Top 10 analysis tips

The top 10 tips have been adapted (and added too) from a talk on you tube called
"Data Analysis - 10 Things I Wish Someone Had Told Me about Data Analysis"….the speaker is Mike Sherman who has an MBA with High Distinction from Harvard Business School and Bachelors degrees, Magna Cum Laude, from both the Wharton School and College of the University of Pennsylvania

https://www.youtube.com/watch?v=e0Q7SIj2y4I

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1. Be modest

"There will be less than 1m cell phones in the world in 10 years"

Mckinseys 1983

Don't assume anything, let the data lead you to the answer. Don't predetermine the answer you might be wrong.

2. The Jerry Maguire concept

Show me the money! If this is not going to create value why are you doing the analysis? Really pressure test what you are going to analyse - what benefit it will create before you do it?

3. Hypothesise for focus

Don't try to analyse everything. Drive focus by developing a hypothesis you can test. Ensure it is;
- Testable
- Flexible (or you will not learn anything new)
- Clear and simple

4. Correlation does not mean causality

Just because two things correlate it doesn't mean there is a link. Sales are often said to be down because of the weather – although really is that always the truth?

5. What's the problem...?

Are you clear what the analysis is for? what problem will it solve? Is the request really clear? A simple technique is to question "the person requesting the analysis" to really understand what they are after, then relay it back to them and ask them to confirm.

6. Too much data, no judgement

What is the conclusion of all this data and what are the indicated actions? Move away from a mechanical explanation of the numbers, instead provide a perspective of what is happening, interpret the data, bring in further sources of data where required....generate insight.

7. Say the simple

When analysing, state the obvious , don't over think it!

8. Context

When analysing, consider the wider context. Sales may appear to be in massive growth year on year, however this may not have been caused by an increase in sales, rather than an event effecting sales last year.

9. Business significance <u>NOT</u> statistical significance

Statistical analysis has its place, although having lots of "statistics" is not useful if it drives no business significance (value)...does it answer the problem you are trying to resolve?

10. Clear communication

If you have the best insight, it will never be heard if you cannot communicate it in a simple and clear way.