

The Democratization of Analytics – New Opportunities for Business Users

As today's businesses strive to better understand their customers, they must navigate through unprecedented amounts of data, both structured and unstructured, to even begin to come to any meaningful conclusions. For many, sifting through massive amounts of data residing in various databases and data warehouses is like finding a tiny needle in many enormous haystacks.

In addition, there is the ongoing challenge of making sense of disparate data so it can be interpreted as actionable information. Consequently, it's not difficult to see why many organizations are reluctant to initiate analytics initiatives at the business unit level. Not only is it difficult to mine such data, but until recently, most software programs available required specialized expertise and investments in traditional, and costly, analytics solutions. Even with sufficient investments in hardware and software tools, the skill sets needed to use these solutions have traditionally been solely in the domain of trained data scientists and statisticians assigned to organizations' quant staffs.

However, a revolution of sorts is occurring with new, intuitive, and powerful products being introduced by progressive business intelligence and analytics providers, such as Microsoft, MicroStrategy, Tableau, SAP, Qlik, and others. In addition to being relatively easy to use, these solutions also offer connectivity to a wide range of data source. In many cases, these newer solutions also come with a lower total cost of ownership.

An increasing number of vendors are offering such techniques as graphical user interfaces and data visualization as a way for users to construct models via visual representations of the data, yet they are based on traditional, text-based UIs like SQL. These solutions are both powerful and intuitive, and can allow business users the ability to create queries and some models without the need to write and sequence SQL queries.

With these solutions, the rules and sequences for data evaluation are set by manipulating visual elements (much like setting joins and formulas in some report writer programs), with the underlying text-based code available for those experts who want, or need, to review in greater detail. The result has been a new class of data visualization analytics products being offered in the market that are powerful, yet intuitive and easy to use.

While these solutions can be used by quant staff and business users alike, the latter now have a tool from which they can run various predictive models and scenarios, something that was not generally available until recently. And while these easier-to-use solutions do not replace the highly trained and experienced quant personnel, they often allow better use of their time and expertise.

In an increasing number of organizations, the quant staff and business users (including sales, marketing, strategy, and operations staff) can now work much more closely as teams. In such cases, the data experts often guide the business users in a first pass at modeling test-and-learn scenarios, with data experts collaborating in the quality testing and fine-tuning of the models, making them more efficient and scalable.

This collaboration also helps business users better model “what-if” scenarios. This can include some clustering and propensity models, as well as making predictions about the probable success of next-product-to-offer campaigns, identifying customers at risk of attrition or most likely to accept specific offers, as well as other scenarios.

These are certainly exciting times for business users interested in using analytics to better know their customers. The many options available with the latest analytics and data visualization solutions offer new horizons for business users seeking deeper understanding of their customers’ purchasing habits, anticipated needs, and likely futures behaviors. All of this information can help to deepen relationships and engagement with customers, and improve the overall customer experience.

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