



Effortless is a myth

by Caroline Webber

Big data, AI, social media, YouTube, neighbourhood WhatsApp groups... Thanks to technology, the sources of data available to us nowadays are greater than ever before. Google has built its monolith by providing anyone the ability to access mountains of data from a simple web page. ChatGPT allows you to ask a question and be presented with an internet's knowledge worth of answers. **With the availability of all this data, we are all empowered to make informed choices. Right?**

Data is one thing. Deciphering it is another.

In theory, the answer is yes. But the massive caveat is that it will require many, many hours to filter and understand the quality of this data afforded to us by today's technology. An additional problem is that it often requires insights and knowledge to even know if the data you're looking at is important or meaningful.

Just as this applies to individuals, it applies to investment companies. Part of our job at Granate is to make sure we use the correct data to make good decisions, and then to interrogate that data. It doesn't mean that we always make the right decisions, but it is important to have all relevant information we can have at the time.

In the public domain, we are presented with terms like 'AI', 'big data', 'machine learning' and 'neural networks'. While all of these do have a place, the truth is that these places are far fewer than most people think – and that these 'sexy' tools are often applied incorrectly due to a lack of reliable data. A well-known saying in the world of computer modelling states it perfectly: *Garbage in, garbage out.*

The best foundation means bedding the basics down

Getting simple, reliable, bread-and-butter data consistently is usually much more complex than one would think – the work that goes into it is immense. Firstly, we need to understand what each piece of information is and how it is collected. What does this mean for what it is telling us, its reliability and how it should be used?

Secondly, we need to build models and systems that use this information in a useful way. Lastly, these outputs should be easily available to those who need it. This requires time (far more than most would guess), skilled resources and often money, which may need to be diverted from more glamorous projects. Thus, these foundations are frequently ignored. Just think of the many companies who have fallen behind due to not investing in systems or technology. You should always be sceptical of someone pedalling complex solutions if they cannot account for the basic foundations necessary.

It takes hard work to make it look easy

In a commencement speech at Dartmouth College, where he received an honorary doctorate, Roger Federer laid out some of his lessons from the tennis court. The first of these was that "Effortless is a myth... People would say my play was effortless. Most of the time, they meant it as a compliment... But it used to frustrate me when they would say, 'He barely broke a sweat!' The truth is, I had to work very hard... to make it look easy."

Granate is a people business.

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Good decision-making is much like this: effortless on the face of it and oftentimes attributed to a shrewd business sense or raw intelligence. But there are, in fact, heaps of sifted, curated and targeted data to support these decisions.

This ties into one of Granate's core values: simplicity. On the face of it, it means keeping our outputs simple and communicating with clients in an understandable way. But deeper down, it means having done the hard yards in the background so that we can better deal with relevant and important information when making decisions. Custom portfolio management tools enable us to understand every aspect of our portfolios, and the models driving our investment processes help to distil the masses of economic data and factors into numbers we can interrogate and act on.

There are many levels to our investment processes, and indeed our business. **Our goal is to protect your savings with vigour and rigour so that for you, it is, in fact, effortless.**

