

# InformationWeek

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## SOFTWARE TOOLS

# Profits Through A Clear Lens

SAS's latest: profitability management and customer-service tools

**M**ANY COMPANIES FLY blind when it comes to visibility into their profitability. Now SAS Institute has software to help businesses make better decisions about product mix, marketing, and sales, and how they interact with their customers based on their profit potential. The vendor also has debuted tools for businesses to use to analyze their aftermarket service operations.

SAS Profitability Management uses cost and revenue modeling techniques to provide managers with insights into what drives profitability. They can track the profitability performance of classes of customers, individual customers, product groups, specific products, and distribution channels. The ability to analyze revenue, costs, and asset categories in such detail lets businesses manage profit as a performance metric, SAS says.

Traditional activity-based cost-allocation models can't provide the same level of detail that the new software provides. A recent report from AMR Research analyst John Hagerty says that effective profit-

ability management requires the ability to analyze information at the transaction level.

SAS Service Intelligence software helps businesses monitor, predict, and optimize the performance of their aftermarket customer-service operations. The tools provide a means of improving customer satisfaction while increasing profits through improved forecasting of customer demand, reduced inventories, and better management of warranty claims. The applications can feed product quality information back into a company's design and manufacturing operations. The suite includes SAS Warranty Analysis, Service Operations Optimization, and Service Parts Optimization apps.

Shanghai GM, a joint venture between General Motors and Shanghai Automotive Industry, uses the Warranty Analysis application for

### What's New

#### SAS Profitability Management

Uses cost and revenue modeling

Tracks profitability of customers, products, and distribution channels

Lets businesses manage profits as a performance metric

#### SAS Service Intelligence

Monitors customer service performance

Gives insight into demand, inventory, and warranty claims

Feeds product-quality data to design and manufacturing operations

a better understanding of its warranty expenses and its aftermarket service operation, SAS says.

SAS Profitability Management will ship in December, while SAS Service Intelligence is available now. Later this month, SAS also will ship

SAS Model Manager, a tool for managing the predictive analysis models that many businesses use for making strategic and tactical decisions, such as estimating risk exposure. Some companies, particularly those in financial services, rely on hundreds of business models in their production systems. But models can become outdated and provide erroneous information, and that, in turn, can lead to problems such as offering credit to consumers who really are credit risks.

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