

5 SME big data myths demystified

Despite positive case studies and the increasing uptake of analytical capabilities by large businesses, some SMEs are still sceptical.



Andrew Cruise, managing director at Routed.

Yudhvir Seetharam, head of analytics for FNB Business demystifies the biggest misconceptions that SMEs hold about data analytics:

Big data is a fad – some small businesses are still of the opinion that big data is just a fad that will soon fade away. While the term “big data” may not be as popular now as it was a few years ago, the idea of digitising, using data in a meaningful and insightful way is here to stay.

Although holding onto tradition is valuable in some instances, business owners need to also observe the landscape around them. Just as new competitors appear on the scene, so too can competitors use data to optimise or disrupt the market.

The returns of a data-driven strategy are also not necessarily immediate – those expectations need to be managed so that they pay off in the long term (if investing in infrastructure) but can be realised in the short term if “quick” questions can be answered via data.

When applied appropriately and in context with the nature of the business big data can become a major competitive advantage. Businesses should further consider the way the data is collected, processed and analysed in order to produce strategic insights from it.

Requires substantial investment – advancements in technology have enabled any business regardless of size to gain access to state-of-the-art Big Data analytics tools. This has been instrumental in removing barriers to the use of Big Data which was previously limited to large organisations. An SME can easily get off-the-shelf tools that help optimise their business and provide some ideas on disrupting their market. Investment here is either technology-based (which will have decreasing costs over time), or people-based – however, finding a data scientist is easier said than done!

Only large corporates need big data – as a small player you still need insights on your customers as well as market dynamics to take your business to the next level. These simple, often overlooked measures are often the key to optimising your business in the short term.

SMEs mistakenly assume that Big Data is only effective when massive data sets, dating back several years are analysed. The emphasis should not be on the amount of data you have as a business, but rather insights that can be derived from it.

It's not relevant for my sector? – although some industries have had greater successes with Big Data, such as the health care and financial services industries, any business that has access to data can leverage this tool.

Moreover, it's never too late for a small business to start collecting data for insights. For example, opening a social media page where customers can interact and provide feedback on the business' products and services.

Our data is not complex enough – the biggest misconception that exists is that valuable insights can only be derived from complex data sets that can only be analysed by qualified data scientists. While this notion may be true for some industries, data does not necessarily need to be complex to be analysed. A handful of likes on Facebook about a certain product range over a period, can provide a lot of insight to a small business.

“Big Data analytics is certainly not a fad. Small businesses that are still sceptical should consider doing research or consulting an expert to determine how it can potentially benefit their businesses,” Further, businesses need to understand the difference between simply progressing down the data journey versus being progressive in running their business – you want to spend the most amount of effort where it counts, as opposed to just following the herd. concludes Seetharam.

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