



How to Use Big Data Combined with Human Judgment to Make BIG Happen

Steve Sanduski:

Hi, everybody. Welcome to another episode of 'On Your Mark Get Set, Grow.'

This is the podcast of CEO coaching international, where we talk to the worlds leading entrepreneurs, CEOs, and coaches who are looking to make big happen. I'm your host, Steve Sanduski. Our guest today is Asha Saxena. Asha, is a serial entrepreneur, a computer science engineer, and she's certified as a sixth sigma black belt professional. She also served as entrepreneur in residence for Columbia Business School and is currently a faculty member for graduate business studies where she teaches graduate students about entrepreneurship, big data, and data analytics.

In addition, she's a member of YPO, and she is a coach for CEO Coaching International. In today's show, we discuss using data, and data analytics to make better decisions. Now, what's interesting about Asha is even though she is a self-described data nerd, she completely understands the importance of using data as a tool, and not the whole solution. In our conversation, she talks about the human aspect, and how we need to combine the best of data with the best of human judgment to come up with better decisions.

If you want to understand how you can start incorporating data, and data analytics into making better, and more profitable decisions for your company, this is the show for you. Be sure to listen to the end, as Asha shares her all time favorite book, and one of the key lessons from it, that could put your company on a path to long-term sustainable growth.

Asha, welcome to the show.

Asha Saxena:

Thank you for having me.

Steve Sanduski: We're excited to have you here today. Lots of exciting things that we're going to be talking about, but I'd like to start with talking about a couple of things that you're doing right now. You are a serial entrepreneur, you're still actively involved in a number of your businesses, and you're also a professor in entrepreneurial and residence at Columbia Business School. You're teaching graduate students, you're having lots of conversations with alums of Columbia Business School, other CEOs that are graduates, that are very successful. What are some of the things that you're talking to them about, and teaching them these days?

Asha Saxena: The most important thing as an entrepreneur, you have to have the appetite for taking risks. If you're an established business, or your a startup, or your in the middle of the entrepreneurial journey, you have to make sure that you're constantly taking risks no matter what you're doing. I have to tell you that when I started my career as an entrepreneur, I was a computer science engineer, I was very secure in job, I started with this consulting firm as a programmer, very quickly I became an engagement manager. In the first two or three years of my career, I was managing 80 people teams. We started growing our account, it was a financial services company. When I actually took over only two people with our successes, we grew into about 80 people, and my company was getting acquired.

My boss comes to me and says that we're one of the highest paid engagement manager, we'll have to let you go, but I really think you have to really take this seriously and start your own business. I was 24, I was pregnant with my second child, and I'm looking at him and saying, "You know you're crazy. I'm way too young to start my own business. I tell you, he was one of, just motivator/leader, and he really believed in me. So I'm looking at him and I'm saying, 'I can't do it.' And he said, 'I know you can do it. So you have to do it.' He really helped me get started and encouraged me to start my own business. I grew my business, I doubled every year. Became really, really successful. When I realized that if I had not taken that risk, at a very young age, I wouldn't have a very successful consulting firm.

The first lesson from that story was that I had to take risks. If you don't take risks, and it's a constant. You build the business, then you are looking at, how do you evolve your business. Your a consulting firm, but I started seeing a partner that became really obsessed with eyes, the key performance indicators. And I said, 'six sigma personally.' Six sigma certification and started hiring people that who were more six sigma people, and really became data focused, became data management consultant firm. From that we evolved, and became data analytics, and now we're in AI, data science...

There was a whole journey of building products out of that. I built an e-commerce company, then I built a healthcare analytics company. But it was a constant risk at every stage of my career. I couldn't do it if I didn't have somebody who believed in me. The first thing I would say, the lesson I

constantly tell, is that you have to take the risk. It has to be calculated risk, because you have so much information now, that you can actually look at what you can do to be more cautious. You're not blindfolded and just jumping in. But you're actually looking at what is a safe bet you can make now and really taking that risk. That's what we talk about. I'm passionate about big data and why data is so important in today's world and in this business. I would say the number one thing you have is an appetite for risk.

