

# Big Data: Beyond the Hype

InterComms talks to Ian McVey, Director of Marketing and Business Development, Enterprise and Systems Integrator Segment, Interxion, about their latest report on Big Data which was commissioned with Vanson Bourne

**B**ig data, along with cloud computing, is a term that has come to dominate current IT industry debate. With the continued rise of smartphones, tablets and social networks, and an ever increasing proportion of business processes becoming digitised, we all see evidence of the vast amounts of data that these transactions and communications produce.

At its simplest level, big data describes the challenge of extracting better insights from the information flowing in, out and through corporate and organisational networks. In theory, this intelligence could hold the key to any number of performance improvements, such as reducing customer churn, increasing sales or eliminating inefficiencies.

While much has been made about the commercial potential of big data, concrete examples of projects being executed are, outside the scientific world, relatively thin on the ground. Getting big data right demands the effective orchestration of a broad set of variables. On the one hand we have the cultural challenge of operating across a broad range of business functions – for instance, sales, customer service and finance – to paint a complete picture of inter-connected operations. On the other hand, there is the technological challenge of combining hardware, software and the network to deliver a platform capable of crunching through big data sets.

Looked at purely from a technological perspective, addressing this challenge calls for a strategic vision underpinned by a long-term plan. Anecdotal evidence suggests, however, that despite the desire of IT departments to take a more strategic approach, the day-to-day demands of the business sees them driven by short-term reactive pressures.

At Interxion, we wanted to get a real understanding of the current state of play in how businesses were tackling big data, if at all. In our report, *Big Data – Beyond the Hype*, we explore some of the following themes as revealed by interviews with 750 European IT decision makers (Vanson Bourne) in the UK, France, Germany, the Netherlands, Spain, Belgium, Denmark, Sweden, Austria, Switzerland, and Ireland:

- The appetite and capability of business to capitalise on big data

- The ability of IT departments to take the necessary long-term view to make big data a success
- Restrictions on IT's capacity to deliver big data programmes
- The robustness of the business case and expected commercial benefits for big data

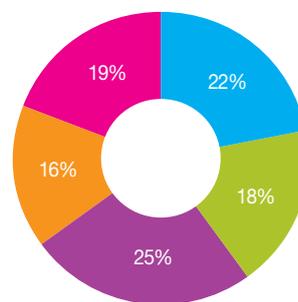
The study has unearthed some interesting perspectives. We trust you will get as much from its findings and insights as we have.

## THE BUSINESS CASE FOR BIG DATA

Despite all the media and industry clamour around big data however, relatively few businesses have managed to find a role for it in their own operations: just a quarter of businesses have explored and made a successful business case for big data. Nonetheless, its application is being widely considered, with 81% of organisations either already having explored big data or planning to do so.

### Which of these best describes your organisation's position on big data?

- We are exploring how big data could benefit our organisation but are yet to build a business case
- We have explored how big data could benefit our organisation and could not find a business case
- We have explored how big data could benefit our organisation and have developed a business case
- We have not explored how big data could benefit our organisation but do have plans to do so
- We have no plans to explore how big data could benefit our organisation



## THE STRUGGLE TO TAKE A STRATEGIC VIEW

Capitalising on the opportunities presented by big data entails the co-ordination of a number of cultural, organisational and technological facets. And uniting and harnessing these elements in support of commercial objectives requires that IT departments are closely aligned with long-term business plans.

► *Big Data – Beyond the Hype* reveals the struggle faced by IT departments in achieving this: a third of businesses agreed that their department fails to take a proactive, long-term and strategic approach. There were some significant differences between countries in their responses though: while 51% of French companies and 43% of UK firms acknowledge the challenge, this was true of just 15% of German respondents.

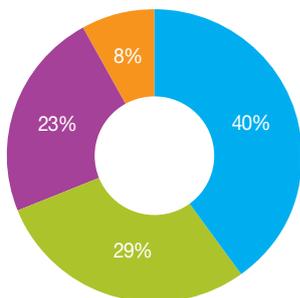
The time constraints faced by European IT departments is a major contributing factor to this: 99% of respondents said they spend at least some of their time fighting fires rather than carrying out proactive, strategically important work that would benefit the company, with an average 37% of time spent in this way. Given this background, it comes as little surprise that, when asked why they are struggling to take a long-term view, the most common answer from respondents was that they always have to deal with short-term reactive business requirements (80%). This was closely followed by budgets getting tighter (69%) as well as the fact that just over half of IT departments (53%) don't have any insight into the long-term plan for the business. In fact, a quarter of respondents (24%) said that their department doesn't have a plan in place to support the business plan at all.

