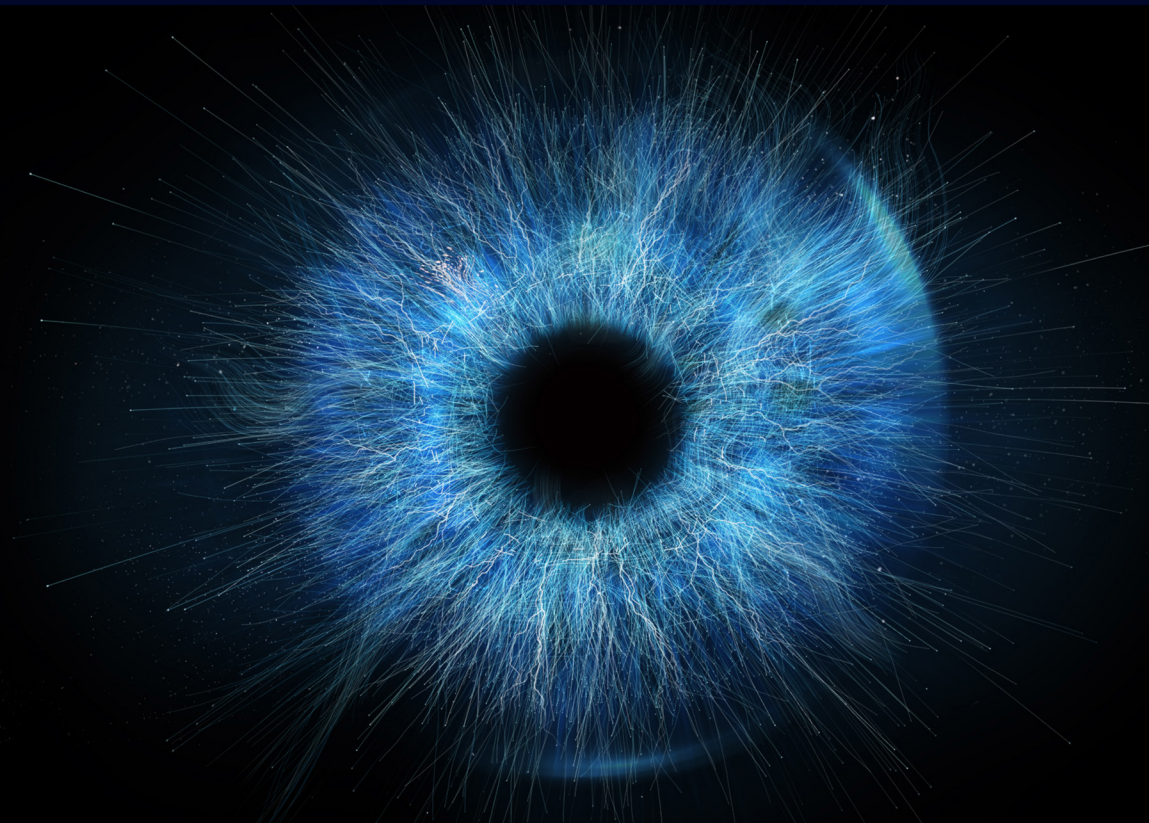


# The Insight Discipline

Crafting New Marketplace  
Understanding That Makes A Difference

Liam Fahey



AMERICAN MARKETING  
ASSOCIATION

# THE INSIGHT DISCIPLINE

## Praise for *The Insight Discipline*

“Marketplace change continually generates opportunities and risks. Yet most organizations flounder in their analysis of change; they generate reams of outputs but not insight. Liam Fahey’s ‘The Insight Discipline’ is required reading for those who want to establish and maintain an insight culture—marketplace analysis that makes a difference to winning customers and outperforming rivals.”

*Dave Miller*  
VP Strategy  
Jabil Corporation

“A masterwork that addresses what it takes to win in any market context—leadership in developing ‘marketplace insight.’ Fahey pulls from many years of research and practice to develop a concrete, how-to-do framework for dealing with one of the most misunderstood – yet valuable – concepts in business: ‘Understanding that Makes a Difference: Insight.’ For any manager, marketer or business leader dealing with today’s deluge of data, and wondering just what to do with it, this book is a ‘must read.’”

*Ralph A. Oliva*  
Professor of Marketing  
Director, Institute for the Study of Business Markets  
Pennsylvania State University

“Truly actionable marketplace insight is important for business even in the best of times. Now more than ever insight is critical for organizations seeking to navigate increasingly complicated marketplaces, beset by technological change, globalization/deglobalization, and now COVID-19. In ‘The Insight Discipline,’ Liam Fahey lays out a clear and compelling roadmap for organizations determined to become more systematically insightful in their marketing operations.”

*T E Clifton III,*  
CEO Eastport Analytics

“*The Insight Discipline* is a rich gold mine, not merely for practicing foresight, but for developing agile mental models necessary for success in rapidly changing and continuously disruptive global markets. Liam Fahey takes

the reader from insight and analysis frameworks to the knottier questions of insight implications, such as: What do we do with these insights? Who leads? What do we start working on come Monday? It's all here, in meticulously well-organized and highly readable prose.”

