

# SPs Are Just Getting Started with Big Data

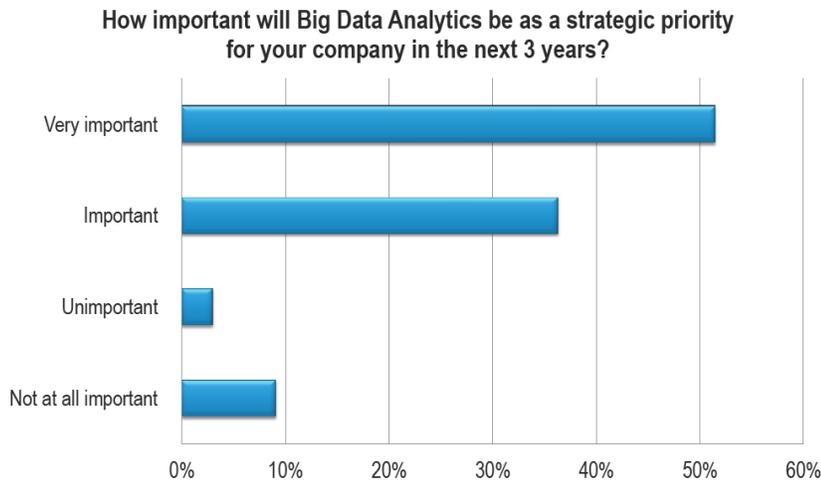
Service Provider FastFacts

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Big Data has become top of mind among CxOs,<sup>1</sup> but service providers (SPs) and most businesses today are just beginning to explore data analytics. “Big Data” generally refers to the growing scope of data analytics in terms of the variety, velocity, or volume of data involved. When this flood of Big Data is harnessed and refined, it has the power to transform economies, make businesses more efficient, and improve our daily interactions as consumers.

To assess service providers’ interest and readiness to take part in Big Data’s growth, the Cisco® Internet Business Solutions Group (IBSG) conducted in-depth interviews with executives from 12 global communication service providers. The SPs we interviewed see data analytics as a key opportunity. Some 80 percent of them consider Big Data an important strategic priority for their companies over the next three years. Cisco IBSG also tested key concepts concerning Big Data with 200 senior SP executives at the Telco 2.0 conference in London last summer through in-session polling questions. Eighty-eight percent of these delegates also view Big Data as a “very important” or an “important” strategic priority for the next three years (see Figure 1).

**Figure 1.** Big Data Is a Strategic Priority for Service Providers.



Source: Cisco IBSG poll question at Telco 2.0/STL Partners Conference, June 2012



Cisco Internet Business Solutions Group (IBSG)

## Businesses' Ability To Harness Big Data Is Still Limited

Most companies—SPs included—are already using advanced data analytics to add value to their business, but the vast majority of these efforts are isolated, stand-alone projects. Among our 12 interviewees, only one SP already had a companywide Big Data vision in place.<sup>2</sup>

Without building a broad, companywide strategy around Big Data, SPs are not exploiting its full potential. Companies at the vanguard of data analytics have found that true insight occurs when additional and diverse data (even from a variety of sources) can be combined, and true power is unlocked when insights from this data are linked to action directly impacting the customer.

Cisco IBSG believes that Big Data will evolve in three waves, as described in our recent white paper, "[Unlocking Value in the Fragmented World of Big Data Analytics](#)." In Wave One, data and analytics efforts are isolated within specific business functions. In Wave Two, data gains power as broader sets of information from across the company are collected and analyzed. But the greatest value comes with Wave Three, where data is collected, shared, and processed across an entire ecosystem. At this point, companies can easily enrich their own data with a myriad of third-party data to create new value for themselves and their customers.

## Opportunities for Service Providers

Today, most SPs are in the first evolutionary wave, where they're already seeing significant benefits from data analytics. Their efforts typically are focused on internal projects such as churn reduction, campaign management, and network analytics. However, these activities are limited by their inability to establish a consistent view of the customer and to coordinate Big Data activities across the company—challenges that can be met in Wave Two.

About half of the SPs with whom we spoke have also begun to explore creating data analytics offers that could be sold externally to create new sources of revenue. As they consider their value proposition externally, SPs' networks provide a critical asset. While many companies already have access to volumes of data, with their view of the network, SPs can provide context to customer behavior and assist these businesses in taking network-impacting action based on that data.

It is not a question of whether or not service provider organizations should invest in Big Data, but rather how far they should go. While many SPs are already experiencing significant benefits in Wave One, those wishing to advance to Waves Two or Three can start to leverage data for automated processes and more complex business issues—along with gaining the ability to monetize their data assets as an external revenue stream.

At every level of participation, Big Data brings big challenges. In addition to the challenges they're already tackling, companies that wish to advance toward Wave Three will need to adapt their corporate culture, build a coherent Big Data governance structure, embrace experimentation, and build trust as a "data keeper" (or data manager) with their customers.

For a closer look at the implications of Big Data and opportunities to maximize its potential, read the Cisco IBSG white paper, "[Unlocking Value in the Fragmented World of Big Data Analytics](#)."

## Endnotes

1. A 2011 survey found that 83 percent of CIOs chose Big Data as their most important topic over mobility solutions, virtualization, and cloud computing.
2. Given the absence of a holistic strategy for Big Data at most companies, our interviewees did not act as spokespeople for their organizations. Rather, they represented themselves as key data analytics stakeholders within their companies.

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### More Information

Cisco IBSG (Internet Business Solutions Group) drives market value creation for our customers by delivering industry-shaping thought leadership, CXO-level consulting services, and innovative solution design and incubation. By connecting strategy, process, and technology, Cisco IBSG acts as a trusted adviser to help customers make transformative decisions that turn great ideas into value realized.

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