Why should SMEs think more about data?

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Much has been said about the **fourth industrial revolution** and all the technologies that emanate from it, such as: artificial intelligence , the internet of things , the automation of processes through robotics, big data , among many others. plus.

But at the time of landing these technologies to **Small and Medium Enterprises** (SMEs), the process becomes complicated, so many companies prefer to put these technologies aside without seeing the great benefits they can offer them.

It is because of the above that this article aims to show the benefits that data science offers when it is part of the processes of companies, specifically in SMEs.

Let’s talk about data science

Data science as many data scientists describe it is actually quite simple, without being trivial. For us it is the “art” of

combining, calculating and reporting knowledge from different sources and data inputs.

Now let’s look at the example where a business has a lot of data, and data science is the little magic in the middle that can help bring all of this information together to enable you to make smarter business decisions and make the most of all of your available resources.

Data science is more than a little magic, it is a very powerful tool that turns out to be extremely valuable for companies of all shapes and sizes, for the simple fact that it generates a competitive advantage over others.

Businesses in all industries can benefit from data in many ways, with proper analytics that allows you to stand out from your competition. Of the best known examples are in ecommerce companies, which use the data to carefully evaluate the browsing behavior of their users, to better understand buyers, their habits and needs.

Also, these practices can be used to detect potential errors before they occur, or to prevent fraud, particularly in the financial sector. Therefore, by making good use of this information (data), companies can maximize their profits.

Why implement data science in SMEs?

Before entering into the importance of the relationship that SMEs should have with their data, a recount should be made of the importance that they have, as companies, in the social and economic fabric of the Latin American region.

In the Latin American region, according to ECLAC, these represent close to 99% of all companies and employ around 67% of all workers in the region (ECLAC, 2019). But more specifically, in Mexico MSMEs represent 99.08% of total companies in the country and for every 100 pesos of census

added value, MSMEs contribute 45.3 pesos according to INEGI figures (INEGI, 2020). This means that they play a fundamental role in raising the potential for recovery and economic growth in the region.

In turn, a study by the Massachusetts Institute of Technology (MIT) reveals that companies that make decisions based on data are, on average, 5 percent more productive and 6 percent more profitable than their competitors.



Companies that make their decisions based on data are on average 5 percent more productive / Image Depositphotos.com

Therefore, SMEs need to be at the forefront to face the challenges that have been posed by the crisis that the world is going through derived from COVID-19.
Before mentioning the benefits that data science offers companies, it is very important that they do a strategic analysis to identify what the purpose of the data is, accompanied by the formulation of a long-term plan and

objectives.

Here are four reasons why all SMEs should start implementing data science within their business:

1. Make smarter and more informed business decisions

By better tracking, visualizing and understanding business data, you will help make better INFORMED decisions about the future of your business. Through knowledge of the data, you may be able to identify key areas for productivity improvements, market growth, or competitive advantages.

2. Get a competitive advantage over the competition

As previously mentioned, most SMB managers view data science as an overly expensive and unaffordable business solution. This means that there is an opportunity to get ahead of your main competitors.

An important aspect in small and medium-sized companies that seek data solutions are those that begin to think like a company based on data (data driven) and in this way begin to gain advantages over their competitors.

3. Data science saves time and costs!

Data science does not require a million dollar investment that is impossible for small and medium-sized businesses to afford. What we can say is: data science is a key detector of cost saving opportunities because it can identify where there are lost income and generation of expenses, opportunities for

workflow improvement or identify which products and services they generate an expense to the company instead of generating profit.

4. It is an opportunity to digitize the data and clean the filing cabinets

You don’t need to have all the platforms and integrations for data science to work. Preparing and configuring company data is something a vendor / consultant can do when looking to implement the right data solution for you. But what is really valuable is to have in digital all the backup of the information that for a long time was stored in filing cabinets and that also companies can access their information from anywhere in the world, as well as view and manipulate it in real time.

Finally, we conclude that it is the moment when SMEs should turn to see data as their great ally and one of the main growth engines of their business, this because the advantages obtained impact all areas of the company generating a benefit that can differentiate the resilience capacity of companies in the face of new challenges such as those that COVID-19 has posed today, without neglecting the following phrase by Jhon Owen: “Data is what you need to perform analysis . Information is what you need to do business. ”



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