

INSIGHT DOCTRINE: Insight Drives Operations

Stephen J. Davis

A leader of corporate strategy and turnarounds within major corporations and a military officer with national policy, international, and combat experience discusses the nature, theory, and practice of delivering insights to drive performance and reduce risk.

Nature of Insight

To develop effective insight, we must understand its nature, purpose, characteristics, and relationship to leadership. The result is a **theory** and **practical** philosophy for insight, the cornerstone of which is the admission that modern business requires a firm focus on the *environment, competition, consumer and customer*. Any leader is not so

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much more brilliant or experienced than the other. Rather, it is the leader with a better appreciation of the factors impacting their business that is the most successful and effective. To that end, *insight is inseparable from executive leadership, general management, strategy, planning, and operations*.

The **purpose** of insight is to both *precede and support* the executive leadership and general management *decision making* process. Its two objectives are to provide accurate, timely, and *relevant knowledge* and to support decisions by *reducing*

uncertainty. Four related tasks include identifying *options*, evaluating *courses of action*, identifying *vulnerabilities*, and *protecting* the organization.

Insight is *defined as knowledge regarding the environment, competition, consumer, customer and the pace of change regarding the same*. Insight is distinguished from data or information. While data and information are important precursors, both represent material which naturally varies in its relevancy and accuracy. Further, insight is not performed for its own sake, but as the *basis for action*. Insight that is not acted upon, or does not provide the potential for future action, is not valuable.

Insight is both a **product** and a **process**. It is a piece of knowledge or *deliverable*. It is also a set of *procedures* resulting in that product or deliverable. Similarly, insight serves all *domains*

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(enterprise, business, channel, functional, field), *processes* (strategy, planning, governance), and *levels* (strategic, operational, tactical) of an organization.

Perception often suggests insight is a highly **specialized** field, shrouded in secrecy, and isolated. Four reasons for this include the fact that insight is much *less concrete* than knowledge based on internal information, that it employs

specialized techniques, often involves privileged or role-based *access*, and because organizations have periodically to often kept insight in a supporting and reactive vice *proactive* and leading role. While insight is a specialized function it should not be construed as the exclusive province of insight professionals.

Good insight begins with executives and general managers clearly identifying their **insight concerns**. If leaders have questions about the organization's situation, they can usually obtain answers directly from the principals involved. For several reasons, this is not the case for questions concerning the environment, competition, consumer and customer. First, '*friction*' and '*fog*' arising from the characteristically fast pace of business operations make it difficult to develop a coherent image. Second, the amount of information *available* will be *limited*; that is, the information collected will normally be less than what we want. Third, our *ability to collect* insight usually exceeds our ability to produce it. Fourth, our ability to *produce* is greater than our ability to *interpret* and provide a coherent image. Fifth, our ability to *understand* the current state is greater than our ability to *estimate* the future. Additional difficulty and complexity arises since insight deals directly with independent wills and, ironically, may actually invalidate itself.

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A natural state of **uncertainty** limits what executive leaders and general managers can reasonably expect from insight. Insight may be incorrect sometimes and incomplete at others. Therefore, *insight can reduce but never eliminate uncertainty*. Still, we can and should expect a great deal from insight. Despite a high standard for depth, accuracy, and timeliness, insight can meet expectations when properly *focused* and given adequate *time* and *resources*.

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Insight has benefited greatly from improvements in information gathering, processing, and dissemination by benefit of a host of tools, methods, databases, and communications **technology**. That said, technology has its shortcomings and is subject to technical and non-technical failure. Systems accelerate the speed and depth of discovery. However, as people represent the strongest accelerator and limitation to insight, the human factor remains paramount to maximizing the benefit of insight.

Insight Theory

Understanding the nature of insight leads to a **process** that underpins an effective insight system. This begins with what we *want to know*, including *measurable* things as well as less quantifiable, more *subjective* factors. Seeing the situation from both a quantitative and from a qualitative perspective is particularly important when considering an environment, competitor, consumer, or customer substantially different than ourselves. To that end, understanding *capability*, *intent*, *centers of gravity*, *critical requirements*, and *critical vulnerabilities* are particularly important.

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Good insight meets seven **criteria**. While these criteria are not meant to serve as a checklist they do describe general characteristics of good insight. *Objectivity* means insight is free of bias and distortion. *Thorough* means it satisfies stated requirements. *Accurate* means it should be factually correct. *Timely* means it is presented to leaders in time to impact decisions. *Usable* means it appears in a form easy to assimilate.

Relevant means it supports leaders planning and decision-making needs. *Available* means it is accessible to appropriate leadership and staff.

Different **classes** of insight provide increasing levels of understanding. *Descriptive* insight explains existing and previously existing conditions. For example, What conditions currently exist? What can the competitor do? What does the customer need/want? Basic insight and current insight represent subsets of descriptive insight. *Basic Insight* is general background information about established, relatively constant conditions. It is encyclopedic in nature, the easiest to gather, and tends to be the most accurate and reliable. *Current Insight* focuses on describing the existing situation, considers more changeable factors than those addressed by basic insight, and is more time-sensitive.