*Peter Kennedy,  
Managing Principal,  
Futures Strategy Group*

“Liam Fahey nails it. He addresses a timeless problem, how to transform data into insight, with a simple and executable framework. He does not just define the problem – he gives you a playbook on how to solve it.”

*Mike McCalley  
VP Strategy and Marketing  
CECO Environmental Corporation*

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AMA Leadership Series

## THE INSIGHT DISCIPLINE

Crafting New Marketplace  
Understanding that Makes a  
Difference

By

**Liam Fahey**



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India – Malaysia – China

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INVESTOR IN PEOPLE

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# AMA INTRODUCTION TO BOOK SERIES

Welcome to marketing in the twenty-first century – the age of data, social, mobile, automation, and globalization. The field is changing so quickly, it’s difficult to keep up. There is increasing uncertainty about the profession’s mission and responsibilities. Meantime, the demands marketers face are ever more complex and critical.

This is why the American Marketing Association (AMA) has engaged some of the world’s most innovative professionals, academics, and thought leaders to create *The Seven Problems of Marketing* – a seven-book series that introduces and explores a new set of organizing and actionable principles for the twenty-first-century marketer.

Each book in the series takes a deep dive into one problem, offering expertise, direction, and case studies while striking a balance between theory and application. The goal is to provide a contemporary framework for marketers as they navigate the unique challenges and vast opportunities of today’s dynamic global marketplace.

Here are the seven problems addressed in the series:

Problem 1: Effectively targeting high-value sources of growth.

Problem 2: Defining the role of marketing in the firm and C-suite.

Problem 3: Managing the digital transformation of the modern corporation.

Problem 4: Generating and using insight to shape marketing practice.

Problem 5: Dealing with an omni-channel world.

Problem 6: Competing in dynamic, global markets.

Problem 7: Balancing incremental and radical innovation.

Importantly, the books in this series are written by and for marketers and marketing scholars. All of the conceptual and analytical frameworks offered are born from practice. The authors have applied their tools and methods in client settings, allowing them to test and refine their ideas in the face of real-world challenges. You'll read true stories about how marketers have used innovative thinking and practices to overcome seemingly impossible dilemmas and bring about game-changing success. Theories are explored in a way that busy marketers can understand viscerally. Client stories have been incorporated to illustrate how to apply the analysis frames as well as deal with application and practice-based issues.

Our fundamental aim with this series is to hone the practice of marketing for the twenty-first century. The AMA has asserted that there is a critical tension within every enterprise between “best” and “next” practices. Marketers often choose best practices because they are safe and proven. Next practices, which push boundaries and challenge conventions, can be riskier. Few enterprises, however, transform themselves and achieve breakout performance with best practices alone. The next practices discussed in this series are often responsible for driving outperformance. The books in this series are designed to engage you on two levels: individually, by increasing your knowledge and “bench strength,” and organizationally, by improving the application of marketing concepts within your firm. When you finish each book, we are confident you will feel energized and think differently about the field of marketing and its organizing principles. Through the explanation of theory and compelling examples of its application, you will be empowered to help your organization quickly identify and maximize opportunities. After all, the opportunity to innovate and make an impact is what attracted most of us to the field of marketing in the first place.

Russ Klein  
CEO, American Marketing Association

# BOOK SERIES OVERVIEW

In 2016, the AMA established its first-ever intellectual agenda. This intellectual agenda focused on complex, challenging, and difficult-to-solve problems that would be of interest to both academics and practitioners. A working team of scholars and practitioners, selected by AMA leadership, identified seven big problems of marketing as the foundation of the agenda. These problems were ranked from a much longer list of challenges. These seven big problems shared three attributes: they were pressing issues that confronted every organization, they were C-suite level in scope, and they could not be solved by one article or book. Indeed, the team felt that each problem could trigger a decade-long research agenda. A key purpose of the AMA intellectual agenda was thus to stimulate research, dialogue, and debate among the entire AMA membership.

The purpose of the AMA book series is to shed a deeper light on each of the seven problems. In particular, the aim of the series is to enable readers to think differently and take action with regard to these big problems. Thus, the book series operates at two levels: individually, increasing your knowledge and bench strength, and at the organization level, improving the application of marketing concepts within your firm.

Given the nature of these problems, no single book or article can fully address the problem. By their very nature these problems are significant, nuanced, and approachable from multiple vantage points. As such, each of the books provides a single perspective on the issue. This single perspective is intended to both advance knowledge and spark debate. While the books may emerge from academic literature and/or managerial application, their fundamental aim is to improve the practice of marketing. Books selected for the series are evaluated on six criteria.

## *1. Seven Big Problems Focus*

Each book is focused on one of the seven big problems of marketing. These problems identify key conceptual issues in the field of marketing that are the focus of emerging academic research and that practitioners are actively confronting today.

## 2. *Audience*

The book is written primarily for an audience of thoughtful practitioners. Thoughtful in this context means that the practitioner is an active reader of both professional articles and books, is dedicated to enhancing his/her marketing knowledge and skills, and is committed to upgrading the organization's marketing culture, capabilities, and results. A secondary audience is academics (and students) and consultants.

