Big Data for Small Business

A Guide to Creating a High-Value Data Strategy for Professional Services

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When we hear the term, "Big Data," we tend to think of global enterprises like IBM, Amazon, and Microsoft. But valuable business intelligence is not just a resource available to major corporations with huge budgets, a team of data analysts, and state-of-the-art big data technology. Today, there are affordable solutions and approaches to help professional services businesses make real-time, strategic, data-driven business decisions.

Thanks to mobile and cloud technologies, SMBs have unprecedented access to decision making tools to capture more data than ever before.

In fact, [one survey](#) found that 100% of small businesses use a data analytics solution. Of those, 67% spend more than $10K a year on analytics.

This trend is driven in part by the rapid growth of eCommerce and online transactions, which generate tons of data that help businesses learn far more about their customers than they could in a strictly brick-and-mortar environment. In addition, customer relationship management (CRM), inventory management, eCommerce, and marketing automation tools are now much easier to integrate without a lot of technical know-how, which can provide additional business analytics.

The goal is to enable business owners to view the whole customer journey from a single vantage point, not only so they can understand the individual customer experience, but also gain a competitive advantage by tracking metrics such as high-level business trends including sales volumes, best sellers, price points, sales per region or store, and inventory.

Data makes it all possible

The value of data is less about the amount of data and more about data quality and good analytics tools. With reliable data and the right tools, businesses can make better decisions as well as refine and improve every area of their business, including marketing, customer support, and product development. Data analytics can also help businesses do more with less by helping them to figure out how to cut costs or streamline operations and improve business processes.

The types of data that can be collected are nearly endless. Customer contact information, purchase history, and customer service interactions are just a few. You can also use data to track buyer behavior on your website, including which pages a customer visited, how long they spent on the site or interacting with specific content, conversion rates, and more. Professional services businesses that maintain paper-based records such as customer orders or spreadsheets can still leverage this data. By spending some time digitizing things like sales slips, order forms, and inventory records, it's possible to upload this information into a database. Not only will this provide historical customer and sales data to consider when building a business strategy, it will enable employees and other stakeholders to look up information faster and save time digging through paper files.

For smaller businesses, all of this data can sometimes feel like too much of a good thing. How do you go about tracking, analyzing, and ultimately converting this information into valuable insights to make strategic business decisions and grow your base of loyal customers?

This is where a data strategy can add tremendous business value.

What exactly is a data strategy?

Simply put, a data strategy is a plan that helps improve how you acquire, manage, share, visualize, and gain insights from vast reserves of data to improve aspects of your business operations, such as customer service, sales, pricing, marketing, or product development.

61% percent of companies say that above all, big data drives revenue because it delivers deep insights into customer behavior.

With this valuable intelligence, professional services businesses can find out what customers really think, need, and want, so they can deliver the right products and services at the right time.

However, in smaller, professional services businesses, it's important for everyone on the team to understand why a data strategy is important — not just the small business owner — so they all know how to implement and support it. This is because a data strategy is only as good as the quality of the data, so it's important to have the right processes in place to ensure every team member, stakeholder, and employee can easily collect valuable data.

Above all, your big data strategy should support specific business goals.

You don't want to collect tons of data without knowing how it will be useful. Your data strategy should begin with a few SMART goals (Specific, Measurable, Attainable, Relevant, and Time-bound) to help you clearly identify the types of data you'll need. For instance, is there a specific business problem you need to solve or do you want to target a new customer segment? SMART goals don't have to be overly complicated, and by definition they should be specific and achievable. Some examples of SMART goals include:

→ **Generate 25% more customer leads** through website registration and content downloads by the end of the year.

→ **Create a series of email and social media promotions** that generate 20% more revenue from existing customers over the next 12 months.

→ **Generate 10% more blog traffic** over the next two quarters by increasing publishing frequency from one post per month to four.

Use historical business data to create SMART goals

Creating SMART goals doesn't happen in a vacuum. Your company's historical business data can help you identify past trends so you can better understand what you want to achieve and what is reasonably attainable given past performance. For instance, if you want to convert more leads this year than you have in the past, it's important to know previous conversion rates. Say you converted 7% of leads into customers over the past two years, it might be realistic to aim for 10% this year. Remember — SMART goals must be attainable, so setting a goal of 25% in this case would be unrealistic given your past conversion rates.

