At the top of Gartner’s famed hype cycle, the “peak of inflated expectations,” the influencers of the world expect that technology will transform everything. Big data analytics reached that point several years ago, yet real progress towards the use of big data to transform organizations is a different matter.

Nobody denies that big data analytics is important. The question is how important. It’s a rare senior executive who can focus on more than three or four priorities. If big data isn’t near the top, it might as well be close to the bottom.

In the survey conducted by Forbes Insights on behalf of Teradata, 316 senior executives drawn mainly from the IT and data functions were asked, “Which best describes the importance of big data analytics on your company’s CXO agenda?”

Only one out of five (21%) said that it was the single most important way for the company to gain a competitive advantage. The other four-fifths didn’t know, said the priorities weren’t clearly defined or said it was one of a number of priorities.

Survey respondents were senior: Over a quarter worked in the C-suite, and over half were vice presidents or higher. If these high-level executives have multiple priorities, the focus of the people below them is likely to be even more diffuse. If big data analytics isn’t the highest priority at the top of the organization, it definitely won’t be highest at the operational levels.

Moreover, as top executives juggle a growing list of priorities, revenue growth starts to decline relative to peers.1 Executives with extremely focused priorities—one to three—are most likely to achieve above-average revenue growth.

As Steve Jobs told his biographer, Walter Isaacson, “Deciding what not to do is as important as deciding what to do.”2 So who were the 21% of senior executives who chose to elevate big data above all the other priorities?

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1Based on a study by the consulting firm Strategy&., cited at https://hbr.org/2011/04/stop-chasing-too-many-priorities
2https://hbr.org/2012/04/the-real-leadership-lessons-of-steve-jobs
1. They work at companies where big data analytics is highly visible. Over half of those who say big data analytics is the most important path to competitive advantage also work at companies where it is a key focus of the CEO. In contrast, among companies where there are multiple priorities, the priorities are undefined, or the respondent isn’t sure what the priorities are, only 8% say that big data analytics is a key CEO focus.

At Time Inc., the chief data officer participates in a weekly four-hour meeting with the CEO, CFO and a dozen other C-level executives. “We have one of the few CEOs in the media world who really understands the value of data, metrics and analytics. Because of his background at AOL, he knows what user data can do and became a tremendous internal advocate,” says Time Inc.’s chief data officer, Dr. J.T. Kostman. “Every Monday we’re locked in a room to talk strategy and operations for four hours. So data and analytics have tremendous visibility here.”

2. They’ve seen proof that big data analytics can transform the business. Three-quarters of those who say big data analytics is the most important path to competitive advantage also agree with the statement that “it has transformed the way we do business.” Where big data analytics is one of many important issues, or where the priority is not defined or unknown, six out of 10 say that the impact has been nil, limited, or they aren’t sure.
3. They’ve seen proof that big data analytics can drive revenue growth. Over half of the committed executives say it has increased revenue by more than 3%. Over 90% say it has increased revenue by more than 1%. Lower levels of commitment correspond to fewer people attributing revenue to big data.

Data can drive revenue in several ways. “To some extent, you can look at data as a proxy for revenue,” says Time Inc.’s Dr. Kostman. “It can be directly remunerative or it can be part of the relationship we have with agencies and advertisers to give them insights into their audiences that they can’t get otherwise. Eventually, we’ll be looking at data as a business as well.”

4. They’re investing across the board—in data analytics, acquisition, storage and talent. Everyone is investing in big data analytics. Executives with the strongest commitment are investing the most. Survey respondents who say big data analytics are the single most important way to gain competitive advantage are much more likely to be in the midst of significant or very significant investment in all facets of big data. Over 80% are investing heavily in analytics, data acquisition and storage; almost 90% are acquiring talent.
5. They’re more likely to work in organizations where a broad swath of decision makers use big data analytics. Even in organizations where big data analytics is viewed as the most important path to competitive advantage, less than half of respondents say that it is used by “many” (defined as more than 10 or over 20%) functions in the company. Yet usage is still broader than it is at the organizations with less strategic focus.

Not surprisingly, data-driven decision-making penetrates deeply into insurance organizations, where almost every function can benefit from the skillful application of data science. “Any given time, I’m working with our reserve actuaries, pricing actuaries, adjusters, call and contact centers, underwriters, or our CEO and his direct reports,” says Heather Wilson, chief data officer at AIG. “My mission is to have unified metrics for them so that they are all making decisions together with the same data.”

Similarly, at large banks, data analytics influence decisions in almost every area, notably customer experience, risk management, and compliance. “Our data helps us find opportunities on the upside and mitigate costs on the downside,” says Wells Fargo Chief Data Officer Charles Thomas. “With the help of my boss, I was able to interview the chief marketing officer, the head of digital, the person who runs the call center, the chief risk officer, and the chief financial officer. They all recognize how critical it is that they have good data, available quickly, dispersed throughout the organization, and regularly process it, analyze it, and then put it to work to reach your business goals.”
6. They’re more likely to work in Asia-Pacific. Only 22% of the survey respondents came from the Asia-Pacific region. Yet those respondents were almost twice as likely to say that big data analytics represented the most important path to competitive advantage.

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%         10%           20%        30%           40%          50%         60%          70%          80%          90%          100%
Most important path to competitive advantage
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“Chief among the pioneers are companies from the Asia-Pacific region whose commitment to data integration and the culture of collaboration are serving as valuable guideposts to their American counterparts,” says Matt Ariker, chief operating officer of the Consumer Marketing Analytics Center at McKinsey & Company.

7. They can work in any industry, but they’re slightly more likely to be in retail. Only 16% of the executives who took the survey worked in retail. Yet 24% of the retail contingent believes that big data analytics are the most important path to competitive advantage. Having said that, executives with a strong commitment to big data analytics work in every industry. Industry is not a strong predictor of interest in big data.

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%         10%           20%        30%           40%          50%         60%          70%          80%          90%          100%
Most important path to competitive advantage
<table>
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Success in deploying big data analytics can happen anywhere, but it is more likely to happen in some organizations than others. The best predictor of success is commitment in the C-suite, a high level of strategic visibility and early success in transforming one or more businesses.

Operational successes several levels below the C-suite can inspire others and encourage quick adoption within the organization. The growth of the cloud and software-as-a-service encourages widespread experimentation without the need for big budgets and high-level approvals. The migration of business to the web and the torrent of customer data suggests that big data analytics will take on a larger role in every industry. Yet there is nothing like commitment at the top and a tangible success story to drive fast adoption of big data analytics in any organization.
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