Steve Sanduski: Let me ask you, if I could there. I'm glad you talked about taking calculated risks, because obviously we don't want to just take a risk for the sake of, 'Oh, I gotta take a risk. Somebody said I need to take a risk and that's how I'm gonna hit it big.' We have to be smart about the risks that we take. Then you talked about data. How can we use data, data analytics, and analyzing the data in order to help us, in order to take smarter risks? Do you have any examples of how using the data gives you the confidence to take this risk? Maybe a second question along with that is, how do we know how much we use the data to make the decision versus when we're gonna use our gut instinct, our intuition, our own experience, kind of the human judgment factor. How do we walk that line between data and the human judgment factor too?

Asha Saxena: I'm passionate about this topic. I feel like data has enabled us to really...I mean, we've had data forever. But now the tools and technology we have available, we can use data so much more effectively than ever before. So, yeah. Risk is important to take but how you take a calculated risk is really looking at what data you've collected. We live in the world of big data. I teach big data classes at Columbia. The first thing they'll say, and the CEO's I talk to, they'll say, 'You've got a lot of data. What do we do with it now?'

A lot of people are now getting into this race of collecting data. Because you have to acknowledge use, to collect the big data, structured and unstructured data. But what do you do with that data? Most important to understand what your problem is. Rightfully, that plays a huge role. The technology and the data can only be an assistant. When they say Artificial Intelligence is all about, really taking this technology, the Artificial Intelligence, and converting that into really being your assistant. Somebody who can assist you in making your decision. It's not gonna, and some people worry about, is the technology gonna take over? It's not gonna take over.

Technology's gonna help us become smarter about everything we do. What products we should be launching. Which businesses we should take. What industries we should go into. What vertical, or what horizontal, we should really invest our time and money in. Really making sure we're asking good questions. And really starts from having the knowledge of asking good questions, and then going back, and saying, do I have the right data to answer that question? If I don't, how do I collect that data? How do I bring that data together? Now can I use the technology and science, the data science we talk about it, to really now

create the we need to, to start predicting and prescribing what is the right decision. And you still have to use your gut feeling.

The whole Watson Era, which we are living in now, that everybody's talking about Watson. Is Watson gonna solve our diseases? Cure cancer? What Watson is doing, or technology like Watson's is doing. It's bringing the data together for you but really all it is doing is assisting all the experts. The oncologists, or the physicians. To see what the data is telling you. The data is saying, we got all this information for a patient. Now, Mister doctor, can you look at the data and figure out the option the computer is telling you is the right option. We're still gonna lean on our experts to make sure that they're making the right decision, but they'll have a lot more choices now. Now, they have technology, and data, and options that they can actually look at, and say that it will help them or not, to make the right decisions.

Steve Sanduski: What I think about Watson, I think that's a great example there, is that, no human is ever gonna be smarter than Watson. Because Watson gets fed all the information, and just like Google, you can pretty much ask any question and get the answer. It seems to me, that what is going to become super important going forward, or even more important than it has been in the past, and this gets to your point about the importance of the human component in making these decisions is, being able to ask the right questions. And being able to ask the right questions to a system like Watson is going to enable you to get the data to give you the kind of answers that you need to make the right decision. The importance of asking the right questions, I think, is gonna become paramount as we move forward.

Asha Saxena: One more thing I want to add here.

When you look at Artificial Intelligence, not just Artificial Intelligent, you have to see Artificial Intelligence as your Intelligent assistant. The technology your developing, which are becoming available to you, as a business owner, or as a CEO, or as business consumers. You have to use these technologies as Intelligent assistants, who are going to provide us a lot more information that we never had before. And which will make us or help our economy become better, because we'll have more products and more businesses coming out, which are using these intelligent assistants, to make our lives easier.

