

# HEADS UP

## How to Anticipate Business Surprises and Seize Opportunities First

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The Web site for this book is at [www.gartnerpress.com/headsup](http://www.gartnerpress.com/headsup)

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**MAIN IDEA**

There is quite literally no such thing as a genuine “surprise” in business. Rather, every potential disaster-in-the-making has some advance warning signs. If these warning signs can be picked up on and acted on appropriately, the disaster itself can be avoided and may even turn out to be an opportunity to grow the business.

Counterintuitively, the key to achieving this is to track less real-time data, not more. Research has shown that in any business, only about 5-percent of the available data needs to be tracked in order to end surprises and uncover opportunities. If this 5-percent slice of data – usually in the most mission-critical parts of the business – is tracked in real-time, managers will better understand what’s happening than if they attempt to monitor every conceivable piece of information. By tracking the right data in real-time, effective responses can be crafted and deployed at the most opportune moment.

In total, if managers can better understand their enterprise’s present performance rather than worrying about forecasting its future, they will drive out uncertainty and take control of their future destiny. The key is to use real-time data advantageously rather than get swamped in masses of marginal-value data.

*“The entire business world has become satisfied and complacent in using outdated and often irrelevant information when making decisions. It is time to change the prevailing culture and the processes that go along with it. Business surprises, the unexpected events that rule the business world every day, should not be surprises. The information that would allow managers to turn these currently unexpected events into opportunities is available. If managers focus on capturing and presenting material information in real time, they can put an end to the devastating consequences of business surprises.”*

– Kenneth McGee

**1. The Five Core Concepts of Real-Time Information . . . . . Pages 2 - 4**

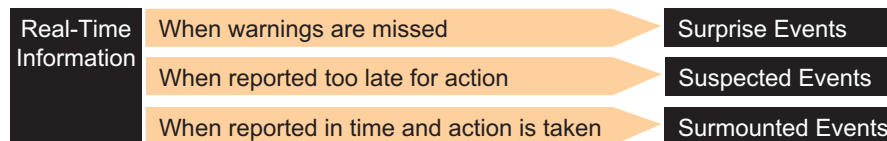
Most managers assume they need to try and forecast the future for their firms to succeed. This is incorrect. If managers would instead focus on accurately understanding where their business enterprise actually is at present with more accuracy, they would do much better. Too many managers attempt to make real-time decisions using data that is so out of date it is irrelevant.

In essence, the key to predicting the present is to have enough information to answer the question: “Where are we right now in meeting our corporate goals?”

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|-----------------------|---|--|
| Real-Time Information | 1 | The data always exists to end surprises and create opportunities |
|                       | 2 | Only a small number of factors are genuinely “material”          |
|                       | 3 | Material data should be captured and monitored continually       |
|                       | 4 | Monitoring allows a company to track its progress towards goals  |
|                       | 5 | Monitoring also uncovers unexploited opportunities of the future |

**2. Examples of These Concepts in Action . . . . . Pages 5 - 6**

Events in business come in three basic varieties, depending on what happens before the impact of an event is felt. These three types are surprises, suspected events and surmounted events. By studying occurrences of each of these types of events, valuable lessons and insights can be obtained.



**3. How to Apply These Concepts to Build a Real-Time Enterprise . . . . . Pages 7 - 8**

To benefit from real-time information and real-time opportunity detection, companies will have to make changes to their policies, practices and procedures. The ultimate objective is to become a real-time enterprise – a firm which utilizes real-time opportunity detection in all its critical business processes to monitor, capture, analyze, report and respond in real-time to all events which will impact on the success of the company.

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|-------------------------------------|---|---|
| How To Build a Real-Time Enterprise | 1 | Begin the detection of real-time opportunities                      |
|                                     | 2 | Deploy real-time opportunity detection across the enterprise        |
|                                     | 3 | Overhaul processes to improve the organization’s ability to respond |

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