

HOW TO USE DATA TO TAKE BUSINESS DECISIONS

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BRADLEY HOWARD (BH): Hello everyone. I'm Bradley Howard and welcome to a new episode of Tech Reimagined Season Two, where it's all about the big questions around technology and industries that are impacting our lives. Today's big question is how to use data to take business decisions. And I'm happy to have again with me the brilliant Guy Kawasaki. Guy, can you introduce yourself, please?

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GUY KAWASAKI, CHIEF EVANGELIST - CANVA (GK): Sure, sure. I'm Guy Kawasaki. I am the Chief Evangelist of Canva. This is a Sydney-based graphics online design service. I'm also the creator of the Guy Kawasaki Remarkable People podcast, and I want you to know, because you're in the UK, that my very first guest was Jane Goodall. So, it's hard to top that as your first guest. Anyway, in a prior life, I was Chief Evangelist at Apple. I was on the Board of Trustees of Wikipedia, and I was a Mercedes Benz Brand Ambassador. So that's who I am. Oh, I also wrote 15 books along the way.

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BH: Well, thank you very much for joining us and look forward to the conversation. So to start things off. Can you tell us what key data driven decisions you've taken in the past at any of those previous companies?

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GK: Well, you know, I'm so old, Bradley, I think it may have been before data, you know... nah, I mean, in a more semi-serious answer. Back then, this is '80s, '90s, 2000s, the way data was approached was primarily, to use a metaphor, looking at your rearview mirror. So you would look at, you know. Let's say it's June 9th, all right, so you look at the May sales results and you say, well, Widget A sold well, Widget B didn't. You know, EMIR did well, North America didn't, you know, and all that. You'd look at all that and you try to make some kind of decisions for the month of June and it's already June 8th. And so really, that's what it was like. It was like looking in your rearview mirror. And we are in a vastly different place now. So first of all, the data is more or less real time. Right. So you look at yesterday's sales results not last months after the auditors have gone through it. And the other thing is that I think that trend analysis and pulling out information is much, much better. You would think with all this power, business would be run better, but that's a different question. So I in fact, I almost might make the case that some of this has become where data may be a god or goddess, that we worship too much, and that, in fact, there is still a very powerful place for intuition and luck, quite frankly. So let's not get too data driven and let's get data advised, if you will.

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BH: Interesting insight there. So you work with lots of different companies. How do you see the difference between established companies using their data compared to more modern companies like Canva using data?

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GK: Well, you know, an established company and let's say it's a Footsie or a, you know, Nasdaq or NYSE company. I mean, those are established businesses, right? They know what's going to happen, at least for the next few months. Now, they maybe get blindsided by a new trend and get wiped out. But you know that is a different discussion. That is just lack of intelligence or bad luck or lack of perception. But, you know, in these large companies, it's fairly predictable. You work on

version one, then version two, then version three, etc, etc, whereas a startup, a startup is faking it until you make it. It's making things up as you go. It's wishful thinking. It's blind, dumb luck. It's a very, very different world. And so if you're an entrepreneur and you're listening to this, you know, one thing I would like you to delete from your brain is the concept that a startup is a small, big company. A startup is not a small, big company, a startup fundamentally doesn't know if its product is going to sell, how to make its scale, how to make money at it, all this kind of stuff. So you're not a small, big company. You're a completely different beast and you need to approach life that way.

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BH: Wow. So what do you think the main things that any business should consider when collecting data, organizing or transforming it and then using that data to make business decisions?

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GK: Well, in a sense, the end does not justify the means. So and by this, I mean don't go overboard and get too good at collecting data to the point where you're violating privacy because, you know, you may throw out the proverbial baby with the bathwater. And I think you see this kind of classic fight going on right now between Apple and Facebook, right. So Apple is saying, you know, "we're not doing screwy things with your data". And Facebook is saying, well, Facebook is not saying "we are doing screwy things with your data", but they're certainly philosophically far away from Apple, right. Those two companies in terms of data. And that's an interesting thing right there, that, you know, marketers are always looking for some really simple way to position yourself away from your competition.

One simple way for Apple to do it now is, you know, we're the company, unlike Google and Facebook, that believes in protecting your privacy. I mean, it's kind of a black and white thing, right. And, you know, and if you drill down on one level, it's like, all right. So, you know, guess what? At Apple, we sell you phones and computers. We're not trying to sell your data to someone who's trying to sell you a new kind of vitamin. So that's a very interesting and easy way for people to understand the difference. So to get back to your question, first step is, you know, I think a very good moral high ground, assuming you're not a you know, assuming you're not a psychopath, is that you should treat customers the way you would like to be treated and if you want your data preserved and private, then you should do the same thing with your customers' data, so, you know, don't ask them to give you a credit card where you wouldn't give a business a credit card. And that's just a very good sort of moral compass for companies.

