Predictive Perspectives 2011

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Predictive Perspectives

Innovative Ideas for Analytics

Business Analytics

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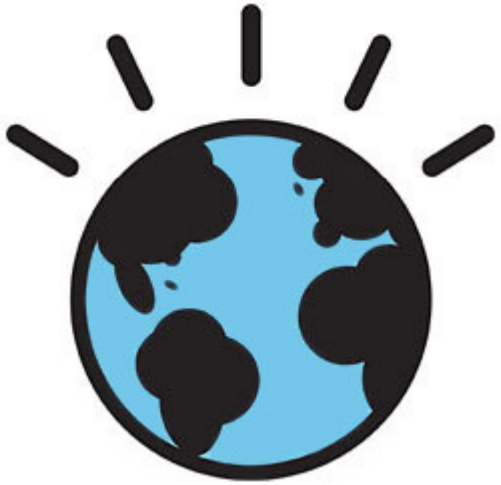
The world is changing, enabling organizations to make faster, better-informed decisions



Instrumented

Interconnected

Intelligent

With this change comes an explosion in information …

Volume of Digital Data

Variety of Information

Velocity of Decision Making

… Yet organizations are operating with blind spots

Lack of Insight

1 in 3 managers frequently make critical decisions without the information they need

Inefficient Access

1 in 2 don't have access to the information across their organization needed to do their jobs

Inability to Predict

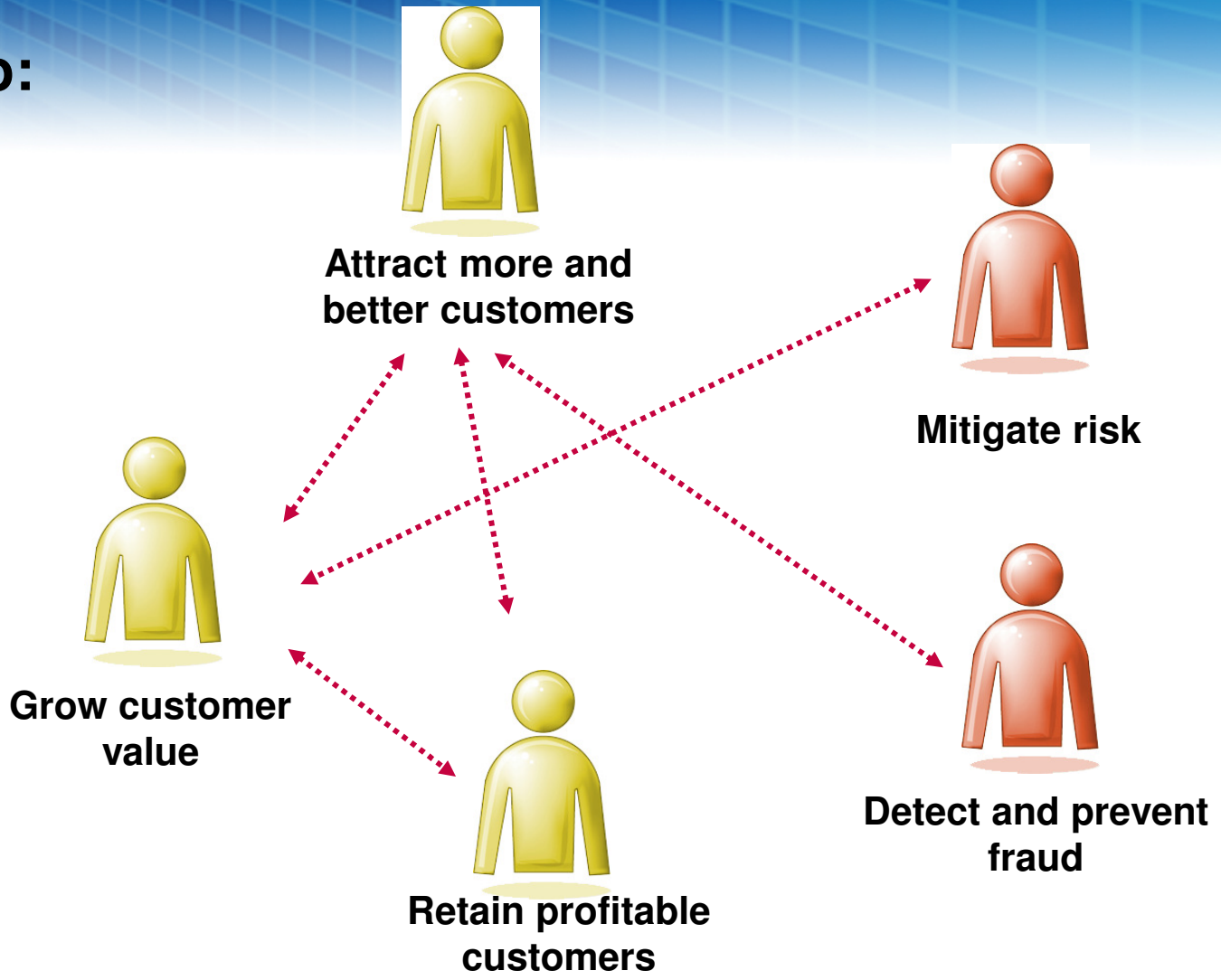
3 in 4 business leaders say more predictive information would drive better decisions

Source: IBM Institute for Business Value

On a **Smarter Planet**, new business challenges and conditions have placed a renewed **urgency on business analytics and optimization**

Challenges to Profitable Growth

How to:

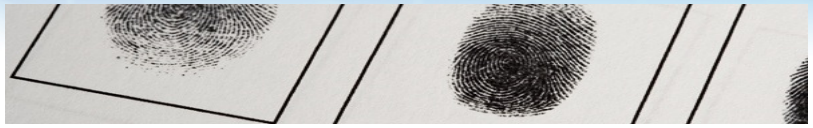


Moving from Reactions to Predictions

SMART IS
Turning a Call Center in a Profit Center.

