



DATA SCIENCE AND DATA ANALYTICS

Whitepaper

Not knowing the difference can cause a plethora of bad decisions.



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What's the Difference between the Two?



A lot of people confuse data science with data analytics. And we really want to clarify that. Honestly, there is a lot of overlap, and that is because data analytics is a subset of data science. We cannot emphasize that enough. It is important to remember that one is a subset of the other- Sometimes, you might need a combination of the two to make rational decisions.

Data science is like a telescope. It helps you ask the right questions by looking at your vast collection of big data using various models, and algorithms specific to your needs. Data analytics, on the other hand, acts as an agent with a microscope, looking for the clearest answers possible.

Data analytics helps you look at data in a manner that makes sense. It can be used by key decision makers. But it plays a greater role in providing answers to important questions. Further, it can be developed to generate even more impact when visualized.

You will realize that more, and more of this article is going to be about answering the question "So what"?

Data Analytics is a subset of Data Science. But it's the very purpose of Data Science. It is meant to provide business leaders with output that is going to help them make decisions.



What is the Problem Today?

You will realize that more and more of this article is going to be about answering the question “So what”?

Algorithm building, and the building of complex models is allotted nearly 70% of the budget. Only about 30% allocation is put forth for frontline usage, insights, and visualization combined, when it ideally should be 50%.

In the most ideal scenario, 50% of the budget should be allotted for building models, and 50% for frontline usage, insights, and visualizations.

The reason is simple: If you pour money into building models, and you are not getting usable insights, it makes no sense. It's like pouring an entire bottle of water onto the floor, and gathering just enough to fill a teacup. Or in some cases, a spoonful.

Here's what we noticed:

Usually

65-70%

of budgets go into building complex models and algorithms

The average company uses less than

20-35%

of the budget goes into frontline usage

This causes less than

5-15%

of the company to make decisions based on insights

How do You Fix the Problem?

01

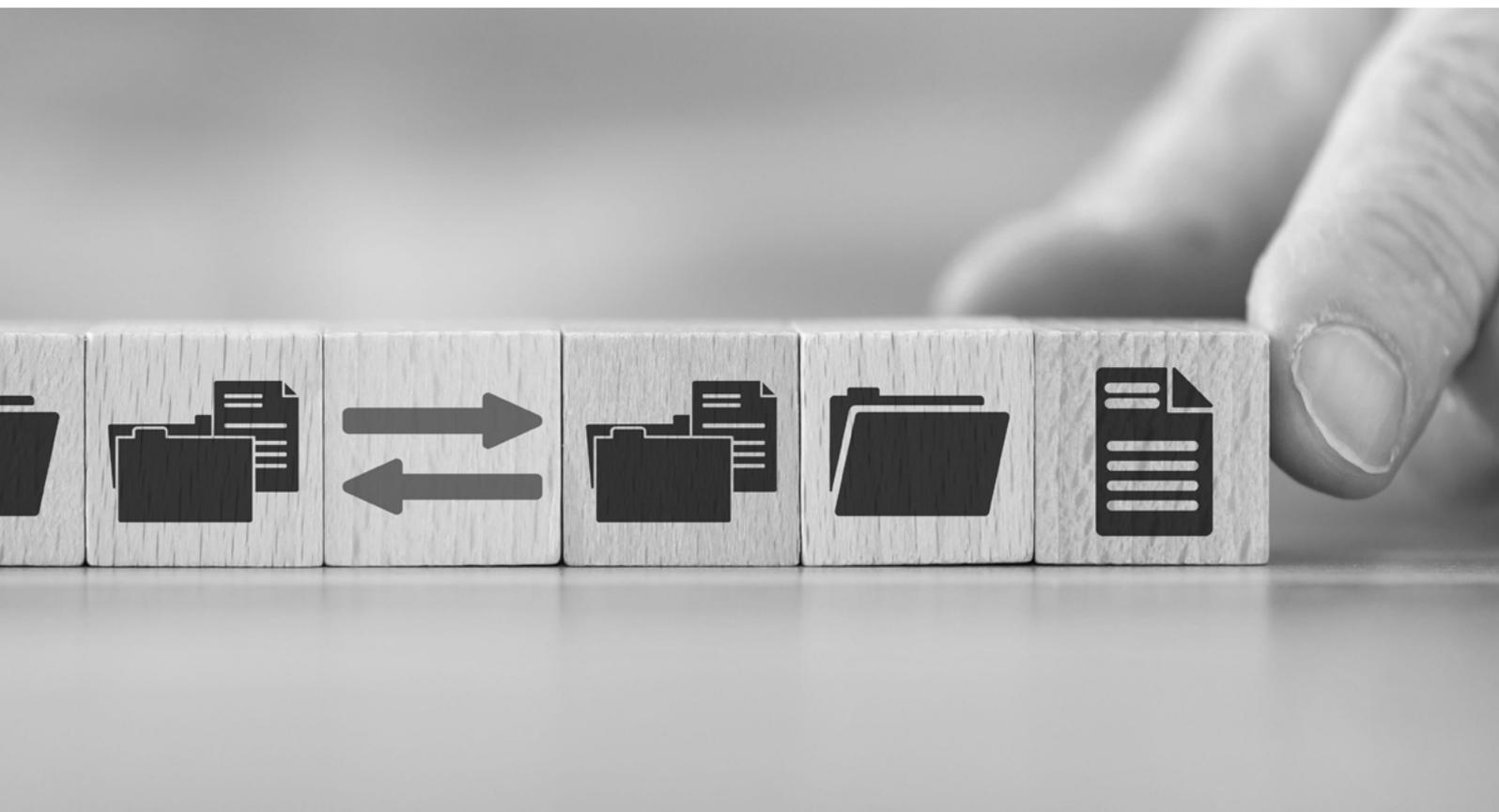
Get started if you haven't already: You need to change the way you plan your budget. Get the right guidance if you don't already have someone to give it to you. Get a consultant who can give you industry specific insights into how to get this done in your organization, or how to solve similar problems others have had. Ensure that your leadership drives initiatives more often, and shows the results.

