



The amount of information corporations have to handle is growing exponentially as new forms of data, such as video and social media, join conventional corporate data. This volume of information, the velocity with which it arrives, and the variety of types which land in and around businesses, is amplifying the age-old challenge of bringing it under control and managing it. But some leading organisations are moving beyond this quest and using this data to think creatively about improving operations and interactions with customers and suppliers, as well as driving growth by creating new businesses and revenue streams. This is the 'big data' opportunity.

While big data is the latest buzzword in an industry renowned for its hype, there is something behind all the excitement, and all the signals are that it has the potential to be a game-changing competitive weapon. For too long corporations have been unable to extract the fresh insights they need from their transactional data, never mind the increasing deluge of unstructured and external data such as social media and public information sources. Today, finally, the technologies are commercially available to overcome these challenges. However, these technologies are useless without vision and leadership from the top.

>> A sea-change is occurring in the way corporations are using data.

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CEOs might be forgiven for thinking that the challenge of big data is one for their Chief Information Officers (CIOs) but that would be misunderstanding the opportunity. Whilst, ironically, the big data challenge stems from deploying IT, solving it really has little to do with technology. It is about information and how you and your organisation choose to use it. Executive leadership is needed to drive a culture of change for the way information is seen, explored and exploited in businesses. Every CEO needs to take charge of this and give serious and sustained consideration to the potential of a big data programme, assigning the resources and driving the conversations needed to shift the mindset of the business from one of retrospective analysis and forecasting to one of real-time, forward-looking insight.

My recent research has identified five strategies that leading organisations are embracing:

- Do what you have always done, but better: With a focus on core operational processes, insights derived from big data can identify and resolve supply chain bottlenecks; refine advertising

strategy and challenge fixed assumptions about profitable customers which are all fundamental elements to running a business.

- Do something different by harnessing existing or new data: Better insights from big data could completely change a business model – from selling a product to delivering a service, where, for example, data on the health of products collected by sensors can be used to optimize availability and increase margins.
- Do something new: Data already owned or accessible to a business might open up new business opportunities almost by ‘accident’, for example allowing businesses that have a billing relationship with the customer to move into the payments industry.
- Co-create value with customers: Through open innovation, data can be ‘crowdsourced’ to drive product and service development.
- Monetise data: The data you own or create as part of your day-to-day operations could be valuable if delivered in different ways to different organisations; whether that’s a stock exchange selling trading data or a search-engine selling search trend data to retailers or banks.

Several of these strategies could come into play simultaneously; look at the example of Telefonica/O2 which recently announced it would be pinning its prospects for growth on better use of data, including monetising data (reselling location data to retailers) and ‘doing something new’ with its O2 Money proposition.

Every CEO needs to challenge their management team and examine their information strategy, possibly establishing a cross-functional team to support a ‘data lab’ to review the potential of big data to drive growth. Doing this is a challenge to leadership, culture and creativity, as it is imagining new ways of operating the business so that business models develop and growth opportunities are uncovered. It is the CEO’s responsibility to ensure that their organisation is harnessing the potential of big data and therefore, whether they ultimately win or lose in their markets. **MF**

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