

# THE DATA IS GROWING. WHY AREN'T INSIGHTS?



## The Data Storm

---

Worldwide, enterprises are generating vast amounts of data. Not only is the volume of data overwhelming, its complexity is staggering. In a knowledge and information driven economy, data has become an invaluable enterprise asset. A Gartner report says that by year-end 2012 information assets will appear on the balance sheets of 25 percent of Global 2000 companies.

To put data availability in perspective, consider this: Google CEO Eric Schmidt recently estimated there were 5 exabytes (billion gigabytes) of information created between the dawn of civilization through 2003. That much information is now created every 2 days and the pace is increasing.<sup>1</sup> Last year, The Economist gave readers a sense of the crushing power of the data storm while reporting that “experiments at the Large Hadron Collider at CERN, Europe’s particle-physics laboratory near Geneva, generate 40 terabytes every second—orders of magnitude more than can be stored or analyzed. So scientists collect what they can and let the rest dissipate into the ether.”<sup>2</sup>

Over the last decade the cost of storing the data has dropped dramatically. Technologies to move, manage, organize, retrieve, mask and secure the data are, however, becoming complex. Information has become so huge that it can bury entire departments. Luckily, the mountains of data also present opportunity. Extracting actionable knowledge and business insight using predictive analytics has become the Holy Grail of business leaders. They know that to do business better, they must create better customer insight. Today’s data availability and analytical tools can help deliver previously unimagined customer, market and business insight.

<sup>1</sup>Google CEO Schmidt: "People Aren't Ready for the Technology Revolution", ReadWriteWeb, 4 August, 2010: [http://www.readwriteweb.com/archives/google\\_ceo\\_schmidt\\_people\\_arent\\_ready\\_for\\_the\\_tech.php](http://www.readwriteweb.com/archives/google_ceo_schmidt_people_arent_ready_for_the_tech.php)

<sup>2</sup>All too much, The Economist, 25 February, 2010: <http://www.economist.com/node/15557421>

# The Daily Data Exhaust

---

A smart phone that is constantly exchanging data with the network is generating a stream of information about the user's location. The information can be used to target location-aware advertising. The series of clicks on a website are being recorded to create data stacks that can be used to decipher behavior patterns of individuals and entire communities. The information can be used to deliver context-aware content driving e-commerce. Wal-Mart operates more than 8,000 stores in 15 countries with half a million SKUs each. Every time a customer checks out, hidden in the data generated are relationships between customers, stores, products, services and offers. Analytics has the potential to unearth these relationships and drive accurate personalization leading to direct bottom line gains.

Enterprises are eyeing and analyzing the data exhaust of their customers, users, vendors, partners, collaborators, competitors, and their own employees, assets, processes and systems, to get a faster and sharper view of changing business demands. Expectedly, the data types and volumes are so large that it raises questions about the availability of expertise to structure and analyze it. Amongst the top "to-do" items that business leaders must address is creating the expertise to understand the data. With rapid changes in data management technologies, businesses will do well to partner with experts who can help create processes, technologies and best practices to manage their data.

## Understanding the Challenge

---

With business processes becoming collaborative, enterprises are stumbling across the challenges in uncovering insights locked within their data. Data is in silos across the enterprise. Often the data is difficult to access. The quality of the data is uncertain, rendering it unreliable. Data formats are not necessarily standardized. Before being able to share and use the data across the enterprise, these hurdles must be crossed through effective integration.

The question every enterprise must ask itself is: Do we have a sound data and information management strategy? What is the ideal framework for the strategy within my industry? How can I derive the maximum business value from my data?

Information strategy is the key step. It establishes the mechanics that takes the vision of making information a business asset and turns it into an operational reality.

Organizations that have established systems to manage information can still fail. This is because they do not have a strategy driving it. The extended nature of enterprises integrated with partners, customers, and competitors add to the challenges of integrating information.

