

The Importance of Business Insight

Introduction

More than 2 300 years ago, classic Greek philosophers, most notably Aristotle, laid the foundation for modern business analytics through their philosophical discussions of geometric shapes. The word analytics is derived from *analutikos* which in turn is derived from *analýein* which means “to loosen” in Greek.

Modern analytics are widely regarded as being the result of Aristotle’s logic and it is generally accepted that analysis is:

“The process of breaking a concept down into more simple parts, so that its logical structure is displayed.” (Oxford Dictionary of Philosophy, 1996).

Today, this rapidly growing scientific field is dotted with terms derived from the Greek language – thesis, hypothesis, syllogism – that effortlessly merge with post-modern terms such as computer programming; machine learning and visualisation.

Add mathematics, statistics and philosophical ideas, from the likes of Boole and Hegel, to produce a science that has matured with time.

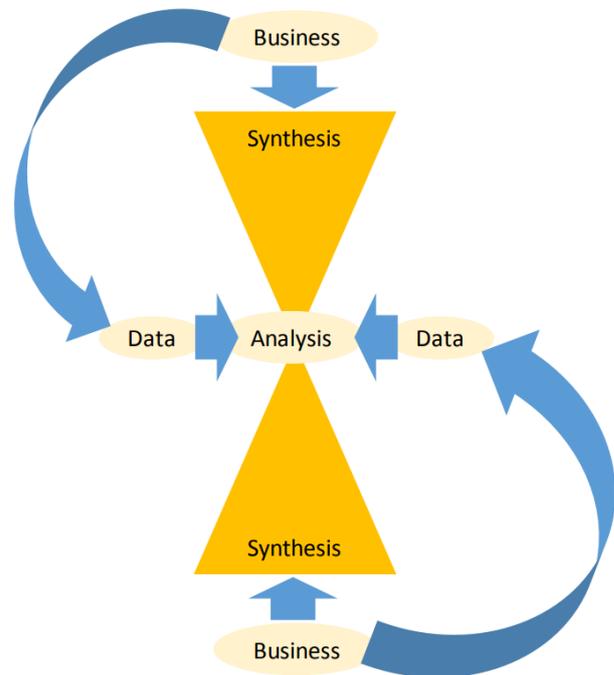


Figure 1: Data Analysis and Synthesis Relationship

Analytics are Integral to Decision Making

Business analytics allow businesses to interrogate massive amounts of data to identify trends and exceptions that either feed straight into business strategy or are first fed into predictive models that can inform business decisions. It has been hinted by Gartner that the traditional production triangle should be modified into a four-cornered shape so that Data or Analytics can be added to People, Process and Technology.

The Important of Synthesis is Often Neglected

A large body of knowledge on the analytical process exists online and, to a large extent, the various writings and opinions are aligned. However, some tend to neglect the importance of Hegel’s dialectic, especially synthesis. Aristotle also hinted at the importance of synthesis (although the term was only introduced by Johann Gottlieb Fichte in the 18th century). In *On Sophistical Refutations*, one of six books collectively known as the *Organon* (the others are *Categories*, *On Interpretation*, *Prior Analytics*, *Posterior Analytics* and *Topics*) Aristotle writes:

“Sometimes too it happens as with diagrams; for there we can sometimes analyse the figure, but not construct it again: so too in refutations, though we know on what the connexion of the argument depends, we still are at a loss to split the argument apart.”

The interpretation in this case is that analysis is worthless without synthesis. Where analysis is a path of one to many i.e. a fact or a concept broken into smaller parts; synthesis is the opposite: a path of many to one i.e. constructing a fact from smaller parts. This can also be interpreted as constructing a single result from many causes and, in business, this could mean to distil the products of analysis into a single business idea.

Synthesis and Analysis Go Hand-in-Hand

But synthesis does not only follow analysis or is the result of analysis. Synthesis also appears as a catalyst of analysis. Aristotle also wrote in Nicomachean Ethics: “Having set the end, they consider how and by what means it is to be attained; and if it seems to be produced by several means they consider by which it is most easily and best produced, while if it is achieved by one only they consider how it will be achieved by this and by what means this will be achieved, till they come to the first cause, which in the order of discovery is last.”

In this passage, Aristotle seems to describe a certain analytical method i.e. working back (or regressing) from what we want to prove (i.e. the fact, result, concept or outcome) to something that we can already prove or something that we already know. This again is the process of synthesis. Synthesis and analysis therefore are in a symbiotic relationship or even a feedback loop, if you will.

Ilion Understands the Value of Synthesis

At Ilion, we emphasise synthesis and analysis in equal measure. We believe, like Aristotle, that analysis without synthesis has no meaning. Synthesis comes from an intimate understanding of the business, its environment and its performance drivers.

- It allows us to interpret business problems by posing relevant questions.
- It allows us to understand the data that feed the analysis.
- It allows us to interpret the analysis and report it in such a way so that makes sense to business.

Proposal / Call to action

Ilion are looking to help financial services organisations optimise their return of investment in data centred around financial products and services. Our executive team have extensive experience in financial analysis for banks, credit risk and stress testing and data management. We see an overlap in these areas that provide a sweet spot for a return on investment made.

When you are working on your next financial analytical undertaking, please don't hesitate to call us. We would be happy to help to find a solution that is optimal for your organisation.



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