



Knowledge to Predict - Power to Act

From *Sense & Respond* to *Predict & Act*

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sr Sales Engineer

Cognos Performance
Copenhagen, October 22nd, 2009



An Information Explosion ... and Faster Decisions Required

Volume of Digital Data

- 57% CAGR for enterprise data through 2010
- Machine generated data : Sensors, RFID, GPS..

Variety of Information

- 80% of new data growth is unstructured content
- Emails, images, audio, video..

Velocity of Decision Making

- Rapidly changing business climate
- Need to get ahead of the curve : predict issues and fix them



Business Imperative:

Accelerate innovation, business optimization,
and sustained competitive differentiation



Challenges facing Decision Makers Today



1 in 3

business leaders frequently make critical decisions without the information they need

1 in 2

don't have access to the information across their organization needed to do their jobs

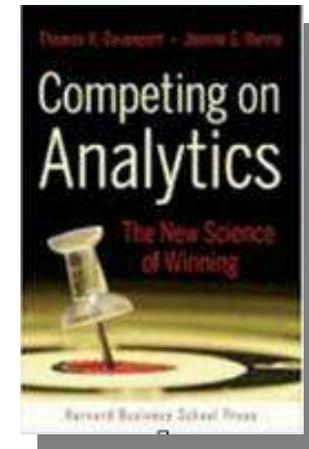
19+ hours

Spent by knowledge workers each week just searching for and understanding information



Analytics Critical for Driving Competitive Advantage

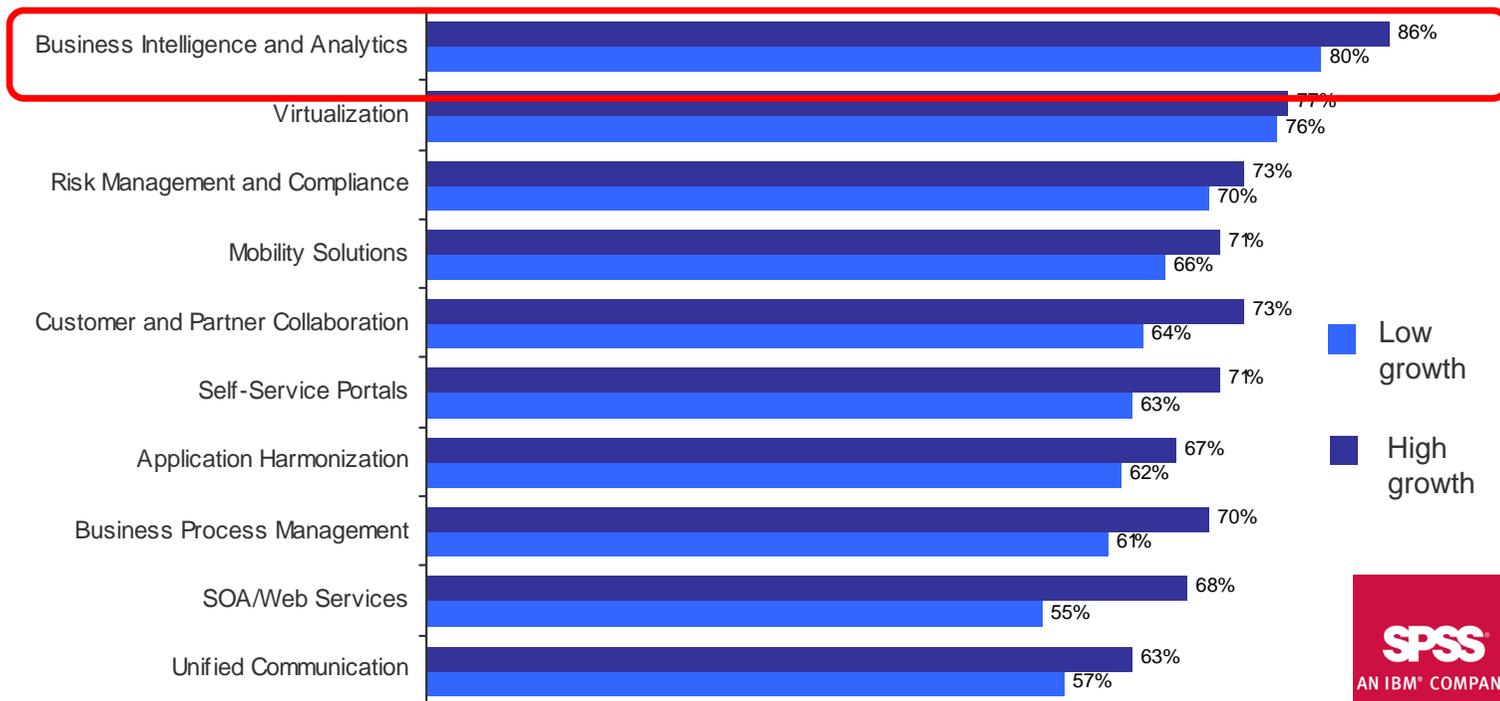
“At a time when companies in many industries offer similar products and use comparable technology, high-performance business processes are among the last remaining points of differentiation.”
 Tom Davenport, “Competing on Analytics”



