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## Companies Bet Big on Big Data, Despite Doubts

By Randy Bean | Contributor | November 4, 2014

Big companies are betting big on Big Data. That is the main takeaway from NewVantage Partners 3rd annual Big Data Executive Survey, conducted last month. The survey was launched in 2012 at the request of C-suite executives participating in an executive roundtable breakfast I host in my capacity as managing partner for NewVantage Partners.

Understand that this is not a Nate Silver operation here. My methodology is informal, but dogged. I was asked to undertake the survey in the belief that I could tap into senior business and technology executives to get the “top view” of what senior leaders were planning to do with Big Data. My methodology is high-touch. I personally reach out to each executive, and through a combination of enticement, cajoling, persistence, begging, and pleading, manage to elicit ample participation.

This year, I contacted over 300 executives, heavily skewed to financial services and life science firms, mostly for the reason that these firms either traditionally invested heavily in data and analytics (financial services) or were just beginning to (life sciences). One hundred twenty five executives participated, representing 59 leading firms, including major banks (Bank of America, CitiGroup, JP Morgan Chase, Morgan Stanley, UBS, Wells Fargo), money management firms (Capital Group/American Funds, Charles Schwab, Fidelity Investments), credit card issuers (American Express , Capital One, MasterCard), insurance firms (Aetna , MetLife, New York Life Insurance), health and life science leaders (CVS Pharmacy, GlaxoSmithKline, Johnson & Johnson, Kaiser Permanente, Pfizer), and media, manufacturing, retail, and defense firms (Gannett , General Electric, Raytheon). Forty-two percent of the executives held positions with C-executive responsibilities or were business line presidents/chiefs. Twelve percent were CIO's, 12% chief data officers, and 8% CTO's.

So, what did these executives have to say about the progress of Big Data in the corporate world?

**Big Data Investment is Growing.** Thirty-five percent of executives report their firms will invest \$10 million in Big Data initiatives in 2014, yet a much larger 75% forecast that their firms will invest this much by 2017. While a modest 6% of executives report investments of \$50 million in 2014, a dramatically larger 28% project investments of this magnitude by 2017.

**Executive Sponsorship is Critical.** Executives report that sponsorship for Big Data initiatives starts at the top — 26% of initiatives were sponsored by the CEO, COO, or business line chief, 16% by the CIO, 13% by the CFO or chief risk officer, 11% by the chief data officer, and 8% by the chief marketing officer.

**Business-IT Partnership is Essential.** 88% of executives cited the importance of strong business-IT partnership — 77% citing business leadership and sponsorship, and partnership and organizational alignment, as being the most critical factors in ensuring successful adoption of Big Data initiatives within the corporation.

**No Silver Bullets.** Although 82% of executives characterized Big Data as highly important or mission-critical to their firms in the years ahead, I detected a note of caution. In speaking with a number of these executives privately, many expressed anxiety and uncertainty about the path forward.

Nearly all executives now view data and analytics as being necessary to the competitive development of their business, but executives remain divided on the path to take. Many firms are consolidating their data initiatives under the newly established chief data officer (CDO) role, with 43% of executives reporting that their organization has established a CDO function — up from 19% in 2012.

Yet, many executives express concern about the extent to which Big Data will deliver on the hope and promise that has prompted interest and investment. While organizations are putting Big Data into production (67% of executives reported a Big Data initiative in production), a number of executives have noted that the value metrics are still not fully evident. These executives note cultural challenges and gaps between technology promise and technology delivery, and question how significant the resulting time savings and cost savings from Big Data will really be. For these folks, the jury is still out.

Big Data will be a journey for corporations in the years ahead. What is clear is that big companies are making the commitment, and are down the path. Now, they will look for hard results. The legendary Satchel Paige said it best: “Don’t look back; something might be gaining on you.”

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