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Your company may benefit from Big Data

What is Big Data? More importantly, does your company need it? Imagine a retail business that installs electronic sensors throughout its stores to track customers' movements. Store managers could use that data to improve store design, promotional placement, staff scheduling, and more. Those sensors have the potential to generate vast amounts of data, which is one reason for the term "Big Data."

In addition to size, Big Data has another key characteristic. It is separate from information customarily collected in the normal course of business. For a retail business, that customary information includes sales receipts, product costs, vendor details, and many other specifics without which the stores could not function.

This type of traditional data is almost always more foundational to a company's operations than Big Data. However, Big Data matters to everyone — even companies not collecting and analyzing it themselves.

For example, in early 2015, analysis of website traffic by WebMD showed Northeastern Wisconsin as particularly stressed by cold and flu symptoms. This is a good example of Big Data in action. WebMD found, when analyzed millions of monthly visits to its symptom-checker website, that the Green Bay-Appleton area had the second-most visits in the country during the first week of January. These findings had the potential to affect both the public at large and healthcare businesses in particular.

Taking that example a step further, a hospital or clinic administrator might hear about increased flu hospitalizations and take preparatory steps. In this case, the results of Big Data analysis could help healthcare providers be better prepared to meet patients' needs.

The same concepts apply in private industry, where conclusions about industry trends may be gleaned from Big Data analysis



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conducted by third parties.

For example, a manufacturing company that serves the automobile industry might benefit from forward-looking analysis of customer preferences for large versus small cars.

The manufacturer's alternative is simply to wait and see what parts are ordered, but by gathering trend information from outside the company, management may be better able to plan its capital equipment purchases, future hiring, and many other decisions.

The bottom line about Big Data, therefore, is that its existence affects businesses whether or not an individual business generates and analyzes it internally.

As for what information a company does collect and analyze — whether traditional data or Big Data — that's a question of business needs. Phrases such as “we need Big Data” or “we need a new data architecture” do not capture what's actually important to businesses.

Rather, business leaders need to ask “what problem are we trying to solve?”

Answers might be along the lines of “we need better competitive intelligence” or “we need people throughout our organization to be able to access important information.”

Returning to healthcare as an example, consider the importance of data and data handling to hospitals and clinics. Privacy is essential, but so is sharing — with the right people at the right time. A healthcare business leader might recognize that improving timely sharing could help reduce mistakes and otherwise improve the quality of care.

To achieve progress along these lines, the business leader must carefully evaluate what data is collected, how it's managed, and how it's made actionable.

Whether making use of existing data or establishing new data, be sure to take a three-pronged approach that embraces not only technology but also people and processes. Have the right people in the room to determine needs. Have the right processes in place to collect and analyze the data and have the right technology to help interpret, report on, and distribute the results.

Here are two questions to return to again and again when exploring your company's data needs and opportunities.

First, “what information are we collecting now?”

Second, “what information do I need to do my job better?”

After answering these questions, find the overlap between the answers. Then discover how to best take advantage of the data that exists in that overlap. Where the answers to the questions do not overlap, there is a gap in business intelligence that needs to be filled.

In some cases, the solutions will involve Big Data. In many cases, the need is for better strategies relating to traditional data.

Regardless, what's important is that a company's data helps it fulfill business objectives.