Steve Sanduski: Well, along those lines, as I was doing some of my research for our conversation, I just recently read an article in Harvard Business Review. It was talking about this idea of the combination of data and the human component. As you were just saying here a moment ago, that it's not just about the data. We still have a very important human component here.

They gave an example of a chain, I think it's called the Dorchester Collection, which is some ultra luxury hotels. They said they've got a couple of these ultra luxury hotels in Paris, and the article was saying that there are 10 five-star

hotels in Paris, but Dorchester was using their data analytics and what they discovered from the data analytics was, consumers pretty much viewed all 10 of these five-star hotels as interchangeable. They were looking at the reviews that people were leaving on some of the different websites out there, and they concluded that there was not a lot of loyalty among consumers, among these 10 five-star places. Dorchester was trying to decide, well, what can we do now that we know that information? The data tells us that, but the data does not tell us what can we do to increase the loyalty at our hotels.

This is where the human component came in, and the article talked about how the staff noticed that at one of their two hotels in Paris, a lot of the people who stayed at that particular hotel, ended up going to museums afterwards, and galleries. Apparently they were located near a museum district, or, arts district, kind of thing. So what this particular hotel did was, they sort of rebranded themselves to really cater to people who were into the art scene. They also noticed that, I think, apparently at this hotel, Salvador Dali, stayed there frequently, back when he was alive. So they renamed one of their restaurant's in their hotel, like La Dali, or something like that. They really rebranded themselves to cater to the arts people, and now they've seen a significant increase in loyalty and repeat customers.

I think it's a good example of using the data to tell us what, but then we've got the people that are telling us the why and what we need to be doing with that.

Asha Saxena:

There's a lot of examples like that. There's another example, which is Netflix.

Netflix is a great example. Who knew... Blockbuster, thought they were fat and happy. They had no worries, because people are definitely gonna come and rent there DVDs and they're gonna keep coming back. They didn't realize that there could possibly be an option where someone online will come over and completely take over. Netflix is a great example of someone who keeps evolving. They actually started understanding that, 'You know what? mailing the DVDs, but let's start collecting data, and start understanding how we can keep evolving.' Then they turned that online mailing DVDs to online streaming. From streaming, they started saying...They have been taking the lead understanding of their customers, and constantly evolving their business model. Constantly evolving. It's a great case study.

Also, understanding how a business needs to constantly evolve and learn from the behavior of their users. After streaming, they said, 'Let's start collecting the data and see what our users are clicking on. How long are they clicking on it? When do they pause and when do they come back?' They know exactly...If you click on Netflix, what time you, as a customer, is going to log on, what is your behavior, your watching behavior. They can actually make recommendations, and not only recommendations. Now they're creating content. They have their own shows. Did you ever think that Blockbuster, or CBS, or NBC, were going to worry about, Netflix being their competitors?

If a business is constantly evolving, and learning from their data. Data has become such a critical piece, that businesses who are now watching what they're doing, what they're collecting, and constantly thinking about evolving, it will be hard for them to keep in the race ahead. It's gonna be a constant challenge for them.

Steve Sanduski: I think a lot of people understand the importance of data and data collection, but in many cases it's a big leap to go from, 'I understand the importance of this,' to 'How do I actually use this in my business?'

What advice do you have for companies that want to do a better job of collecting the data, identifying the right type of data to collect, and how do they permeate that throughout the organization, so that the organization becomes focused on collecting the data. How do you actually start using that data to make better business decisions? Maybe some practical examples or thoughts on how we can, as a company, we can start using data, collecting data, to make better decisions.

Asha Saxena: It really starts from the top. What is your strategic goals? At CEO coaching, we talk about the importance of annual planning sessions. And then revisiting them on quarterly basis. They are so important that you actually sit down and talk about, what are you trying to get to? What is your strategic goal for five years, for three years, for one year? Then visit them every quarter. Those goals will lead you to understand what kind of data you need to collect.