Ten Most Important Visionary Plan Elements
 Interviewed CIOs could select as many as they wanted

BI/Analytics #1 investment to improve competitiveness

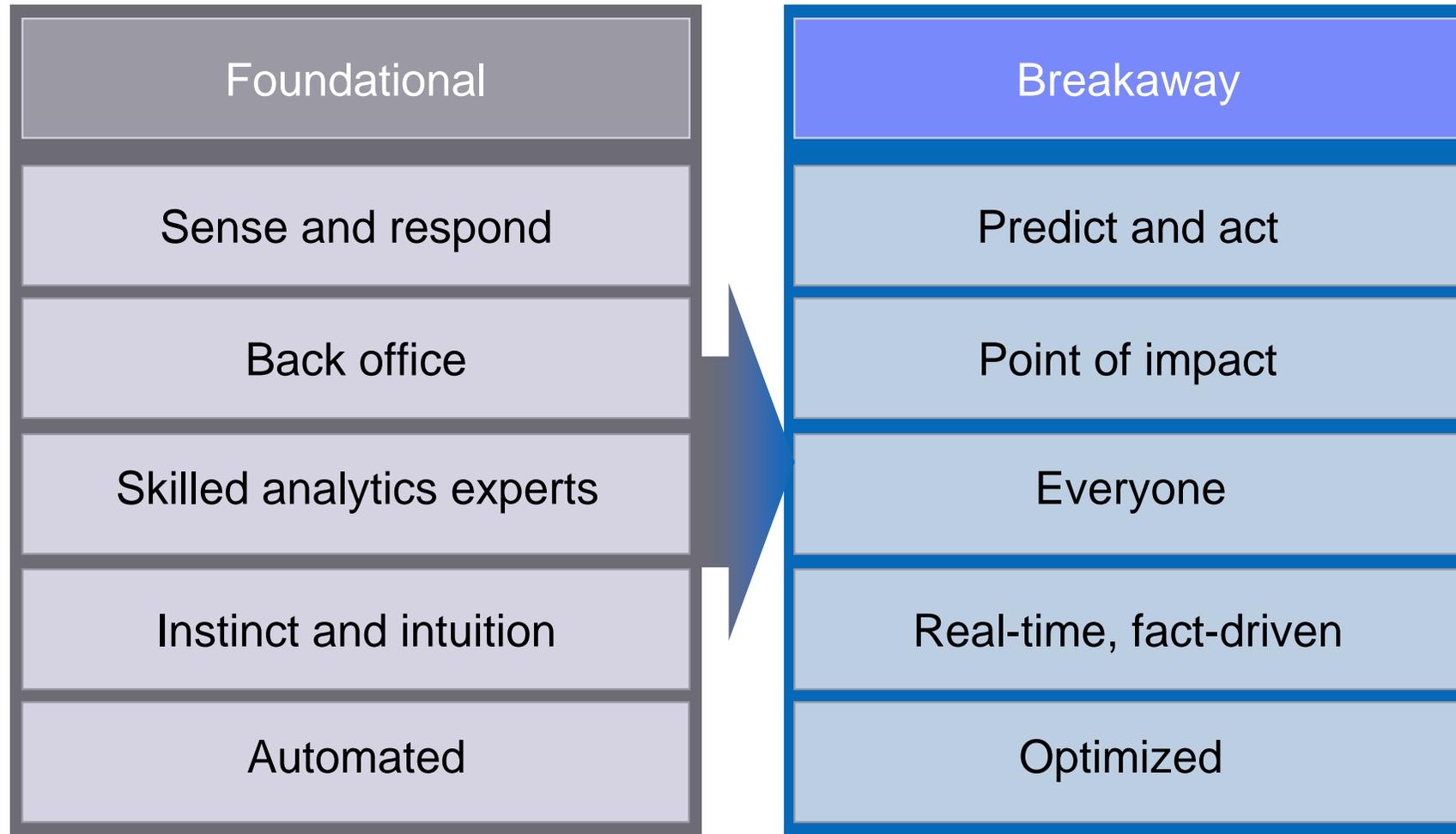
IBM Global CIO Study 2009



Source: IBM Global CIO Study 2009; n = 2345

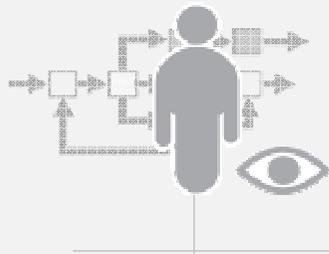


Next Generation Efficiencies come from Optimizing Every Decision, Transaction or Process at the Point of Impact...



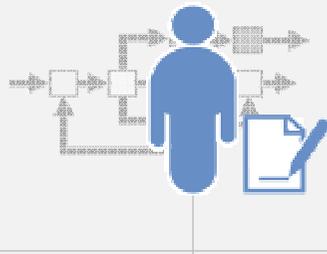
Imagine If Your Decision Makers Could...

...predict and treat infection in premature newborns 24 hours earlier?



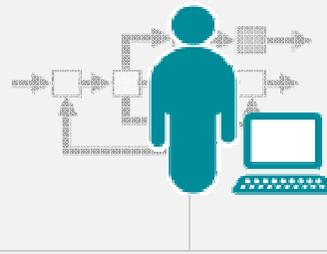
Physician

...adjust credit lines as transactions are occurring to account for risk fluctuations?



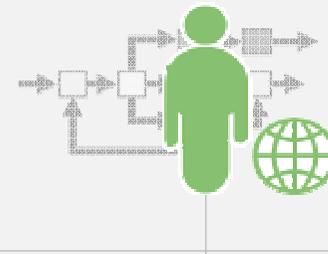
Loan Officer

...determine who is most likely to buy if offered discounts at time of sale?



