

GUEST COLUMN

Big data for SMEs

Data will blur the heterogeneity in the business ecosystem in the long run

Data-driven decisions are better than heuristic ones or gut feeling, no doubt. The process of data analytics facilitates companies to understand their business and customers better. Today, we live in a world where customers seamlessly interlope between physical and virtual spaces. This enables them to analyse data, which has become an important tool to develop and expand competitive advantage. Big organisations have started building capabilities to analyse big data to meet their business needs. In today's world, small and medium enterprises (SMEs) as well as start-ups must catch up with this data revolution to stay competitive.

However, the pace of adoption concerning big data analytics (BDA) has been slow among SMEs. Understandably, it is an economic decision to allocate funds to develop various capabilities, and postponing this decision undoubtedly costs more. After all, data analytics is not a magic pill that delivers instant results. Instead, it offers a better perspective, which helps you understand where you are and where you can be in the future.

First, ambitious businesses need to acknowledge that they can no longer afford not to have a BDA strategy. The reluctance to invest in BDA needs to change, as the next wave of growth will propel this ever-growing data. Organisations that lag in the adoption of BDA will have to pay dearly.

To begin with, SMEs need to recognise the myth associated with building analytics capabilities and understand that it doesn't strain budgets. The first step in the right direction is to move to the cloud. According to a McKinsey 2011 report, companies that have moved to the cloud have managed to save up to 30 per cent on their IT budgets. Cloud computing makes storage and management of data accessible. Coupled with data analytics, the investment is worth it.

Early adopters of the cloud are

moving fast. The demand for cloud technology grew at 46 per cent CAGR, until last year, according to Zinnov Analysis. A minority of 54 million SMEs drove this demand. Nasscom predicts 78 per cent SMEs will adopt cloud services by 2020. This is an indicator of how aggressively (even small) companies are investing in building future capabilities.

The reason for this sudden shift is easy to understand. Cloud computing offers SMEs flexibility, agility, security, connectivity and scalability.

These five components are crucial for growth in today's market. Conducting your business operations via cloud-based networks offers unlimited storage without the hassle of network management. It saves time and money and makes SMEs and start-ups more agile and competitive.

The next step is to create a data ecosystem by integrating internal and



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external resources. This "sandbox" focuses on improving the quality of datasets available within an organisation. Through linear and non-linear modelling, data scientists can objectively evaluate patterns rather than interpret them through biases. The results are incredibly reliable and insightful. This high-resolution awareness of patterns and challenges allows managers to design and deploy solutions faster. Evolving technologies such as Internet of Things, cloud-based analytics, artificial intelligence and machine learning will help reduce the idea-to-execution lead time. Firms that produce effective solutions faster and more frequently will be differentiated from competition.

Data will blur the heterogeneity in the business ecosystem in the long run. SMEs, start-ups, big corporations and governments will come closer. They will operate in tandem to deliver outcome-based and mutually beneficial solutions. Organisations that remain on the sidelines without a strategy to deploy BDA will remain inferior and mediocre.