For an example, my goal is to really have employee retention. I want to increase my retention, year one. Every quarter I visit, what would be the project I would take. You would go back and do your payroll. You would try to understand your HR records. And try to look at the data of the employee. When did the employee join? When was the performance reviewed? What kind of happiness factor?

There's a really strong company out of Connecticut, financial services company out of Connecticut. What they do is they actually have a rating system for their employees. Where each employee would rate each other. Constantly. They collect that data to see how to keep the top employees, and let go of the 10 percent of employees who are not performing well. They keep the employees who are doing well constantly happy because, they're collecting that information, they're constantly collecting that information on how they're performing. What their peer reviews are, when did they join, how much are they paying, what kind of projects, have they met their deadlines or not? They're constantly understanding and measuring their employee behavior and performance and work satisfaction by collecting that information.

If that's your strategic goal, you pick that project. Every company has to figure out what their strategic goals are, and how to align these projects, these initiatives, to make sure that the data collection is accurate for what they're

really getting to. Where they're actually going to. Then you use the technology and deploy the technology, use the science behind it, to start giving you some alerts. Some intelligence. So that you can now start making the right decisions.

Steve Sanduski:

I remember listening to someone from Facebook one time. They talked about back in the early days of Facebook, as they were trying to increase user engagement. Your point here, just a minute ago, about, you have to identify, well, what is the problem that your trying to solve? What are you trying to optimize here? Then you figure out, well, okay, what's the data that we need to look at in order to help us solve that situation? In Facebook's case, early on, they wanted to make sure that when someone signed up for Facebook, that they immediately got engaged with the system and became a long-term, active user.

As they looked at the data, what they discovered, and I'm gonna get these numbers off just a little bit, but I think you'll get the idea. They discovered that when someone signed up for Facebook, if they ended up with 10 friends, or 10 connections, within the first two weeks, that they had a 90 percent chance that that person was going to become a long-time, engaged user of Facebook. Then what they did with that information was, they designed their whole onboarding process to make sure that you got at least 10 friends, 10 connections, within the first 14 days. It was things like, when you first signed up, they started suggesting, 'Oh, you might know this person,' or 'You might want to connect with that person.' Because they knew once you've got 10 people, all of a sudden, your Feed, became filled with people that you wanted to follow, and you became an engaged user.

I thought that was a pretty good example of trying to identify a problem that you solve, which was user engagement, and then redesigning your systems to try to optimize for that outcome.

All right. Are there any other things that we need to be thinking about as business leaders, as CEO's, when it comes to big data, and data analytics, that we can use to help us build more successful businesses?

Asha Saxena:

I think that the three elements, as we talk about building a business, is really building any initiative right. You want to make sure that you have the right people in the right seat. When your doing any data initiative, that your aligned to your strategic goals. You have to make sure that your measuring it, constantly, and making sure that you are pivoting if you have to pivot. You have to be agile in your methodology. I would say that the number one thing is people having the right people. Number two is the process of... making sure that you have the process of executing and also have agility in the process to make sure that you can pivot or change. And the last thing is the technology. Technology is the easy part. Making sure that you have the right technical software technology, or hardware technology, or the science behind it, or the behind it. To make sure it all works well.

It really starts from always having the right people in place, and then focusing on the processes, and then lastly, the technology.

Steve Sanduski: Let me ask about that third one, the actual technology. What type of systems should we be using? Are there a third party, software packages, for example, that a company can purchase and install to help collect the data? Or do we need to design homegrown systems because every company is unique and they've gotta create something specific for their company to capture the data? What should we be thinking of in terms of the software and technology that we use to capture this data?

Asha Saxena: It depends upon what the problem is. I'm always gonna go back to the question. What is your question? If your question is that, 'I want to just capture the sentiment of my employees', is there a technology available outside or can you just start with just simply collecting the data and doing basic data collection by having a form? Surveys.

