

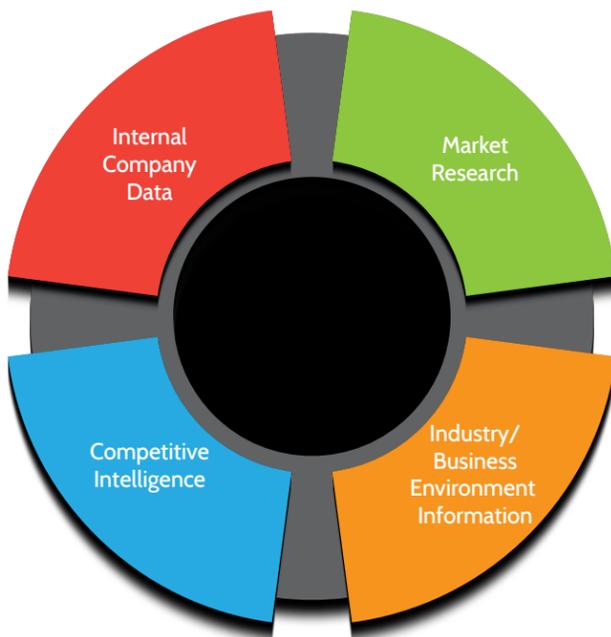
IS “BIG DATA” REALLY USEABLE FOR SMALL AND MEDIUM SIZE COMPANIES?

By Carla Gail Tibbo

One of the most common topics in the business world today seems to be “big data” – or business intelligence – or one of the other phrases used to describe it. And the commentary is almost always directed at large businesses, and those with sophisticated information systems in place. What data does your small/medium sized business need? How can you get them simply, effectively, and, at the same time, make them really useful?

You can. And you should! One key to growing a business and keeping a competitive edge is knowing the key drivers of the business and having an actionable strategy for moving forward. Those both require information – facts, figures.

There are four different kinds of data any business needs:



Let’s talk about these four kinds and what intelligence each can provide. Later in other blogs we’ll discuss methods for getting each of these kinds of data, and strategies for analyzing, organizing and using them to benefit your company.

To get started on your “big data” plan, what information do you need for your business? What would be helpful to you? What would allow you to measure success, and what would tell you where there are issues you need to get working on? And when we talk about measuring success, we are talking about metrics, or the numbers that tell us what is really going on in the company. Let’s look at some possibilities for each of the key types of information.

Internal company info – all companies have accounting and financial information, and sales reports. Many (but not all) have some kind of a customer database, or at least a list of customers by sales and products purchased, and metrics from their website. While these aren’t necessarily organized in the optimal way, they contain gems of information, if they are looked at critically. A few good ones: Who are your best customers (and how do you evaluate this)? Are you giving them preferential treatment? Which customers buy once, and never again? Which products are low sellers? Are they closely related to big sellers? What would happen if they were dropped from the product line? Which sales channels give the higher return on investment? What is the path people take through the website?

Market research – maybe you don’t have a budget to run full-scale research projects in your company, but there is information you can collect on your customers, former customers, and suppliers. You could learn what customers like and/or dislike, why a former customer left, what suppliers are seeing as new trends. Suggestions of some questions you could ask: how did you find out about our company? If you could make one recommendation for product/service improvement to our CEO, what would it be? Who else do you buy Product/Service X from? Ask a couple of questions on your website, or on a drink coaster in your restaurant, or at an event. Track results, ask different questions the next time.

Competitive intelligence – all companies have competing products/services, and other firms they compete with. They provide great insights. Think about: Where does the competition advertise? What does their website tell you (look at each and every page)? What are their products and services, and how do they stack up against yours? What is their pricing like? Is their pricing philosophy distinguishable (or do they have a philosophy at all)? Do they have special offers or packages? Are they running ads for jobs? What is their key product or service message? Is it really a differentiator?

Industry/business environment information – what’s going on in the business world and how does it affect you? Here, it’s important to narrow down the info that really affects your business. Some ideas: What are the trends in the industry you are operating in? Are there social or cultural issues that affect sales? How do economic changes affect your business? Do labour force issues, currency exchange rates, or interest rates cause you concern? Any rules or regulations, current or pending, that could be troublesome? What are the main social media sources telling you about your industry?

Business intelligence (or “big data”) is most valuable when there is ongoing collection and review of some of the key information – like industry/business environment information, collected monthly. Also, collecting specific data to answer specific questions or to address specific challenges is insightful. Some of what you collect will not be in a nice, numerical format. For example, customer comments or feedback is unstructured data, while sales by month is a recurring, numerical statistic. When you have information from the four key sources in front of you, it may not be easy or instantly obvious how to put them together to make them actionable. If you look at them with the view that they tell a story, and then determine how to weave that story so that it relates to your business challenge, you’ll begin to be able to leverage information to real business advantage.

Acquiring the ideal information and using it effectively are not easy, but this gets easier and you grow more sophisticated at doing it as you build experience and confidence with your skill. Soon, more sophisticated and systematized business intelligence processes will follow, and you’ll be on the way to constructing a “big data” resource for your company. Can we help you with this? It’s something we do all the time for clients.