What stands between an enterprise and a successful methodology of managing data and information? The key factors are summed up here:

- The deluge of both structured and unstructured data customers and employees produce and consume
- Siloed storage
- Integration complexities
- The ever-changing technology landscape

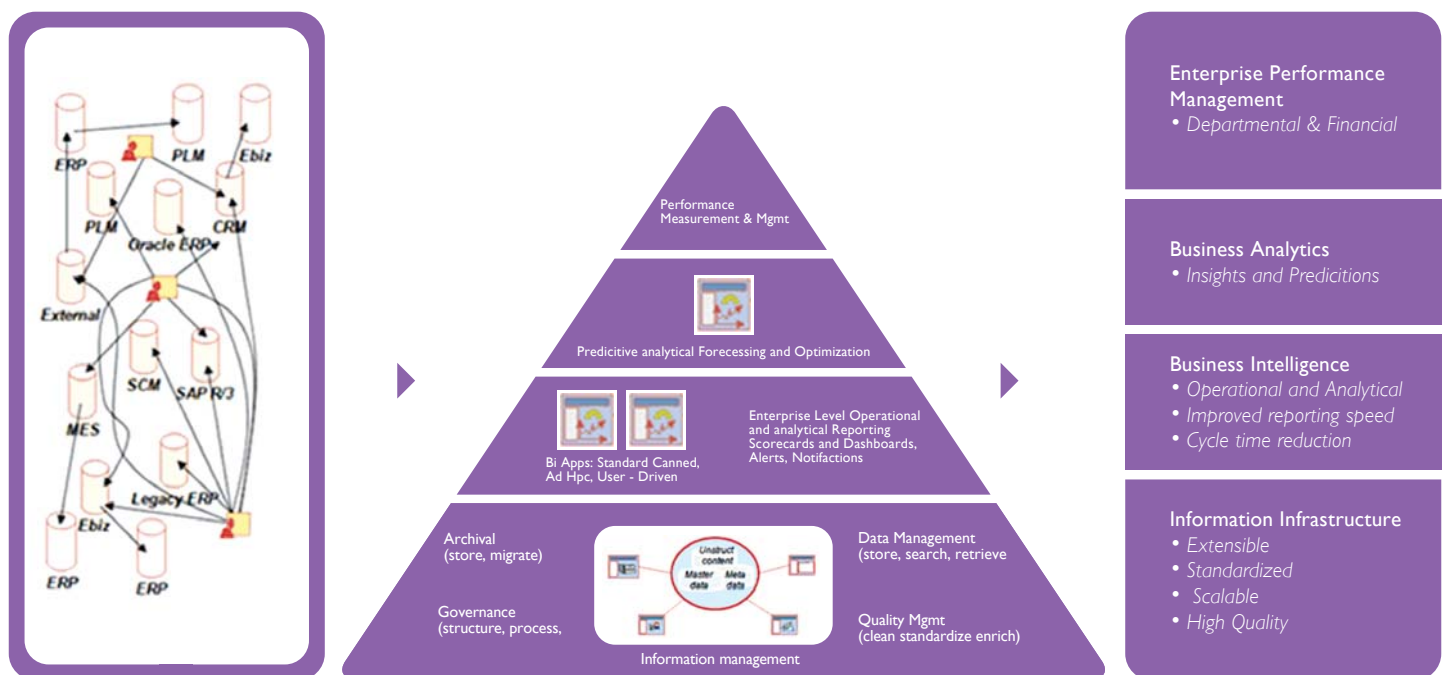
Organizations have a fragmented response to the challenges. They struggle with their information architecture, they are uncertain about the tools to use, the IT complexity is daunting, expertise is lacking, data stewards are not identified or their roles are not sharply defined and the poor quality of data hampers successful deployment of intelligence. The outcome is a lack of trust in enterprise data. Bringing these initiatives together into a coherent strategy is vital for effective use of corporate information.

An A.T. Kearny 2009 IT Innovation and Effectiveness study reported that executives consider two factors – inconsistent data and IT complexity – as the biggest IT-related barriers to company growth. That is hardly surprising. Businesses have been taken by surprise at the sudden growth of enterprise data. They are now searching for solutions.

*Organizations that have established systems to manage information can still fail. This is because they do not have a strategy driving it.*

# Structuring Your Information Strategy

Organizations need a strategy that ensures information of value is consistently available to the key stakeholders across the enterprise at the right time. An information strategy blueprint must move organizations from a network of silos to an integrated enterprise-wide viewpoint. The goal is to unleash value by leveraging information as a strategic enterprise asset.