You can start with something simple. Do you have data already stored in your databases? My employee information, the raises and when they leave. You can just go back through your basic databases and start seeing, what are the trends? Every two years, I lose an employee with this kind of characteristic. I'm starting a business model, which needs analytics, cause that's what I'm selling. Now your talking. Technology has number one priority. It depends entirely upon what your goal is. I always talk about, a lot of time people say, 'Tell me about the technology.' Your focusing on the wrong thing. Lots of technology is available now. You want to become a scientist and you really want to sit down and really work with data, and that's all you want to work on.

You can start creating, you can start building data legs. Get into lots of higher programmers and start creating some fancy algorithms. But technology is only an enabler, and you end up spending so much money on technology because you're not focusing on the right.

I would say, focus on what the problem is. Start with something small. Create small wins. Then worry about the technology. Don't worry about technology because there's a lot of options. There's tons of options. You can buy it, you can build it; depending upon your problem.

I would say tell me the problem, and I'll tell you what the right technology would be.

Steve Sanduski: Okay.

Well let's switch gears here a little bit. Let's have you take a look back over your career. You've had a number of companies that you've started, built successfully. As you look back on that, what are maybe some of the key lessons

that you've learned throughout your business career that someone who wants to continue to be successful in their business can really benefit from?

Asha Saxena:

The key learning I would say is that, constantly keep evolving. It's so much easier when your making money. I would say that, I've had those spurs in my businesses, when we were growing a lot. We were just 100 percent growth every year for five years in one of our businesses. What happens is you start taking off very important things, like, people. You are so busy collecting these projects your working on, and you are so excited about the growth your having in your business, that you start hiring people who are probably not the right people, because you really need people to execute on.

The biggest lesson I learned was that, never sacrifice on people. They say hire slow and fire fast.

When your company's growing really, really fast, it is so hard for you to take your eye off the growth, and start focusing on, 'Am I getting the right people or not?' You just start hiring people because you need to fill the jobs. Then you keep waiting because you say, 'It's gonna work out. I can't fire people right now because I have so much to deliver.' You forget about the fact that your sacrificing quality, and it's gonna hurt your growth if you don't have the right people. I tell you, I heard it 100 times from everybody. I really couldn't understand it until it started hurting me. Number one thing is people.

Steve Sanduski:

Let me ask you this then. When you're in that super hyper growth mode, like your describing, and you said that maybe you let your standards down just a little bit, in terms of the quality in the people that you hired, looking back, would you ever advise a company, if they're in that situation, to say, 'Your better off purposely slowing your growth. So that you can continue to hire quality people.' Or would you say, 'Hey, you just gotta power through it. If you've got an opportunity to grow 100 percent per year, you need to go for it and your probably gonna drop a little bit on the quality of the people, but better to sacrifice the quality of the people a little bit, and still have 100 percent growth, than to have maybe 50 percent growth and quality people.' Is there some line there that you can walk? What are your thoughts on that?

Asha Saxena:

One of my favorite books ever is 'Great by Choice'. Jim Collins talks about this in that book, beautifully. Talks about, and every time I listen to that book, it just makes me kick myself because I focused on growth so much and I didn't focus on the people.

The book talks about having a steady growth because if you have a steady growth, your a long-time runner, instead of just focusing on growth. I would 100 percent recommend...focus on quality. Focus on having a steady growth. Don't go on taking everything and anything. Make sure that you expert and never sacrifice the quality because that will come to bite you eventually. Really, really focusing on making sure it's a steady growth. Your focusing on quality, your

focusing on your customer, and your people. Two very important elements, and I repeat again, that technology can come later. Processes come next. But really, the most important thing is, never take your eye off your customers. Service your customer. And service your people.

Best serving your customer will bring you money. Servicing your people will let you keep that money. But if you don't have the right people, the money will go really fast. And if you don't service your customers, they will go really fast. Keeping, making sure, that your keeping your eye on servicing customers and people, and then building processes around that, and then worrying about the technology. Making sure that you are using and taking advantage of the data and technology, and the science behind it, to excel. Start creating innovation. Like in the example we spoke about, like Netflix.

