

BI Radio

Episode 33 – (BIR 33, C10)

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Station ID: This is BI Radio

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Montage:

- Predictive analytics is a software category that probably has the highest and fastest return on investment of any category of software.
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- The level of interest and the interest to get going right away on collaborative BI has been unbelievable.
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- The focus of the book was really to enable customers' speed to success in the implementation of a Cognos 10 upgrade or a new install.
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Ken Seeley: Hi there and welcome to BI Radio. I'm Ken Seeley. On the show today, we look back at Business Analytics Forum where we saw intelligence unleashed with the launch of IBM Cognos 10, and where thousands of customers and partners saw firsthand the potential of predictive analytics to transform their business. Delaney Turner talks to three IBMers who were all at the centre of it: Harriet Fryman, Dean Brown, and Jason Verlen.

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Delaney Turner: Hi, I'm Delaney Turner with IBM.

Harriet Fryman is a very busy woman. On the other hand, she's also a very happy woman. For the last six weeks, she's been on the road presenting IBM Cognos 10 to worldwide audiences. As the go-to-market strategy lead for Business Analytics software at IBM, she knows Cognos 10 from the interface down to the code. I caught up with her after she had returned from one of the launch events in Asia-Pacific, and asked her about the responses she's been seeing.

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Delaney Turner: So Harriet, you've been driving Cognos 10 events around the world since the launch of October 25th, all of the run-up to the launch. So with all of those activities, now you've presented Cognos 10 to thousands of people. That's around the

world, with the webcast and live, people the range of expertise with our products, customers, potential customers, partners. How are they responding, if you could sum it up, how are they responding, and what are they most excited about?

Harriet Fryman: They're responding very, very positively. R&D this time gave us an unbelievable release. And I would say what they're most excited about, it falls into many areas. First of all, the work space, the ability to have a single place to interact with information from historical to real time to predictive, to even being able to enter numbers and do what-if analysis, all within a single user experience. That workspace has been incredibly exciting to the people we've spoken to. A lot of interest about how that works and how that can be deployed in organizations.

Secondly, the fact that workspace is so much easier for first timers. So if you want to do nothing but look at information, you can. If you want to slowly get more adapted, interacting with information, it's all right there. So definitely partners are seeing that it's a great way for first timers to get into business intelligence.

And then I would say the ability for getting it out and interactive for offline users has also been very compelling as our core community of report authors see it as yet another route to get information out into people's hands, so actually reinvigorating the professional authoring community as well.

Delaney Turner: Now in all of that reaction, what aspects of their response or what aspects of the launch really surprised you the most?

Harriet Fryman: We definitely, when we partnered with IBM Connections to bring collaboration into the workspace, we knew that we may have something that would be exciting. We thought it would be something that people would look at and go yes, I need to get to collaborative BI, but that's sort of a further step in the journey beyond simply informing people. We've seen tremendous interest in collaborative BI, I would say far more than I expected. So in terms of surprises, the level of interest and the interest to get going right away on collaborative BI has been unbelievable.

Delaney Turner: Wow!

Harriet Fryman: So definitely collaboration.

Another area I would guess is mobile and iPads. So it seems like people's eyes light up when they see that interactivity on mobile devices.

Delaney Turner: Right. Now this year's Information on Demand, including the Business Analytics Forum, that was the biggest event the Mandalay's ever had, the biggest ever in the event history. More than 10,000 people showed up. Almost half of them were there for the first time. So what does that say to you about the role of information and the role of analytics in driving business outcomes?

Harriet Fryman: I would say that BI's been around. I've certainly been around as many years as BI. So I would say that there's always been a need out in the market. It's just that business analytics feels like it's the hottest topic in the marketplace today. And the attendance was fantastic, I think not only in terms of numbers but how engaged people were, really looking to understand, educate, find the value, talk to their peers from other organizations. And the in-fact sessions were packed, so not only large attendance, but very engaged attendance. And I think it's mainly due to the combination of, business analytics certainly is a hot topic in the marketplace. Yet we as IBM have a really compelling vision.

