

Newsletter

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Big data means making big decisions

The business value of data has never been greater than it is today. Data is now an essential part of the core operating procedures and a central element in any business model. Data is being used all around us, improving how we work, live, learn and play. Making the most of it means that businesses can easily extract innovative business ideas and customer insights to make product and operations data-driven decisions.

A report by the World Economic Forum (WEF) notes that businesses that apply big data analytics have experienced a 26% improvement in performance and a 21% increase in global corporate profits – just by harvesting big data for decision-making. By harnessing their data, companies can gain a significant competitive advantage. If you are

a business that has data but do not know where to begin or how to use it, you are not alone.

While implementation details will vary across industries and even by company, research by the WEF shows that by focusing on the following four areas, companies can gain value from big data analytics:

1. Anchor to strategy

Instead of the data itself, the starting point should always be a strategy. A good data strategy is not about what data is readily or potentially available – it's about what your business wants to achieve, and how data can help you get there. To generate real value, data must address a specific business need to help the organisation reach its strategic goals. But to get there, companies

must first define the key challenges and business-critical questions and then identify the necessary data that needs to be collected and analyzed to help address the predetermined objectives.

2. Doing due diligence

Even though technology plays an essential role in big data analytics, companies should take a pragmatic approach to sourcing new technological solutions. Before making any purchasing decisions, thorough research helps determine which option best fits your needs and how much value can be extracted from your current/legacy systems. This allows the company to deliver results more efficiently and help to minimize capital expenditures on technology, while maximizing the return on investment.

3. Harness the data

Having collected data does not mean your company can automatically put it to use. Firstly, you may have dirty data: it is unstructured and messy and will need to be cleaned up and put into a structured format before it can be used. The next hurdle is to ensure that you have the resources to do more than just visualize the data but create models to drive insights and provide solutions to achieve strategic objectives. Unfortunately, demand for these individuals currently exceeds supply by a wide margin worldwide.

To address this, some companies have developed internal capabilities by creating a center of excellence that allows staff to develop their skills across a range of business which amplifies their contributions to business performance.

4. Champion the change

The final step is transferring the knowledge gained from big data analysts to front-line staff. Supporting them through any necessary transitions is essential to implementing the recommendations and requires careful attention. It can be the greatest hurdle to success because change is often met with resistance. To ensure success, the following tools can be employed to help bring staff on board:

- Demonstrate the effectiveness of big data through pilot programmes and quick wins
- Use credible champions for the transformation
- Show how big data improves personal performance

Too often, businesses eager to join the big data revolution focus solely on the technological aspect and acquire the newest analytical tools. But without a clear idea of the business challenges that must be solved or opportunities that can be captured, the return on investment may be limited.

Mail:

Mrs. Linda Wilson-Mano
Head of Advisory Services Department
3rd Floor, UTC Financial Centre
82 Independence Square
Port of Spain

Tel:

624-8648 Ext. 3013

Email:

yourwealthmanager@ttutc.com

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