

DOES DATA GROWTH IMPLY COMPANY HEALTH?

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So you're experiencing rapid growth of highly complex and disparate data? You're charged with extracting useful business insight from this deluge of information? We feel your pain. Now stop complaining. Chances are your job is safe and your company is prospering.

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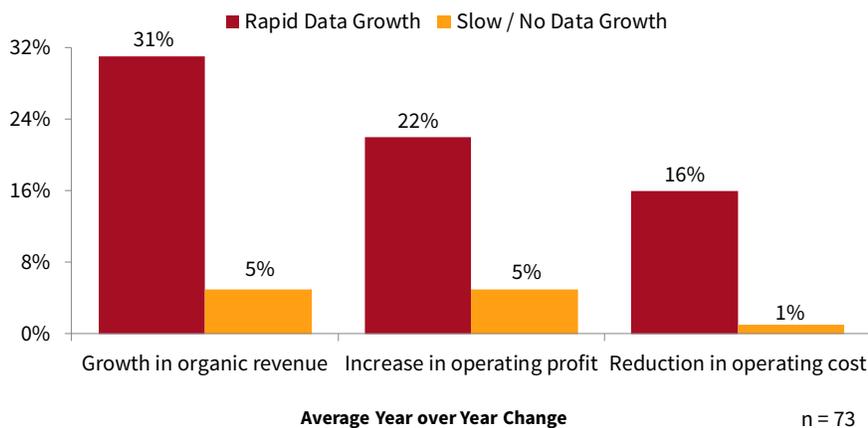
If data is growing, perhaps that implies that more data-driven decisions are being made, opportunities are being captured, customers are growing, and the organization is thriving.

Just in case you're not sick to the point of nausea when it comes to analogies between the tech world and the physical world, here's another one: data is the lifeblood of today's organizations. I didn't invent that phrase but I certainly use it frequently. And why not?

I believe in the concept that clean and relevant business data is the most critical input to just about every major decision made across the enterprise world. But let's get back to the realm of superfluous analogies for a second. Taking that previous concept to its logical next few steps, an interesting question arises. If data is growing rapidly, perhaps that implies more customer transactions, greater product specificity, or clearer operational visibility. If data is growing and moving around the organization, perhaps that implies all of the vital organs (I could be wrong, but that might be the root of the word "organization") of the company are functioning properly. If data is growing, perhaps that implies that more data-driven decisions are being made, opportunities are being captured, customers are growing, and the organization is thriving.

In a [recent report](#), I explored this concept in a little more detail. Parsing out companies that experience rapid data growth (increasing more than 50% annually) and those with slow or no growth (growing less than 10% annually), the research actually validates this hypothesis with a hidden caveat (Figure 1).

Figure 1: Data Growth → Business Growth



Source: Aberdeen Group, March 2015

The caveat, of course, is the age-old trap of mistaking correlation for causation. Across all of the data points I gathered, companies with rapid data growth were experiencing major performance improvements (not just in the few pictured above). So does data growth imply company health? Yes it does. Does data growth cause company performance? Absolutely not. Digging deeper into the research, I see a variety of differentiating factors for these companies, such as their propensity to:

- Discover and classify relevant business data as it arrives
- Dedicate a senior executive position to strategic data management
- Utilize data quality / cleansing technology
- Leverage web-based collaboration tools for cross-functional data sharing

→ [Read the full report, "Managing Rapid Data Growth: A Trial by Fire Hose"](#)

→ [Related Research "Big Data Visualization: Seeing the Haystack as a Pile of Needles"](#)

75%

of companies with fast data growth saw improvement in data visibility and accessibility

Whether these strategies or tactics are put in place out of Nostradamus-like foresight or reactive panic is largely irrelevant (which is why the [report](#) is sub-titled A Trial by Fire Hose).

At the end of the day, companies that experience rapid data growth are more mature when it comes to data management, and are typically healthier, higher performing companies as a result.

Check out the full report here: [Managing Rapid Data Growth: A Trial by Fire Hose](#)

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