Wipro's 4-Layer Information Strategy Blueprint shown above creates a logical approach by addressing:

- Information life cycle management including master data, metadata, and unstructured content as the foundation layer of the blueprint. It uses domains of data management, quality management, governance, and archives to ensure high-quality data is available across the enterprise.
- Business intelligence that delivers operational and analytical reports to assist in improving operational efficiencies.

- Business analytics that help organizations plan and optimize business operations.

- Enterprise performance management that allows organizations to measure themselves against financials and other strategic parameters.

How far can such a strategy guarantee outcomes? A specialty retailer adopted a streamlined information strategy, harvesting new insights that helped increase its market share by four percent and its gross margin by 2.6 percent. The information caused it to take action that reduced employee churn from 8.1 percent down to 6.1 percent.

## Predictive Analytics

---

The incremental intelligence gathered by organizations traditionally has accelerated at a slower pace than the information growth itself. However, what will help leading organizations to be better prepared for unpredictable scenarios in the era of information explosion is their ability to effectively use predictive analytics. Actionable insights generated through advanced capability will be a key differentiator for continuous sustenance and competitive advantage. Thus, the art of doing business now needs continuous fusion of advanced science.

We have observed that using “insights derived from predictive analytics” as a discipline has enabled organizations make more effective decisions. It delivers better outcomes to the bottom line and drives growth. One of the leading fashion retail clients for whom we help analyze the size profiles and optimal composition of size packs for seasonal apparels, was able to reduce lost sales by an average 31%. An early estimate of last year calculations show projected gains of approximate USD 14M through this initiative. In another example for leading Consumer products manufacturer Savings of 8% in brand media spend was realized by reallocating media mix through Marketing Mix Modeling solution

There are new models of taking effective decisions emerging and organizations having the vision to apply new approaches like predictive analytics stand to gain competitive advantage.

## Management Sponsorship Makes the Difference

---

Organizations that create a strategy to leverage data and information rapidly adopt platforms with information management tools. Their mature management approach addresses key non-technical issues like governance and stakeholder management. The impact of top-level executive sponsorship for data and information management cannot be undermined. It can make the difference between successful implementation of the strategy and frustrating failure. Having an astute and dependable information strategy has an impact on a company's ability to do business better by improving its ability to make smarter decisions at every level.

About the author: Sridhar Pallia is a Senior VP & Global Head of Business Application Services at Wipro Technologies

*Actionable insights generated through advanced capability will be a key differentiator for continuous sustenance and competitive advantage.*



## About Wipro Technologies

---

Wipro Technologies, the global IT business of Wipro Limited (NYSE:WIT) is a leading Information Technology, Consulting and Outsourcing company, that delivers solutions to enable its clients do business better. Wipro Technologies delivers winning business outcomes through its deep industry experience and a 360° view of “Business through Technology” – helping clients create successful and adaptive businesses. A company recognised globally for its comprehensive portfolio of services, a practitioner’s approach to delivering innovation and an organization wide commitment to sustainability, Wipro Technologies has 120,000 employees and clients across 54 countries.

For information visit [www.wipro.com](http://www.wipro.com) or mail [info@wipro.com](mailto:info@wipro.com)



## **DO BUSINESS BETTER**

---

[WWW.WIPRO.COM](http://WWW.WIPRO.COM)

NYSE:WIT | OVER 120,000 EMPLOYEES | 54 COUNTRIES | CONSULTING | SYSTEM INTEGRATION | OUTSOURCING

---

WIPRO TECHNOLOGIES, DODDAKANNELLI, SARJAPUR ROAD, BANGALORE - 560 035, INDIA TEL : +91 (80) 2844 0011, FAX : +91 (80) 2844 0256, email : [info@wipro.com](mailto:info@wipro.com)

© Copyright 2011. Wipro Technologies. All rights reserved. No part of this document may be reproduced, stored in a retrieval system, transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without express written permission from Wipro Technologies. Specifications subject to change without notice. All other trademarks mentioned herein are the property of their respective owners. Specifications subject to change without notice.