∎HUFFPOST∎

12 Major Mistake Companies Make With Big Data

12 Major Mistake Companies Make With Big Data

By Young Entrepreneur Council, Contributor

Invite-only organization

Jul 6, 2015, 09:57 AM EDT|**Updated** Dec 6, 2017

This post was published on the now-closed HuffPost Contributor platform. Contributors control their own work and posted freely to our site. If you need to flag this entry as abusive, send us an email.

Big corporations and small startups alike are making a big deal out of analyzing big data. But are they looking for the right results? We asked 12 members of Young Entrepreneur Council (YEC) what they specifically recommend staying away from.

Data equals power. I believe that most companies don't realize how much you can pull out of your data. There are many tools out there that can help you make data-driven decisions, which in turn can give you more predictable results (our company uses RJMetrics and we are thrilled with it!). - Elliot Bohm, Cardcash.com

A. Not Having Data Scientists

Collecting big data is easier then ever and implementing tools to work with big data has also become much more accessible. The problem is oftentimes companies do not have a qualified Data Scientist or someone who can interpret or map/reduce the proper dimensions of data. Instead they rely on non-qualified personnel to interpret data. The improper analysis of data can be very harmful to a company. - Phil Chen, Systems Watch

A. Answering Trivial Questions With It

The biggest mistake that companies make with big data is using it to answer relatively trivial questions such as "what." Big data isn't about "what" questions; it's about "*why*" questions. Big data is about joining data sets that have never been joined before and asking questions that have never been asked. It's about knowing *why* customers and employees are doing the things that they do. - Dusty Wunderlich, Bristlecone Holdings

A. Focusing on Data Processing at the Expense of Analysis

Half of the challenge of big data is finding the right algorithms and approaches to ingest the vast quantities of information you have. The second, and more overlooked, challenge is finding a way to present your findings in a usable fashion. Too many companies focus on the former (how do we process all that data?) at the expense of the latter (how do we make it actionable?). - AJ Shankar, Everlaw, Inc.

A. Neglecting to Track Time and Cost

Many companies don't invest enough in time tracking and cost accounting. Especially for a service-based business, having the proper time-tracking tools for true cost accounting is very important to be better able to tell true margins across all offerings. This information can be used to increase efficiency and profitability. - Justin Beegel, Infographic World, Inc.

A. Confusing Correlation and Causation

When companies work with big data, a major and common mistake is to assume that correlation implies causation. While you can use data to understand correlation, equating it to "cause and effect" can lead to false results and fruitless decisions. Making the distinction between correlation and root cause is critical to utilizing data for best results. - Doreen Bloch, Poshly Inc.

A. Overcomplicating the Process

Too often we see an initial investment in expensive, slick "big data" tools that require a team of analysts, without the team in place or the ability to implement learnings. Make sure you have a foundation to utilize learnings based on strategic questions and goals. Don't overcomplicate it. You can start simple with basic tools and grow from there. - [Kayla Wagner](#), [Revel Interactive](#)

A. Thinking Too Big

Big data gets a lot of buzz and rightfully so, but companies should think small in leveraging their data. A data project can be very expensive and create high recurring costs. Start these projects by solving real problems and expand on those solutions as you build your system out. This way you will have real ROI on your investments and pave the way for future learnings. - Ryan Wilson, FiveFifty
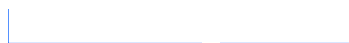
A. Being Data-Driven vs Data-Informed

One mistake companies make is that they give data too much decision-making power, letting their data drive major product decisions. When leaning on data alone, product teams tend to optimize around a local maxima, when more impactful opportunities may exist as entirely different features. Use your data as an influencing factor, but not as the final voice in your product roadmap. - Emerson Spartz, Spartz

A. Not Factoring in Real Roadblocks

Often, clients do not factor reality into their analysis. We worked for a bank in Africa to review its growth strategy to invest in technology solutions for its retail locations. Although their numbers looked great, the client (and the country for that matter) had power and infrastructure issues. What good is technology if 80 percent of the time your systems are down? - Tamara Nall, The Leading Niche

A. Not Using It to Answer Business Questions

There's so much data being generated and collected, it can be overwhelming. Successful organizations start with the business questions they want to answer and then assess the data they have to answer those questions. Just looking at your mountain of data and trying to figure out what to do with it is a recipe for a lot of wasted time and effort. - David Booth, Cardinal Path

A. Not Customizing It to Clients

One major mistake companies tend to make with big data is that they tend to simplify and overlook the varying, complex nature of individual client needs. Don't put clients in a box! Companies need to listen, understand and find custom solutions based on what the client wants. - Gerald Wilmink, PhD MBA, WiseWear Corporation (C Corp, Delaware)

These answers are provided by the Young Entrepreneur Council (YEC), an invite-only organization comprised of the world's most promising young entrepreneurs. In partnership with Citi, YEC recently launched BusinessCollective, a free virtual mentorship program that helps millions of entrepreneurs start and grow businesses.

HUFFPOST

NEWS

ENTERTAINMENT

VOICES

ELECTIONS

POLITICS

LIFE

HUFFPOST

PERSONAL

ABOUT US

CONTACT US

FAQ

ARCHIVE

COMMENT POLICY

HUFFPOST PRESS ROOM

PRIVACY POLICY

DO NOT SELL OR SHARE MY PERSONAL INFORMATION ▷

NEWSLETTERS

ADVERTISE

RSS

CAREERS

USER AGREEMENT

DMCA POLICY

ACCESSIBILITY

STATEMENT   CONSENT

PREFERENCES