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## **New MIT CISR Research Reports Leading “Real-Time” Businesses Had 62% Higher Revenue and 97% Higher Profit Margins**

*Data shows excellence in four capabilities associated with high achievement*

**CAMBRIDGE, Mass., August 15, 2024** —The [MIT Center for Information Systems Research \(CISR\)](#) has published a new report identifying four capabilities that companies described as “real-time” businesses (RTBs) combine to achieve top performance. The findings are based on a research study by Peter Weill of MIT CISR with [Insight Partners](#).

The researchers defined RTBs as those companies that respond immediately to opportunities and challenges by executing key business processes through automated digitized operations and employee-made data-driven decisions, supported by governance and risk guardrails. The study showed that top-quartile RTB companies had 62% higher revenue growth and 97% higher profit margins than bottom-quartile RTBs. Top-quartile RTBs were also 20% better at innovation, 22% better at operational efficiency, and 17% better at managing risk.

The MIT CISR research briefing, titled “[What’s Next: Top Performers Are Becoming Real-Time Businesses](#),” explores the next step for companies that have gone through a digital business transformation and describes what it takes to become an RTB. A case study of United Airlines, Inc. (United) helped illustrate this journey. The findings were based on a survey of C-suite leaders at 259 global companies in multiple industries with an average revenue of \$10 billion and in-depth interviews at three companies.

“There is no longer time to pass decisions up and down the traditional hierarchy to receive permissions or approvals,” said [Peter Weill](#), the report’s co-author, [MIT Sloan School of Management](#) senior research scientist, and chairman at MIT CISR. “Operating in real time helps companies sense and respond to changes in an increasingly volatile business environment—and customers and employees are more likely to be satisfied by immediate action.”

## Key findings included:

### 1. Trust in data is the basis for RTB success

Trusting vetted data across the company reduces the need for double checking, which improves operational efficiency and enables better risk management. Most importantly, both customers and employees are more likely to be satisfied when answers, actions, or both are immediate.

### 2. Four capabilities combined distinguish leading real-time businesses

- **Real-time data for decision-making:** At the foundation of an RTB is having easy access to trusted real-time data for use as inputs to automated decision-making and in decision-making by employees and systems, tracking company performance on key metrics, and real-time governance and risk management.
- **Integrated customer experience:** Real-time decision-making enables digital customer journeys that are more seamless, provides self-service, and supports customers in accessing and easily combining assorted company products to fill specific needs.
- **Business agility:** An RTB's distinguishing attribute is the ability to sense a threat or opportunity and change direction without getting multiple approvals or undergoing a reorganization. The combination of real-time data and simplified governance empowers people at all levels of the company to identify opportunities and issues.
- **High-quality employee experience:** RTBs use real-time data to create a better employee experience and transform jobs. Automating tasks allows people to spend far less time doing repetitive and often paper-intensive work and instead focus on improving processes and innovating. Using real-time data in dashboards enables employees to better understand how the company is doing and how they contribute to the company's performance.

### 3. A mindset change is required to become a top-quartile real-time business

Most companies need to move from relying on gut feelings and experiences to evidence-based decision-making, with high levels of trust in and empowerment of employees, along with increasing automation and the use of AI, such as by alerting customers to a potentially fraudulent banking transaction.

### Case study: Real-time business at United Airlines

United invested heavily in making trusted real-time data available to its workforce to help them make better decisions about flight routes, diagnose reasons for delays, support passengers in making their connections, and find ways to be more fuel efficient. The MIT CISR report describes that in 2023 United achieved one-year revenue growth of 19.5% and a net margin of 6.3% (versus an industry average of 4%). The company's customer experience, based on a [net promoter score of 50](#), was also nearly double the industry average.

United's goal is to use the data not only in real time but also to anticipate what will be needed in the future and make an offer in advance of the need for customers. For example, if United knows that a passenger's flight might be delayed, and observes that this passenger takes this flight regularly, they can anticipate their need to rebook the flight and offer real-time booking changes in response to the delay.

"Companies who want to become RTBs should start by focusing on data related to customer and employee experience, along with making the business more agile such as by simplifying governance," said Weill. "It's not necessary to have all data available initially — you need just enough to begin making decisions in real time. Early successes will build confidence and pave the way for integrating more real-time data for increasingly real-time decisions."

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**About the MIT Center for Information Systems Research (CISR)**

Celebrating its 50<sup>th</sup> anniversary, the [MIT Center for Information Systems Research \(CISR\)](#) helps executives meet the challenge of leading increasingly digital- and data-driven organizations. MIT CISR provides insights on how organizations effectively realize value from approaches such as digital business transformation, data monetization, business ecosystems, and the digital workplace. Founded in 1974 and grounded in MIT's tradition of combining academic knowledge and practical purpose, MIT CISR works directly with digital leaders, executives, and boards to develop its insights. Its consortium forms a global community that comprises more than seventy-five organizations.

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