

Forget *Big Data* – *Value Data* wins the battle!

... from hype to real business value – now is the time for strategic planning!



Now is the time to act

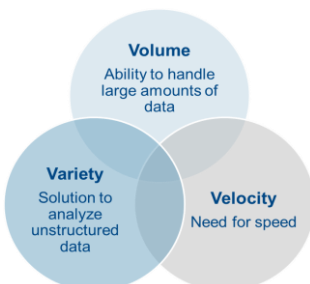
Big Data is a hot topic for many corporations. Yet many have struggled to find the right entry point or failed in implementation. A key learning is: *Big* is not enough. Hence, the *value* needs to be uncovered. In order to be successful it requires a strategic approach with a clear roadmap and a new mindset in the organization. Big/Value Data is more than just a playground for the IT department; it's a fundamental topic for the entire organization: marketing, customer management, product management, etc. Many successful case studies among the various clients Arthur D. Little supported show that the full potential of Big/Value Data can only be achieved when the entire organization is holistically considered.

This insight will provide answers to the most important questions: What benefits should companies aim for? How do they gain business value out of Big Data? What must they consider while implementing?

Where to start?

Structured data has been analysed by organizations for years. The novelty behind Big Data is that it examines huge amounts of unstructured data at a completely new pace. Data sources are widely spread and include more than just social media. Social media might be important, but untapped internal data pools are sometimes much more valuable and can be more easily exploited.

Our projects have shown that real business value is created by mastering the three V's of Big Data: volume, variety, and velocity.



New technologies such as Hadoop and In-Memory enable the analysis of these large amounts of data and provide real-time capabilities for the first time. But the first-mover advantage of Big Data is limited. Those who plan strategically, define value drivers and master the necessary transformation will achieve success.

Big Data is more than technology

In the past, many companies have started by comparing different technical solutions that are offered on the market. Unfortunately, most of these initiatives failed miserably, as there is no one-size-fits-all solution. Big Data is more than technology – it requires a transformation of business and IT in terms of governance, organizational and cultural change. To identify the specific impact of Big Data and to ensure companies can reap these benefits, we have developed a Big Data Value framework.



The first step during the Business Strategy Design phase is to define what benefits should be gained from utilizing Big Data:

- New revenue sources and business models
- Increase existing revenue sources
- Efficiency gains
- Cost avoidance

Although this might sound simple, many companies have failed in the past as they were unclear about the targets and wanted to implement the “big-bang-one-size-fits-all-solution” (as it is being promised by many vendors).

The second step focuses on the Big Data Business Transformation, enabling the organization to gain real value from the Big

Data initiatives. The Business Transformation focuses on organizational and cultural change, as well as required process setup and adaptations.

Once the requirements for the transformation are defined, the organization can focus on the third step, Big Data Technology Management, which focuses on:

- Technology screening & evaluation
- Skill / capability management
- Partner selection
- Technology architecture & roadmap

It is vital to align these three steps as value with a Big Data Business Strategy can only be generated in conjunction with these three components.

The strategic path to leverage data

Once the strategic foundation has been set, the question is which path to take in order to tap into the different data sources. Potential data sources are clustered in two dimensions: one describes the data ownership (external vs. internal), and the other outlines whether the data source is already utilized or is untapped. Exploring all possible data sources at the same time fails in many cases due to complexity. An iterative approach to tap into different pools of data is best to lower the risks, including data security and privacy concerns. The optimal path might differ by company and industry depending on the available data.

Conclusion

Every business has its very own specific opportunities for strategic advantage. To avoid the 'lost in data' syndrome you should explore Big Data opportunities systematically and holistically to find the real sweet spots.

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