**WHERE CHALLENGE MEETS OPPORTUNITY**

Big data is seen as both an opportunity and a challenge for the business and the IT department, but it is small companies where the challenge is most keenly felt. 79% of businesses with between 501 and 1000 employees say their IT departments see big data as a significant challenge, compared with only 55% of organisations with more than 3000 employees.

To what extent is big data perceived as a challenge by your organisation's business and IT? My organisation's business regards big data as...

- A moderate challenge
- A significant challenge
- A minor challenge
- Not a challenge at all



When asked about the challenges involved in building a big data solution, almost half (45%) of respondents said that there are more pressing demands on the IT department's time, while a third cited reluctance to invest in the CAPEX needed (33%), a lack of storage capacity (32%) and a lack of expertise in-house (32%).

In terms of the technology required to deliver big data solutions, it's no surprise that analytics (55%) and storage (53%) are the biggest concerns. Significantly, the network comes a close third, with almost half (48%) of respondents

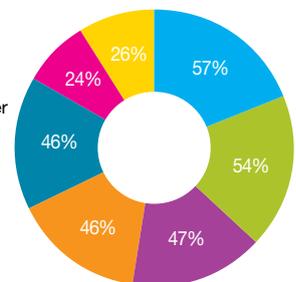
admitting that they are extremely concerned about this issue as it relates to the speed of accessing, processing and delivering information. This makes sense when you consider that 58% of organisations expect to need their big data to reach the end-user within 100 milliseconds.

**EXPECTED BENEFITS**

Irrespective of the challenges presented by big data, the study's respondents also recognised that big data was capable of delivering a broad range of business benefits: better decision making (57%), improved customer satisfaction (54%), more crossselling (47%), bringing new products and services to market more quickly (46%) and innovation (46%) all scored highly.

If money and resources presented no barriers, what benefits do you believe the strategic and effective use of big data could bring to your organisation?

- Better decision making across the organisation
- Improve our levels of customer satisfaction
- Improve our sales figures through better cross-selling and up-selling
- Bring new products and services quicker to market
- More innovation
- Better corporate compliance and governance
- Increase workforce productivity



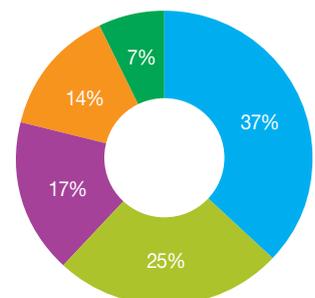
These understood business benefits were reflected to some extent in the applications driving big data needs at respondents' organisations: customer management systems (41%), e-commerce (35%) and financial transactions (34%) came out on top.

**A GROWING PRIORITY**

Although only 7% of respondents believe that big data is already a priority for their organisation, this is set to change dramatically, with a further 62% convinced that it will become a priority within the next 3 years.

Would you say that big data is/will be a priority for your organisation in the next...?

- Will be a priority within 3 years
- Will be a priority within 12 months
- Will not become a priority for my organisation within 5 years
- Will be a priority within 5 years
- Already a priority for my organisation

