

'Big data - a game changer for decision making'

i 'Information is the oil of the 21st century' and 'The sexy job in the next 10 years will be statisticians.' These statements, by Peter Sondergaard of Gartner Research and Hal Varian at Google, convey similar messages: information is what it's all about! A trillion new data units are created every day. And 90% of the data now available has been produced in the last two years. In other words, we have more data and information at our disposal than ever before. It sounds like a valuable business asset, and it is. But for data to add real value, we have to actually do something with it. Onguard asked more than 1,000 finance professionals in the UK to share their views on the importance of data for companies in the finance industry, both now and in the future.

WHAT IS BIG DATA? THE FIVE V'S

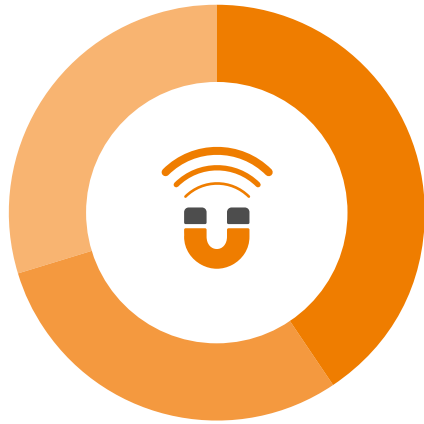
The 'big' in big data is not just the sheer amount of data, it is also the possibilities it creates. The hallmarks of big data are often referred to as the five Vs.

- 1 VOLUME**
 is the amount of data obtained from internal and external sources.
 
- 2 VARIETY**
 refers to the different types of data, such as structured, semi-structured and unstructured.
 
- 3 VELOCITY**
 is the speed with which new data is generated, processed and analysed.
 
- 4 VERACITY**
 refers to the reliability of the data as a source of useful information.
 
- 5 VALUE**
 is the value the data can add to an organisation.
 

HOW DOES DATA FIGURE IN ORGANISATIONS?

The results of the FinTech Barometer survey indicate that availability of data is important for organisations.

- ▶ Data plays a key role in **80%** of companies.
- ▶ **24%** of companies claim to be 'all about data'.
- ▶ Only **7%** of finance professionals said nothing was done with the available data.
- ▶ Only **6%** of finance professionals did not know what was done with the available data.







THE INFLUENCE OF BIG DATA



- ▶ **45%** of finance professionals expect big data to be the most influential trend in the industry.
- ▶ **36%** of finance professionals see big data as the trend that will have the biggest impact on employment.
- ▶ **32%** of finance professionals see big data as the trend that will have the biggest impact on the Order to Cash process.

THE POTENTIAL OF BIG DATA IN FINANCE

Finance professionals are known for their ability to analyse figures and generate management information based on past results. But this alone is no longer enough. The emergence of big data creates opportunities for finance professionals:

- 1.** 
Predictive value of big data: By adding big data insights on customers and the market and combine them with the current business performance figures allows finance professionals to look at the future.
- 2.** 
Financial risk assessment: big data also makes it possible to gain faster and clearer insight into the company's current financial status.
- 3.** 
Discovery of new possibilities: the value of big data lies in the analysis. Running analysis on large sets of data reveals a wealth of new possibilities.
- 4.** 
Increasing profitability: the insights gained by linking data can be used to improve operational efficiency and reduce costs.

THE PITFALLS OF BIG DATA IN FINANCE

- 1 CONFIRMATION BIAS**
 Rather than using big data to confirm preconceived conclusions, it is better to use it to identify emerging trends.
 
- 2 EXPENSE**
 Effective use of big data requires investment in IT systems.
 
- 3 PRIVACY**
 Big data may pose a threat to privacy. So, it is essential to ensure full compliance with all legislative and regulatory requirements.
 