

Starbucks Exec Says MBAs Fail to Turn Big Data into Business Intelligence

Tuan Tran is a Senior Business Development Manager at Starbucks. He manages a team of sales and business-development professionals. We spoke with Tuan to get his perceptions of how well MBA programs are preparing their students to drive the growing role of technology in all companies in all industries. Tuan has an MBA from Seattle University.

Tuan says it is not enough to be “tech-savvy” today. Everyone knows how to use mobile apps and office software. To get noticed and designated for the fast track at Starbucks, managers must also understand how to apply technology to business problems and drive growth. Most often this will mean analyzing data and information to generate business-critical insights that lead to better management decisions.

Roy Young: In your experience, how prepared are newly graduated MBAs to put technology to work in their job roles?

Tuan Tran: They’re definitely more tech-savvy than the more tenured or older employees that I have on my team. The new MBAs are much more proficient in things like Excel and PowerPoint, compared to folks who weren’t taught how to use those tools while they were in college. The difference is even more pronounced when it comes to social media—the younger generation is far more savvy in that area than the rest of us, myself included.

Roy: Do you find that they’re really knowledgeable in terms of understanding the social-media platform technology and knowing how to analyze them, or is their knowledge limited to the use of social media?

Tuan: They all have a good baseline of understanding what social media is, the different platforms, and the power of social media. In terms of diving deeper, though, they typically don’t understand the business aspects. They will all learn those things in the first few years of their careers, though, if they’re in that space. And their familiarity with all the different social media platforms out there—from Instagram to Facebook to Snapchat and the rest—does give an advantage to some

of the new MBAs. That generation is more accustomed to it and more aware of it than folks who weren't a part of that generation.

Roy: What base of technologies do MBAs run into, in terms of data analytics, business applications, and so forth? And how well are they prepared for those?

Tuan: The biggest issue that I see new hires running into is having the ability and skill to consolidate and filter the plethora of information available. Information overload is very common, and I often see new hires trying to put way too much into a presentation or an analysis. They have difficulty dialing down everything to its essentials, root causes, and most important data points. People coming out of college, especially MBAs, need to learn that less is more. Especially when they are communicating with senior management, they need to summarize, avoid getting caught up in the details, and just provide their recommendation or the highlights of what they've been working on.

Roy: What about mobile applications? Is it common for MBAs to have knowledge of how a mobile application is made?

Tuan: They are generally savvy in terms of how to use these apps, but not so much about how they are made. What they do understand is how the app should function and the interplay between the consumer, the app, and the main site.

Roy: What do you see as particular challenges that new MBAs struggle with, in areas such as enterprise systems, business intelligence and data warehousing?

Tuan: New MBAs tend to struggle with the data overload that I mentioned before, and they have issues around being able to pull data, translate it, and see the things that are actionable and that can provide "ah-ha" insights. Part of it may be that they are still trying to learn how to use the systems, but they can have real challenges around making sure they truly understand the data before drawing conclusions and telling the story to other people. I think a lot of people go into a project or analysis with a hypothesis in mind, and they look for data to support it, rather than just letting the data speak for itself, interpreting it objectively, and having it help tell the story. That's where the MBAs that I've seen come out of college recently struggle the most. They don't yet know how to mine the data in a way that it is most useful and efficient, to solve the task at hand.

Roy: So, do you feel that MBA schools are not preparing their students

well enough to do this type of analysis?

Tuan: Right. Every company uses its own type of software or systems to house data and share data. That's something they really don't teach in MBA school—you don't learn about different data-warehouse systems and how they work. But when you come out of school, you're expected to become highly proficient with them fairly quickly. There is always a disconnect there.

Roy: To what extent is your organization looking at more advanced analytics, such as predictive analytics or machine learning?

Tuan: When we look at total industry trends and consumer trends, we do try to forecast out where we think the global consumer is going and where their spending habits are going. We read a lot of information from outside and internal sources, and we use third parties for those as well. Depending on your group, you might lean on that more than others. On the internal side, most of our work is based on understanding our consumer better, the people who are brand-loyal to us. I see a lot of folks, especially in finance, who are able to look at data points fairly well that are very ROI-driven numbers. But from a predictive analytics perspective, they aren't able to forecast trends three to five years out, because that's not what they do.