## 3. *Integrative Framework*

The book provides an integrated framework that frames the problem and offers a detailed approach for addressing it.

## 4. *Field-based Approach*

The authors have applied their frameworks in client settings. These client settings enable authors to test and refine their frameworks. Conceptual and analysis frameworks are enlivened via practice and case examples that demonstrate application in the field. Named and/or disguised client stories illustrate how to apply the analysis frames, how to deal with application issues, and other practice-based issues.

## 5. *Academic Literature*

The integrative frameworks should be new to the marketplace. The conceptual frameworks should extend existing thinking and the analysis frameworks should provide new ways to conduct marketing-related analysis.

## 6. *Readability*

The book should be intelligible to the average reader. The concepts should be clearly defined and explained, and cases written so that a reader can understand the content on a first read. On behalf of the AMA, I am excited to bring these books to market. I am anxious to hear your feedback – both positive and challenging – as we move the field forward.

Bernie Jaworski  
*AMA Book Series Editor*

# PREFACE

For more than 30 years, literally around the world, I've participated in and observed corporate teams conduct many forms of marketplace or environmental analysis. The analysis typically focuses on change in and around one or more of the classic business domains: customers, competitors, suppliers, technologies, industries, government and regulatory agencies, social values, and politics. And, frequently, the analysis involves many individuals, consumes significant resources, and extends over a considerable time.

Increasingly I've been plagued by one question: why do so many analysis teams extract so little of value from the reams of data, spreadsheets, and findings they generate? If you've worked in corporate settings for a few years, few of these observations will be a surprise to you:

- A massive amount of time is spent conducting market analysis, customer analysis, technology analysis, competitor analysis, and industry analysis (the list goes on), but little insight is created that rises above the incessant array of tables, figures, and spreadsheets.
- Analysis frameworks are continuously augmented, enabling a greater array of descriptive outputs and findings, yet genuine insight seems as far out of reach as ever.
- The “big data” juggernaut results in many analysis projects becoming scavenger hunts for data patterns; the report card regarding decision value is mixed at best.
- A stunning onslaught of software makes it possible to visualize analysis outputs and findings in ways that were simply unimaginable a few years ago, yet in the view of many business executives I encounter the provision of new marketplace understanding lags considerably behind.
- All too often, where the analysis outputs are rich in new understanding of the external world, for example, why competitors are shifting their

strategies, they're not integrated into a set of key insights that can spur fresh thinking or new ways of addressing decisions or challenging action streams.

- Bright and capable “analysts” and analysis teams generate what they consider key findings, but they're unable to discriminate between what's important for the business and what isn't.
- Executives and leaders are at a loss as to how to upgrade the quality and value of the outcomes of all the analysis work being conducted around them and for them.
- Everyone feels at liberty to use the word *insight*; no wonder the word no longer has any distinctive meaning in most organizations.
- A stunning amount of time (our most valuable asset) is simply wasted in what passes for analysis.

## PURPOSE

The purpose of this book is to address the frustrations at the heart of these observations, by helping you to:

- Gain a deep conceptual and practical understanding of insight.
- Adopt analysis and organization methods that support the development and use of insight.
- Build an insight-driven culture.

Some specific goals aim to:

- Depict what marketplace insight is and what it isn't.
- Describe the four high-level phases of insight work.
- Illustrate the types and levels of insight and show how they're connected.
- Provide analysis frameworks to execute specific tasks in crafting insights.
- Demonstrate the four key stages of insight analysis.
- Explain how the six insight factors influence all facets of insight work and how to use them to enhance the quality of your insights.

- Identify common analytical errors that inhibit insight work and learn how to avoid them.
- Provide you with game plans to motivate, oversee, and leverage insight work.

## AUDIENCE

This book is for anyone who wants to extract maximum value from analysis work, including:

- Analysis leaders.
- Analysis teams.
- Functional professionals, such as those in competitor intelligence, market research, industry analysis, and technology assessment.
- Project and other work groups.
- Executives and managers.
- Management consultants and professional researchers.
- Professional, educational, and training organizations.
- Academics.

## STRUCTURE

Chapters 1 and 2 introduce the notion of the insight discipline and the four phases of insight work: preparing for insight work; crafting change insight; developing implication insights; and determining business implications. They explain why insight work requires a deliberate and methodical approach.

Chapters 3 through 6 cover the first two phases of insight work. They detail the 4S cycle: structuring (preparing for insight work), sniffing (drawing preliminary inferences), shaping (crafting suggested change insights), and stipulating (accepting change insights as an input to decision-making). These chapters illustrate the deliberations that contribute to effective execution of the 4S cycle and what it takes to build an organizational capability in each S.



Chapters 7 and 8 focus on the final two phases of insight work. They detail the methods involved in transitioning from change insight to implication insight and how the insight discipline enhances the analysis typically deployed in determining business implications – ultimately what the organization should do.

Chapters 9 and 10 address how and why emotions influence insight work, particularly the 4S cycle, and what you can do to establish and sustain an insight culture.

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Needham, MA  
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