The portfolio that we have, either through innovation or acquisition, the story that we have around business analytics, and our customers are getting real value out of it today, as well as the role that business analytics has in driving the value of the smarter planet. So it just feels like the nexus point of many things coming together, that the timing is right, and the attendance really is around I think people are eager to hear about it firsthand, eager to work at how to bring business analytics value to their organization, and just a great nexus point of portfolio, marketplace need, smarter planet, the need to make value out of the information people are gathering.

Delaney Turner: Along those lines, Les Rechan made mention of a new concept that we're rolling out in business analytics called the analytics quotient, or the AQ. What's the response been that you've seen? And if you can give us some detail as to how Cognos 10 helps people or helps organizations drive a higher AQ?

Harriet Fryman: Well, definitely people are resonating with the analytics quotient or AQ, like IQ and EQ. And how do you get an analytics quotient at an organization? How does Cognos 10 help? It's really about making sure that there's analytics everyone can use. And Cognos 10 helps with that workspace, providing all the information in a very seamless user experience. There's the collaboration that's part of that, so we know team decision-making is a team sport, so definitely having the analytics quotient raised by multiple people aligning on decision-making, that's where Cognos 10 can help. As well as our BI strategy book because to be candid, technology is just one part of driving analytics excellence in an organization. We definitely also want to make it stick, so that strategy book, and distilling our expertise into tools for people to understand how to organize, how to set their strategy, et cetera, also a key part of what we delivered with Cognos 10.

Delaney Turner: When you talk about business analytics, deployments as a journey, it's a metaphor we've used for a while, we help customers solve their immediate information challenges first, and then they expand to their business needs, but Cognos 10 is also an important stage in our own journey within business analytics. Where does it fit actually within the story of IBM Cognos software?

Harriet Fryman: Yes. So we've definitely been on this journey for a long time, and we love the analogy of the journey because analytics is always, you can always answer another question, answer another question, get another data source, et cetera. So even 20

years ago, when we started with PowerPlay, really helping line of business do analysis; Series 7 was really about providing that smooth data service to get at information, consistently whether you're using analysis, dashboards, reporting, et cetera. And those really grew up from independent markets. It's not too long ago, maybe 10 years ago reporting was a very different market to analysis.

Delaney Turner: Right.

Harriet Fryman: And Series 7 really brought that together.

What we're doing with Cognos 10 is just saying, just because we came from that history of thinking of, oh, I need to do a report, or I need to do a dashboard, or I need to do an analysis, Cognos 10 is really the stepping stone in the journey where those definitions, those boundaries really just melt away. People want to have interaction with information, and I really think there's business communities coming into the business analytics today. They don't care about the definition of what is a dashboard, what is a report?

Delaney Turner: Right.

Harriet Fryman: They just want that interaction with information. So Cognos 10 is a stepping stone in that journey. It really is about eliminating those prior boundaries or those prior definitions. However you want to interact with information, Cognos 10 is there to do it.

Delaney Turner: Excellent. Well, Harriet Fryman, thanks for taking some time out of your busy schedule for talking with us today.

Harriet Fryman: My pleasure, Delaney.

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00:10:23

Station ID: From business intelligence to business analytics and all points in between, this is BI Radio.

00:10:37

Delaney Turner: Hi, I'm Delaney Turner with IBM.

You could do a lot of shopping at Business Analytics Forum. The event merchandise table had everything from Smarter Planet T-shirts to stuffed IBM bees. But one of the biggest sellers for business analytics fans was the new IBM Redbook on IBM Cognos 10. Dean Brown was one of the principal authors, and I had a chance to talk with him after the event.

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Delaney Turner: Could you just give us, our listeners a brief description of your role and responsibilities within IBM Cognos software?

Dean Brown: Yes, sure. So I'm a product manager on the Cognos platform team, and I manage features in the product related to performance and scalability, overall product performance and scalability as well, and features related to administration, architecture, and IT-driven requirements within the products.

