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Most of an organisation's data is like the hidden mass of an iceberg – dark, unseen, yet holding the potential for both immense value and significant danger. The question is: are you content to merely manage the iceberg, or will you explore its depths? In the digital age, organisations grapple with a overwhelming tide of data, and much of it remains untapped, hidden in the shadows. This "dark data" remains a significant and transformative challenge for CIOs. As the adoption of cloud services accelerates, the swell of dark data only grows larger. CIOs must decide: will this data be a liability, or will it propel your organisation forward? This article explores the unanticipated costs of ignoring dark data, strategies for identifying and assessing it, and a playbook for CIOs to harness its power in the cloud era.

Let's get to it!

The Unanticipated Costs of Ignoring Dark Data

Often data resides in unstructured formats and legacy systems, can consume expensive storage resources inefficiently.
The scalability and cost-effectiveness of cloud storage have inadvertently contributed to the accumulation of even more dark data. The storage costs alone can be staggering, not to mention the potential risks and missed opportunities.

Compliance and security are two critical areas where dark data poses significant risks. With the advent of stringent data protection regulations like GDPR and CCPA, organisations must be able to account for all their data, including dark data. Failure to comply can result in hefty fines and reputational damage. Furthermore, dark data expands an organisation's attack surface, making it harder to detect and respond to security threats. Cybercriminals can exploit hidden vulnerabilities in unmanaged dark data, leading to data breaches and other security incidents.

Perhaps the most significant cost of ignoring dark data is the missed opportunity for extracting valuable insights. Hidden within the vast volumes of dark data are potential insights into customer behaviour, operational inefficiencies, and market trends. By failing to tap into this data, organisations risk losing a competitive edge and making suboptimal strategic decisions.

Dark Data Identification and Assessment

Strategies for Identifying and Assessing Dark Data To effectively manage dark data, CIOs must first develop a robust discovery and classification strategy. This foundation is critical for understanding the types of dark data within the organisations, its sources, and its potential value and risk. Cloud-based tools and services can significantly streamline this process, offering scalable and cost-effective solutions for data discovery and classification.

Common sources of dark data include legacy systems, unstructured data from emails and social media, and log files from various applications. In the insurance industry, for example, insurers collect vast amounts of transactional data such as policy information and claims history. Much of this data remains unused for analysis, becoming "dark data." By leveraging cloud-based AI and machine learning tools, insurers can automate the process of identifying and categorising this dark data, uncovering valuable insights that can help them better assess risk, detect fraud, and improve customer experience.

The benefits of analysing dark data in the insurance industry are significant. By mining unstructured data from claims notes and adjustor reports, insurers can identify patterns and trends that can help them optimise claims processes, reduce costs, and improve customer satisfaction. Analysing dark data can also help insurers develop more personalised products and services, based on a deeper understanding of customer needs and preferences. Furthermore, by combining dark data with external data sources such as weather data and social media, insurers can gain a more holistic view of risk and make more informed underwriting decisions.

Once dark data has been identified and classified, the next step is to assess its potential for generating actionable insights. This is where cloud-based analytics and AI/ML come into play. By applying advanced analytics techniques to dark data, organisations can uncover patterns, correlations, and trends that were previously hidden. For example, analysing unstructured customer feedback data can provide valuable insights into product improvements and customer sentiment.

The CIO's Playbook for Harnessing Dark Data

To effectively harness the power of dark data in the cloud era, CIOs need a comprehensive playbook that goes beyond storage and focuses on data governance. A robust data governance framework is essential for ensuring the security, privacy, and compliance of dark data. Cloud-based data governance tools can help CIOs enforce policies and procedures across the organisations, ensuring consistency and reducing the risk of data breaches.

The analytics imperative is another critical component of the CIO's playbook. By leveraging cloud-based analytics and AI/ML tools, CIOs can transform dark data into actionable intelligence. This requires a strategic approach that aligns with business objectives and priorities. CIOs should work closely with business stakeholders to identify key use cases and develop a roadmap for dark data analytics.

To build a compelling business case for dark data initiatives, CIOs must demonstrate the potential for cost savings, revenue growth, and risk mitigation. This requires close collaboration with finance, legal, and other key stakeholders. By presenting a clear ROI and aligning with strategic business objectives, CIOs can secure the necessary resources and support for their dark data initiatives.

Best practices for managing dark data in the cloud include implementing strong access controls, encrypting sensitive data, and regularly auditing data access and usage. CIOs should also prioritize employee training and awareness to ensure that everyone understands the importance of data security and compliance.

Future Trends and Considerations

As the volume and complexity of dark data continue to grow, new cloud technologies are emerging to help organisations manage and extract value from it. Serverless computing, for example, can help CIOs scale their dark data analytics initiatives more efficiently and cost-effectively. Edge computing can help process and analyse dark data closer to its source, reducing latency and improving real-time decision-making.

Another exciting development is the emergence of cloud-based data marketplaces, which allow organisations to monetize their dark data insights. By packaging and selling anonymized data and insights, CIOs can create new revenue streams and offset the costs of managing dark data.

As the role of the CIO evolves in the cloud era, dark data management will become an increasingly critical responsibility. CIOs will need to stay ahead of the curve by continually evaluating new technologies and strategies for harnessing dark data. They will also need to foster a culture of data-driven decision-making and collaboration across the organisations.

Conclusion

In the cloud era, dark data represents both a challenge and an opportunity for CIOs. By identifying the hidden costs of ignoring dark data and developing a comprehensive strategy for managing and leveraging it, CIOs can transform their organisations into data-driven, insights-led enterprises. The cloud provides a powerful set of tools and technologies for discovering, analysing, and extracting value from dark data. As the volume and complexity of dark data continue to grow, CIOs who proactively address this challenge will be well-positioned to drive innovation, growth, and competitive advantage for their organisations.

Ready to unlock the hidden potential within your organization's data?

Feel free to reach out to us to discuss how you can leverage dark data in the cloud to unlock actionable insights and drive tangible business results, while minimising risks.

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Nick is a lead cloud architect with over 20 years of experience leading complex enterprise cloud transformations. As a lead architect in KPMG's Connected Technology practice, he specialises in designing innovative, business-aligned cloud solutions. With deep expertise spanning cloud strategy, multi-cloud architectures, and governance, Nick brings a strategic perspective to navigating the fast-evolving cloud landscape.

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