Chapter 14

Building an Analytics Culture to Boost a Data-Driven Entrepreneur’s Business Model

Soraya Sedkaoui

https://orcid.org/0000-0002-7134-2871

KM University, Algeria & SRY Consulting Montpellier, France

Mounia Khelfaoui

Khemis Miliana University, Algeria

ABSTRACT

This chapter treats the movement that marks, affects, and transforms any part of business and society. It is about big data that is creating, and the value generating that companies, startups, and entrepreneurs have to derive through sophisticated methods and advanced tools. This chapter suggests that analytics can be of crucial importance for business and entrepreneurial practices if correctly aligned with business process needs and can also lead to significant improvement of their performance and quality of the decisions they make. So, the main purpose of this chapter are exploring why small business, entrepreneur, and startups have to use data analytics and how they can integrate, operationally, analytics methods to extract value and create new opportunities.

INTRODUCTION

When we consider the opportunities offered by big data universe, the power of analytics, algorithm relevance and of what may seem to be revealed by each byte of data, and then the effort involved seems to be doubled to start down into how one can develop the new business model through joining big data analytics arena. In another way, every data byte tells a story and data analytics, in particular, the statistical methods coupled with the development of IT tools (Walwei, 2016), piece together that story’s reveal the underlying message (Sedkaoui, 2018a).

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Many successful entrepreneurs’ experiences support that, analytics as a core capability of their startups. These include Sergey Brin and Larry Page of Google, Jeff Bezos of Amazon.com, Michael Bloomberg of Bloomberg LP, Travis Kalanick and Garrett Camp of Uber, Reed Hastings of Netflix and more. At this stage, one must wonder ‘how they do what they do?’ Somehow, the answer lies in the fact that these experiences have understood the underlying message revealed by the amount volume of data byte available today. They have seen the potential in using analytics not only to differentiate their business models but also to innovate.

With small budgets, limited staff and inexperience, entrepreneurs somehow have to find a way to boost their data-driven project orientation by realizing the potential of big data beyond a promising buzzword. They must pair a vision with a clear profit model if they want to join this arena. Nevertheless, there is a school of thought, which says that “Being entrepreneurial means that an opportunity must be pursued despite the lack of resources, and the ability to leverage external resources is one of the hallmarks of the entrepreneur” (Stevenson & Jarillo, 1990; Stokes & Wilson, 2010).

The challenge, therefore, lies in the ability to extract value from the amount volume of data produced in real-time continuous streams with multiple forms and from multiple sources. In another word, to explore data and uncover secrets from it, we need to find and develop applicable to generate knowledge that can conduct any business project strategies. Therefore, understand the leadership’s cognitive is necessary. It helps to determine the factors that can encourage the adoption of new methods as suggested by McAfee and Brynjolfsson (2012) and Ross et al (2013).

Of course, there are multiple ways an entrepreneur can become more data-driven.

By using big data technologies, by exploring the new methods to detect correlations between the quantities of available data, by developing algorithms and tools that can address the variety of data, by optimizing the Business Intelligence process, etc. This provides insights on how they can develop the new business model through the use of IT tools and by providing the ability to analyze data.

That’s what this chapter will explore by highlighting the contents and focusing on how to conduct an analytical approach to help entrepreneurs in their business model creation process. Therefore, in this study the following research question will be answered: How can small businesses drive an analytical approach to get more value out of the available data and optimize their business model in such a way that it will be more frequently used for better conduct their project?

Through this question, we recall the context of big data, its importance in conducting decision-making, its challenges and the role it plays as a complement to create new opportunities for small enterprise in order to address the different issues.

It is the question posed above that is discussed in the remainder of this chapter, by highlighting it through three sections, a discussion, and a conclusion. The first section discusses the general theoretical background necessary to understand the importance of big data analytics.

The second section addressed to the big data analytics applications. It illustrates its power by showing its wide range of business applications and how it can be applied to generate value and create an oriented-data business model for entrepreneurship. For conduct a data-driven entrepreneur approach, the third section gives key elements to undertake in big data analytics, and how this approach can better guide the business project for innovation by giving the ability to learn from data. Then, the discussion addresses the development of a data culture within business orientations.

So, to be in the context of this book, this chapter pays a particular attention to the role of big data analytics on addressing challenges, and how small business can harness the potential of big data and how the analytics power can help them find creative solutions to the various problems.