Delaney Turner: So that's a big enough portfolio on its own. Why the idea to write the book?

Dean Brown: This is actually the first Redbook that was written solely about the Cognos product. And we've had other Redbooks out there, highlighting implementations of BI or TM1 on a certain platform, for example on System Z or Power 7. However, there's never been one that was specific to just the Cognos products, and our executive team recognized the visibility and the value that IBM Redbooks bring to customers. And so we wanted to enable our customers implementing Cognos 10 by highlighting the features and the best practices involved with the new features of Cognos 10.

Delaney Turner: And you ended up with quite the monster there. It's 600 pages, 11 chapters. Writing it must have been a pretty massive undertaking, much like I would imagine building the product itself. Could you walk our listeners through the process you followed to create it?

Dean Brown: Sure. Well, yes, and it is a big book. There are bigger ones out there, I should say.

Delaney Turner: Oh, really?

Dean Brown: But it ended up being bigger than we had thought or estimated in the beginning. We followed the standard Redbook process. The ITSO is the group within IBM that manages the creation and distribution of Redbooks, and they've got a very mature project management process and style guidelines and tools that they provide. So we had an assigned product manager, Martin Keen from the ITSO, and we put together an outline of the book, highlighted sort of the areas that we needed to focus in on, and then started looking for team members to contribute to the book. We ended up with an awesome team comprised of three people from the IBM field specialized in various aspects of implementing a Cognos implementation; product managers like myself and

Scott Mason on my team; and then also proven practices folks from within the support organization.

And it was great to have such a broad and skilled team put together because the focus of the book was really to enable customers' speed to success in the implementation of a Cognos 10 upgrade or a new install.

Delaney Turner: So I was at the Business Analytics Forum within Information on Demand 2010 last month. I saw firsthand the excitement around the product itself and the product launch. What was the response to the book when it came out?

Dean Brown: It was overwhelming. We sent a limited number of printed copies of both the red guide and the Redbook. And the Redbook is the detailed one that we referenced here, the 600-pager, and then there was an overview, an executive level overview of the Cognos 10 release called a red guide. Both follow specific formats from ITSO. So we had them both there. We had 400 copies of the Redbook, and the first 300 went within 10 minutes after the Cognos 10 launch at the booth. I think a couple of people were afraid they were going to lose a limb.

Delaney Turner: Merry Christmas coming early for the advanced authors?

Dean Brown: Yes. And you're talking about a 600-page book here. I think it weighed about two pounds, and people were really excited to stuff that in their luggage and carry it home on the airplane.

Delaney Turner: Wow! It could be a way to force yourself out of the crowd too.

Dean Brown: (Laughs) Yes, I thought we should print one of the highlights on the cover of the book, something like "Leaves no marks".

Delaney Turner: Yes. Well, let's get into the content of the book now because that's where the real value is. Who did you have in mind when you were writing this book, and who do you think is going to get the most value out of it?

Dean Brown: Since the focus of the book is to enable customer success with Cognos 10 implementations, we decided to focus the content on the IT user. And so these are users within a Cognos BI implementation that would develop the application components like model data sources, create reports, create dashboards, work with end users and executive level users to turn data into information using the product, as well as administrators and server architecture analysts.

Delaney Turner: Right.

Dean Brown: And that's the focus. But what we did do is we tried to bring a business view into solving particular problems with the functionality while keeping sort of the requirements of an IT user in mind.

Delaney Turner: Okay. So the book presents the main features and capabilities in Cognos 10, but it presents them within a fictional business scenario. Could you walk us through that scenario and explain how the various features would address it and work within that?

Dean Brown: So the reason we set a business scenario was so that we could have a consistent flow through the document that would sort of bring people back to the real world as opposed to reading product functionality, like you do in our product documentation. The business scenario itself was a very simplistic one. It just had enough meat around it for us to be able to describe a problem that a typical user of a particular feature in a product would be confronted with and maybe on a daily basis. And obviously customers are confronted with fairly complex problems as well, but we didn't want to spend the entire book describing complex business scenarios.

