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Combine hard and soft data

We tend to admire leaders who proclaim, “If you can’t measure it, you can’t manage it.” But what if that’s not necessarily true?

Think of information as divided into two sets: hard data and soft data. Hard data is rooted in numbers and percentages. But soft data, which is equally important, demands interpretation. It’s based on judgment and impressions you collect throughout the day.

If you rely too heavily on hard data, you can get into trouble. Here’s why:

√ **Soft data explain hard data.** Say you crunch numbers and determine profits are up this quarter. Now you need to figure out why. Perhaps a rival lost market share due to its own botched strategy or surging market demand made the pie bigger for everyone.

Hard data are a questionable guide. You must look past the numbers to explain what’s driving them while -consulting your intuition.

√ **Hard data are too aggregated.** Executives often review financial reports that take various strands of data, synthesize them and produce a tidy, aggregated result. But that bottom-line number can prove misleading. The process of aggregating can, in itself, fool you into overlooking details buried within data points.

√ **Hard data age quickly.** You cannot obtain hard data instantly. Such data age rapidly because it takes time to document the basis for the numbers and enter them into a spreadsheet that lands in your inbox.

√ **Hard data have cracks.** Seemingly infallible data often originates from faulty input. If the recorded facts aren’t reliable at the outset, they can undermine the resulting data.

— Adapted from *Simply Managing,* Henry Mintzberg, Berrett-Koehler Publishers.

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