



MANAGING SIDEWAYS

A Guide to When Things Go Wrong

The simplest example of probability is a coin toss. There are two possible outcomes: heads or tails. So the probability of any given toss coming up heads is one in two, or 50%.

Most people working in market research almost always succeed in their project work. For the sake of illustration, let's say a market researcher is extremely competent and has a 99% chance of completing each project successfully. If this researcher completes twenty projects per year and has a career of five years, the chance of completing all projects successfully is only about 36% (99%¹⁰⁰). In other words, even with a near perfect record, he or she still has a 64% chance of screwing up at least once. The likelihood of failure only increases as time passes.

Over the course of a career, it is almost inevitable that some project will go sideways. Both the client and the researcher will always hope that this project isn't the one. But sometimes we just flip tails.

This piece is a guide on what to do when – not if – a project goes sideways. I will present an anecdotal project, the result and the response.

SIDEWAYS - THE STUDY

This case involves a large corporate product study. My company acted as the statistical consultants once removed from the end client. Our client, a hip Manhattan branding shop ('Cool'), has decided that we would have no direct contact with the corporate clients. We'll call our direct client, the project manager for Cool, Brandon.

The corporate client is Amy. She is a product manager for

the breakfast division of GFC (Gargantuan Food Corporation). The product being tested we'll call 'Breakfast.' The main focus of the study is a multidimensional customer segmentation and brand positioning to determine who is eating Breakfast, when, why, and among which competitors.

I met several times pre-launch with Brandon. Our firm regularly offers consulting on survey construction and descriptive multivariate work. We agreed on costs, timing and a list of deliverables. This brings us to the first lesson: Put deliverables in writing. Why is this important?

PROJECT CREEP

Project creep is a common term, particularly in intellectual services industries, to describe the tendency of clients (innocently or not) to move the goal posts of deliverables. Some of us experience this on a daily basis. An innocent request. A casual email that begins "Could you also. . ." or "By the way. . ." These offhand remarks usually imply analyses that were not originally agreed to.

During the course of our study, Amy wanted a few extra perceptual visuals. Could we apply the segmentation results to the European market? Could we get perceptual visuals for Germany too? I agreed to do extra work – worth nearly US \$3,000 – to keep Amy happy and secure my relationship with Cool.

UNDERSTANDING THE DECISION DYNAMIC

Amy was proving to be an indecisive client. Her delays cost me time and money, as I needed to rely on a number of her decisions to make the final predictive model.

- Through discussions with Brandon, it came out that:
- Amy was new in her position at GFC
 - The decision-making entity within the GFC division was a group, not just Amy, with competing egos and agendas
 - Somewhere within the decision-making circle, perhaps from another product division, was an experienced number-cruncher who questioned Amy's methodology

These facts explained why Amy was so reluctant to make decisions. I advised Brandon on how I thought he should direct Amy. However, as is so often the case, consultants like me and suppliers like Cool have little influence in the 'brand room.' There was little we could do to help Amy maneuver within her GFC group.

THE CLASSIFICATION CLIFF

Eventually, word got back that Amy was pleased with the first deliverable. We had come up with six distinct Breakfast user groups, each of which made sense attitudinally and behaviourally.

However, there remained one more task: producing a reclassification function that could be used for future Breakfast studies. I had done literally hundreds of these over the years. I knew what to do, how to do it, how to set up an Excel classification simulator and what to explain to Amy.

We delivered the final classification model, along with explanations on how to use it, and an offer to reclassify large-data studies at very reasonable fees. I felt we had come to a successful end of the road.

One week later, however, I received a request via Brandon. Amy wanted 'more of the math behind our full algorithm.' She also wanted 'purity of predictability' versus 'recovery of predictability.' I've heard some interesting corporate speak in my more than 20 years as a market research statistician, but I had no idea what Amy was talking about.

This brings us to our next lesson: Ask. It is not unfair for a consultant to request clarification. In fact, it is often detrimental to guess what the client needs.

It turned out that Amy simply wanted a few output tables that SPSS provides – a reclassification matrix. I sent these along.

Amy went ballistic: She couldn't show this to her team! This classification was going to be used GFC-wide (which was highly unlikely, given that it was specific to Breakfast and could not possibly be applied to other types of breakfast food, much less the tens of thousands of other products GFC produced). She needed a better classification equation!

Through further discussion, it became clear that Amy did not understand the statistics of a reclassification tool. Amy had set an arbitrarily high statistical threshold that might have worked with two segments but was clearly impossible with six. She did not realise that reclassification of future respondents cannot be 'wrong' – they had yet to be classified. Given her inexperience, Amy was terrified to bring this to her team.

I explained this to Brandon and wrote a memo explaining why the reclassification equation was, in fact, quite functional.

This was to no avail. My model was rejected.

THE NEXT LESSON IS: BE STRAIGHT.

There are no forensic statisticians in market research. Fraud is not illegal, nor is it tracked in the way it is in fields such as finance. I could have reported the numbers Amy and Brandon wanted. They could not have been verified, nor would my calculations be blamed for strategic missteps.

But ethics, when it really comes down to it, is not simply the right thing to do. Researchers who fudge numbers are eventually caught. Ethics is more like a survival strategy.

As difficult as it was, I told Brandon that I was not able to make Amy's threshold. Brandon decided to bring in another statistician and was surprised when I agreed to participate in a conference call with him.

But polite or no, I was off the job. The project had now officially gone sideways.

This is the strategy I followed afterwards, which I recommend when, what is highly likely to happen in the course of one's career, actually does happen:

Cooperate. I was fully candid on the call with the other statistician. In fact, he verified that my approach had been sound. I do not know what eventually happened with Breakfast, but Brandon appreciated my participation.

Avoid the Blame Game. As I mentioned above, there was a difficult corporate decision dynamic at GFC. It was my opinion that Amy had been under-informed, arbitrary and ineffective. I also did not feel that Brandon was able to manage his client's expectations. However, there is nothing to gain by pointing this out. Cool's agenda, at this point, was to maintain their relationship with GFC, not assuage my ego.

Say As Little As Possible. In these politically awkward situations, words are gasoline on a fire. Speak through actions.

Pick Your Fights. As expected, Cool requested that I lower my fees. I did not readily agree – after all, the study's failures had not been my fault and there had been a large amount of project creep. However, I felt it was worth the few thousand dollars to guard the possibility, however slim, that I would work with Cool again.

CONCLUSION

It will happen. Things will go wrong. Colleagues are colleagues, clients are human. But I believe that following these few guidelines can help minimise the damage when a project goes sideways. **RW**



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