Surveys Find Rising Adoption of Big Data

What big data backlash? A couple of new surveys point to faster adoption by corporations of big data tools and skills, regardless of the growing chorus of doubters in the general media, bolstered by revelations about the NSA's big data indulgence and headlines such as the *New York Times'* "Is Big Data an Economic Big Dud?"

For the second year in a row, NewVantage Partners has conducted a survey of Fortune 1000 C-Suite executives and executives with responsibility for big data. The obvious value here is that NewVantage has produced two waves of the same survey asking the same questions and using the same methodology, including a definition of big data (sometimes lacking in other surveys): "New database management and analytical approaches developed for analyzing, storing, and manipulating large or complex data. "

In addition, the quality of the findings is high given the positions the respondents hold (44% C-Suite executives, and 35% enterprise data function heads from companies such as AllState, Aetna, and Time-Warner). 75% of the respondents, however, work for financial services companies so the results are skewed towards companies that are awash with data and that have been before on the forefront of mining it.

Last year, just over one third of respondents reported big data investments of $1 million or more. This year, that proportion has grown to 68% with 88% reporting that their organization plans to spend greater than $1 million on big data initiatives by 2016. Of organizations investing in Big Data, 19% of respondents report that investments in big data will exceed $10 million in 2013, rising to 50% by 2016. Of the organizations that have already tested the big data waters, 32% of executives reported that their big data initiatives are fully operational, in production or have been operationalized across the corporation.

When asked which big data initiatives they plan to invest in this year, over 70% of executives identified the need to accelerate analytical processes and the development of more sophisticated analytics. This is evidence, in my opinion, that these companies see their investment in big data tools, technologies, and skills as a direct continuation of their decade-long investment in analytics. Indeed, when asked if big data is associated with another enterprise-wide initiative within their organizations, 66% of the respondents answered "advanced analytics."

But there are also new dimensions to this stage in the life of data analysis, mostly around the establishment of new enterprise-wide processes and roles. 61% of executives reported the

establishment of data governance standards committees and processes, 56% reported the establishment of an executive committee with management oversight of big data initiatives, and 49% reported designation of a C-level executive as primary owner for enterprise information and big data. In addition, 48% of respondents indicated that their organization now has or is actively considering establishing a Chief Data Officer, with nearly a quarter of all survey respondents indicating that their organization currently has a Chief Data Officer in place.

The mixing of old with new in big data initiatives is reflected in the commentary on the findings of the survey. Randy Bean, co-founder and managing partner of NewVantage Partners: "Organizations have been utilizing data and analytics for several decades in a quest to gain insight, identify correlations, and provide decision makers with timely answers to critical business questions. Big Data differs from traditional approaches in the quantum leap in affordability, scale, and variety of analytics it can support." In his forward to the NewVantage Partners report Tom Davenport says: "I don't know about the longevity of the 'Big Data' term, but I am now convinced that the phenomenon itself is here to stay."

In another recent survey that fielded the same questions in 2012 and 2013, the McKinsey Global Institute (MGI) asked C-level executives about digital trends, including "big data and advanced analytics." Respondents reported increased use of data to improve decision making, R&D processes, and budgeting and forecasting. For example, "increasing automation of common or straightforward decisions" rose from 20% of respondents in 2012 to 37% in 2013.

There is no doubt that this newfound love of data is mandated in many cases from the top and MGI found that 31% of respondents reported that their CEOs personally sponsor the digital initiatives, up from 23% in 2012. But unlike the NewVantage report which highlights the new role of the Chief Data Officer, MGI found evidence for the impact of another CDO—Chief Digital Officer. 30% of respondents declared the presence of a Chief Digital Officer, and MGI concludes: "In a sign that this new role is already creating value, respondents whose organizations have a CDO also indicate significantly more progress toward their digital vision than those without one."

Overall, it looks like more and more organizations are investing in better understanding and utilization of the data that they anyway collect. Economists may argue whether we will ever find big data in the productivity statistics, but these companies are determined to find in the data new ways to impact their bottom-line.

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