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## Mainstream Corporations Poised for Big Data Investments

By Randy Bean | Contributor | July 16, 2015

For mainstream corporations operating in mature markets, finding the opportunity for disruption using Big Data can be a daunting challenge. Although the economic opportunity is enormous, mainstream corporations face business impediments and complex legacy environments. The opportunity to realize significant business benefits is often based on optimization of operational processes that lack the glamour of new-economy entrants.

Silicon Valley Bank recently held a Big Data Summit to highlight some of the challenges facing mainstream corporations as they struggle to seize an advantage from the opportunity presented by Big Data. But first, for context, check out these past headlines:

- “World drowning in oceans of data” – BBC News. October 31, 2003.
- “Digital universe doubling every 18 months” – IDC. May 19, 2009.
- “Here comes the zettabyte age” – Wired. April 30, 2010.
- “90% of world’s data generated over the last two years” – Science. May 22, 2013.
- “One-fifth of organizations store more than 1 petabyte of data” – CIO. February 13, 2015.

The data challenge is multiplying. SVB highlighted what they perceive as a “discrepancy in maturation” in Big Data capabilities based on the selected vertical markets they analyzed. Referencing statistics drawn from The U.S. Department of Commerce, Gartner, and additional sources, SVB concluded that Big Data maturity is highest in smaller size markets, like advertising and travel, and is at an early-stage or nascent in the large economic markets, like financial services and health care. They cite two significant impediments to Big Data spending in these markets: Level of regulatory oversight and ease of data capture.

In spite of sizable investments in Big Data from some large financial services and health-care companies, Silicon Valley Bank concluded that the Big Data industry was at the tip of the iceberg (“nascent”) in terms of future investment opportunities. SVB foresees a future driven by Big Data investment in “high friction, high value” industries.

The Big Data opportunity among high-value mainstream corporations will be a challenge for other reasons as well. Chris Parsons, who serves as vice president of Big Data Strategy and Business Development for AT&T, echoes SVB's comments on market impact. He highlighted an additional challenge when he observes that for mainstream corporations, "the use cases may not always be sexy." But still the business impact can be "enormous."

The company recently opened a Big Data Center of Excellence in Plano, Texas. For AT&T, Big Data means dealing with 10 million columns of structured data for 62,000 services. AT&T hopes its center will bring speed and agility to its business capabilities and processes.

For financial service giant, American Express Inc., the challenges are similar — huge business impact, based largely on operational process optimization. Ash Gupta, chief risk officer and president for Risk and Information Management for American Express says AMEX is focusing its Big Data efforts on three areas: service excellence, generating billings and receivable growth, and risk management. "Big Data analytics have helped us significantly reduce the lag time to insight and discovery, allowing us to more rapidly enhance customer experience."

If SVB is correct, mainstream companies will drive the future of Big Data investment. It may not all be classic disruption or glamorous stuff. However, when measured by investment and business value, expect the impact to be massive and at scale.

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