Data-as-a-Service: Unleash The Benefits To Optimize Your Business

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Introduction

Let's set the record straight: Despite the roaring buzz surrounding the benefits of "Big Data" over the last few years, the bottom line is that:

Data doesn't have to be **BIG** to be beneficial.

In fact, big is not always better when it comes to accessing the right kind of data that someone needs to effectively run a business. As most business leaders would agree, for anything to be functional, it also has to be practical and useful, given at the right time and in the right place.

And for data, be it Big or Small, to be functional it has to provide insight. Insight that is predicative, behavioral, factual and actionable.

The impact of data really comes down to how effectively businesses leverage the information it offers.

Don't Miss the Trees for the Forest

"For me, data is a forest when I want a house: It's great to have all that wood, but if I didn't have someone who can do something with it, it's irrelevant," Andrew Swinand, Leo Burnett's North America CEO.

Andrew Swinand is on to something here. The impact of data really comes down to how effectively businesses leverage the information it offers. And as we've said, the right information, in the right context, can provide ample dividends, from better insight into business decisions such as pricing and developing engaging applications to reducing risk and increasing customer responsiveness.

This idea is highlighted in a 2016 Forbes article that discusses the many ways in which data can help increase a business' bottom line, even in areas that might seem like they would need little help or increased attention, such as pricing[1].

According to the article, "Differentiating pricing strategies at the customer-product level and optimizing pricing using big data are becoming more achievable ... With a 1 percent price increase translating into an 8.7 percent increase in operating profits, assuming there is no loss of volume, pricing has significant upside potential for improving profitability."

This conclusion is based on a McKinsey study that found "75 percent of a typical company's revenue comes from its standard products and that 30 percent of the thousands of pricing decisions companies make every year fail to deliver the best price[2]."

This failure in an area as crucial as pricing really comes down to that phrase, "strategies at the custom-product level." Businesses are failing to use the individualized data that they have on customer behavior. Instead sticking to older models that don't necessarily match up to how customers are engaging with certain products in any real way[3]. By taking advantage of this customer-focused information, businesses are able to snap up this low-hanging fruit before it spoils on the branch.

Getting to this "individualized data" can be hard though when you're looking at big data as a whole, as if you're staring at a large pile of wood and wondering how to turn that wood into the house that Andrew Swinand was referring to earlier.

This is because the amount of data generated over the last two years alone is equal to 90 percent of the world's data, according to a recent Forbes estimate[4]. This level of informational noise requires a break through to find the data that is needed most for a business' bottom line, and that is where DaaS comes into play.

Social media interactions, e-mails, texts, video uploads — all of it creates a vast plume of data, most of it unstructured.

Analytics Make the World Go 'Round

"Big data is not about the data."

This is according to Dr. Gary King of Harvard University, who believes that while data is plentiful and easy to collect nowadays, the real value is in the analytics.
Where before our ancestors were leaving behind relatively small amounts of highly structured information, people now leave trailing clouds of data in their wake virtually round the clock.

Social media interactions, e-mails, texts, video uploads — all of it creates a vast plume of data, most of it unstructured. But as Dr. King points out, while this data might be richer and more personalized than ever, it's necessary to have the right analytical tools to make this information valuable in the business realm.

Early corporate adopters of Big Data analysis were generally able to carve out significant competitive advantages over their slower-moving counterparts. A 2013 study by Bain & Company of 400 large firms showed that companies with advanced analytics[5]:

- **Are in the top financial performance quartile twice as often as industry peers**
- **Are five times more likely to make faster decisions than industry peers**
- **Are twice as likely to make data-based or data-enriched decisions**

More recently, a 2017 Big Data Analytics Market Study carried out by Dresner Advisory Services showed that 53 percent of all the companies interviewed leveraged Big Data, signifying a 36 percent increase from two years previous[6].

Given the real and perceived advantages of analytics, it's no small wonder that Big Data is often touted as a game-changing tool for just about every enterprise under the sun.

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The Birth of Data-as-a-Service

"Without big data, you are blind and deaf in the middle of a freeway." – Geoffrey Moore

The model of delivering services on demand, through the cloud, to any geographic point is well-established in the world of business and computing — Software-as-a-Service (SaaS) is perhaps the most widely-known example of this approach.

The DaaS model is a close cousin of SaaS; and, much like all of the "as-a-Service" family, offers many of the same benefits.

Salesforce.com democratized customer relationship management with their SaaS offerings, and the DaaS model aims to do the same thing. It delivers the right data, at the right time, to the people and processes that require it. Overall, the DaaS category

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represents the next logical manifestation of the larger trend toward benefiting from services on demand and in the cloud.

This need for cloud-computing technologies can be seen in greater detail in Spiceworks 2019 State of IT study, where respondents highlighted the benefits of moving toward cloud-based systems[7]. Highlights included:

- **Providing access to data anywhere (42 percent)**
- **Enabling better flexibility (37 percent)**
- **Reducing the support burden on IT staff (36 percent)**

It's no surprise that nearly half of respondents noted unhindered access and reduced burden as some of the biggest benefits of cloud-based systems. This is because businesses, traditionally, collected, maintained and managed their own data. In the last decade, however, the size and complexity of data has grown enormously, making internal and external management far more challenging.

DaaS vendors offer a solution to this problem, allowing firms to offload data responsibilities and many of the risks to a third party with specialist knowledge. In the most fundamental approach, this specialty knowledge may be in:

1. **Data Collection**
2. **Data Management**
3. **Data Quality Assurance**
4. **Data Delivery**
5. **Specific Expertise in the Required Data Set**

Of course, the best-case scenario is a DaaS that delivers in all five of these areas and much more.