Retail Sales Associate

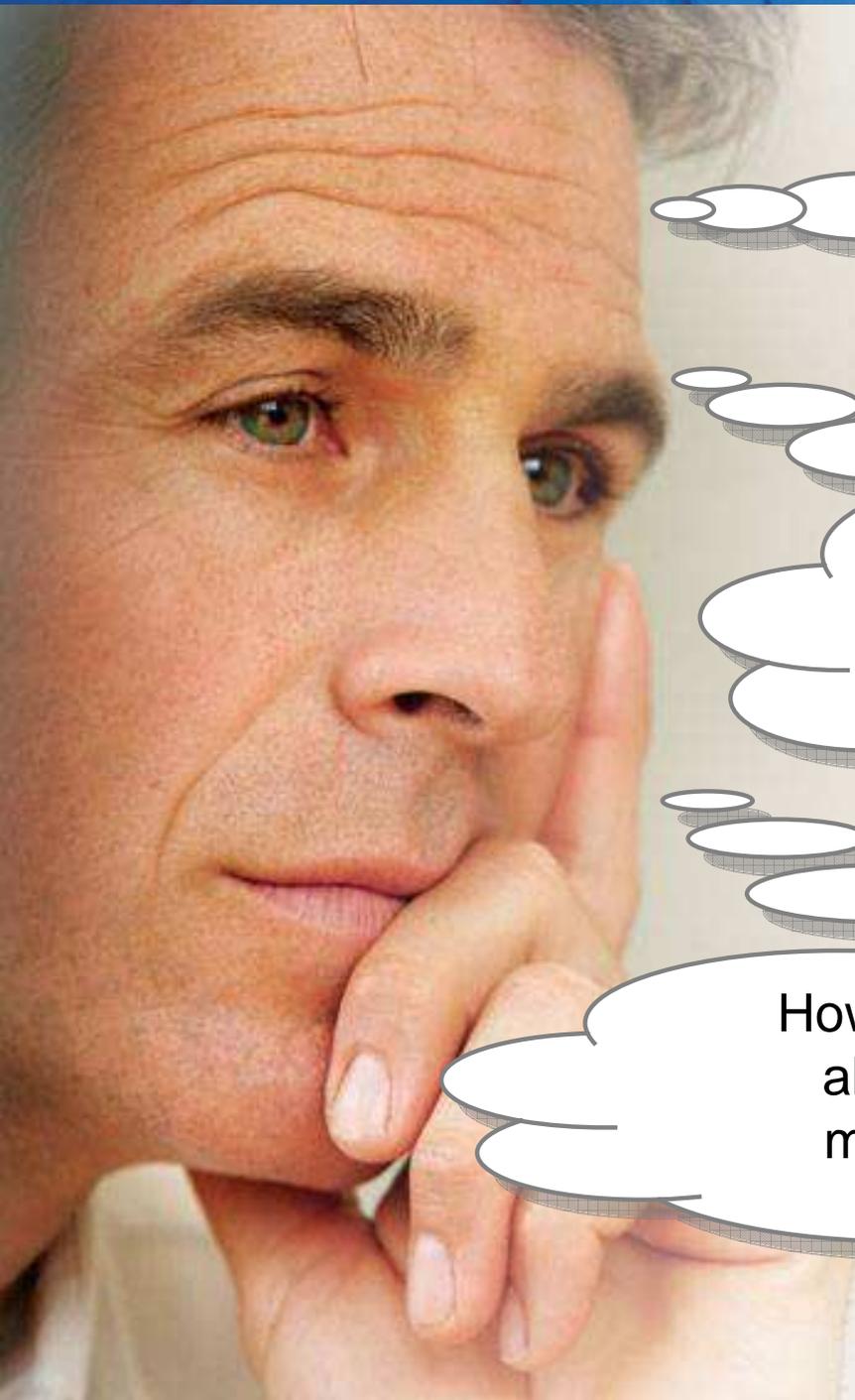
...apply inferred social relationships of customers to prevent churn?



Telco Call Center Rep

...optimize every transaction, process and decision at the point of impact, based on the current situation, without requiring that everyone be an analytical expert





How can I **capture and analyze information** about how my customers, prospects or employees are feeling?

How can I **predict behaviors and preferences** so I can reduce churn, prevent fraud, maximize campaign results and more?

How can I **make decisions in real-time** or ahead of a potential issue, instead of making decisions when it is too late?



