



SAS® Business Report

APRIL 29, 2008

Dear Readers,

Leaders from top organizations are seeing the power of analytics firsthand at the 2008 Competing on Analytics events, a landmark series sponsored by SAS and Intel. SAS BI expert Gaurav Verma attended the Apply It forum in Washington, DC, and reports back with what surprised him at the event – and key takeaways.

Also in this issue, a free business intelligence assessment and five simple steps to optimizing your company's resources.

Happy reading!

[Anne-Lindsay Beall](#)

Editor

SAS News

From sascom voices blog:

How to compete on analytics: apply it

By Gaurav Verma, Global Marketing Manager for BI at SAS

"In God we Trust, all others bring data." – Barry Beracha at Sara Lee

I get to participate in several events, conferences and summits in a year, and yesterday I attended one in Washington DC where after a long time I am not presenting, doing press interviews or briefing analysts - but just attending. Jumping on the opportunity to blog in near real time and share an unadulterated view of what is being shared at what is by design a best practice forum.

The event is the first of the second step in the SAS and Intel [2008 Competing on Analytics series](#), designed to help decisions makers learn how to effectively use analytics within organizations. The first step in the series is a round of executive dinners titled [Competing on analytics -Turning Potential into Performance](#) that feature thought leader and author Thomas H. Davenport. The co-author of [Competing on Analytics](#), Tom shares the latest insights from his most recent groundbreaking research and best practices for analytics-based management.

[Yesterday's event](#) featured Jeanne Harris, co-author of [Competing on Analytics](#) and it was fascinating to hear how every organization in every competitive mix of every industry has access to the same market data and they have identical data collected and generated internally – but only a few fully leverage their information assets to compete on analytics by discovering the power of analytics to out-think and out-execute the competition. Jeanne provides great insight on how to apply the power of analytics in your business - without reinventing your organization to get it done.

The other featured speaker at yesterday's event was Dr. Calvin C. Johnson, Director of the Office of Research and Evaluation, [Court and Offender Supervision Agency for the District of Columbia](#) (CSOSA). What really drove it home and made it personal were the astounding stats that Dr. Johnson shared on the level of exposure we have with what has fundamentally become the warehousing of offenders in our prison systems: In Dec 2005, more than 7 million adults in the United States were either on community supervision (59% on probation and 11% on parole) or incarcerated (10% in jail and 20% in prison) – that's roughly 1 in 32 adults.

What got my attention right away was how Calvin talks about the agency's strategy as a business strategy; challenges as business challenges; front-line and middle-management; governance; best practices; transactions; customer demographics, profile and segmentation of their customer who are the offender population; and list goes on. With a mission statement of increasing public safety; preventing crime; reducing recidivism; and supporting the fair administration of justice, what I least expected to hear was how they use an actuarial approach to assessing risk to public safety.

Talk about leveraging analytics. Having worked in financial services industry for years now, it was the first time I heard an entity outside of the industry not only talking about actuarial approach to risk but actually applying it successfully and better than many in the financial industry. Calvin also shared the process of how they went about the pragmatic shift in their business – from getting executive sponsorship; selling it to the business by showing them the what is the 'art of the possible;' understanding business requirements etc. Showing us all the scars from the journey

they undertook made it real for all of us at the forum. Paraphrasing the key questions and comments from the 70+ attendees ranged from:

- What are the characteristics of organizations that are poised to compete on analytics?
- Business Intelligence and Business Analytics – what is the difference? Is there one?
- How do you define, find and rationalize Key Metrics across the silos of the business and the associated data - Finance, Business, Marketing, IT etc.
- Lots of shelf-ware from the departmental buying days and while being tasked with rationalizing across all the different BI products. But quickly learning that the biggest challenge is the managing the ubiquitous tool of choice – Excel. How do you move the excel jocks away from creating more and more spread-marts?
- How do you know your analytics are giving you the right answer?
- Value of using an external set of eyes (external to business but internal to the organization or someone external to the organization) to validate your analytical models.
- Key to fact-based decision making today is looking beyond the insular attributes of the business and factor in external artifacts e.g. what is the economy doing? While the debate continues on the use of the 'R' word what will it mean to our business whichever way it falls?
- And my favorite as it was a straight shot: Is there a silver bullet to bridge the abyss between IT and the Business? Is there at least one for where to start?

