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## The Legacy of Big Data

By Randy Bean | Contributor | September 9, 2014

A few years ago, I was invited to attend a one-day Big Data Conference held at Stanford University under the sponsorship of Accel Partners. This event represented a milestone in the history of Big Data. Accel Partners had emerged as the hottest venture firm in Silicon Valley on the heels of their successful investment in Facebook Inc. The event heralded a who's who of the tech elite. Among the notable speakers extolling the "revolutionary" potential of Big Data were Andy Bechtolsheim, co-founder of Sun Microsystems, and Doug Cutting, originator of Hadoop and chief architect at Cloudera, the latest red-hot Accel investment.

During the course of a picture-perfect May morning and afternoon in Palo Alto, one speaker after another set forth bold claims for Big Data. "Big Data was the next wave in technology innovation." "Big Data would change how the world made use of information." "Big Data would enable insights that would change society." It sounded like 1995 and the rise of the World Wide Web all over again. But one proposition caught my attention. Each speaker spoke about the technological underpinning that made Big Data truly compelling, which was the notion that you could just take your data and "load and go." The radical implication of the "load and go" notion was that data users would no longer have to go through the long and arduous processes of data engineering that had long thwarted the ambitions of data analysts.

Anyone who has ever worked in the corporate world knows the painful refrain to how long it takes to answer a new business question which requires adding a new data source: "Fifteen months and five million dollars." Senior business executives were resigned to a state of affairs where getting value out of data quickly was not something that they could expect to see in their business lifetimes. Then, out of the blue, a cadre of engineers, data experts, and venture investors were heralding a new day which promised freedom from the tyranny of the data gate-keepers. It was the data world's equivalent of the fall of the Berlin Wall. The oft-maligned edifice known as the Data Warehouse was under assault.

With the benefit of hindsight, and a few years' experience under our collective belts, we are seeing that Big Data is in some ways more than was hoped for. Long saddled with disparate sources of legacy data, corporations are for the first time able to successfully integrate these sources as a result of the cost and speed advantages resulting from Big Data technologies. Corporations also are able to integrate new

sources of information, such as unstructured data sources including documents, text, and pictures, and behavioral data that is captured through social media channels. The result is a growing sophistication in the data and analytics capabilities of mainstream companies.

Jonathan Bennett is chief financial officer for commercial markets with The Hartford, a \$26 billion insurance and investment firm founded in 1810. With a long history of actuarial analysis, data has always mattered. Mr. Bennett possesses a clear-eyed view of both the opportunity and the challenge represented by Big Data, cautioning, that keeping a focus on cost and the benefits of better managing data “is just as important as breaking into new Big Data opportunities. If we can figure it out, cost reductions from the former will help fund expansion in the latter.”

Big Data is not making the Data Warehouse obsolete overnight. The apostles of the Data Warehouse have fought back and demonstrated that it is not always as simple as “load and go.” Although some data engineering has been eliminated or reduced, and Big Data approaches are reducing the costs of data management, data still needs to be standardized, data quality maintained, and access provided to constituent communities. Data management will continue to be an evolutionary process.

Today, it is hard to imagine life before the Internet. I suspect that we will look back a decade from now and view Big Data the same way. In the future, “the availability and analysis of data will become the competitive lifeblood for businesses,” says Richard Mucci, president of Group Protection at Lincoln Financial. “The promise of Big Data is that when the winners and losers are sorted out, businesses find themselves on the right side of the ledger. Data-driven business models are not just nice to have, they are essential.”

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