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BH: Well said. So Guy, do you think that there's a problem with businesses becoming too dependent on data?

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GK: Yes, absolutely. I think we can easily start worshipping a false god or a false goddess called 'Data', where we think that everything is a one or a zero and everything can be understood and proven, etc, etc, that many, many business decisions, especially good ones, are made on intuition. And, you know, there was no - especially when you want to jump to the next curve. So I don't think that there was any proof that people would like a Graphical User Interface. I don't think that there was any proof to Kodak that people would not want a digital camera. So one of the yes, you can use all the data you want. That is one source of information. It's not the only source of information. And one thing that I learned in my career is that people cannot tell you how to truly revolutionize a business, they can only tell you in terms of what they already are getting from you.

So if you asked if you asked an Apple 2 owner in the late '70s, early '80s, what do you want from Apple? Guess what they would have said, better, faster, cheaper Apple, 2. If you ask the Kodak customer in 1975, what do you want from Kodak, they would say, oh, deeper, richer reds in Ektachrome. You know, no one would have said, I want a digital camera. I don't want to use film. No one would have said I don't want an Apple 2 anymore, I want something with a mouse. I want Graphical User Interface. I want WYSIWYG printing. I want WYSIWYG display, because no consumer in the world, maybe except somebody who worked at Xerox PARC could have described that. So what data could have told Steve Jobs to make a Macintosh with a GUI. What data could have told Kodak to make a digital camera? And that's where the big bucks are made.

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BH: And I think it's fair to say that you became famous for your stints at apple. So what would your advice be to someone starting in Apple in the marketing team today?

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GK: Well, I have not worked for Apple for over a decade, so it's not clear to me - I could give you good advice and giving you all the caveats right before somebody says, oh, Guy said to do this. But I think that the person who works for Apple to this day has to have a love of products, has to have a love of products and fundamentally believes that the world can be a better place. And that there - maybe not everybody, but there are enough people who appreciate design that you can build, in Apple's case, a trillion dollar company based on design.

And so I think it should be people who, you know, they could maybe this is too harsh a test, but that they could – only, if you took all the computer companies right and you sent your resume out to all of them, and considered working for all the computer companies? The kind of person who should work at Apple is the kind of person who could only work at Apple. That they could not go work for Lenovo or Hewlett-Packard or Dell or we're running out of manufacturers these days.

But, you know, I mean, it's I guess I'm saying that you shouldn't, like I could not go work for Dell. Right. I, I just don't believe in Windows. I don't believe in that. So it's a religious issue for me. And I think that's the kind of employee that should go to work for Apple because you love iOS and you love Macintosh and you know, your conscience would not let you sell Windows and Androids.

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BH: Yeah, and today, sticking with the marketing theme today, do you see any differences between B2C and B2B marketing? Because they definitely feel like they're converging.

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GK: Yeah, I was just going to say, I mean, you know, it - I think it would be a wiser assumption to think that good marketing is good marketing because the... I hate when you go down this path of, well, you know, B2C is consumers. So, you know, they want to be influenced by Kim Kardashian. And maybe we can get Meghan Markle to, you know, endorse our stroller, but B2C, oh, no B2C, we have to show our ROI and we have to show privacy and safety and diversification in our workforce. I think that is a very dangerous thinking on both sides, that the B2B is probably more susceptible. That's a bad word, but more influenced by social media than you might ever think. And I would also say that in B2C marketing or smart consumers, sophisticated consumers are just as smart and just as careful and just as concerned about something that a B2B consumer would be. That would be a better assumption, just, you know, raise the bar for yourself.

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BH: So bringing all these different topics together, how do companies find a balance between gathering useful customer data and then creeping customers out by storing too much data?

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GK: That is a hard question. I mean, you know, again, if we can make the assumption that people aren't psychopaths in your company, they could just apply this test of, you know would I want a company storing my data? This, you know, this kind of data from me, that would be a good test. Luckily, there are, you know, a lot of regulations. You know, maybe a good metaphorical test would be imagine that you're making these policies about data collection for your company, right, and you get called to testify before Congress. So are you doing anything that you would not like to have to disclose to Congress? That would be a pretty good test. So if you're doing something that you would, you know, you would be going like this, what should I say, what should I say to counsel? You know, your little moral beeper should be going off. So I guess pretend that you're going to have to be explaining this to Congress someday.

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BH: I love that role playing. Well, thank you Guy for joining us today. It's been an absolute pleasure, again, to have you on our podcast and pick your brain on how to use data for business decisions. I'm looking forward to all the things that are coming our way. To all of our listeners, hope you had a great time with us today. Please subscribe and join us again next week for another episode of Tech Reimagined. Thank you.