



Dear Readers,

A recent BetterManagement.com survey of executives indicated that 60 percent of the respondents never, rarely or only sometimes get the information they need to make effective business decisions. That's a problem...but we have the solution. Check out the column titled "[A Strategic Approach to Intelligence](#)" below.

Also in this issue, IT visionary Thornton May looks at the success of analytics practitioners like [Harrah's Entertainment](#), Procter & Gamble, Marriott and Capital One, and asks: Why aren't more organizations moving forward with change-the-game analytically based strategies? Don't miss the surprising answer in May's column "[The Social Side of Analytics](#)."

Enjoy!

A handwritten signature in black ink that reads 'Anne-Lindsay Beall'.

Anne-Lindsay Beall
Editor, *SAS Business Report*

NEXT PRACTICES: A Strategic Approach to Intelligence

Move your organization to the next level with a BICC

By Steven Ing

Clearly, the market is waking up. In the Asia Pacific region, for example, I have recently noticed an increasing demand from senior executives for a better understanding of how to deliver intelligence in their organizations. Indeed, I have received a growing number of invitations to speak about this topic at regional executive conferences.

Many recent surveys are showing the reasons for this need. The fact is that organizations are still struggling with the management of their information assets and how to maximize information used to drive decisions. A recent BetterManagement.com survey indicates that 60 percent of respondents never, rarely or only sometimes get the information they need to make effective business decisions. And that is the problem. The information they get is different from the information they need to support the strategic decision-making process.

The underlying causes start with the understanding of enterprise intelligence delivery and inconsistent business intelligence (BI) deployments that have created silos of information. In addition, organizations are having difficulties in managing, implementing and standardizing BI initiatives that span multiple departments. But more importantly, few organizations are doing what is necessary to get their data in shape to create the information they need. Here we are dealing with a cultural issue. Organizations must learn to treat their information as a strategic asset and as one of their key business differentiators. The days are gone when companies could base their decisions on gut feelings or an instinctual understanding of the marketplace.

Make a difference with a BICC

As a senior executive today, your first critical success factor is to make a strategic decision that intelligence and the delivery thereof is a key differentiator for your business. The second, but equally important, is to surface and understand the internal and external intelligence that can enable effective fact-based decision making.

In fact, I believe that only two aspects of an organization really can make a difference in distinguishing you from your competitors – the quality of the intelligence you are able to deliver, and the quality of the people who use and interpret this intelligence to drive strategic direction.

SAS has a very simple definition. Business intelligence is about getting the right information to the right people at the right time to support better decision making to gain competitive advantage. Based on 31 years of experience in the intelligence space, SAS understands that companies need four types of intelligence in order to get a comprehensive and holistic view of their business: customer, financial, operational and risk intelligence.

Once this commitment is made, your enterprisewide business intelligence initiative needs an owner who has a mandate to drive intelligence into every aspect of the company. This is where the Business Intelligence Competency Center (BICC) comes into play. This unit within the organization is responsible for the development and deployment of intelligence across the enterprise. Organizations are increasingly aware that there is more to business intelligence than simply deploying technology. Similar to its definition of intelligence, SAS' conception of a BICC is multidimensional. A holistic, strategic approach is required to address people, processes, infrastructure and organizational culture.

Evaluate and take action

The very first step I advise you to take when setting up a BICC is to understand what intelligence you need. Start by identifying what business decisions need to be made on a daily, monthly, quarterly or yearly basis at different levels of management. Then you need to look at how to deliver the intelligence that is needed. Not all organizations will deliver intelligence in the same ways. There are many company-specific factors that will affect your way of delivering intelligence, such as the size of the company, the organizational structure, the information architecture, etc.

However, probably the most important factor to take into consideration is an understanding of the level of maturity of your organization in the ability to deliver intelligence. SAS' Information Evolution Model (IEM) provides the methodology for assessing what level you are at as well as planning a strategy to help your company move up and reach the level it should eventually strive toward, namely a proactive state of continuous innovation and top- and bottom-line expansion. The SAS IEM consists of five levels, building on top of each other:

- Operate – Focus is on the individual; information is personal power.
- Consolidate – Information is kept at departmental level.
- Integrate – Enterprise standards are in place.
- Optimize – Information is available to measure, align and improve.
- Innovate – Continuous innovation in process and culture takes place.

