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The five myths of big data



Organisations commonly have more data than they think they do

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Big data and smart questions

The buzz around big data has got some people worried they are being left behind.

One of the myths Rachel Clinton explodes for us is the fear that some exceptionally bright or well-funded organisation is way out in front on exploiting analytics for business gain.

The truth is, everyone is just getting started – although, paradoxically, they have been doing good analytics all along anyway.

Big data is no shortcut to wisdom. We cannot make sense of data or profit from it unless it meets some need we have clearly defined.

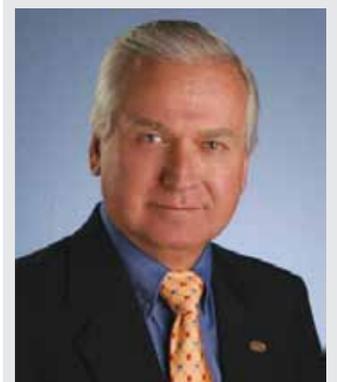
One formal definition of information says information reduces uncertainty. So we need to at least know what we are uncertain about before data is going to be any help. As technology writer Kevin Kelly says: “Machines are for answers; humans are for questions.”

Organisations that truly benefit from big data and advanced analytics will be those that encourage curiosity. We need people to ask “what if?” and “why not?”

The data is out there. Thanks to industry standards, analysts can make greater use of more and more data, certain in the knowledge their sources relate correctly to industry concepts and processes.

Standards and smart questions are key tools for delivering on the promise of big data. ■

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Rachel Clinton
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Big data is everywhere at the moment. There is a lot of talk about it, much of which presents big data as a problem to be solved, rather than an opportunity to be seized.

There are many organisations that could be using big data for powerful predictive analytics but are not doing so, because they have bought into one of the many myths in circulation.

These are the five big data myths I come across most frequently in my work.

1. Big data is new

The name is new but the concept certainly is not. The analysis of 100,000 customer records used to be considered a big job, but it was not unknown. Analysts with a file that size faced many challenges similar to those working with much bigger files today. Big is relative.

2. Big data is a problem

Big data is commonly presented as a problem: How do we make the most of our data? What if we are not doing the right thing with it? Could we be doing more? Big data has a lot of potential, even if it is not being

used properly, or even at all at present. As long as the data exists and can be used in a helpful way in future, it is an opportunity for an organisation rather than a problem. The only problem with the data comes when organisations fail to turn it into something both legible and practical for analysis, and this is often a big challenge for companies.

3. You need big data to make use of analytics

The term big data implies you need a vast data mart to be able to do any useful analytics. But this is not the case. Twenty years ago, people were doing predictive analytics with datasets that would be considered tiny by today's standards, yet they still gained useful insights from them. As long as you have a business objective and some data, you should be able to use some form of predictive analytics to learn something useful.

Organisations commonly have more data than they think they do. Data can be hidden away in some surprising places – tweets, feedback letters, web analytics; it is not just about what is in your customer transaction database. Studies show most organisations that have made use of big data already held the necessary information, but only made sense of it once they came up with a sensible question and the analytical means to answer it.

4. There are plenty of people who can use big data

Wrong. This is a big challenge and it is worldwide. Gartner statistics say there is a serious lack of skilled data scientists, with up to 75% of the positions required for all companies to make use of big data likely to go unfilled. Competition for analysts is keen. In other words, it is a great job to be doing right now.

5. Big companies know what they're doing

Gartner estimates in 2016, 85% of Fortune 500 companies will still not be able to exploit big data for competitive advantage. This means there is great benefit to be had by starting soon. Do not assume your competitors are already doing this – there is a good chance they are not.

The real challenge around maximising the opportunity of big data is an age-old one that is not specifically related to the size and volume of data.

If you do not use the data or it is not useful in solving a business problem, then is it really worth anything?

As with all valuable analytics projects, an organisation should start with a business goal, look for data that can inform against that business goal and then use the data to look for patterns, relationships and indicators that can aid

processes which, in turn, serve the original business goal.

Having access to more history, data about different aspects of behaviour, more granular information and more up-to-date information will certainly help to make business goals easier to solve, but we must not get hung up on the perceived perils of big data.

It is mostly about storage and accessibility of the useful parts of the information contained in the mass of data.

This is not dissimilar to the worries of our recent technological past, where data marts and data warehouses were the thing on which to spend your money if you wanted a single view of the customer.

As computing power and storage capacity continue to grow, along with the amount and range of data we collect, we will always be operating near the edge of what we are familiar with. But experience shows we can manage technology evolution and exploit large data sets for business benefit.

Having access to more history, data about different aspects of behaviour, more granular and up-to-date information make it easier to achieve our business goals – and that's what it is all about. ■

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