Cultural Analysis & Block chain

Navigating the risk and compliance landscape

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About the author

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The Opportunity

Have you ever noticed that following poor business performance such as Deepwater Horizon, Staples and Wells-Fargo for example, that subsequent investigations always reveal that the cultural and behavioral conditions must have existed for the poor performance to emerge and become a reality?

By the time poor performance appears on a KPI, graph, or any form of traditional big data, it is too late. The impacts can only be managed be they, damage to brand, business results or compliance failures. As an analogy, it is like driving a car by looking in the rear-view mirror.
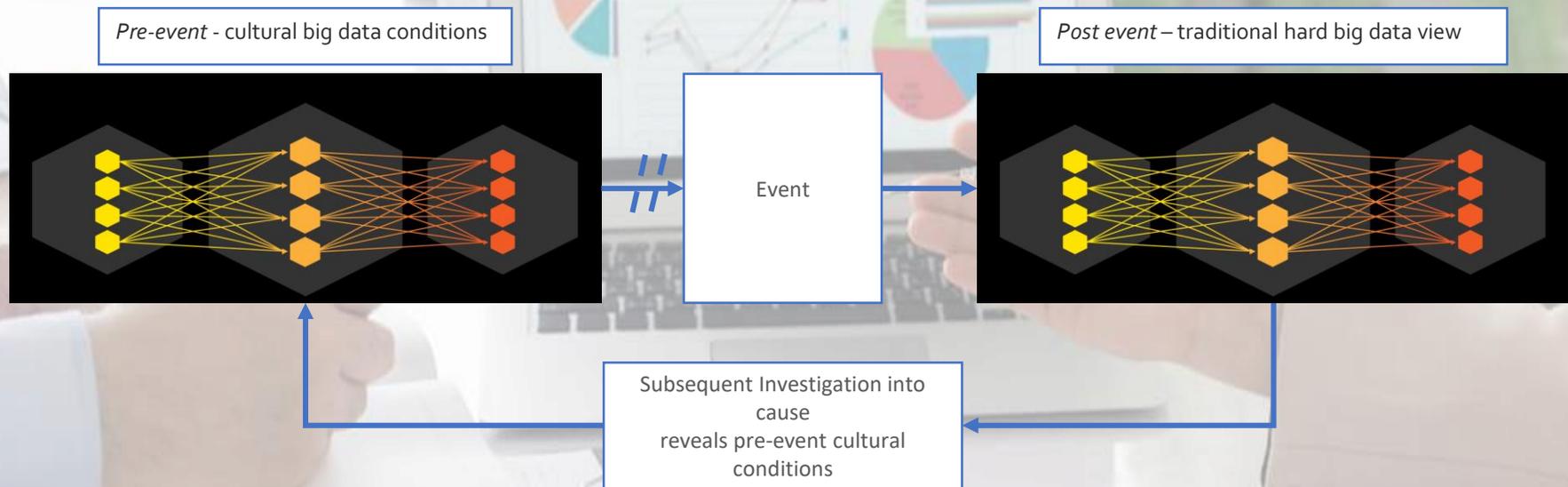
Of course, the same dynamic is happening all the time, 365 days year in every organisation in every sector across practically every product or service supplied - an ongoing uncontrolled business risk.

But how can we capture what is currently invisible? This requires a different approach simply because traditionally KPIs and numbers could not be produced from events that have yet to happen, no matter how deeply that lag-data is mined. Understanding what is visible is easy – understanding the invisible is much more difficult but quite straight forward.

But what if we could measure the impact of how people behave and from this determine the risk to poor performance before it becomes a reality!!!

The Opportunity

What is needed is an approach that puts numbers to the impact or outcome of how people behave, quantifying what is currently invisible to expose the level of risk that behavior poses to the business. Culture is truly a lead indicator of risk, this time, akin to driving the car by looking through the windscreen!

Pre-event - cultural big data conditions

Post event – traditional hard big data view

Event

Subsequent Investigation into cause
reveals pre-event cultural conditions

That is not to say that past, post event measurement techniques are not valid, just that they provide and incomplete picture of risk and performance, we need a more holistic view. One that is backward as well as forward looking to create a wider picture of performance risk.

Enter block chain & the marriage

Critically cultural and behavioral analysis is focused on what is achieved, the business benefit, not just what is delivered. What is achieved is the 'outcome', not the 'output'.

This proven approach to measuring culture requires a non-linear, omni-channel / block chain approach to the collection of data. Each channel will have a different experience of people's behaviour, at a different frequency and with different levels of impact. These experiences will also be different within the same omni-channel i.e. its complex. Consistent analysis of the myriad of human behavioral indicators exposes emerging risk to desired business outcomes. This creates forward looking big data on what is often invisible.

When this is merged with traditional backward looking big data measuring what has already taken place a holistic picture of risk is created. One based on lead and lag indicators of risk. Reliance on only one type of data will inevitably cause a performance and compliance management gap.

Combining Cultural analysis with block chain is the perfect marriage

Cultural 'invisible' big data

Hard 'visible' big data

Merge hard and soft data to form a holistic picture of risk

Application of the marriage – all most endless

Sectors being targeted or where Cultural Analysis has been delivered which disrupt existing business models include:

- Contractual obligations
- Any audit or assessment activity across any subject including supply chains
- Assessment of any business process to determine risk to business outcomes and compliance simultaneously
- Insurance underwriting and risk pooling generally
- Due diligence on commercial lending reducing bad debt and improve compliance to regulations
- Conduct and operational risks
- Supplier management
- Large projects
- Health & Safety
- Leadership, ethics.

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