

8 essentials of business analytics

Find out what business analytics can do for you –
and how to get started

By Jim Davis



Leading banks use business analytics to predict and prevent credit fraud, saving millions. Retailers use business analytics to predict the best location for stores and how to stock them. Pharmaceutical firms use it to get life-saving drugs to market more quickly. Even sports teams are getting in on the action, using business analytics to determine both game strategy and optimal ticket prices.

But these advanced business applications tell only part of the story. What's going on inside these market-leading companies that sets them apart?

They have committed to deploying their people, technologies and business processes in new ways. They have committed to a culture that is based on fact-based decisions – which helps them anticipate and solve complex business problems throughout the organization. By embracing an analytical approach, these companies identify their most profitable customers, accelerate product innovation, optimize supply chains and pricing, and identify the true drivers of financial performance.

And you can too. Get started with business analytics by taking these eight essential actions:

1. Improve the flow and flexibility of data.

High-quality data must be integrated and accessible across your organization. It should also be structured in a flexible way that allows your analysts to discover new insights and provide leaders the information they need to adjust strategies quickly. Strengthening and flexing the data backbone of your enterprise will pay off when you need to change business processes quickly in response to market shifts, regulatory or stakeholder demands.

2. Get the right technology in place.

Take an enterprise approach to data management and analytics to effect better decisions. Remove disconnected silos of data, technology or expertise. Your technology portfolio should include:

- Optimized data stores to support core business processes and discovery.
- Data integration and data quality software.
- Analytical software with the means to effectively deploy, explore and share results in a meaningful way.
- Integrated analytical applications designed to solve defined issues quickly.

When selecting technologies, consider “risk-to-value”: Can the technology be applied to help reduce costs and increase revenue? And getting the right technology in place doesn’t have to mean a complete overhaul.

3. Develop the talent you need.

Develop or recruit analytic thinkers who seek and explore the right data to make discoveries. To make analytics work, analysts must also be able to communicate effectively with leaders and link analytics to key decisions and the bottom line.

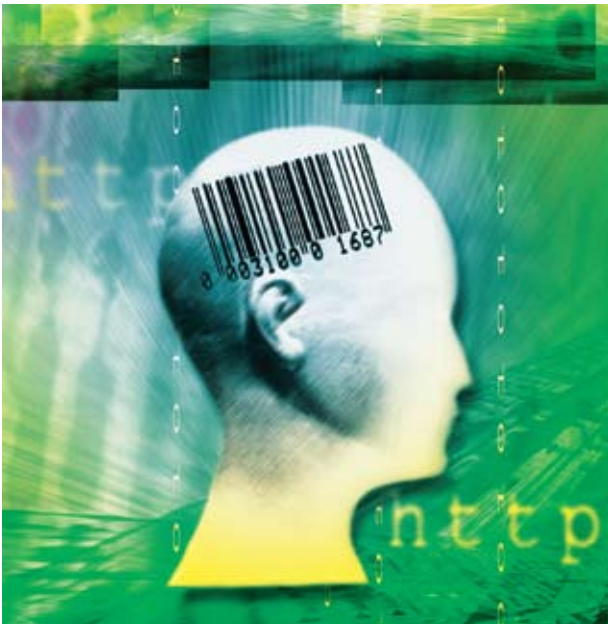
4. Demand fact-based decisions.

An analytical company makes a wide range of decisions. Some are ad hoc; some are automated; some are transformative. The common thread? Evidence backs them all. Managers encourage asking the right questions of the data to get maximum insight. How results are deployed is also important – through operation systems such as customer relationship management applications or real-time fraud applications to interactive dashboards, data movies, in databases – wherever needed to ensure decision makers have the information they need when they need it (and in the way they can best consume it).

5. Keep the process transparent.

Transparency implies openness, communication and accountability; it is key to successful business analytics projects. The value delivered from an

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investment in business analytics must be visible and measureable. Who the analysts are and what they're seeking to accomplish should be clearly communicated to the business, as should their findings.

6. Develop an analytical center of excellence.

Create a centralized team approach – an analytical center of excellence (ACE) – which promotes the use of analytics and associated best practices. Your implementation of an ACE will depend on your organization's maturity and requirements, but the most effective implementations address all elements of the organization's analytic infrastructure: people, process, technology and culture to support the business' strategy and operations.

7. Transform the culture.

A strong analytical culture has executive sponsorship and encourages creativity. Experimentation should be seen as part of learning, and employees should be given permission to fail as they learn from trying new things.

8. Revise your strategies – often.

Your competitors will often duplicate your analytical initiatives. Staying ahead requires continuous review of strategy and development of new skills and capabilities.

Get started now.

Find important questions that need answering and problems that need to be solved. Answer these questions, solve these problems and create value for the organization. By creating small wins in any business, function or department, over time your company will become an analytical competitor.

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Defining business analytics white paper:
www.sas.com/ba-definingba

Top five benefits of business analytics

When Computerworld asked 215 IT and business professionals to name the key benefits of business analytics software, they received a wide range of responses. The five most popular were:

1. Improving the decision-making process.
2. Speeding up the decision-making process.
3. Better alignment of resources with strategies.
4. Realizing cost efficiencies.
5. Responding to user needs for availability of data on a timely basis.



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