Predictive Analytics offers Unique Insights to Answer those Tough Business Questions

- 
- Predictive Analytics is a transformational technology that enables more proactive decision making, driving new forms of competitive advantage
 - Analyzes patterns found in historical and current transaction data as well as attitudinal survey data to predict potential future outcomes

Introducing SPSS, an IBM Company

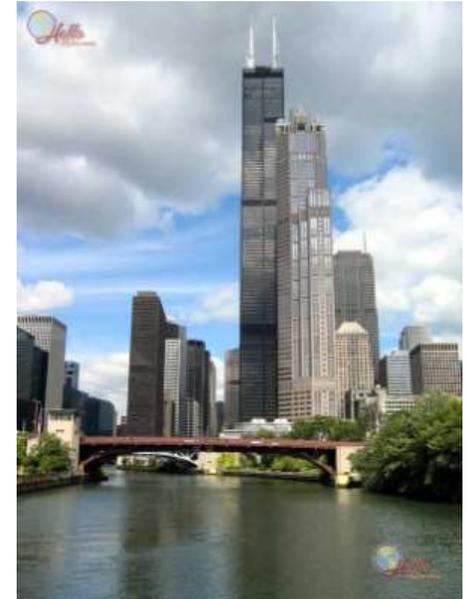
⑩ **Statistical Platform for Social Science**

- ⑩ Over 40 years of experience in statistics & analytics
- ⑩ Market leader in *Predictive Analytics*
- ⑩ 250,000 customers: 100 countries, 100% of top universities
- ⑩ Acquired by IBM October 2nd, 2009