Estimative insight attempts to anticipate future possibilities, probabilities, and developments. To do so it leverages all previous types of insight and past events to anticipate and assess outcomes. Estimates are the most demanding task of insight. Estimating capabilities is largely a matter of interpreting facts and inherently involves determining intentions beyond the capabilities discovered by descriptive insight. This is particularly important since intentions are normally the product of thought processes, values, and cultural norms different from our own.

Naturally, this presents the problem of **interpreting**, or making inferences from, the information we collect. This involves signals, noise, judgment, and mindset. *Signals* refer to those pieces of information leaders receive that lead to valuable insight. *Noise* refers to pieces of useless, false, dated, inaccurate, ambiguous, misleading, or irrelevant information. However, noise can also be caused by data and information itself or by an individuals' or organizations' own lens, agenda, preconceptions, or bias. Interpretation is the central moment when judgment is required – something insight systems and capabilities themselves cannot replace.

More specifically, *mindset* plays a role in both judgment (a particular moment) and insight (the process of discovery and delivery). As a set of assumptions, biases, preconceptions, or ‘lenses’, a mindset reflects a preexisting image of what is reasonable. As such, mindset can both support and unravel insight. Every individual and organization has a mindset, sometime unconscious, so providing unbiased analyses are important to uncover and guard against unwarranted preconceptions.

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Insight serves all **levels** an enterprise – strategic, operational, and tactical. *Tactical* insight concerns itself primarily with location, disposition, and capability of entities that are specific and local. *Operational* insight pertains more broadly to the nature, capability, and intentions of

entities within a business or enterprise’s markets and core industry. *Strategic* insight is broadest in scope and addresses the factors needed to formulate a vision mission, strategy, roadmap, and various capabilities required to deliver on the same. In that context, any employee, manager, and leader should be in the practice of thinking ‘two levels above and two levels down’ from their primary span of control.

A business’ or enterprise’s insight effort begins with receipt of the *leader’s mission* and vision. To that end, insight **requirements** - questions about the environment, competition, consumer and customer – are established in a *limited* and *prioritized* set to ensure answers provided will drive leaders’ decisions. *Priority*

Insight Requirements (PIR) are insight requirements associated with a decision that will critically affect the overall success of the leader’s mission and key goals or outcomes. Following this prioritization, information should come from a wide variety of sources. The most effective insight operations employ all information sources, organic or inorganic, appropriate to the nature of the PIRs.

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Insight performs six specific **functions** in order to *provide knowledge* of and *avoid* risks regarding the environment, competition, consumer and customer. First, it supports the *formulation* of the leader’s estimate of the situation. Second, it *develops* the situation, providing continuing knowledge of unfolding events. Third, it provides indication and *warning*, lessening the potential for surprise, and challenging or confirming assumptions. Fourth, insight *protects* information through confidentiality, which prevents disclosure to competitors, and privacy, which protects clients’ and customers’ information. Fifth, it supports *targeting*, the acquisition of knowledge regarding wants, needs, attributes, personas, and obstacles regarding the same. Sixth, insight provides an *assessment* regarding the effects of decisions made and actions taken.

The insight **cycle** describes the sequence of activities involved in developing insight. *Planning and directing* focuses on determination of insight requirements and assets. *Collection* uses organic, attached, and supporting assets to gather information. *Processing and Exploitation* converts raw data into a form suitable for production. *Production* converts data to insight via synthesis, analysis, and interpretation. Production arranges insights into a coherent image and adds meaning. *Dissemination* is the timely conveyance of insight to those who need it. Utilization leverages insight for decision and action.

While no part of the cycle is more important than the other, prioritization and utilization are where insight delivers the most value. Both are as much a function of *governance, leadership, and culture* as they are the quality of insight itself.

Creating Effective Insight

With an understanding of the nature and process of insight, we can describe the **characteristics** of effective insight. That is, ‘what good looks like’. Or, *‘how we create it’* within an enterprise, business, or organization. The central challenge of insight is that it is not knowledge for its own sake. Rather, insight is knowledge for the purpose of a leader’s decision-making needs. Insight should be directly *connected to action*. A second challenge is that insight *reduces uncertainty*. That is, insight deals in estimates and probabilities rather than certainties. We *synthesize* disparate information, attempting to create *identify* environment, competitor, consumer, and cus-

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tomer centers of gravity, critical vulnerabilities, and critical requirements that leadership, general managers, and businesses can exploit. This includes *tangible and intangible* factors as a means to creating coherent, meaningful images. As such, insight is *no guarantee*. It merely makes decisions better than the bias and heuristics that are normally in its place.

