DECEMBER 2014

# How to get the most from big data

**Matt Ariker, Peter Breuer, and Tim McGuire**

Organizations need specialists, or "translators," who can analyze, distill, and clearly communicate information of the greatest potential value.

**Simply collecting big data** does not unleash its potential value. People must do that, especially people who understand how analytics can resolve business issues or capture opportunities. Yet, as most executives know, good data people are hard to come by. According to a McKinsey survey, only 18 percent of companies believe they have the skills necessary to gather and use insights effectively.[1] At the same time, only 19 percent of companies are confident that their insights-gathering processes contribute directly to sales effectiveness. And what if number crunchers aren't enough? After all, if a great insight derived from advanced analytics is too complicated to understand, business managers just won't use it.

**Exhibit**  Organizations should focus on finding 'translators,' people who can bridge different functional areas.
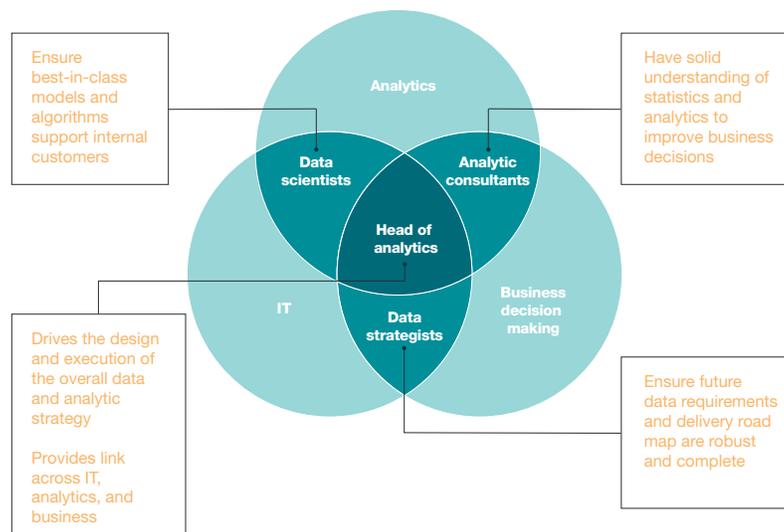
[1] Patrick Callinan, David Edelman, and Fabian Hieronimus, "Marketing in three dimensions," *McKinsey on Marketing & Sales,* May 2014, mckinseyonmarketingandsales .com.



Ensure best-in-class models and algorithms support internal customers

Have solid understanding of statistics and analytics to improve business decisions

Analytics

Data scientists

Analytic consultants

Head of analytics

IT

Data strategists

Business decision making

Drives the design and execution of the overall data and analytic strategy

Provides link across IT, analytics, and business

Ensure future data requirements and delivery road map are robust and complete

That's why companies need to recruit and cultivate "translators"—specialists capable of bridging different functions within the organization and effectively communicating between them (exhibit). But looking for a single translator at the right intersection of all the various skills you need is like looking for a unicorn. It's more realistic to find translators who possess two complementary sets of skills, such as computer programming and finance, statistics and marketing, or psychology and economics. In all but the rarest of cases, you'll need at least two translators to bridge each pair of functions—one of whom is grounded in his or her own function but has a good enough understanding of the other function to be able to communicate with a counterpart grounded there. That's because when this process works best, it's a collaboration rather than a straight "translation."

Consider, for example, business and analytics. Business managers generally have an incomplete understanding of the data available, no matter how well versed they are in data or how well developed their analytics requirements are. In this case, analytics managers with a fuller appreciation of the data, who also understand the business and have a clear vision of the objectives, can proactively offer solutions and options.

When considering what translators you need, it's important to understand that business impact based on analytical insights requires bringing together the right group of people with complementary skills, and then creating the necessary connections between them. In effect, *translators form the links that bind the chain of an effective advanced-analytics capability.* On the business end, that requires people who can define a strategy and run the economic and financial analysis to determine the value of the opportunities to pursue. Translators turn those analyses into requirements that guide IT's development of an analytics environment to perform, validate, and ultimately scale analytics. When the data are rendered into insights, business managers need to then translate them into messages and offers to be delivered to the marketplace.

The ability to work together quickly and flexibly is critical. The best processes are highly iterative, requiring business, IT, and analytics teams to rapidly review real-world results, recalibrate analyses, adjust assumptions, and then test outcomes.

● ● ●

While companies don't often think about talent in terms of value chains, the skill and capability links between people are crucial for unlocking the full value of advanced analytics. ◻

**Matt Ariker** is the chief operating officer of McKinsey's Consumer Marketing Analytics Center and is based in the San Francisco office, **Peter Breuer** is a director in the Cologne office, and **Tim McGuire** is a director in the Toronto office.