Moving to Big Data: Organizational Strategies

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ABOUT AUCTION.COM

Who is Auction.com?

- The nation's leading ballroom and online real estate marketplace
  - Residential and commercial
  - Property and notes
- We combine the art & science of the auction process with a unique, web-based auction platform using a high touch approach to facilitate our online auctions
- We have real estate licensure in 47 states
- We have over 600 employees with offices in Irvine, New York, Silicon Valley, and Dallas
- We deliver results - we’ve sold
  - $12.9B in residential properties since 2007
  - $5B+ in commercial real estate and notes since 2009

How do we do it?

- We continuously invest in innovating our state-of-the-art technology and auction platform
- We use multi-channel marketing to deliver qualified buyers to our auctions
  - We invest $30MM in annual media spend
  - Our website delivers over 1MM registered, active users
  - We have a curated customer lead database of 4MM+ buyers
- We deliver best-in-class auction execution and closing
ABOUT SHERIDAN HITCHENS
WHAT’S DIFFERENT FROM 20 YEARS AGO

20 Years Ago

- Data in multiple places all over the map
- Data integrity issues
- Lots of data and analysis and reporting done in gazillions of spreadsheets
- “Why is it so difficult to get a simple accurate report?”

Today

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WHAT’S DIFFERENT THAN 20 YEARS AGO

20 Years Ago

- “Business Intelligence”, “Decision Support”, “The Nerds in the basement”
- A lot of data
- Technology primitive
- C-Level Nuisance

Today

- “Big Data”, “Analytics”, “Data Scientists”
- Unbelievably huge amounts of data
- Technology/Services much more mature
- C-Level Imperative
CONTENTS

- Defining objectives
- Key organizational strategies and tactics
- Thoughts for the future
- Wrap/Q&A
1996

We need one of those Web Site Thingies!
Our company must become Social!
Get me an App!
I want me some of that Big Data stuff!
DEFINING OBJECTIVES
BIG DATA IS ALL ABOUT BETTER DECISIONS

Mission:
Help make Better Decisions

- Faster
- More Efficiently
- Higher Quality
WAYS TO ACHIEVE THAT

- Supplying key tools or products, services
- Doing analyses
- Educating / Consulting
- Changing the culture
- Building capability across the company
ORGANIZATIONAL STRATEGIES & TACTICS
4 KEY ORGANIZATION LEVERS

Structure

Culture

People

Process
STRATEGIES & TACTICS: CULTURE
INFORMATION IS WORTHLESS...

…unless it has the power to change a decision
KILL “SEEKING CONFIRMING EVIDENCE”

- No more numbers just to back up my hunch
STOP HAND WAVING

- Stop meetings if the data is not there
- Call out worthless information
GET SPONSORSHIP

- Get an executive sponsor or better still more than one
CONSIDER YOUR BRANDING

- Think about the words and titles you use
- Consider this opportunity to ditch baggage associated with legacy terms
MAKE IT FUN

- Think about prediction markets, competitions, prizes
PUSH TRANSPARENCY

- Free your data to your employees
- Stop worrying “our competitors might see the numbers”
STRATEGIES & TACTICS: PEOPLE
GET INFLUENCE

- Not just technical and analytic experience, but Communication and Influence
HIRE ANALYTIC EXPERIENCE

- Don’t worry about industry experience
- Budget your time for hiring
- Understand and be prepared to pay market
TRAIN

- Training by the line for the line
- Short, bite size, relevant, frequent
STRATEGIES & TACTICS - STRUCTURE
THINK BEYOND JUST WHERE IT REPORTS TO

- No right answer to where it should sit
  - Technology, IT, Marketing, Line – Any can work or fail

- What is important
  - Clear roles, responsibilities and accountability – in and outside the group
  - Projects vs. Operational/Sustaining Roles
  - The right governance mechanisms
  - Stakeholder interaction
  - Visibility
MAKE IT EVERYONE’S JOB

- Make analysis part of everyone’s job description
MAKE THE BIG DATA GROUP ELITE

- Right Sized, High Powered
- Not a substitute for analytic capability in the line
- Doing analysis no-one else can do
- Developing the technology, Implementing it
ELIMINATE SILOS

- Avoid silos and groups operating in vacuums

- Make people work together
STRATEGIES & TACTICS - PROCESS
TREAT YOUR STACK & TOOLS AS A PRODUCT

- Resource Planning, Sprints, Scrums, Tickets, Roadmaps, Measurement, etc.
INCORPORATE INTO SPECS AND BUSINESS CASES

- No spec without instrumentation, numerical goals, objectives
- No recommendation without supporting data
Products, features, services, new lines of business do not ship/go live/launch until we have the instrumentation in place
THE FUTURE
THINK BEYOND TRADITIONAL DATA SOURCES

- Move beyond just marketing and sales data
- Other company data
- External Data
THINK BEYOND INTERNAL CUSTOMERS

- Partners
- Customers
- Suppliers
THINK BEYOND TRADITIONAL BIG DATA

- Not just statistics – use other analytic techniques
  - Linear Programming, game theory, etc.
- Qualitative Data
  - Qualitative data, and interpretation of qualitative information
- Abstract Analytical Methods
  - Scenario Analysis
“Checking the results of a decision against its expectations shows executives what their strengths are, where they need to improve, and where they lack knowledge or information.”

*Peter Drucker*
Q&A

1. Now (if we have time)

2. Office Hours:
   • Wed. 11:40am - 12:20pm, Rhinelander North (Table C)

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