Creating effective insight is an inherent and essential responsibility of **leadership**. Best practice demands a chief executive and general managers be *aware* of insight capabilities, the conduct of insight activities, and provide *guidance* and prioritized requirements to drive collection, production, and dissemination. Similarly, the insight process ends like it begins. While the senior insight leader is *responsible for a cogent and well-founded recommendation*, it is the general manager who ultimately determines the meaning of the insight provided and *how to use it*. The best leaders do not merely listen to insight as a point of interest. They leverage it fully to shape their mindset, drive their actions, support subordinate businesses, and develop, train, and supervise employees.

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The **relationship** between the *Chief Executive and the Insight Officer should be as close* as that between the executive and his/her consigliere', Chief Administration Officer, or Chief of Staff. A leader must provide the *guidance* and supervision necessary for the insight officer to support them. At the same time, the insight officer should be given *sufficient latitude* for initiative, for challenging the status quo, acting as a trusted advisor due to the unique, close, and broad

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view of factors that impact the enterprise. Naturally, this *relationship can be difficult* to establish and maintain. Knowledge workers and operators, strategic leaders and operational leaders necessarily have *different experiences*. Here, the Chief Executive, executive leaders, and general managers should promote an environment of cooperation, professional support, and mutual respect between themselves and insight personnel and identify rhythms and reviews that compel their business owners and supporting staff to do the same.

The relationship between insight and **operations** should be as direct and close as between the chief executive and insight officer. This close working relationship helps *translate strategy* and plans into day-to-day operations while basing the same in the *most crucial* information regarding the environment, competition, consumer, and customer. *Neither operations nor insight function can perform effectively without the continuous cooperation of the other*. Still, the insight officer should cooperate fully with the operations officer, not develop a personal stake in a particular course of action, and *be prepared to support* operations and leadership when decisions are periodically made that are seemingly contrary to insights, estimates, or assessments.

The position of an insight officer is one characterized by **moral courage**. Regarding daily duties, the insight officer is *not simply a researcher* waiting for a task. Awareness of factors that impact the enterprise can and should compel a proactive approach. Still more, an insight officer must never lose their *objectivity*. The executive and the insight officer may not always agree. As such, an insight officer must be prepared to provide a fact-based, tactful representation of assessments, even *under duress*. Similarly, leaders should exercise caution and not judge the effectiveness of insight by how accurately it has predicted reality. Leaders must realize that insight is the business of estimates, not merely to provide "safe" facts and opinions.

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The direct **connection** between executive leadership, general management, insight, and operations results in insight *shaping* and even *driving* the course of strategy, planning, and operations. Insight operations seek to uncover environment, competition, consumer, and customer impacts and, more specifically, competitor vulnerabilities and consumer and customer needs. Opportunities identified by the insight effort are used to

develop business models and concepts of operation during planning and are used to develop specific tactical actions during execution. Effective insight guides us towards competitor weaknesses and consumer and customer needs rather than forcing us to operate against competitor strengths and without knowledge of what people want.

Despite the individual responsibilities of executive leaders, general managers, insight officers, and analysts, insight is a **team** effort. Nearly *every employee*, regardless of specialization area, has *occasion* to observe significant facts, especially about the consumer and customer. To that end, we should also realize that *insight is something generated through our own efforts. It is not a natural occurring phenomenon*. It requires solid headwork, leg work, and we should aim to become self-sufficient in our ability to generate insight.

Insight assets are always limited. As such, leaders must concentrate insight operations on those critical requirements upon which mission success depends and prioritize accordingly.

This approach to insight calls for **balance** in a number of areas. We should gather information from a variety of *sources*, leverage those sources for *complementary* or *dissonant* points of view, emphasize all *phases* of the insight cycle, and balance the need for insight at the strategic, operational, and tactical *levels*. Among this balance, *focus* is equally important. Questions about the environment, competition, consumer and customer situation are nearly infinite,

while insight assets *are always limited*. As such, leaders must concentrate insight operations on those critical requirements upon which mission success depends and prioritize accordingly.

Speed is always a consideration in business. Quicker to market and more timely innovation maintains competitive superiority. To that end, insight helps generate an *operating tempo* faster than the environment and competitors in five ways. *Prioritization* establishes a limited number of insight requirements that are understood clearly throughout the leadership and management structure. *Decentralization* places insight assets directly attached to general managers and selected functional leaders. *Judgment* is improved as insight makes decisions more objective while illustrating where risk and gaps may exist. *Accessibility* makes insight available. *Form* ensures insight products are communicated in ways most readily understandable. Finally, *information management* provides institutional access.

Understanding of the capabilities and limitations of insight as well as the employment of insight assets is a responsibility of all personnel. To that end leaders and managers should be personally involved in ensuring adequate **training** time. In particular, leveraging exercises and free-play exercises creates a culture and capability where teams and staffs are familiar with using insight and conducting operations in realistic conditions and understand the balance of specialization and generalization.

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