



How Small Businesses Can Use Big Data

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When they hear the term “big data,” many Los Angeles and Southern California business owners and entrepreneurs mistakenly think this is something that only large corporations with multi-million dollar information technology budgets and sophisticated IT systems can benefit from.

So it's not surprising that according to research conducted by SMB Research Group, just 18 percent of small businesses and 57 percent of mid-sized firms are utilizing business intelligence and analytics solutions to harness and use data.

Defining Big Data

Big data is one of those terms that can mean different things to different people, so let's start with a definition. TechTarget defines big data as follows: “An evolving term that describes any voluminous amount of structured, semi-structured and unstructured data that has the potential to be mined for information. It is characterized by the extreme volume, wide variety of types of data and the velocity at which the data must be processed.”¹

While it's true that large businesses are leading the way when it comes to harnessing, analyzing and using big data, there are many opportunities for small and mid-sized companies to tap into the power of big data to make better business decisions and gain more insight into their customers' buying patterns and behaviors. Unfortunately, misperceptions on the part of many owners of small and mid-sized firms are keeping them from realizing the many benefits that can be realized by tapping into big data, including:

- Improved operations
- Greater efficiency
- Lower costs
- Improved customer experience
- Streamlined supply chain management
- Increased sales and revenue

The reality is that business in the 21st century is fueled by digital technologies — everything from the Internet, wireless networks and smartphones to social media outlets. All businesses, regardless of their size, must stay in front of the technology curve or risk losing connectivity to customers, prospects and other stakeholders — not to mention market share and operating efficiency.

The good news is that harnessing and analyzing big data doesn't have to be expensive or complicated for small and mid-sized businesses. For example:

- IBM's Watson Analytics solution includes a suite of data access, data refinement and warehousing services that enable owners and executives to prepare and present big data themselves.

- Google Analytics (Basic service) is a popular and free website monitoring tool that provides detailed data of all types about traffic to your website. This includes visitor behavior and engagement patterns, where visitors came from and how long they remained on your site. With this information, you can make better data-driven decisions that will improve online lead generation and help increase online sales.
- InsightSquared connects to popular business solutions to automatically gather data and extract actionable information.

Keys to Big Data Success

The key to successfully harnessing and analyzing big data is not to take on more than you can handle with the personnel you currently have on your staff. Big data is everywhere — the trick is figuring out how you can use it to transform your business. Try to visualize and measure all the information at your disposal, including your website, e-commerce site and CRM databases. There are many software programs that can help, including Intuit's QuickBooks, which enables you to run more analytics against your own internal data.

A modular approach to big data will give you the functionality you need, when you need it, thus enabling your analytics capabilities to grow as your business grows. Harnessing big data and performing the appropriate analytics will help drive an actionable information culture at your business that helps achieve business optimization at all levels of your organization.

In today's world of information overload, data is growing exponentially, and it's easy to find yourself drowning in data. But all data is not created equal, so the big data that your company mines and analyzes needs to focus on actionable metrics that drive real business results like improved operations, greater efficiency, lower costs and increased sales and revenue.

Concluding Thoughts

Many Los Angeles and Southern California business owners and entrepreneurs mistakenly think that big data is something only large corporations with multi-million IT budgets can benefit from. However, there are many opportunities for small and mid-sized companies to tap into the power of big data to make better business decisions and gain more insight into their customers' buying patterns and behaviors. The key to successfully harnessing and analyzing big data is not to bite off more than you can chew. Big data is everywhere — the trick is figuring out how you can use it to transform your business.

1 Essential Guide: Big Data; TechTarget; <http://searchcloudcomputing.techtarget.com/definition/big-data-Big-Data>

About CFO Edge

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