Big Data Projects: Strategic Disruption or Storm in a Teacup?

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After the internet and e-commerce, Big Data analytics—with its associated technologies—seems to be the next highly significant digitalization effort, one that is expected to bring fundamental changes to business operations, economies and societies in both the short and long term.

However, stories of many failed Big Data projects (both reported and not reported) have cast doubts on the strategic necessity and value of these projects (Marr, 2015; Asay, 2014). This raises the question of whether Big Data analytics and the associated technologies are a strategic disruption for organizational productivity, or just another hyped-up pretender of business value—a storm in a business teacup?

In a report by Pricewaterhouse Coopers (PwC), Richard Petley, director of PwC Risk and Assurance (White, 2015), points to the dilemma by suggesting "Data is the lifeblood of the digital economy, it can give insight, inform decisions and deepen relationships…it can be bought, sold, shared and even stolen—all things that suggest that data has value. Yet when we conducted our research, very few organizations can attribute a value and, more concerning, many do not yet have the capabilities we would expect to manage, protect and extract that value."

Most organizations are adamant (perhaps rightly so) to derive value from the data that they collect on an ongoing basis, and they see data crunching as a means of setting them on the path of strategic glory and competitive advantage. However, it appears that organizations lack an understanding of what value and benefits they can realistically derive from the pools of data that they collect.

Marr (2015) recounts the hype surrounding Big Data projects aptly: “Another client—a retailer—had 258 separate data projects on the go when they called me in. Some were interesting—such as by mining all of their stock and purchase data they had found that a particular bottle of wine sold exceptionally well on a Tuesday, and even more so if it was raining. But so what?”

Is achieving business value from Big Data analytics an illusion? At least some of the current research on the value of these projects seems to suggest so. The study by PwC (White, 2015) found that 43% of the organizations who have deployed Big Data projects were able to achieve little tangible benefits from their information, whereas 23% “derive no benefits whatsoever.”

The failure of Big Data projects could be due to a host of issues. Problem areas range from strategy, people, culture, organizational capabilities, an understanding of what exactly an organization wants to achieve from its data assets, inattention to analytics details to the nuances of implemented tools, to name a few (Moore, 2015).

The main challenges in Big Data projects seem to stem from: lack of skills, lack of adequate technology and lack of project management knowledge and maturity, or lack of effective use of project management knowledge and tools (Marr, 2015; White, 2015).

While the technology and skill set availability are evolving, an organization needs time to keep up with the pace of developments in the Big Data field. But certainly, organizations can use good project management practices to improve their chances of success in Big Data projects. One key approach will be to have a well-architected business case, and a data strategy to support that business case at the project initiation stage.

Clearly, identifying business problems and mapping out data strategies based on these problems is critical to the success of Big Data projects (Moore, 2015). One idea is to develop and maintain two cross-disciplinary teams. One would be the core team, involved in every Big Data project in order to ensure consistency and to develop a specialization; the other team would play a backup role, providing support and necessary replacement capabilities if anyone from the core team staff becomes unavailable. Involvement of people with project management experience will add value as they could help in balancing the technical and soft side of the projects.

It seems that given the hype surrounding Big Data analytics, organizations do not have much choice other than to shrug off any feelings of uncertainty and to invent a data strategy of their own. They might seek inspiration from the words of wisdom by Bethany Hamilton, who said, “Courage doesn't mean you don't get afraid. Courage means you don't let fear stop you.”

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References

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