When Jonathan Goldman arrived for work in June 2006 at LinkedIn, the business networking site, the place still felt like a start-up. The company had just under 8 million accounts, and the number was growing quickly as existing members invited their friends and colleagues to join. But users weren’t seeking out connections with the people who were already on the site at the rate executives had expected. Something was apparently missing in the social experience. As one LinkedIn manager put it, “It was like arriving at a conference reception and realizing you don’t know anyone. So you just stand in the corner sipping your drink—and you probably leave early.”

Goldman, a PhD in physics from Stanford, was intrigued by the linking he did see going on and by the richness of the user profiles. It all made for messy data and unwieldy analysis, but as he began exploring people’s connections, he started to see possibilities. He began forming theories, testing hunches, and finding patterns that allowed him to predict whose networks a given profile would land in. He could imagine that new features capitalizing on the heuristics he was developing might provide value to users. But LinkedIn’s engineering team, caught up in the challenges of scaling up the site, seemed uninterested. Some colleagues were openly dismissive of Goldman’s ideas. Why would users need LinkedIn to figure out their networks for them? The site already had an address book importer that could pull in all a member’s connections.

Luckily, Reid Hoffman, LinkedIn’s cofounder and CEO at the time (now its executive chairman), had faith in the power of analytics because of his experiences at PayPal, and he had granted Goldman a high degree of autonomy. For one thing, he had given Goldman a way to circumvent the traditional product release cycle by publishing small modules in the form of ads on the site’s most popular pages.

Through one such module, Goldman started to test what would happen if you presented users with names of people they hadn’t yet connected with but seemed likely to know—for example, people who had shared their tenures at schools and workplaces. He did this by ginning up a custom ad that displayed the three best new matches for each user based on the background entered in his or her LinkedIn profile. Within days it was obvious that something remarkable was taking place. The click-through rate on those ads was the highest ever seen. Goldman continued to refine how the suggestions were generated, incorporating networking ideas such as “triangle closing”—the notion that if you know Larry and Sue, there’s a good chance that Larry and Sue know each other. Goldman and his team also got the action required to respond to a suggestion down to one click.

It didn’t take long for LinkedIn’s top managers to recognize a good idea and make it a standard feature. That’s when things really took off. “People You May Know” ads achieved a click-through rate 30% higher than the rate obtained by other prompts to visit more pages on the site. They generated millions of new page views. Thanks to this one feature, LinkedIn’s growth trajectory shifted significantly upward.
A New Breed
Goldman is a good example of a new key player in organizations: the “data scientist.” It's a high-ranking professional with the training and curiosity to make discoveries in the world of big data. The title has been around for only a few years. (It was coined in 2008 by one of us, D.J. Patil, and Jeff Hammerbacher, then the respective leads of data and analytics efforts at LinkedIn and Facebook.) But thousands of data scientists are already working at both start-ups and well-established companies. Their sudden appearance on the business scene reflects the fact that companies are now wrestling with information that comes in varieties and volumes never encountered before. If your organization stores multiple petabytes of data, if the information most critical to your business resides in forms other than rows and columns of numbers, or if answering your biggest question would involve a "mashup" of several analytical efforts, you’ve got a big data opportunity.

Much of the current enthusiasm for big data focuses on technologies that make taming it possible, including Hadoop (the most widely used framework for distributed file system processing) and related open-source tools, cloud computing, and data visualization. While those are important breakthroughs, at least as important are the people with the skill set (and the mind-set) to put them to good use. On this front, demand has raced ahead of supply. Indeed, the shortage of data scientists is becoming a serious constraint in some sectors. Greylock Partners, an early-stage venture firm that has backed companies such as Facebook, LinkedIn, Palo Alto Networks, and Workday, is worried enough about the tight labor pool that it has built its own specialized recruiting team to channel talent to businesses in its portfolio. “Once they have data,” says Dan Portillo, who leads that team, “they really need people who can manage it and find insights in it.”

Who Are These People?
If capitalizing on big data depends on hiring scarce data scientists, then the challenge for managers is to learn how to identify that talent, attract it to an enterprise, and make it productive. None of those tasks is as straightforward as it is with other, established organizational roles. Start with the fact that there are no university programs offering degrees in data science. There is also little consensus on where the role fits in an organization, how data scientists can add the most value, and how their performance should be measured.