Analytics: Helping you to help your customer

Lionel Paillet, Former General Manager, EMEA at Nest

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Lionel Paillet is a data geek. Following 13 years in Apple's European leadership team, he swapped his swanky office for a garage to be part of the build-up team at Nest in 2014, a smart home company founded just four years earlier by two of his former colleagues. He now advises start-ups on their journeys.

Building digital from the ground up. Lionel Paillet should know, having spent the better part of the last two decades with two of the world's biggest tech brands. His insight is based on hindsight, and he points to the varying strategies employed by different firms over the years:

"In 2000, digital meant IT and innovation. Then, as the years went by, you started to see many firms appoint a 'head of digital'. Some good firms did this and some less-good firms did this; sometimes they were an inspirational leader and could really accelerate the development. But not always."

The fear of the latter may be why so many firms pushed the 'digital function' into a silo and waited for the magic to happen. But Paillet warns a digital strategy is difficult to drive this way, as a person or team needs to convince others of the merits of forging ahead. Sometimes that means convincing others that the cost of not doing something in the digital space may be higher than the cost of doing it.

"I worked at a project where the CEO was involved in this and so the project moved swiftly. The head of digital was able to be really influential because he had true buy-in from across the team."

This was very much the case with Nest where Paillet spent four years. "Absolutely everyone had access to the data and could produce their own analytics on demand through direct access to the data platform. At Nest it was data from inception, through daily life, from breakfast to dinner. It was excellent," Paillet says, explaining how an open data approach helped create a sense of engagement.

Nest not only created data which allowed it to understand its customers, but went on to share it with the customers themselves. "Nest can tell the customer how much energy it consumes.

But rather than only provide the raw data, we gave the customer engaging insights in a personalised monthly energy report, showing hours of heating. We had open rates of over 70%. This data was also interesting for our partners, the energy companies (who know that customers don't tend to read their heating bills)."

Nest's successful model was vindicated by the $3.2bn price Google paid for it in 2014. But that, Paillet cautions, is when some challenges arose.

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"We went from 250 people in a garage to 1,000 people in a six-month period. That sort of change creates natural challenges: attrition of staff, moving people to the right job and so forth. There are some frictions in tech companies when a digital native comes in. It tends to bring in different layers of management and some people may find they have become managers, though they haven't necessarily managed before then. At such inflection points it is important to mind personnel considerations, such as how existing staff can adapt, and whether your new hire(s) will stay and deliver."

Paillet's advice for any firm considering a digital strategy? "Baby steps every day make a difference, and making it a leadership decision across the company is crucial."