Understanding these levels from a people, process, infrastructure and cultural point of view is vital. This sets the foundation for the BICC to deliver value to the business. The ability to set up a BICC will not depend on your level of maturity if a decision has been made to deliver intelligence. However, it may determine the structure of your BICC.

Some rudimentary BICC deployments will start with basic support functions only, but SAS recommends expanding the BICC to include all aspects of BI initiatives, such as:

- Business intelligence programs: What BI programs should be run in line with the business strategy?
- Data stewardship: Data quality, governance and policies are owned by the BICC.
- Data acquisition: Data integration, storage, etc.
- Advanced analytics.
- Support: First-line support for business users.
- Training: Change management, project management and process integration training to enable the delivery of intelligence.
- Vendor contract management.

BICC basics

Because of its strategic mission, the BICC should bring together both the technical and the business functions of the organization and should report directly to a top management executive, whether that is the CFO, the CIO or even the CEO. Most importantly, the BICC should become part of the organizational structure.

Roles within the BICC should also be a combination of business and IT people. Typical business roles include business analysts, industry domain experts and project managers. Examples of technical roles are the technical lead, data miners, warehouse architects, warehouse consultants and application developers. In addition to these roles we also need expertise in driving change and communication of the change to ensure that the culture is one that can receive maximum value from the delivery of enterprise intelligence. The BICC should be staffed with people who have been identified as future managers. Indeed, the BICC can serve as a springboard for them as they will get a total view of the organization.

The size of a BICC can vary from a dozen to a few hundred in terms of head-count, but usually it is relative to the size of the company. Mutual and Federal, for example, a leading insurance company in South Africa, has set up a BICC of 10 to 20 people. In its intelligence delivery endeavor, it has restructured the organization to support its new information management effort. In Japan, NTT DoCoMo, a top telecommunications company, has put in place a BICC in excess of 100 people. It is important to note that both organizations made a strategic decision that the delivery of intelligence is core and then built an organization to enable this.

No matter what industry you are in, if you understand the foundation of your business intelligence requirements and your current level of ability to serve your business with the intelligence it needs, it will become crystal clear what you need to do to move your business up the ladder of strategic decision making. With a BICC in place, you will be leading your organization to a higher grade of maturity of the processes, culture, people and infrastructure in all your BI efforts, resulting in improved financial results.

SAS® Customer Intelligence: Solving Marketing Challenges

SAS is helping organizations know and target their best customers with a new solution and improved versions of three key solutions in its customer intelligence suite. Available in December, this launch will include:

- **SAS® Real-Time Decision Manager** – This new solution coordinates marketing communications across all channels, presenting tremendous opportunity to increase profitability and enhance the customer experience.

SAS Real-Time Decision Manager is designed to provide the intelligence that helps you deliver a personalized customer experience. When SAS Real-Time Decision Manager receives a decision request from an operational system it combines all available customer data with SAS Analytics and business logic in real time to determine the best response for the customer. For example, the decision flow may make a recommendation on a customer's eligibility to receive a particular offer, score a customer's propensity to buy a certain item, or calculate their credit worthiness based on the latest transactional information. It could also be used to proactively curtail a customer issue.

- **SAS Marketing Optimization** – Extending its campaign and offer optimization capabilities, SAS Marketing Optimization has a new user interface, upgraded contact policy optimization and enhanced report publishing:
 - The user interface is now more intuitive for business users, offering wizards for creating input data, new projects, scenarios, and filters.
 - Improvements to contact policy management will provide users such options as limiting contacts based on household or the amount of time that has transpired since the last contact.
 - Enhanced report publishing provides the ability to publish multiple reports from various optimized scenarios at once, enabling users to quickly decide the best course of action.
- **SAS Digital Marketing** – With new RSS and Dynamic Web Publication support, SAS Digital Marketing provides further access to more channels of communication. In addition, a digital content repository is now included along with an easy-to-use in-line content editor enabling easy editing and testing of content for multiple channels simultaneously.
- **SAS Marketing Automation** – New capabilities in SAS Marketing Automation bring tighter integration with other SAS solutions. Improved usability includes the capacity to create reusable custom tools. In addition, SAS Marketing Automation and the new SAS Real-Time Decision Manager solution will share a single interface that empowers marketers to design and execute inbound, outbound, and event-based campaigns consistently and easily.

IT FRONTIERS: The Social Side of Analytics

How does the study of analytics today compare to the study of geology 100 years ago? It has the potential to capture the hearts and minds of the public.