To net it out, here are the key takeaways from all the great discussions at the forum:

1. Critical need to identify a common meaning of terms and then examine their definitions within your specific organization.
2. Examine your high-level organizational objectives, i.e. customer retention, cost reduction, and increased market share. Align the critical organization dimensions of infrastructure, human capital, process and technology. Establish your Business Intelligence Competency Center (BICC) to organize and manage this effort.
3. Identify and mainstream analytical resources within your organization – analytics is at work all around your organization, but are you maximizing it? Seek it out and harness existing resources.
4. Create an analytics business model – identify an executive sponsor. Demonstrate what analytics can do for your organization. Recruit the necessary decision makers who can advocate the power of analytics.

Look for updates to this blog from the forums scheduled for Atlanta, New York, San Francisco and Chicago. And then from the next step in the series, [How to compete on analytics: Try IT – Hands-On Workshops designed for practitioners to test drive SAS capabilities for business intelligence, data integration, data mining and forecasting.](#)

SAS® predictive analytics help Healthways curb healthcare costs

SAS helps drive earlier, more tailored interventions to improve health

Healthways relies on SAS, the leader in [business intelligence](#), to help identify people who would benefit from their preventive care services and achieve improved health outcomes. The US leader in Health and Care SupportSM for well and chronically ill populations achieves its objective using [SAS Enterprise Miner](#)TM. The [data mining](#) software predicts hidden relationships in millions of member records to determine patient risk levels and develop more targeted intervention and prevention plans.

“Healthways helps millions of people maintain or improve their health,” said Adam Hobgood, Director of Statistics at Healthways Center for Health Research in Nashville, TN. “[SAS predictive analytics](#) has the power to accommodate the massive volume of clinical and operational data used in our predictive models. Thanks to SAS, we can turn that data into evidence-based knowledge for predicting the groups of members in greatest need of our support programs. In addition, by identifying high-risk patients and implementing preventative actions against future conditions, we hope to head off the increased costs of care before they occur.”

Using SAS Enterprise Miner, efficiency in comparing predictive models has allowed Healthways to accomplish in three days what would have taken weeks. SAS software’s user-friendly interface enables users with or without extensive programming experience to quickly perform sophisticated analysis. As a result, Healthways has increased its competitive advantage by helping employer groups and insurers improve member health outcomes and reduce escalating costs.

“Healthways’ solutions are designed to help healthy individuals stay healthy, mitigate and slow the progression of disease associated with family or lifestyle risk factors and promote the best possible health for those already affected by disease,” said Matthew McGinnis, Senior Director of Healthways Center for Health Research. “The ability to zero in on the members who will benefit from our interventions will be even more critical in the next 10 years as the rates of obesity and chronic disease are expected to increase astronomically. Nurses, dieticians, respiratory therapists and behavior change experts become more effective as we uncover and deliver insights to them about member needs. SAS Enterprise Miner should continue to drive greater and greater efficiencies for our clinicians.”

SAS Enterprise Miner is enhanced data mining software that combines a rich suite of integrated data mining tools with unprecedented ease of use, empowering users to explore and exploit corporate data for strategic business advantage all in a single environment.

Using the [SAS Enterprise Intelligence Platform](#) as a foundation, SAS offers targeted business solutions that support enterprise intelligence, customer intelligence, financial intelligence, supply chain intelligence and more – as well as turnkey solutions for other vertical markets, such as financial services, health care, transportation, and manufacturing.

Carnival Cruise Lines bring SAS onboard for marketing automation

SAS serves up deepened customer insight for effective customer interactions, powers cruise vacation leader to improve yield

[Carnival Cruise Lines](#) selected [SAS Marketing Automation](#) to create and execute more effective customer-focused marketing campaigns. Part of the largest cruise vacation group in the world, Carnival will use [SAS predictive analytics](#) to improve customer communications, strengthen relationships and increase first-time cruiser bookings.

"We evaluated other software and no other vendor could cut the mustard in analytics and predictive modeling," said Shannon Balliet-Antorcha, Director of Database Marketing and Customer Data Integration at Carnival Cruise Lines. "SAS seems to have the advantage in predictive analytics."

An expanding cruiser market has generated industry-wide capacity growth. "We increased berths and we want more cruisers to ask travel agents to book their cruise on Carnival," said Balliet-Antorcha. "Customers appreciate Carnival's wide range of vacation choices. More effective marketing campaigns will build brand preference and contribute to filling this new capacity. Using SAS Marketing Automation, we expect a better return on marketing investment."

