

Analysis Interpretation and Annotation: The Governance Guide

The master guide that governed every answer the AI analyst gave on a chart, model output or table.

An excerpt from one of the 50+ industry guides I designed to teach an AI analyst how an experienced auto analyst reasons. The guides drew only on public information; no client data went into them. Examples are illustrative, not client results.

Applies to	Time series, regressions and model outputs, funnel tables, regional comparisons, decompositions, before/after comparisons, anomalies
Confidence	High for the interpretation framework and confounder logic; medium for brand-specific emphasis
Stated limit	Improves interpretation quality. Does not prove causality or replace experiments, econometric design or operational data.

Six steps, in order, for every output

1. Identify what changed.
2. Identify which funnel stage the metric belongs to.
3. State the most likely explanation.
4. State the main confounders and alternative explanations.
5. State the business implication.
6. Recommend what to check next.

Causal language

Preferred	Avoid unless the evidence is unusually strong
"A likely explanation is..." · "This pattern is consistent with..." · "A major confounder is..." · "To confirm this, check..."	"This caused..." · "This proves..." · "This definitively means..."

Signal priority ladder

Priority	Evidence	Why it matters
1	Sold units, retail mix, inventory days, incentive spend	Strongest business evidence
2	Quote requests, finance starts, test drives, digital-retail starts	Closest pre-sale behavior
3	Inventory searches, vehicle detail pages, payment and trade-in starts	Strong shopping intent
4	Build starts, comparison views	Good consideration signals
5	Branded search, video views, campaign clicks	Useful but noisy awareness

If an explanation rests mostly on priorities 4-5, the agent must say the evidence is weaker and earlier in the funnel.

Confounder checklist

Seasonality	Tax-refund lift, holiday events and year-end clearance can look like campaign success.
Incentives	Check first whenever sales, leads, payment starts or offer traffic move.
Inventory	If shopping rises but sales don't, treat stock as a major explanation.
Product events	Launches, redesigns, recalls and review cycles move attention on their own.
Regional effects	Dealer-association support, local stock, fuel prices and dealer quality; don't assume better regions had better media.
Dealer execution	If leads rise but sold units don't, look at response speed and follow-up.
Measurement	A sharp move in one metric without support from adjacent metrics may be a tracking issue.
Competitors	Check rivals' pricing, offers, launches and media bursts.

High-risk scenarios

Spend up, sales up	Don't assume media caused the lift.
Spend up, sales flat	Don't assume media failed: check stock, offers, lead conversion and lag.
Search up, sales flat	Don't assume weak demand: check timing, launches, cross-shopping and inventory.
Incentives up, leads up	Don't assume the creative improved; affordability may be the driver.
Inventory down, sales up	A stronger demand signal, but still check mix, shipments and incentives.

Model outputs carry their own cautions: a significant coefficient does not mean the variable caused the outcome, and decomposition frameworks can overstate precision.

Standard annotation, with an illustrative example

Result: A compact SUV's payment-calculator starts rise 18% week over week while sold units stay flat.

Funnel stage: Shopping (lower funnel). **Most likely explanation:** more shoppers are seriously evaluating affordability.

Main confounders: Inventory, APR competitiveness, dealer response quality, short lag to purchase.

Business implication: Purchase interest may be building, but it is too early to confirm better conversion.

What to check next: Quote requests, trade-in starts, inventory days and sold units over the next 2-4 weeks.

Excerpt, edited for length. The guide told the agent how to reason about results held in a separate governed data layer; it contains no Innocean or client data.