By Thornton May

In their must-read best-seller *Competing on Analytics: The New Science of Winning*, Thomas H. Davenport and Jeanne G. Harris paint a vivid and exciting picture of just how good analytics can be.

We are given compelling snapshots of über-practitioners, such as Harrah's Entertainment, Procter & Gamble, Schneider National, Mars, Marriott and Capital One to name but a few. The authors are to be congratulated for having crafted the definitive "why" of analytics. That said, the true future of our discipline and the next step facing most practitioners lie not in understanding the "why" but in behaviorally re-engineering around the "why not." In other words, why organizations are not moving forward with change-the-game analytically based strategies.

Our Achilles' heel

Researchers at the IT Leadership Academy wrestled with the paradox of measurable, take-to-the-bank benefits of investments in analytics being slowly adopted. Analytics definitely has a good value story to tell, so:

- Why was it not be listened to and acted upon?
- What is taking so long?
- Why is this so hard?
- Why have practitioners of the analytic arts not been recognized as the economic heroes they are?
- Why have the various C-pluses, including CEOs, CFOs and COOs, not visibly and enthusiastically jumped on board the analytical bandwagon?

I suppose that when researching a paradox, one should not be surprised to come to an ironic conclusion. We concluded THE major impediment to the ability of analytics to take its rightful place at the center of the social, economic and political mainstream has nothing to do with numbers – and everything to do with being able to play well with others. The analytical resources in many organizations are isolated from the business. Like computing in the 1960s and word processing in the 1970s, analytics has been a physical place to drop work off rather than a capability with which strategic advantage might be generated.

Analytic resources need to be embedded physically AND psychologically into the key processes of the enterprise. Not enough attention is being paid to the social side of analytics. In the vast literature about analytics, the role of mindshare management, change management, the complex web of social and cognitive interactions associated with attitude/belief, and the realpolitik of attention economics are underexamined. Nevertheless, our researchers were struck at the parallels between analytics in the early aughts (i.e., the first decade of 2000, the '00s) and geology in the early 19th century:

In the early 19th century, geology was a new, exciting, and fashionable science. It was experiencing its first and greatest boom in conceptual innovation, empirical expansion, and public approval and interest. It attracted some of the most talented in the scientific world....*

The operative phrase here is “public approval and interest.” Geology blossomed because it captured the heart and soul of the population. It answered questions people were interested in. Doesn't analytics do the same?

Is it outside the realm of possibility to imagine class action suits against boards of directors who do not approach business decision making with the appropriate analytical rigor and/or toolsets?

Perhaps our greatest challenge is figuring out how to make what we do more accessible to everyone. Nearly 20 years ago, Sir Peter Medawar urged those interested in understanding science to study in detail “what scientists do.” The analytic heroes portrayed in *Competing on Analytics* understood at a very granular level what their business colleagues did. If we are to emulate the successes of these ahead-of-the-curve practitioners, we will need to let some subset of the powers that be understand what we do – and, just as importantly, explain that what we do can improve and influence what they do.

*Martin J.S. Rudwick, *The Great Devonian Controversy: The Shaping of Scientific Knowledge among Gentlemanly Specialists*
[Chicago: The University of Chicago Press, 1985].

Matching Quality Applicants with Quality Jobs

Monster Canada (www.Monster.ca) is Canada's leading career management portal. To drive growth and provide outstanding service to employers and job seekers alike, it turned to SAS Customer Intelligence and SAS Analytics. As a result, the company has increased its sales productivity, marketing efficiency and customer retention rate by double digits.

Monster Canada – a bilingual, user-friendly online resource that is revolutionizing job seeking and recruitment – is headquartered in Montreal. It is part of Monster Worldwide Inc. (NASDAQ: MNST), the parent company of the leading global online career and recruitment resource. Monster Canada receives 3 million unique visitors a month, posts more than 2.5 million résumés and averages 35,000 Canadian job postings.

Monster Canada sells a variety of products and services to companies looking for employees – from basic access to posted job openings to advanced screening, online résumé-mining services and career site hosting. The company wanted to understand its clients better so it could offer the right mix of services, and it needed a better way to extract and organize its customer data, run its performance dashboards efficiently, analyze and segment its customers and job seekers, and provide the best results to its clients.

