

## ESMT Annual Forum 2016

“Digitalization. Responsible strategies for business and society”

### Panel 2

*Big Data and Analytics. Disrupting Business, Industry, and Society.*

Big data represents a paradigmatic change because it enables us to translate data into a new perspective on the workings of our world and use this to make better decisions. The panel discussed the value big data can create for organizations, along with the challenges involved in unleashing big data's power. They agreed that leveraging big data requires a shift in mindset across organizations to accept data-driven decision making. Big data will also drive a deeply-felt change in employment patterns. The responsibility of business leaders is navigating organizations through this, and equipping employees to be able to flourish in this new environment. According to Viktor Mayer-Schönberger, “Big data is nothing less than Enlightenment 2.0.”

RWE's approach to big data, Peter Terium outlined, is not talking about the data in itself but rather on data-driven business models. “Data is suddenly the product, the business model is the gateway.” Referring to the growing complexity of the utilities sector, with the move to renewables and the need to measure more volatile, decentralized production, effective use of big data is essential to making this possible. Shirine Khoury-Haq emphasized the importance of having skilled people to analyze the data so as to use it competitively. For Frank Matters, the challenge went beyond finding people with the right skills to shifting the managerial mindset in organizations to accept data-driven decision making. Based on his experience at Siemens, Siegfried Russwurm stated that, “Dealing with big data is not an art for itself. This activity needs to be customer-focused if we want to make business out of it.”

Francis de Véricourt suggested that focusing on the data was missing one side of the equation. “Data in itself means nothing. It's what we can learn from the data.” The real focus should be on the interpretative process which will enable organizations to build a new understanding of the world - an analytical approach common in academic spheres but not yet transferred into other organizations. Data-focused companies, such as Amazon, Google, and Facebook, are the exception as they already have the knowledge and cultural mindset to use data to drive innovation.

The shift to data-driven organizations will impact on employment patterns, with more people freelancing from project to project and collaborating in cyberspace. Siegfried Russwurm's view was that, “Employment, even in knowledge jobs, is still based on the last century paradigm of selling your hours of contribution. It is input orientated. But this will change to output orientated; it is about contributing results not time.” Citing McKinsey studies, Frank Matters suggested that robotics and artificial intelligence will replace many white collar workers. Viktor Mayer-Schönberger

predicted that up to 50% of employment will go away, as it has in previous paradigmatic shifts, such as the Agricultural and Industrial Revolutions. In the digital future, lifelong learning will be essential for workers and enabling this should be the responsibility of organizations, Shirine Khoury-Haq added. The panel concluded that those organizations which manage this process effectively, diverting freed-up resources to better product development or customer services, will be ultimately more successful.