Key steps to building a data strategy

To reiterate, before embarking on any data strategy it's important to know what you hope to accomplish through your SMART goals. Of course, this doesn't mean your strategy should be set in stone or rigidly follow a structure that's better suited to a larger company. Fortunately, there's no one-size-fits-all data strategy for every business, and even a strategy custom-designed for your business needs can (and should) evolve as your skills, data, and business goals change. The most important thing is to just get started.

You can begin by taking these incremental steps, and then expand as you become more comfortable with the types of tools and data that are part of your strategy.

Data acquisition: Valuable types of data to collect

The good news is, there's virtually no shortage of data you can collect to support your SMART goals. You just need to know where to look. You likely have plenty of "low-hanging fruit" data such as email newsletter open rates, click-through rates, and conversion rates. You can also mine historical sales, demographic, and marketing data stored in your customer relationship marketing platform (CRM) if you have one.

Data acquisition: Valuable types of data to collect (continued)

To better understand online or social media trends impacting your business, look at Google Analytics web traffic data if you haven't yet. Not only is it free, Google Analytics is by far the most popular business analytics tools used today.

One survey found that 90% of businesses use Google Analytics, and more than 50% use it every day to track web performance.

Also be sure to view reports from your social pages such as Facebook, Twitter, Instagram, LinkedIn, Pinterest, and more. These are just a few places to start, and many will include intuitive, built-in tools to help you better understand the types of data available and how to interpret patterns and trends.

Data management: Why an efficient and customized user experience is essential

The fact is, few professional services businesses know how to purposefully manage information, even though most know they should. Many simply lack a modernized approach to managing data, even if they have a CRM or eCommerce platform that stores sales and customer information and automates many data management tasks. All too often, they simply don't know how to strategically analyze their data, or even which data to analyze.

According to a study by Talend Group, only 45 percent of organizations' structured data is actively used for business intelligence.

Data management: Why an efficient and customized user experience is essential (continued)

When it comes to managing data, it's essential to remember that the quality and accuracy of your data is far more important than the volume of data. Believe it or not, there's actually an epidemic of "bad data," which is data that is inaccurate, obsolete, or incomplete.

According to Experian, individual businesses could be losing as much as 12 percent of their revenue due to bad data. Another study estimated that as much as 91% of CRM data is incomplete and that 70% goes bad or becomes obsolete every year.

Fortunately, many companies do understand the importance of high quality data and have processes in place to capture it fully and accurately in their CRM database. Let's take the example of an Act! customer INEX, a small, professional services company that uses the platform to help sales and marketing teams capture a complete, up-to-date picture of every customer. INEX was able to customize the solution to help team members follow a standardized data entry flow that is thorough, efficient, and easy to follow. As a small, professional services business, it was important to ensure every user could intuitively interact with the platform without spending long, tedious hours on data entry — hours better spent engaging with customers.

Click here to read more about how INEX used Act! to streamline its business flows and facilitate collaboration and continuity across its remote workforce.

If you're using (or in the process of choosing) a CRM platform, you want to make sure it can be customized to meet the needs of your end users' data points to ensure critical data can be easily captured. For instance, you should be able to mandate certain types of data entry, such as contact information, type of account, geography, etc.

Data management: Why an efficient and customized user experience is essential (continued)

A standardized data entry process helps end users work more efficiently by prompting them to enter vital account details that may otherwise be missed when employees are juggling busy schedules. Of course, while it's important to ensure your CRM includes accurate and detailed sales and marketing records, you don't want to burn out your team with lengthy data entry requirements. You want to capture useful data, not just any and all unstructured data.

Data sharing: Enable access to a single source of truth

Unless you're a solopreneur, you'll need to ensure that your team members can all contribute to your data reserves. For instance, they'll need a centralized way to capture customer service interactions and enter or update customer contact information. It's especially critical to have a standard process that ensures data is accurate and reliable so you avoid costly mistakes such as duplicate contact entries or misspellings.

