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Capgemini report shows rising impact of Big Data on decision-making

Study with Economist Intelligence Unit reveals that data is now as essential to business as land, labor and capital

India, 12 June 2012: – Capgemini, one of the world’s foremost providers of consulting, technology and outsourcing services, today announced the findings of a global survey into the use of Big Data¹ in corporate decision-making. The Economist Intelligence Unit report [*“The Deciding Factor: Big Data & Decision making”*](#), commissioned by Capgemini, reveals that nine out of ten business leaders believe data is now the fourth factor of production, as fundamental to business as land, labor and capital. The study among over 600 C-level executives and senior management and IT leaders worldwide indicates that the use of Big Data has improved businesses' performance, on average, by 26 per cent and that the impact will grow to 41 per cent over the next 3 years. The majority of companies (58 per cent) claim they will make a bigger investment in Big Data over the next three years.

Two-thirds of executives consider their organizations are ‘data-driven’, reporting that data collection and analysis underpins their firm’s business strategy and day-to-day decision-making. Leaders who base their judgement on a combination of experience and instinct are becoming increasingly rare. Over half (54 per cent) say that management decisions based purely on intuition or experience are increasingly regarded as suspect and 65 per cent assert that more and more management decisions are based on “hard analytic information”. That figure rises to 73 per cent for the financial services sector, 75 per cent for healthcare, pharmaceuticals and biotechnology and 76 per cent for energy and natural resources companies. The majority of executives (58 per cent) rely on unstructured data analysis including text, voice messages, images and video content while over 40 per cent say that social media data in particular has become increasingly important for decision-making.

¹ Big Data refers to the huge increase in volume of data sets which means that they are difficult to manage and interpret using traditional database management tools. Data sets are growing in size due to internet search, social media and the rise in business informatics but they are increasingly being gathered by information-sensing mobile devices, sensory technologies (remote sensing), cameras, microphones, radio-frequency identification readers, and wireless sensor networks. There are multiple benefits of working with larger datasets allowing companies to spot business trends, and detect preventable problems

According to Gartner Inc., *"Business executives and IT managers are increasingly referring to information as one of their organization's most critical and strategic corporate assets. Certainly there is a sharp rise in enterprises leveraging information as a performance fuel, competitive weaponry and a relationship adhesive."* *

Timeliness and quality of data remain significant issues. Although 42 per cent of executives say that data analysis has slowed down decision-making, the vast majority (85 per cent) believe that the growing volume of data isn't the main challenge, but rather being able to analyze and act on it in real-time. As organizations increasingly look to the output from analytics to automate decision making, data quality is seen as a major hurdle to this with two-thirds (67 per cent) claiming they struggle with data inaccuracy on a daily basis.

"The exploitation of Big Data fuels a step change in the quality of business decision-making," said Paul Nannetti, Global Sales and Portfolio Director, Capgemini. *"But it's not only through harnessing the many new sources of data that organizations can obtain competitive advantage. It's the ability to quickly and efficiently analyze that data to optimize processes and decision making in real time , that adds the greatest value. In this way, genuinely data-driven companies are able to monitor customer behaviors and market conditions with greater certainty, and react with speed and effectiveness to differentiate from competition."*

An important challenge for companies wanting to make the most of Big Data is the barrier of organizational silos (56 per cent). The shift from departmental to business process silos is preventing the sharing and integration of data and a holistic overview of data management. Perhaps however the most challenging issue is the shortage of talent claimed by half (51 per cent) of respondents. The gap between the demand and supply of qualified data analysts was perceived highest for retail and consumer goods companies. Two-thirds of respondents from these sectors cite access to talent as the toughest obstacle to data-driven decision making.

Responding to the growing importance and challenges associated with Big Data, Capgemini's Business Information Management Global Service Line has invested in a broad portfolio of Business Analytics solutions and services, including a pragmatic business-driven approach to Big Data and objective advisory on the key technology options for customers. Capgemini offers industry-focused analytical

solutions for Telecommunications, Utilities and Financial Services plus nine distinct domain-specific Business Analytics solutions: Customer Analytics; Marketing Analytics; Predictive Asset Maintenance; Enterprise Performance; Social Insight into Action; Advanced Planning & Scheduling; Risk Management; Fraud Analysis; and CFO Analytics.

For a full copy of this report and to download the report infographics please go to <http://www.capgemini.com/the-deciding-factor>

<http://www.capgemini.com/news-and-events/news/capgemini-report-shows-rising-impact-of-big-data-on-decisionmaking/>

** Gartner Inc., Predicts 2012: Information Infrastructure and Big Data (29 Nov 2011)*

About the sample

The Economist Intelligence Unit conducted a survey, completed in March 2012, of 607 executives. Thirty-eight per cent of participants were based in Europe, 28 per cent in North America, 25 per cent in Asia-Pacific with the remainder coming from Latin America and the Middle East and Africa. The sample was senior, 43 per cent of participants being C-level and the balance—other high-level managers such as vice-presidents, business unit heads and department heads. Respondents worked in a variety of different functions and hailed from over 20 industries, with the best represented being financial services, professional services, technology, manufacturing, healthcare and pharmaceuticals, and consumers goods and retail.

About Capgemini India

Capgemini in India is more than 36,000 people strong across 7 cities (Mumbai, Bangalore, Hyderabad, Kolkata, Chennai, Pune and Delhi). A pioneer in the IT industry, Capgemini has over 43 years of global expertise collaborating with leading corporations and now brings the Consulting, Technology and Outsourcing experience to India. With dedicated teams to service the local markets, Capgemini has strong domain experience to assist clients across the Government and Public Sector, Energy and Utilities, Manufacturing, Telecom and Financial Services sectors and help them advance in their respective industries. Please visit www.in.capgemini.com for more details.

About Capgemini

With around 120,000 people in 40 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2011 global revenues of EUR 9.7billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model. Learn more about us at www.capgemini.com.

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