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Analytics and Big Data: The New Kale?

By Thomas H. Davenport

We're all familiar with fast-changing trends in foods and fashion. Kale, for example—to my taste buds a bitter and unappealing, albeit nutritious vegetable—was all the rage a few years ago, but now the kale-in-everything fad is subsiding a bit. I'm hardly a good source on fashion trends, but I am told that my baggy cargo shorts are no longer *au courant* and should be removed from my wardrobe.

Are Big Data and analytics the new kale or the baggy cargo short of the business world? There are signs that making decisions on the basis of data and analytics is not as fashionable as it used to be. Google Trends suggests that both the terms "big data" and "analytics" are not being searched for as often as they were a few months ago, although this could be a temporary issue based on the increased number of Katy Perry searches. There is only so much public attention to go around.

More importantly, perhaps, some negative press accounts about big data and analytics are beginning to appear. I wrote a column here last week about one involving Tesco PLC. Another appeared this week on CNN.com that warns of (from the author's website) "how the obsession with data is undermining social structures in government, business and life." Konstantin Kakaes, the author, writes primarily about science and technology, so he should know better. His post on CNN is replete with anecdotes (not, as it turns out, the singular noun form of "data") about poor measures and situations where data and analytics didn't provide all the answers. So Yahoo uses forced personnel rankings on its people? Must be the fault of Big Data in general. So a teacher objects to the measurement approach used in the New York City schools? Must be the fault of evidence-based approaches to decision-making in general.

I get that Mr. Kakaes and other bloggers can no longer distinguish themselves by arguing in favor of analytics and Big Data. That cow escaped from the barn about a decade ago. But it seems like arguing for the return of the Dark Ages to suggest that we should retreat from data and evidence as preferred guides to decision-making.

Steve Smedley/Associated Press
Kale, like analytics, has nutritional value

What is the alternative to data and analytics? A few anecdotes? Unaided human intuition? Even so-called experts, who are still widely quoted in the press despite evidence that their predictions are no better than a monkey's? One of the reasons we should value data and analytics highly is that we now know that human brains commonly make a raft of systematic errors in judgment.

It is certainly true that organizations often employ bad metrics, or that they don't use the data they have particularly well. And occasionally even the best analytics lead to a bad decision. But I have always felt, and still feel, that if you had to choose a single resource for making better decisions, it would be data and analysis. Even in some of the areas mentioned by Mr. Kakaes that are difficult to measure—relative employee performance comes to mind—data is far superior to the most common alternatives, including the judgments of your boss or co-workers.

Perhaps the contrarian opinions being aired these days suggest that we are moving into a period where generic hype about Big Data and analytics are less necessary. Most rational people now get the idea that they are useful tools. What is needed now is perhaps more specific hype—how Big Data and analytics can help to improve specific functions or solve specific business problems. It would be great to have more details about the relative returns on different types of investments in quantitative capabilities. It would be fantastic to know how organizations can maintain a competitive advantage in analytics and big data over time when all their competitors are using them as well.

But the antidote to Big Data hype is not Big Data negative hype. At the core of analytical decision-making is not soft fad, but hard science. It does resemble kale in one way, in that analytics has nutritional value. I doubt that Mr. Kakaes, a science-oriented blogger, would say that people are talking too much about climate change or evolution, or would argue that these scientifically-established domains might have some negative attributes. The value of data and analysis in making decisions is just as well established. In the realm of Big Data we need to be careful about the public disparagement, or our society will fall back into the bad old days of intuition-driven decisions.

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