A CRM platform is a great way to ensure your team members can quickly access sales and marketing information wherever they work. Even though the era of remote work is quickly shifting to more of a hybrid model, enabling employee self-service as well as the ability to access, enter, update, and share data from a single source of truth is key to keeping your business moving forward and meeting your SMART goals.

To learn more about what a CRM is and what it can do for your business, click here.

Data visualization: See trends at a glance

You don't need the vast resources of big companies to gain useful insights from your data sources. And, by presenting data in a visually compelling way, you can help your team make more impactful decisions quickly. In fact, according to Gartner, the overuse of statistics, facts, and figures can actually backfire by causing the audience to tune out the key message. Instead, visualization tools can help your data tell a story that enables decision makers to analyze information more precisely and without needing to spend hours reviewing spreadsheets filled with raw data.

Data visualization: See trends at a glance (continued)

Just as important, data visualization is easy to share with team members in the form of graphics, charts, and reports. These formats are much easier to interpret, and don't require recipients to have a background in data analysis. Whether you're presenting to a team member, potential investor, or business partner, data visualization can efficiently illustrate trends about things like sales projections, social media performance, website traffic, and customer satisfaction.

Data insights: Making data-driven business decisions

Once you've determined how to acquire, manage, share, and visualize your data from sources such as your CRM system, point-of-sale system, social media accounts, and corporate website, you've created the foundation for implementing insightful, data-driven business decisions.

For many professional services businesses, the key is to start small. For instance, if you have a SMART goal to improve customer retention, you can start by analyzing customer support response time or customer satisfaction ratings, both of which significantly factor into customer retention rates.

Learn four ways marketing automation can use your customer behavior data to improve your customer retention metrics.

You can also use tools like Google Analytics to answer specific questions about your target audience, such as how new web visitors find you, where they spend the most time on your website, and which content is most frequently downloaded. This type of insight would be relevant to a SMART goal of generating more customer leads through website registration and content downloads. By knowing which types of content they engage with most frequently, you can develop a content marketing framework and marketing campaigns to help boost website conversion rates.

Choosing the right CRM platform

A smaller, professional services business most likely won't need enterprise-grade data analytics — so you don't want to pay for them either. It's important to look for a solution that can meet your needs today while offering more advanced capabilities you can access as your business grows. You want to be able to scale as needed without paying for features you don't need right now.

A good place to start is to look for a CRM platform with a track record of helping small businesses and professionals deliver more engaging customer experiences, increase customer loyalty and retention, and achieve steady revenue and profitability. Many CRMs are designed (and priced) for large corporations, which is why you should ensure your CRM is uniquely tailored for the needs of a business like yours. In general, your CRM should be able to automatically record and track customer details, such as purchase history and preferences, and help you use this data to deliver a fully personalized and consistent customer experience — every time.

KEY CAPABILITIES INCLUDE:

→ **Contact Management –** Keep customer details, emails, documents, notes, and history all in one centralized location.

→ **Interaction Tracking –** Stay on top of tasks, calls, and meetings and automatically track all customer activities.

→ **Integrations –** Seamlessly integrate with the apps you already use, so you'll never need to transfer data back and forth.

→ **Opportunity Management –** Track sales opportunities with easy, visual charts to capture and convert customers.

→ **Reporting and Dashboards –** Always know what's working and what's not with customizable dashboards and reports.

→ **Marketing Automation –** Stay connected with customers with personalized and automated emails and campaigns.

With the right CRM platform, you can start to leverage the value of big data to attract and retain loyal customers, solve your toughest challenges, and continue to grow your business.

Next step: Get started with Act!

In the end, a good data strategy will help you build more personalized customer experiences, expand sales opportunities, and grow your professional services business. Discover how Act! can help you build and retain loyal customer relationships using your valuable business data — try it free for 14 days!

act!

Finally, a CRM that works for you

Why Act!?
Act! CRM empowers small businesses to build and manage client relationships and leads, so you always have your pipeline of new, repeat, and referral business under control.

Try Act! Free for 14 days