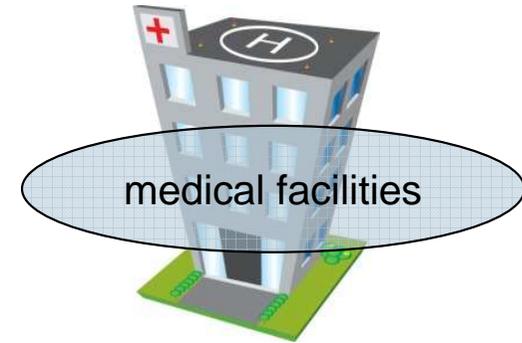
⑩ **Corporate Mission**

- ⑩ ***Drive the widespread use of data in decision making***
- ⑩ Captures and analyzes data about people's attributes, attitudes and behaviors to improve outcomes
- ⑩ Encapsulates advanced mathematical and statistical expertise to extract predictive knowledge that makes them adaptive to improve outcomes

Enables decision makers to predict future events and proactively act upon that insight to drive better business outcomes



Where are we?



Enabling the Predictive Analytics Process

Capture

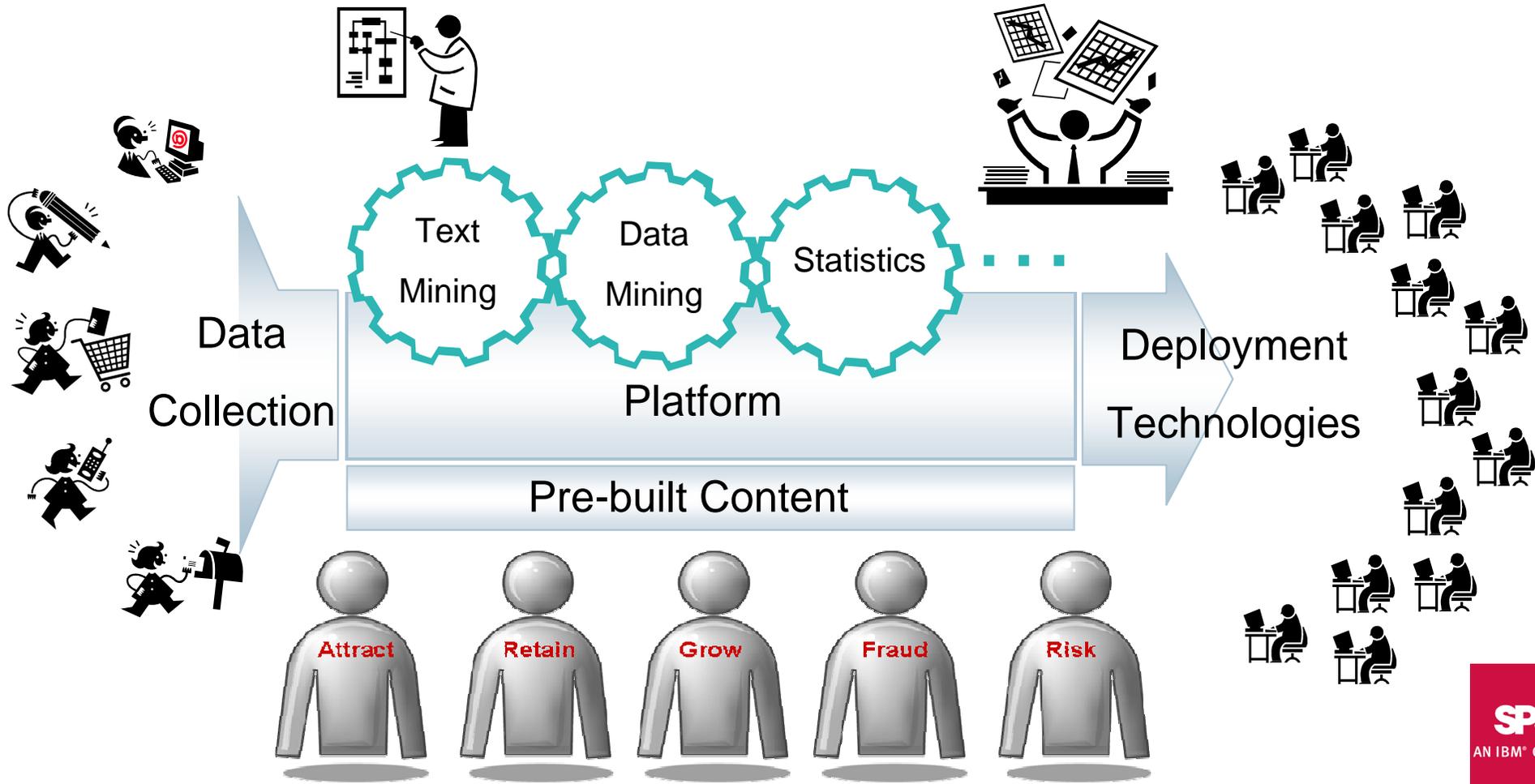
Data Collection delivers an accurate view of customer attitudes and opinions