Delaney Turner: Right.

Dean Brown: So essentially it lays out a number of scenarios based on The Great Outdoors Company, which is one of our sample companies if you install Cognos BI. All of the samples are based around the same thing so that customers also had another point of reference if they wanted to go look at examples in the core doc.

And so each time we picked out a particular chapter, would have a scenario that they worked with and displayed how to use that particular feature described in that chapter to solve a particular business problem. So for example, in the chapter around using Business Insight Advanced, a user is looking at a particular issue with retail outlets and decides they need a little bit more information and a different view of the information. So they use the features of Business Insight Advanced to modify their existing dashboard and reports and come up with a different view that is completely personalized to their requirements.

Delaney Turner: And much like my favourite books, it has lots of pictures as well.

Dean Brown: Yes, and that's something else. I mean, the guideline for styles and the purpose of the Redbooks, they're only published in English. They don't need to be internationalized. So we have a lot more flexibility in the type of content we can include in a Redbook. So graphics, pictures, diagrams, none of that really needs to be multi-lingual, and so it makes it a lot easier for us to demonstrate complex concepts and walk people through how to use particular features.

Delaney Turner: Excellent. This is a great primer on Redbooks, a great primer on Cognos 10, and a greater primer on the Cognos 10 Redbook. Dean Brown, thanks for talking with us today.

Dean Brown: Okay. Thank you.

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Station ID: Ideas, insights and opinions on business analytics. You're listening to BI Radio.

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Delaney Turner: Hi, I'm Delaney Turner with IBM.

Mysteries can make life interesting. But in business, mysteries can cost you time, money and customers, which explains why predictive analytics was such a popular topic at Business Analytics Forum. Among its many applications, predictive analytics can help you decode the mysteries of risk management, credit fraud and customer churn.

Jason Verlen delivered a very entertaining predictive analytics keynote at Business Analytics Forum. He's the Director of Product Strategy and Product Management for IBM SPSS software, and he's with me today.

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Delaney Turner: If you could just, for the benefit of our listeners, just state your name and your role within IBM.

Jason Verlen: Yes, sure. My name is Jason Verlen. I'm the Director of Product Strategy and Product Management with the SPSS brand within IBM.

Delaney Turner: Just for our listeners who might not be as familiar with SPSS as other parts of the IBM business analytics solution, could you just give us a little bit of a background on what predictive analytics and SPSS is all about?

Jason Verlen: Sure. SPSS was founded in the late 1960s at the University of Chicago, and the objective of the SPSS software at that time was to use it to attack and understand issues in the social sciences. And predictive analytics basically is a science dedicated to sort of analyzing data, predicting what will happen in the future, and then acting on that prediction. So in other words, driving the results from predictive analytics into let's say an operational system so that some action can be taken to optimize outcomes.

Delaney Turner: If we move from the social sciences to the business realm, what kind of problems or issues would predictive analytics be used to solve?

Jason Verlen: Predictive analytics would, and statistical analysis, which is its underlying core, started in the social sciences but has been adapted incredibly quickly in the last 10 to 15 years by more commercial goals and orientations. And the ones that we have focused on the most in the past have been acquiring new customers, growing customer relationships, improving customer retention, so figuring out which customers might leave your organization, which ones of those would be predicted at a high future lifetime value, and then creating an outreach program to save them. Analyzing fraud and understanding risk, business risk. In other words, let's say if you're a financial organization, which of your customers might not pay their mortgage back? So that's a business risk.

And in terms of return on investment, predictive analytics is a software category that probably has the highest and fastest return on investment of any category of software. It's a small layer of additional investment that builds upon all the previous layers of infrastructure to provide just that extra level of value. So it uses all the data in your warehouses about your customers, in your sales tracking systems, like Salesforce.com or Siebel, or in your ERP systems, and then puts all that together to come up with predictions about what customers or prospects might do and then helps you take advantage of those predictions by deploying outcomes.

