



# BIG DATA

## Is Today's Iceberg

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Each day, a profuse amount of numbers, trends, infographics, and articles explode our email inboxes and our brains. Ignoring data or, worse yet, dumping data without sifting through it can be hazardous to any business, small, medium or super-sized.

Big data is defined by SaaS as “the exponential growth and availability of data, both structured and instructed.” The belief is that more data may lead to better analysis and, through better analysis, greater clarity specific to the

decision making process (strategy) and enhanced execution (tactic).

Through improved decision making, businesses can increase profits and operational efficiencies while simultaneously reducing both risks and cost. Data can become a game changer for any business from the smallest of small to the largest of large.

Unfortunately, whether the data is big or small, it is very much like an iceberg. We see a lot of it above the surface, but what we fail to see is just how much information is below the

water. This information can propel our business ahead of the flow or sink us as quickly as the *Titanic*.

Small business owners and professionals can look to technological advancement as the impetus for all this data. In fact, technology has been a two-edged sword when it comes to data. There are a plethora of applications that help to organize and, in some instances, synthesize data. Technology is also the culprit, in many instances, that generates and sends us all this data.

But what should you do with all that data? My suggestion for any business is to start with a detailed and thorough executive thinking and strategic planning process. This first action helps you identify which data is important or unimportant. If you think this will be a quick fix, leave that thought at the door. A solid, strategic planning and thinking process is time-consuming, yet time, in this case, is a necessary investment instead of a cost.

A good executive strategic thinking and planning process will help you retrieve essential existing data as you undertake a competitive analysis, obtain internal and external appraisals, and make sales forecasts. This process will take you way beyond the data of your profit and loss or current cash flow statements. As General and President Dwight Eisenhower said, "Plans are worthless; planning is everything."

From your executive strategic thinking and planning process, you will identify key performance indicators. These are data points on your business dashboard just like your car's dashboard. For example, you may know 100 sales leads generate 10 sales calls, and those 10 sales calls result in two earned sales. Your sales to close or sales to earn ratio is 100:2. Additionally, you know that to keep the lights on, a three-member sales team must deliver a minimum of one sale each week.

Next, you review the incoming sales leads from sales teams either from a software program or through written sales reports and notice you have only 50 sales leads for the last two weeks. Suddenly, just like the gauge on your car's dashboard, you realize your business is running out of gas.

Social media can be a quicksand of data if you have not invested the time to identify your key performance indicators and what social media site delivers you the most traffic and sales leads. For those in business to business transactions, LinkedIn still ranks as the number one social media site for assessing,

identifying, connecting, and building those necessary business to business relationships.

Have you reviewed your Internet marketing statistics for what time of day receives the most traffic? Consider the same for the number of visits to your brick and mortar store. How many of these visits turn into actual

customers (conversion rate)? These numbers are essential if you wish your business to thrive instead of die.

Personally, I have found incredible success with a year and a half old LinkedIn Pulse article feature. This social media platform delivers at least one new executive coaching client per article. My marketing

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efforts on this platform have also connected me with other colleagues that have blossomed into writing prospects. These opportunities would have never happened had it not been for this specific social media channel.

Sometimes it is necessary to collect internal data. The Delphi Group conducted a web-based corporate IQ survey of 350 large U.S. companies. Responses channeled into four areas of organizational behavior: 1) Internal awareness, 2) Internal responsiveness, 3) External awareness, and 4) External responsiveness. Some of the key findings from this data include the fact that High-IQ firms are almost twice as likely to be made up of cross-functional teams from across organizations and that companies in mature industries are 40 percent less likely to have above-average corporate IQs.

What small companies can do is construct their own web-based IQ survey to see what that data reveals. This IQ survey can be about anything from innovation to leadership to customer service. Investing the time to gather critical data gives forward-thinking firms a definite competitive advantage because they will be ahead of the flow instead of in it or behind it.

For example, printing and newspaper industries are considered mature. To stay in business requires that leadership assess their corporate IQ specific to innovation. To conduct business and expect business as it was in the past is foolhardy at best.

Another wealth of internal data is customer acquisition costs. What does it cost your firm to acquire a new customer or client? Years ago, I reviewed my data and determined that annual acquisition cost without any special marketing efforts exceeded \$30,000. Since then, I have changed my marketing strategies and have reduced this annual acquisition cost to under \$10,000. In taking this action, I have dramatically increased my profitability.

Customer loyalty programs are the result of analysis purchasing data. Repeat business from the

same customer is far more profitable than having to continually seek new customers. Business research suggests securing new customers costs six to seven times more than keeping existing ones. Finding innovative ways to keep those customers coming back begins with analyzing the data found within the buying behaviors of your current customers.

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Big data is not just about your business but also the business of your clients and potential clients. Sifting through critical growth projection numbers for a specific industry or even when meeting a qualified sales prospect can be the key differentiator between earning or losing a sale. Again, LinkedIn can be very beneficial as the first place to start unearthing this data.

Many firms are now turning to psychometric assessments to identify the best and the brightest when it comes to hiring and retaining their talent. The current war on talent has created barriers in finding the best fit for many organizations. Sometimes, by digging a little deeper into the data, amazing trends can be uncovered.

For example with one of the psychometric assessments I employ, I have discovered with 75 percent accuracy that I can determine if a participant is making an annual salary of under \$50,000; \$50,000 to \$99,999; or over \$100,000. Additionally, with the top sales performers (those earning over \$99,999) I have assessed, 100 percent have all shared one buried data point. Yes, sifting through the data does take time, yet is it time well invested.

In 1906, an Italian economist by the name of Vilfredo Pareto undertook some economic data research. His research revealed that 20 percent of the population owned 80 percent of the property. Many now accept the Pareto Principle, that 80 percent of all sales come from 20 percent of the sales team, as fact. In some industries, this may actually be closer to 10/90 instead of 20/80.

Now, not later, is the time to start reviewing your data and finding some hidden gems that may help your business work both smarter and harder. Some of this research can be delegated to internal employees, or you can hire outside firms to analyze your Internet marketing results. Just make sure you ask for at least three referrals from any outside marketing or data collection firm. Call those referrals to verify the vendor actually delivered what he or she promised.

Once you have the proper processes in place to analyze the specific data based upon historical experience aligned to your strategic plan, big data will not be that iceberg that can sink your ship. Instead, the iceberg of data will propel you ahead of the flow, and you will be appreciative of how that data has supported your business growth. **N**

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