

The social spark

In this Power Play, Deloitte provides a Digital Enterprise perspective on “Reengineering business intelligence” from Deloitte’s Business Trends 2013.



What’s at stake

The volume of social data expands exponentially with each passing week, driving companies to seek fresh insights into their businesses. The combination of massive data sets and new analytics tools is fueling new growth, new products, and new markets.

It’s no surprise that leading companies are redesigning business processes to harness this potential. Using business intelligence engines that blend data from social media with other data sets, these organizations are moving to decision-making that occurs almost in real time. This means they can manage strategic risks more effectively and capitalize on emerging opportunities more quickly.

Transforming how business operates

Business intelligence that combines social media data with other external and internal data sources can boost business performance and lead to breakthrough innovation. But in order to create a significant impact, companies should consider integrating the analytics and insights into their standard business processes and work flows. Treating the new business intelligence capabilities as a simple bolt-on to existing systems and processes can be a valuable first step; however, it is unlikely to provide the full benefits of an integrated approach.

Why act now?

These days, business leaders are hungry for new insight, regardless of the source. In the past, they may have turned to internally-focused historical data—sales trends, past profitability, and more. But now it’s possible to harness the power of the crowd to generate more timely insights to inform decisions that need to be made right now. Ten years ago, that ability was little more than a pipe dream. But now that it’s a reality, the pressure is on for business leaders to be the first to put it to work.

Lessons from leaders

Social data not only presents many classic big-data challenges, it also introduces specific issues in highly sensitive areas such as privacy. But the insights that come from social data can be well worth the challenge.

What to do



Strive for mass intimacy.

For decades, companies have been trying to develop a more intimate understanding of customers. Thanks to business intelligence and social data, companies are able to achieve what seems like a paradox: individual customer intimacy on a mass scale. Businesses today can understand a customer’s needs and behaviors even better than the customer does—and generate that level of deep intimacy for the entire customer base.

What not to do



Don’t raise the data-quality bar too high.

In analytics, it’s not always possible to achieve the standards of data quality that may be desired—nor is it always necessary. With the ability to combine social data with other sources, it’s possible to generate useful insights from information that you may have avoided only a few years ago. Target high-quality data, but don’t get hamstrung by it.



What to do



Prepare to innovate.

Insights from social data and business intelligence can enable valuable innovations. For example, some companies are taking customer intimacy to a new level by turning their biggest fans into “fan-bassadors”—enthusiastic consumers who represent the company in social media forums and at promotional events in exchange for little more than the honor of being associated with a company they love.



Put things in context.

Improve understanding and decision quality by mashing up social data with enterprise data from ERP systems—and then frame the resulting insights within broader issues and trends.

What not to do



Don't start without defined goals.

Starting without strategic questions, clear hypotheses, and well-defined metrics can drastically reduce the usefulness of whatever insights you may gain.



Don't create frameworks without context.

Using off-the-shelf social data tools that track key words, volume, and sentiment will allow a company to learn from external conversations. However, those tools often don't include a business context, which can lead to incomplete analysis.



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My take

With all the hype about analytics these days, it's natural—and healthy—to ask whether social data-driven analytics is just a passing fad, or if it's the real deal. You've probably already guessed our view: I believe social data is well worth the hype. Why? Because it can provide business insights that are difficult or impossible to obtain from traditional data sources.

If you're wondering where social data could have an immediate impact on your organization, consider these three areas.



Consumers.

What consumers are talking about today on social media can help companies predict the market needs of tomorrow, including future demand levels and product requirements. It can also uncover emerging problems or complaints before they become headline news.



Employees.

Social media can help a company understand how employees are really feeling so it can fine-tune talent management programs and address problems early. It also provides a way for employees to collaborate on solving interesting and important business challenges.



Ecosystem.

Analyzing social data generated by customers and suppliers can help a company predict and anticipate future market trends. For example, if social chatter in the automotive industry is focusing on new models and sales growth, that's a useful indicator of increased future demand for commodities such as steel and plastic.

If insights like these are worth pursuing in your organization, keep in mind that this isn't just a matter of buying new technology. Taking advantage of these types of insights requires more than just bolting some fancy analytical capabilities onto existing systems and business processes; it requires changing how the business operates by integrating social data analysis and business intelligence into the company's day-to-day work flows.



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