Predict

Predictive capabilities bring repeatability to ongoing decision making, and drive confidence in your results and decisions

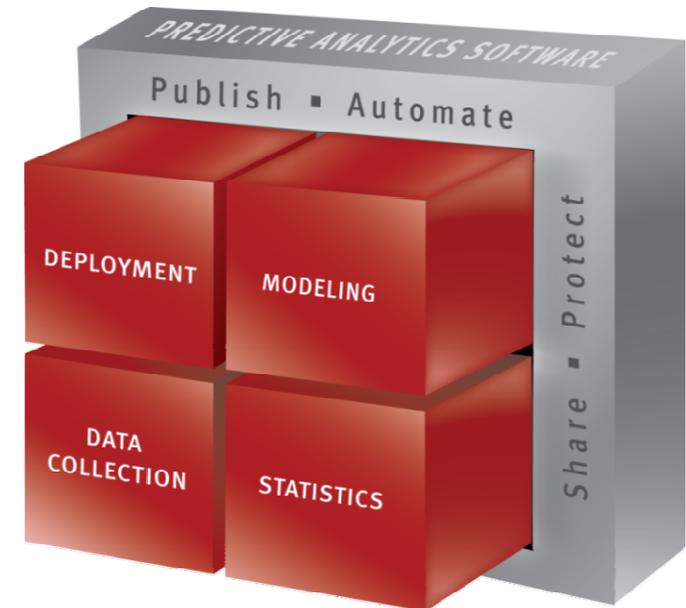
Act

Unique deployment technologies and methodologies maximize the impact of analytics in your operation



Predictive Analytics Software (PASW)

- Data Collection
 - Accurate view of customer attitudes and opinions
- Statistics
 - Drive confidence in your results and decisions
- Modeling
 - Bring repeatability to ongoing decision making
- Deployment and Decision Management
 - Maximize the impact of analytics in your operation



SPSS, an IBM Company Uniquely Offers You...



Value of analytics across your organization

- Highly productive, business-friendly predictive modeling, collaboration and deployment services
- Based on the convergence of analytics, architecture and business processes



Open SOA that seamlessly fits your existing environment

- Componentized, enabling it to easily fit within your existing environment, immediately adding value without the need for a “rip and replace” of information infrastructure
- Natural part of a user’s normal activity versus a separate, disconnected application



Deep domain expertise with 40 years experience analyzing data about people

- Ability to dynamically capture attitudes, attributes and behaviors and improve people interactions



IBM BI and Performance Management Capabilities Help Decision Makers Find the Answers

How are we doing?

Why are we on/off track?

What should we do next?