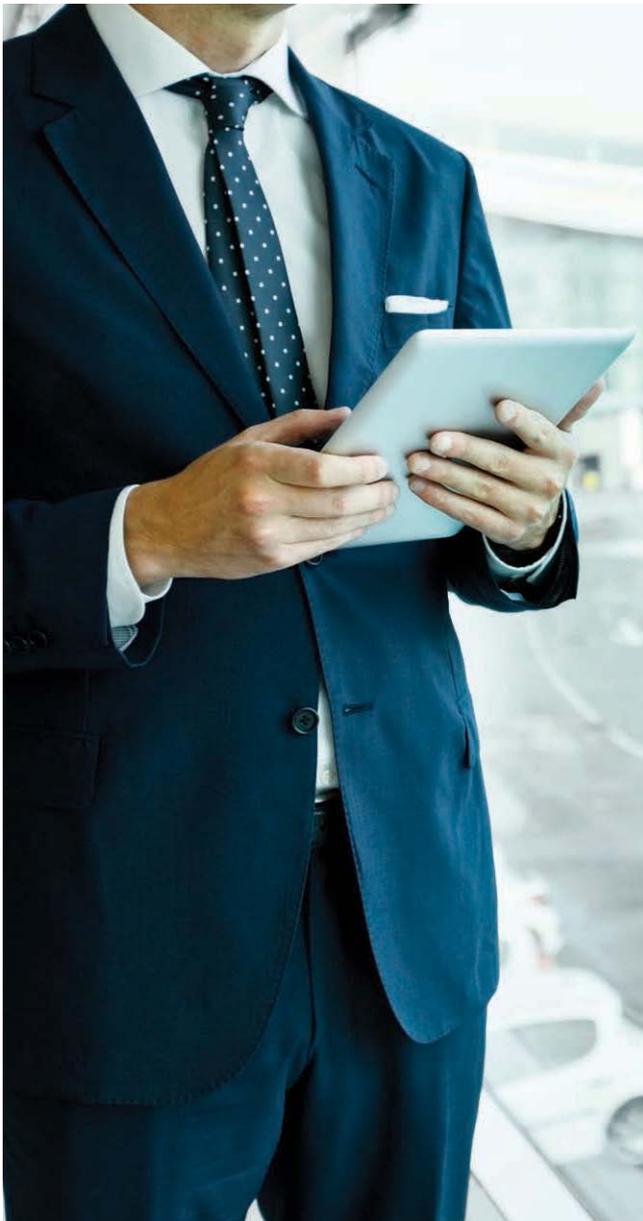


Looking through *Big Data – Beyond the Hype* in its entirety, the study provides a great deal of food for thought for firms considering how to tackle big data. ►

- ▶ We have discovered that big data is a strategic proposition with those IT departments that are aligned with long-term business plans better able to assess its merits. We also found however that a large number of IT departments are constrained in their ability to be strategic, either because they're charged with cutting costs, offering a reactive service or have no visibility of the long-term direction and objectives of the company.

Time and again, we see those organisations that take a strategic approach to IT delivering faster growth and greater shareholder value, so it's puzzling to see that many businesses are still missing out on this competitive advantage.

It's understandable that, in today's tough economic climate, reduced resources and stretched teams can result in a focus on the urgent rather than the important. The question though is 'what is the opportunity cost?' Lack of resources in the long run destroys shareholder value. Creating the



headroom to assess the merits of big data is vital for a company's competitive advantage. Those companies that do will win out. Those that don't will trail behind.

This is also true for pan-European country competitiveness. Businesses in the smaller countries by GDP face tightening budgets, an increased focus on 'fire-fighting' and are less likely to have a long-term strategic plan in place. They are therefore correspondingly less likely to see big data as a priority in the next five years, when compared with businesses in larger countries such as France, Spain and Germany.

What is also clear from the study is that big data is set to remain for a good while longer at the top of the enterprise IT agenda. A comfortable majority of respondents recognise that big data will become a growing priority for them and acknowledge the need to harness its capabilities for the good of the business. In order to capitalise on the benefits that respondents anticipate, it's crucial to make the right choices now and ensure that all the elements are in place for a successful big data solution. Establishing an innovation process that brings together multi-disciplinary teams is vital at the same time as allowing those teams the headroom to focus on the big data task at hand. Given the focus is currently on analytics and storage, those organisations that forget network speed in the context of a big data solution are missing a trick for the future. Choices about systems, networks and applications made today will have a big impact on the ability to deliver big data programmes down the line, so it's imperative to involve all three relevant disciplines: business, IT and telecoms.

At Interxion, we believe that if big data is a strategic proposition, so too is where you 'house' your big data solution. Making the wrong choice today could tie your company to a poor-performing solution which in the long run could see you lose out to competitors who have made the right choice. Picked as a key consideration by 48% of our respondents, connectivity is the third most important challenge they face, with 58% agreeing that their big data solution will need to reach the end-user within 100ms.

Meeting the requirements of volume, variety and velocity calls for the solution to be located in a highly-connected data centre facility. What are the implications of a large volume of data going across a WAN? Would the cost prohibit the business case? What if you need to be colocated to a large variety of datasets? And finally, when it comes to velocity, what if the network aspect of your solution resulted in delivering results 'just too late' rather than 'just in time'? At Interxion we have over 450 carriers in our 33 data centres across Europe. This gives you the opportunity to 'connect, transact and create value' from your big data solution, within 100ms of 70% of Europe's GDP.

To download the full version of *Big Data – Beyond the Hype* please go to: <http://www.interxion.com/sectors/enterprise/big-data/Big-Data---Beyond-the-Hype/>.

**For more information visit:**  
[www.interxion.com](http://www.interxion.com)