "Getting Started," is a step-by-step guide

readers can use for decoding their own companies. The ideas within the book rely on processing data either through custom algorithms and surveys or by running ambient data through off-the-shelf software – some of which, coincidently, the author's company can supply. However, there are other things readers can investigate on their own.

For instance, one of the experiments at the end of the chapter "Data as A Sixth Sense" is called Project 360. It is a quick, cheap tool to implement with resources most companies already employ, like spreadsheets and surveys.

Old Idea with New Terms, Tools

The praise for the book, and the prose within, promotes decoding as the newest best thing. The authors call themselves quasi-evangelical about this "movement" of decoding the workplace. However, the idea of empowering people has been around in one form or another for a long time; the authors recycle this trend with updated tools and terminology. That's not to discount the philosophy; it seems worthwhile to try many of these ideas.

The drawback of a book like this is its general nature. It is not specifically records-related, although in a concession to the profession, the authors speak of transparency as the saving grace against a "big brother" reaction.

The Decoded Company is a constructive manual for understanding how empowering employees will evolve in the business world. All readers will be able to identify ways these processes can be put to use in their own organizations and can be adapted to policies and procedures already in place, moving their enterprises forward in the ever-changing business environment. **END**

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