DASHBOARDING

SCORECARDING

REPORTING

QUERY

ANALYSIS

PLANNING

Cognos software



Executive



Business Manager



Casual Business User



Line Manager



Business Analyst



Financial Analyst

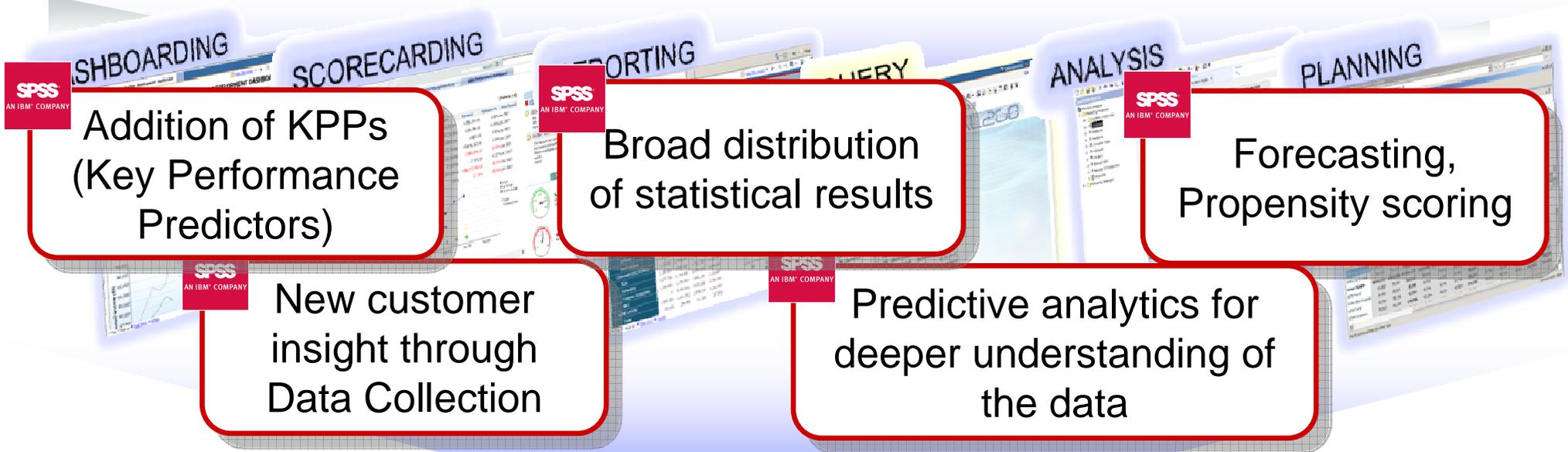


SPSS Enables New Solution Value for IBM Cognos Customers

How are we doing?

Why are we on/off track?

What should we do next?



Executive



Business Manager



Casual Business User



Line Manager



Business Analyst



Financial Analyst



Applying SPSS Portfolio to Accelerate Your Success

Example: Customer Intimacy



10 Reduces customer defection, increases uplift from cross-sell/up-sell targeting, and improves acquisition of the “right” customers, by enabling decision makers to:

- Understand unstructured data that is found in everything from e-mails, call center notes, blogs, and open ended survey questions
- Identify drivers of customer behavior via survey analysis
- Identify key performance predictors (KPPs) including customer defection and outcome of particular customer interactions
- Prioritize customer programs as part of real-time decision processes
- View customer insights alongside key performance information through standard IBM reports, analyses and dashboards



Executive



**Business
Manager**



**Casual
Business User**



**Line
Manager**



**Business
Analyst**



**Financial
Analyst**



From “Sense & Respond” to “Predict & Act” (Customer Intimacy)