While DaaS is still the rookie of the "as-a-Service" offerings, the category is becoming more visible and clearly defined as many innovators and Fintech companies introduce cloud-based data services to the market. As on-demand cloud services gain an ever-larger share of business spending, DaaS is well-positioned to gain significant traction.

The Advantages of DaaS

Consider a statistic from the Harvard Business Review[8]:

> 50 percent **— the amount of time that knowledge workers waste in hidden data factories, hunting for data, finding and correcting errors, and searching for confirmatory sources for data they don't trust.**

This is how companies have traditionally had to handle data analysis — working on initiatives that often-become Herculean tasks that require extensive infrastructure, expensive personnel and other significant resources.

This is where true competitive advantages emerge, as companies are enriched by the value of data without being hamstrung by technical issues.

While powerful analytics tools such as Hadoop and NoSQL are widely available, the fact is many companies lack the expertise needed to put them to use. Doing so requires technical skills, along with mastery of legal, commercial and privacy issues.

On top of that, a nuanced understanding of a business and how data can be leveraged to its maximum benefit is also essential. This is an imposing set of requirements and a major commitment for any business, but especially for smaller companies (such as smaller banks and real estate firms) that possess limited resources.

Adding to that is the ongoing requirements of handling data management in-house, as well as how the data must be stored to ensure availability and security.

Opting for a DaaS solution eliminates these requirements, entirely. Businesses using the DaaS model don't have to worry about "how the sausage is made," so to speak. Companies pay for the ease of access to data, analytics engines and cloud-based storage. The often-thorny technical aspects of managing large data sets is outsourced, allowing for full concentration on business opportunities.

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The value gained from analytics diminishes if the process for gathering that data is cumbersome and inefficient. By offloading these responsibilities to a DaaS provider thoroughly steeped in the subject, companies reap the benefits of advanced analytics while sidestepping a potential implementation and management minefield.

Putting DaaS to Work for Your Next Big Business Idea

Opting for a DaaS solution that helps companies successfully sort through data to find these nuggets of insight gold have become an increasing necessity. But which one is right for you?

There is a variety of usage and pricing models DaaS providers typically offer businesses. For example, DataTree by First American, the nation's largest provider of real estate data to businesses such as mortgage lenders, law firms, real estate service providers and app developers, offers a number of flexible Data-as-a-Service options.

DataTree.com — this is a definitive DaaS solution — here's why:

- User signs up for an account and logs into DataTree.com
- User enters a search query, e.g., the address of a property
- The DataTree DaaS returns all the related data, such as: property, homeowner, mortgage, sales comparables, HOA data and more relating to the property. All this data is delivered on demand via this convenient service.

The DataTree API provides real time access to a nationwide database of property information, property report data, AVM and recorded document images.

List DaaS / Match and Append

With this Data-as-a-Service, a user can request a list of properties based on their specific criteria, such as homes within a certain zip code that have a swimming pool or positive equity. Similarly, a customer may already have their own list (such as a mailing list) and now wish to have that list appended with additional data elements that DataTree provides, such as estimated value.

DataTree API

An API is another prime example of delivering Data-as-a-Service. API's can provide the power and convenience of an instant connection between your business and needed data sets. For example, the DataTree API provides real time access to a nationwide database of property information, property report data, AVM and recorded document images.

Data Licensing / Bulk Data Acquisition

When a business has a need for a lot of data, for example, all the residential properties in the entire United States, they may choose to have all the data delivered in a single data file just once, or at any desired frequency. This could be especially helpful when building an app to prepopulate address files in, say, a loan or warranty application. By acquiring the data set in bulk, the user benefits from data that has been collected, managed and quality assured.

"S" the Other Important Letter in the DaaS Acronym

"S," or Service, is the other critical component of the value provided by DaaS, and the larger "as-a-Service" family. In the case of Data-as-a-Service, often those empowered to act on the actionable insights generated by data lack a deep understanding of the technical processes used to generate the information. Efficient DaaS solutions make data available for anyone, whether it is through online platforms or API's, businesses small and large have the ability to acquire the data and insight they need, fast and conveniently, without the need for intensive technical resources.

Leveling the Playing Field

For example, smaller companies that use DaaS will no longer need large-scale IT departments to handle heaps of data, which can command a price tag of anywhere from $500 - $2,000 a month minimum[9]. These companies instead can utilize DaaS, gaining pertinent customer datasets without having to house, manage and maintain large sets of data.

The Future of DaaS

While we are still in the early days of the age of Data, the constant race to create competitive advantages is always present. Yet, while many businesses are rightly concerned about being left behind the curve, the challenges of handling data management in-house are imposing — and completely impractical for some. This has created extremely favorable conditions for the continued emergence of the DaaS model.

While DaaS offers the standard benefits of the "as-a-Service" family, it also has a specific value proposition. Used properly, it allows companies to tap a vast range of data points to improve a variety of business processes. Easy-to-master functionality, via self-service portals, allows almost anyone to harness the power of analytics with little-to-no technical knowledge as a prerequisite.

The arduous ongoing task of data management is outsourced to a highly competent vendor, allowing businesses to reap the benefits of data analytics, rather than being distracted by the constant need to source, manage and verify.

With the size, complexity and diversity of data expected to grow exponentially, the advantages of the Data-as-a-Service model are likely to become even more pronounced. With companies scrambling to eke out even the slightest data-driven competitive edge, DaaS is poised to deliver the results that modern, data-driven businesses demand.

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To learn more about DaaS solutions for real estate data insight, please visit DataTree.com

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