Summary of McKinsey report

According to the McKinsey report “Big data” refers to any dataset that cannot be easily stored, managed or analysed by a typical database software tool. It talks about how such data and it’s sustainable growth can be economically beneficial to both public and private sectors.

The report gives us a statistical insight about how the increase in the population has revolutionized data generation, communication and data access by comparing the resources available now and the resources that were available a decade back. It also talks about the kind of data that’s available now such as image, video, text and numeric data compared to older times.

The report is concentrated on exploring the possibilities of how big data can create value by considering five domains for the exploration: retail and healthcare in the United States, public sector administration in the European Union, global personal location data and global manufacturing. The reasons for opting these five domains for exploration is that together the five domains represented nearly 40% of the global GDP in 2010 and these five domains utilise the big data in different ways which gives those many different business lessons.

The paper discusses the current work and latency in these 5 domains. It discusses current shortcomings of the industries and also gives us an insight into the big data tools and technologies that can be utilized in these domains that can help them grow economically and financially powerful. For example, it has been pointed out how US healthcare that majorly generates real time data, spends 30% more than OECD countries and yet falls below average on healthcare parameters. The paper suggests that integration of the four major pools of data (Pharmaceutical R&D, Clinical, Activity and Patient behavior and sentiment data) will benefit organizations and policy makers. The research suggests that big data has the potential to unlock more than $300 billion a year in this sector.

The researchers have concluded that by leveraging the potential of big data in the public sectors of European countries and other similar countries, generating multimedia content can reduce the administrative costs by 15 to 20%.

Throughout the paper the authors stress over the importance of the proper integration of the big data within the various industries to completely benefit from the data. By illustrating how different executives and policy makers can work together to enable the growth of data as well as utilize its full potential, it shows readers how they can make a significant difference by forming levers and using them to bring a considerable benefit to all parties, including the industry, the consumer and the economy.