Key Performance Indicator

- **Number of New Customers**
- **Customer Cancellations - Last Period**

Key Performance Predictor

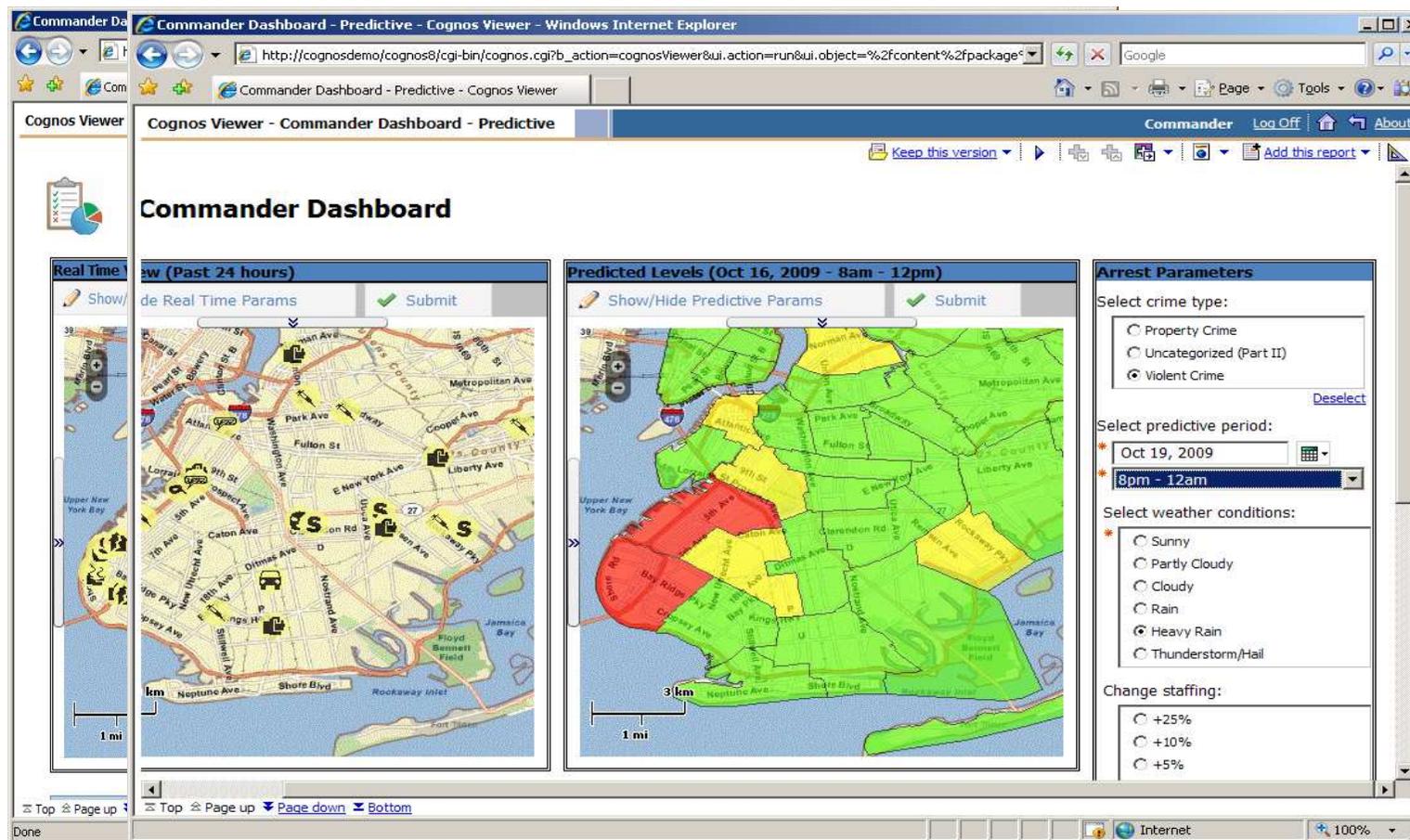
- **Expected Response on Acquisition Campaigns**
 - Expected Average LTV
- **Likely Customer Cancellations - Next Period**
 - % High LTV Customers
 - % Likely to accept retention offer



From “Sense & Respond” to “Predict & Act” (Police)

Key Performance Indicator

Key Performance Predictor

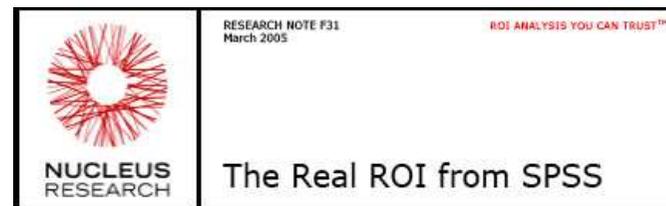


Customers Experience a Measurable ROI

- 94% of customers achieved a positive ROI, average payback in 10.7 months
- Over 90% of users attributed an increase in productivity to SPSS
- 81% of projects were deployed on time, 75% on or under budget

“This is one of the highest ROI scores Nucleus has ever seen in its Real ROI series of research reports”

Rebecca Wettemann, VP of Research, Nucleus Research



Next-Generation Decision Making Powered by SPSS, an IBM Company

- A leading provider of predictive analytic software, services and solutions with 40 years of experience and a broad customer base
- Enables decision makers *across* the organization to **predict** future events and proactively **act** upon that insight to drive better business outcomes

From sense and respond...
...to predict and act!

SPSS

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