There are tons of examples like that. There are whole new business models created based upon understanding your data well. Like Uber, or Airbnb. There's...Amazon really understands their customer well. Keep that business model but as soon as you take off your eye from the customers and from the employees, it'll start hurting you.

Steve Sanduski: Yep, excellent advice there. Now you recently joined CEO Coaching International as a coach, so what prompted you to start with CEO coaching as a coach?

Asha Saxena: I've built several companies, I've been entrepreneurial resident at Columbia Business School, and now I'm a professor, teaching Graduate students about entrepreneurship. I've been coaching a lot of CEO's, who are alum of Columbia Business School. What I realized is, as I share my knowledge, I feel that I'm blessed and feel very grateful that I'm at a position where I can actually share my knowledge.

How many businesses or how many professions you can go back and start coaching? I feel that being an entrepreneur, that I can go back and share my knowledge and coach entrepreneurs, and help them succeed. That is the most gratifying, fulfilling feeling and when Mark came to me, and started talking to me about what he's doing, and what the coaches at CEO Coaching are doing, it just made me feel home. It made me feel like it was the right thing to do at the stage of the career I'm at. Giving back is really and seeing others succeed and other entrepreneurs who are struggling and doing the similar kind of mistakes I've done already, it makes me feel good that I can maybe save some people to not do the same mistakes I've done already.

Steve Sanduski: We are really excited to have you apart of the team so it's great to have you here.

Now let's wrap up here with just a few rapid-fire questions. The first one I'd like to ask is, name maybe one, two, or three of your personal core values?

Asha Saxena: I strongly believe in integrity, and passion is really important. But more than that, my core value, number one, is life-long learning. And evolving. Because I think if you don't evolve and you stagnate, you'll die pretty quickly. So, I would say keep learning and evolving is what I strongly believe my core value is.

Steve Sanduski: And then, you mentioned earlier, Jim Collins, one of the books that you read or reading, is there another book that you're reading right now that you would recommend?

Asha Saxena: Jim Collins, 'Great by Choice,' is my favorite book of all time. You read books and then you go back and say, 'I want to read that book again.' Actually, I picked up this book yesterday. 'The hard thing about hard things.' Fabulous book. I read a few years back and I said, 'I have to go back and listen to it again.' I'm completely enjoying reading that again.

Steve Sanduski: Is there one thing, I think that was written by Ben Horowitz, is there maybe one thing that sticks out in your mind from that book that you're thinking about?

Asha Saxena: Just the whole journey of Ben Horowitz, about the struggles, from the very beginning till the end, I feel like when he's telling the story, I feel like I'm with him. I feel the pain constantly as he's going through it, so tons of learning. I just picked it up yesterday so just starting again. But I'm just looking forward, reading it again.

Steve Sanduski: Exciting, great. Now how about one leadership trait that brings success, and along with that, one leadership trait, that might kill success?

Asha Saxena: I think as a leader, you have to constantly be on top of your game. Making sure your learning and your doing good. I feel that hard work, learning, and doing good always brings success. If it doesn't bring success now, it'll bring success later, but there's tons of learning. The success might look different but there's tons. Keep doing the right thing, you build a reputation, you build a brand, and you can constantly keep learning. Your enabling yourself to evolve.

And what kills is being stagnant. If you are not doing any of those things. Your not learning, your not growing, I think it affects not only your business, you as a person on a whole.

Steve Sanduski: All right.

The last question here, it's actually a sentence. So I'm gonna start the sentence and I'd like you to finish it.

The sentence is: 'What I know to be true is...'

Asha Saxena: Good work, hard work, and passion never failed you as a person.

Steve Sanduski: Excellent. I really appreciate you taking some time here, Asha, to be with us today. Some great advice and tremendous experience that you are able to share with us and welcome again to CEO Coaching International.

Asha Saxena: Thank you.

To inquire about our coaching services and programs, please call **1-866-622-9583**.

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