02

Get your teams to depend on data: Train teams on how to use data and insights to accomplish more with less. As always, you will experience change when you insist on making teams data reliant. So do it slowly. You need at least 1-2 years to get this going. 2025 is coming, so you should be prepared.

03

Get ready for the future: You must know that there is a significant return on investment that companies are already reporting. A [McKinsey study](#) shows that in 2022, data driven companies have a 20% greater revenue contributed by data analytics, and AI. Visualization is going to help you make better decisions- faster.



Why do We have This Problem?

Out of experience working with various clients, we understand why that is the case. And so, having experienced this in the companies we worked with, we present here three hard pills to swallow:

The lack of awareness

This typically happens in small, and mid-size companies, but we've seen it happen in billion-dollar companies as well. Corporations need complex algorithms, and often, they do not know that they already exist for a price or can be more quickly created for a fraction of the cost.

The lack of adoption

Companies are spending money to adopt data analytics into their organizations. There is a significant increase in the budgets allocated for data analytics, but the problem is that they do not use it the way they should. AI driven automation, and predictive analysis is here, but we seldom see organizations using it quickly enough.

One [report by Gartner](#) suggests the implementation of data analytics strategy was the 3rd most-critical success factor recognized by nearly 30% of the CDOs. However, the adoption was slow because creating a literacy of data analytics was ranked the 12th most critical-success factor.

The lack of assessment

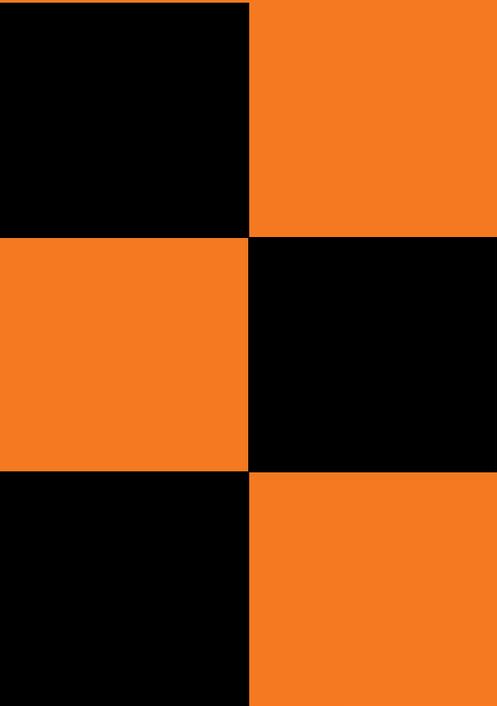
You need to assess analytics in your context. You need to therefore arrive at an approximate improvement of productivity, insights, revenue, or cost savings. You will never know what data analytics can do if you don't implement it, at least as a POC in a small part of your company. That's the only way you can get the tool to be used across the entire organization.

This brings us to the conclusion of this whitepaper:

By 2025, [McKinsey](#) predicts that you will witness the following:

- Enterprises will be driven, and accelerated by well-organized, non-siloed data.
- The role of a CDO (Chief Data Officer) will expand towards improving revenues.
- Data analyzed, and visualized for end users will deliver key insights for decision makers.





In our next whitepaper, we will talk to you about data visualization, and how to get started. It will be a crucial part of your business models, and will drive decisions you make for your teams, and your organizations. Should you need any help, we're available to talk. Get in touch by contacting us here: www.feuji.com/contact/



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