# How to Avoid Pitfalls of Overspending on Data

## By Jon Pelzer



We've all heard the saying that this or that is "data driven." Data do not actually drive solutions. Rather, the solutions drive the data: *Solutions drive what data are needed in the first place and what insights are needed to solve the problem*. Would you purchase every over-the-counter drug in the drugstore and then figure out what to do with them? Certainly not! You'd have a clear understanding of your illness and find the right over-the-counter medicine or, if you are like me, maybe purchase two or three competing brands just in hopes that one brand will work.

Are the solutions we seek being driven – or even limited by --the data we already have? Or are the data we acquire being driven by the solutions we seek to the business problems we have? If we acquire the data we need, do we have the technology and human expertise to transform that valuable information into tangible results? Can we sustain these results with reusable, optimizable solutions, or templates? Are we expecting more than what data and technology alone can achieve?

In the early 1990's, I had a large media client who spent millions of dollars and failed to solve a crucial business need. The need was subsequently solved for only tens of thousands of dollars. The problem was this: its national affiliate sales team had no locally based evidence to sell affiliate network carriage for its expensive television network. They spent millions to solve this problem with nothing to show for it. The solution design was simple: build a spatial data platform that would automatically generate key network carriage selling points by any geography selected. Required insights included things like potential of new premium subscribers based on viewing preferences, an estimate of premium revenues with reasonable penetration rates over time and the cross value of the network's new viewers to purchase the affiliate's other services. This strategy of *proving the ROI value of their future viewers* was very successful. The necessary data were not costly because the solution design and required insights provided a road map for what was needed.



If not already your strategy, suggest exploring what a solution driven approach to data can do for your organization in terms of clearly defining solvable problems, improving efficiencies, getting answers to questions and actualizing mission critical solutions.

*If you would like to discuss or have questions, please feel free to message me anytime on LinkedIn or via my published contact information.*