Improving marketing results

In the highly competitive cruise industry, sustaining top-line and bottom-line growth means everything. But manual processes for marketing campaigns limited Carnival's ability to measure results and provide relevant and timely communications with ideal cruisers. To maximize the profitability of customer relationships, Carnival needed to improve efficiency and effectiveness at each stage of the marketing process – from setting strategy and implementing campaign initiatives to measuring results.

"SAS is committed to helping fuel Carnival's cruise line industry leadership," said Jim Goodnight, CEO of SAS. "We appreciate sharing Carnival's vision and are pleased that SAS Marketing Automation will power their growth. All our people work to understand and meet our customers' business issues and technical requirements. It is that drive that builds trusted partnerships with our customers."

Managing timely, personalized customer communications

SAS Marketing Automation helps organizations improve response rates and revenues from marketing efforts by providing the ability to easily manage sophisticated, timely, personalized customer communication strategies. Built specifically to meet the needs of key members of the marketing process, only SAS Marketing Automation provides comprehensive data management, campaign management and advanced customer analytics in one integrated, easy-to-use solution.

SAS is delivering enterprise intelligence at Carnival through the [SAS Enterprise Intelligence Platform](#), integrating individual technology components in the existing information technology infrastructure into a single, unified system. The result is an information flow that transcends organizational silos, diverse computing platforms and niche tools – and delivers new insights that drive value for an organization.

SAS retains leadership position in operational risk management report

SAS® OpRisk Management capabilities recognized by Chartis Research global study

SAS is again ranked as the leader in operational risk management by Chartis Research in its [Operational Risk Management Systems 2008](#) report. Since 2005, Chartis has positioned [SAS OpRisk Management](#) in the top spot for “completeness of offering” and “market share potential.” SAS leads “a handful of software vendors [who] have established themselves as clear leaders and form the ‘premier league.’”

Chartis forecasts the worldwide operational risk management (ORM) market to grow to US\$1.55 billion by 2011. [The Chartis report](#) is the most comprehensive independent study of the specialized ORM marketplace, looking at both the demand and supply sides of the market. It covers the main market and regulatory requirements as well the competitive landscape. The evaluation examined a vendor’s core functionality, data management capability, vendor characteristics, implementation process, user friendliness, complexity, customizability/flexibility and costs.

“Chartis’ continued top ranking of SAS OpRisk Management underscores our commitment to provide world-class enterprise risk management (ERM) software and services,” said David Rogers, SAS’ Global Product Marketing Manager for Risk. “This is further evidence that organizations want a partner that will help them improve their operational risk management culture and efficiently collect, measure and report data across governance, risk and compliance (GRC) initiatives.”

SAS OpRisk Management is an end-to-end solution built on the industry-leading SAS Enterprise Intelligence Platform. With powerful data management, analytics, and regulatory reporting and disclosure capabilities, SAS OpRisk Management helps institutions optimize capital allocation while mitigating risks in all areas of their organizations. Please visit [SAS Risk Intelligence](#) for more information.

SAS also ranked first in the “core risk technology” category and second overall in [Chartis Research’s RiskTech 100 report](#) for a second straight year in October 2007.

Currently, more than 200 financial services institutions use SAS for credit risk and operational risk management, including: Bankdata (Denmark), BB&T (USA), Caisse Nationale des Caisses d’Epargne (France), Commerzbank (Germany), Grupo Santander (Spain), HSBC (UK), HypoVereinsbank (Germany), Kookmin Bank (Korea), Landsbanki (Iceland), Raiffeisen Zentralbank (Austria), Volkskreditbank AG (Austria), Vseobecna Uverova Banka (Slovakia) and Woori Bank (Korea).

Online Only

SAS® Platform Pathfinder

<http://www.sas.com/apps/sim/redirect.jsp?detail=SIM25162>

Ready to take the next step in taming your data? Find your direction with this innovative Web site offering a free Business Intelligence Assessment and personalized resource kits.

Five steps to resource optimization

<http://www.sas.com/apps/whitepaper/index.jsp?cid=4183>

This new white paper provides a visual model of the five steps to resource optimization along with real-world examples showing how business leaders successfully allocate resources in alignment with business objectives.

Events

The Premier Business Leadership Series

<http://www.sas.com/events/cm/160209/index.html>

April 29 – 30, London

F2008 Business Forecasting Conference

<http://www.sas.com/events/fx/>

June 2 – 3, Cary, NC