Roy: Would you say that it's reasonable to expect MBA schools to cover at least some of these foundations of business intelligence and data analytics?

Tuan: Definitely, and especially for those who will enter finance or strategic-development roles. Those people need to be able to mine data trends and understand the outlook for their company, product, and business prospects.

Roy: If you could design an MBA course that would help students learn about the some of the things that you've just talked about, or some things that you don't think are being addressed within MBA schools, what would it cover?

Tuan: I'd like to see a class that focuses on a case study, but instead of giving the students a text summary, they would get a data set that's very large. We would give them a scenario and let them mine the data themselves. Ideally, they would use software that would help them mine data. Getting people to learn how to mine the data themselves, by either starting with a hypothesis or letting the data speak, would be very valuable. They would need to identify the most critical data points and then draft and develop the strategic plan through the course of a week or

quarter or whatever.

I think that would be more of a real-life case study than the traditional Harvard business reviews, where you read a business case study that's 10-20 pages long and you're asked to solve it with that limited information. Frankly, the observations you can draw from those are fairly obvious. They don't dig deep enough and allow people to do as much critical thinking that they should, especially at the MBA level. Increasingly, data is where you go for answers.

Roy: Did any classes stand out in your own MBA program that addressed some of these challenges?

Tuan: We had a couple of strategic-development classes where we had to develop high-level strategies for companies or organizations that were either in trouble or had potential problems on the horizon. But back to my example, a lot of them were using case studies where the data sets were fairly restrictive. The instructors provided clues that were really easy to pull out. They were being efficient by including only the more important data points, but they didn't place demands on us, in terms of sifting through the data. I think the intent of the course is what I described, but given the time and material constraints, you really couldn't dig very deep.

Roy: Are there any technologies or related big issues on the horizon that are going to really impact businesses across industries that MBA programs should be aware of and should start working with their students on now?

Tuan: The strongest fresh MBAs I see have the thinking skills that sometimes aren't focused on enough: problem solving, critical thinking, and strategic development. A lot of people who receive MBAs—especially folks who specialize in HR or finance—haven't developed the ability to think in high-level and cross-functional ways. From the technology perspective, a lot of new employees get overwhelmed by information overload. There's no "map" to help them navigate among the corporate intranet, our databases, and everything. One thing that schools could really focus on is how to help people navigate an organization.

Roy: On a scale of 1 to 5, with 1 being the least prepared and 5 being the most prepared, how prepared are today's MBAs to lead business initiatives that will have a strong technology underpinning?"

Tuan: I'd say a 3.

Roy: On that same scale, how prepared are today's MBAs to use enterprise business software?

Tuan: Maybe a 1 or 2.

Roy: We're really starting to hear that young MBAs know all about smartphones and social media, but they lack understanding in areas such as big data, business intelligence, data warehousing, analytics, Internet of things, and mobile application development. And MBA programs seem really blind to this fact.

Tuan: I know, and I think this is an error for both parties. Millennials, and the generation after millennials, feel that because they are on their computers or mobile devices more often than their parents or older siblings, they're somehow proficient and know all they need to know. But when they join large companies, they find a very different view of technology from their own, and different expectations in terms of becoming proficient with it. Learning an Oracle database software system is very different than learning how to post something on Facebook, and they have a rude awakening when someone sits them down at a desk and says, "Hey, you need to learn this software, and I need a report out of here in a week or so."

Roy: Ideally, instead of MBAs coming in and having to come up to speed on this stuff, wouldn't it be great if they came in and were able to identify opportunities for things like predictive analytics, rather than not even knowing what a data warehouse is?

Tuan: There aren't all that many large enterprise software companies, and their main products tend to be fairly similar, even though they might have a different interface, or a different look and feel. Adding training in one or two of them to an MBA program could be very helpful to careers in business development, marketing, and finance.

Roy: Thank you very much for your time.

Tuan: Thank you, too.