So just a little bit of extra investment gets you a lot of return, and tends to get you that return very quickly.

Delaney Turner: Are you seeing more companies getting on this analytics road? And where do they start?

Jason Verlen: Yes. We are seeing a lot more organizations getting on the road. What's going on is basically there is now so much data out there, so many ways to try to understand customers, understand the markets that you're in, how your products are perceived, how your organization is perceived. People want to attempt to get a hold of all this information, do something interested in it, with it, and get some degree of competitive advantage by doing so. So what you see is people generally start with one project. A typical example might be something like I have a list of customers. Which ones are likely to churn? And how can I stop the ones that are going to be worth a lot future value from doing so?

Delaney Turner: Right.

Jason Verlen: Then from there they might add a different business problem that they want to attack. So I have a list of customers. How can I increase their lifetime value by offering the products that they might be more interested in versus wasting time with the ones that they won't?

Delaney Turner: Right.

Jason Verlen: And it tends to spread in an organization. So then you might see, for example, the risk of fraud group saying you've gotten some very interesting results with that technology. Could I apply it to a risk of fraud problem? And it spreads. So you get this notion of more data's available. More data means you can use it in interesting ways to try to improve those customer relationships. And there's now the technology backbone to deploy the results of analytics into those operational systems to get the actual value from it.

Delaney Turner: Within IBM's software now, SPSS is part of the business analytics division, along with the previously Cognos product set. Can you describe some of the synergies and connections between these two technologies, and maybe how IBM customers could benefit?

Jason Verlen: For those of you listening to this radio program, and if you haven't yet seen the Cognos 10 product, you're really in for a treat, okay? That group has developed a whole series of very advanced notions about collaboration and other issues in a sort of updated BI framework that is really fascinating. And I encourage you to have that look. Furthermore, what we've done with predictive analytics and Cognos is we've sort of driven them together in interesting ways. So a couple of good examples are if you want to develop let's say a dashboard, not of the past, but of the future.

Delaney Turner: Okay.

Jason Verlen: Okay, so sort of predicting which parts of your business are going to grow faster and slower than others, which products are going to sell well in what areas and which aren't, instead of looking back, but looking forward...

Delaney Turner: Right.

Jason Verlen: We have enabled with Cognos 10, it can be much easier to integrate with SPSS to build those forecasts and those predictions, and then drive them into a sort of dashboard that doesn't report on the past but actually reports on the future.

And what we've done with SPSS in let's say our modelling product, our modeller, which we call IBM SPSS Modeller, is we can allow you to very easily build a model on it and then save the results back into Cognos 10 where it can appear right on your dashboards. So it's sort of I think this notion of predictive analytics and BI coming together in very advanced ways, and the software on both sides has done a lot to facilitate those interactions.

Delaney Turner: But doesn't it take the mystery out of life though, don't you think?

Jason Verlen: (Laughs) You know, some mysteries shouldn't be mysteries. If you're a doctor and you're trying to understand a patient's healthcare situation, and you want to

make predictions about where he's going to be having problems down the line, and then you can act now to have him change his diet or his behaviour or whatever he's going to do to reduce his risks in the future and help him enjoy his life, that's a mystery that neither he nor you want.

Delaney Turner: That's true.

Jason Verlen: You want to give him those answers and give him the opportunity to improve things. And that's how I view predictive analytics. Some things ought to be mysteries, but I think most of these issues, we'd all be better off if they weren't mysteries.

Delaney Turner: Excellent. Well that's eloquently put. Yes, I'd have to agree. Jason Verlen with IBM SPSS software, thanks for talking to us today.

Jason Verlen: It's a pleasure. Thank you.

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Ken Seeley: Well, that's a wrap. I'd like to thank our guests today. From IBM Business Analytics, Harriet Fryman, Dean Brown and Jason Verlen. A special thanks as well to our contributing producer, Delaney Turner, and to our head producer, composer and audio engineer, Derek Schraner.

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I thank you for listening. I'm Ken Seeley. And we'll see you in about six weeks.

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