Monster Canada's first challenge was to extract information from its data store, which covers 36 countries – 3 terabytes of data. "It was very cumbersome," says Jean-Paul Isson, Director of Business Intelligence. Records from Canada alone total 50 million, and Isson wanted to bring in outside data from sources like Dun & Bradstreet and Statistics Canada. Before turning to SAS, Isson used an extraction tool and organized information in Excel files. The process was time-consuming, and his team couldn't do certain things, like analyze job postings. It was nearly impossible to incorporate outside data. The reports the team could generate – involving 4 million records – took one to two days to complete. With SAS, it now takes two or three hours.

Not only can Monster Canada do its simple reports more quickly, but it can also analyze data in ways that weren't possible before using SAS. Isson's team can now develop recency, frequency and monetary (RFM) segmentation to profile its customer base and build predictive models to score new prospects based on their propensity to buy certain kinds of services.

Using RFM and Web mining to help customers

"By applying the RFM segmentation to Monster Canada's customer base, we understand who our customers are and what they are doing, what they will do, and how we can help them get the best results with Monster," Isson says. That ability has enhanced Monster Canada's cross-selling and up-selling strategies, which increased marketing efficiency by 40 percent in one year. "We make sure every action our marketing and sales people take will be data driven and profitable," Isson says.

With SAS, Monster Canada has a complete picture of its customer. It can clearly identify its most profitable customers and products, thus enabling the company to use its resources more effectively to serve customer needs, proactively retain higher-value customers and sell Monster Canada's higher-margin products. "Our Web mining has enabled us to provide the best services and features to our clients and job seekers."

With SAS, Isson now performs advanced Web mining and analyzes job posting performance in ways that can help companies improve the quantity and quality of applicants they receive. For instance, Isson's team can compare every posting for a marketing analyst in Montreal and show customers how their posting compares to the average similar posting in terms of the number of viewers and the number of submitted résumés. If the company's posting is below average, Monster Canada suggests best practices to enhance it. "This is something we didn't have before, and it brings value to our customers because we are constantly helping them to get their expected results," Isson says. These types of services helped Monster Canada increase its customer retention rate by 15 percent and reinforce its thought leadership in the Industry.

Improving sales team efficiency

The company also uses SAS Enterprise Miner™ to improve the efficiency of its sales team. Isson recently analyzed internal and external data and developed a powerful business intelligence tool to score the 1.4 million Canadian companies in the Dun & Bradstreet database and rank those not yet using Monster Canada on the likelihood they would purchase services.

The BI scoring model helped divide prospect companies into three segments (high, medium and low) based on their potential value and propensity to buy. Isson's team took it one step further by developing an advanced calibration model to optimize Monster Canada's sales coverage. For the first time, the company could put together balanced prospect lists for new sales representatives. A group of sales reps was hired, and each rep was given the same mix of high, medium and low probability clients to contact. Monster Canada quickly figured out which new salespeople were the most successful and started to shift more important clients their way, further increasing success. As a result, sales productivity increased 40 percent.

"With SAS, we're able to address the four core objectives of the company," Isson says. "We know our customers better. We can show them that we can be advisors, which builds strong relationships. The customers are satisfied, which increases retention, and by segmenting our clients we can sell to the highest value niches. With the intelligence we add to our data, Monster Canada is a trusted advisor to the vast majority of clients in the recruitment industry. As a result, we're seeing tremendous results."

Do You Work for Your Boss or Your Customer?

Our fathers worked for the boss. When they left the office at five o'clock, they left their job worries behind. But today's managers and employees work and worry nearly 24/7 -- and probably for someone other than their bosses on the organizational chart. What has caused this shift, and who is this new boss? Visit Gary Cokins blog to find out!

Online only at:

<http://blogs.sas.com/cokins/index.php?/archives/19-Do-You-Work-for-Your-Boss-or-Your-Customer.html#extended>

Events:

Webcast: Worst Practices in Forecasting

Sept. 27, 1:00 p.m. ET

<http://www.sas.com/events/cm/147569/index.html>

M2007: Data Mining Conference

Oct. 1-2, Las Vegas

<http://www.sas.com/events/dmconf/index.html>

The Premier Business Leadership Series

Oct. 3-4, Las Vegas

<http://www.bettermanagement.com/theseries/worldwide.aspx?L=14481>

Webcast: Better Decisions Faster with SAS® Optimization

Oct. 4, 1:00 p.m. ET

<http://www.sas.com/events/cm/149050/index.html>

Innovators' Summit

Oct. 14-16, Traverse City, Michigan

<http://www.jmp.com/about/events/summit2007/>