A large Dutch financial services company implemented predictive cross selling programs in its call centers. The implementation took 2 months and generated **$30 Million in incremental sales**. Essentially, 1M calls generated 180,000 suggestions, reps made 60,000 offers turning into 30,000 leading to 22,000 sales.

SMART IS
Preventing crime before it happens.



A large city in the US turned to predictive analytics to predict occurrences of crimes in four blocks radius in tranche of 4 hours. Insights led to optimized deployment of police resources **reducing homicides by 35%** year over year, and robberies by 20%.

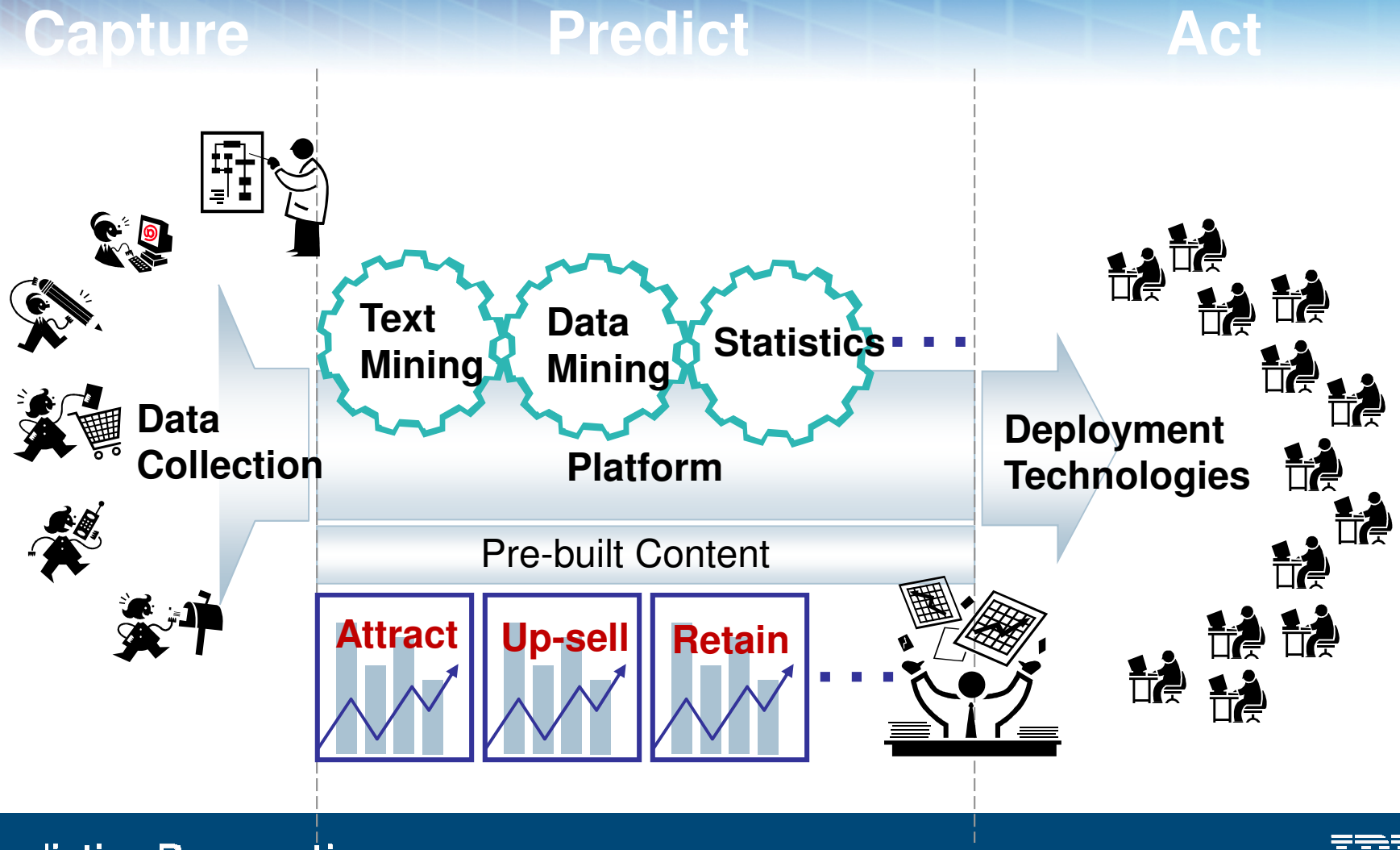
SMART IS
Turning clients into advocates.

A large Swiss telco provider adopted a client retention approach based on satisfaction. Based on the use of the "Wisdom of Crowds" principle, gathering feedback. The company **reduced churn from 14% to 2%.**

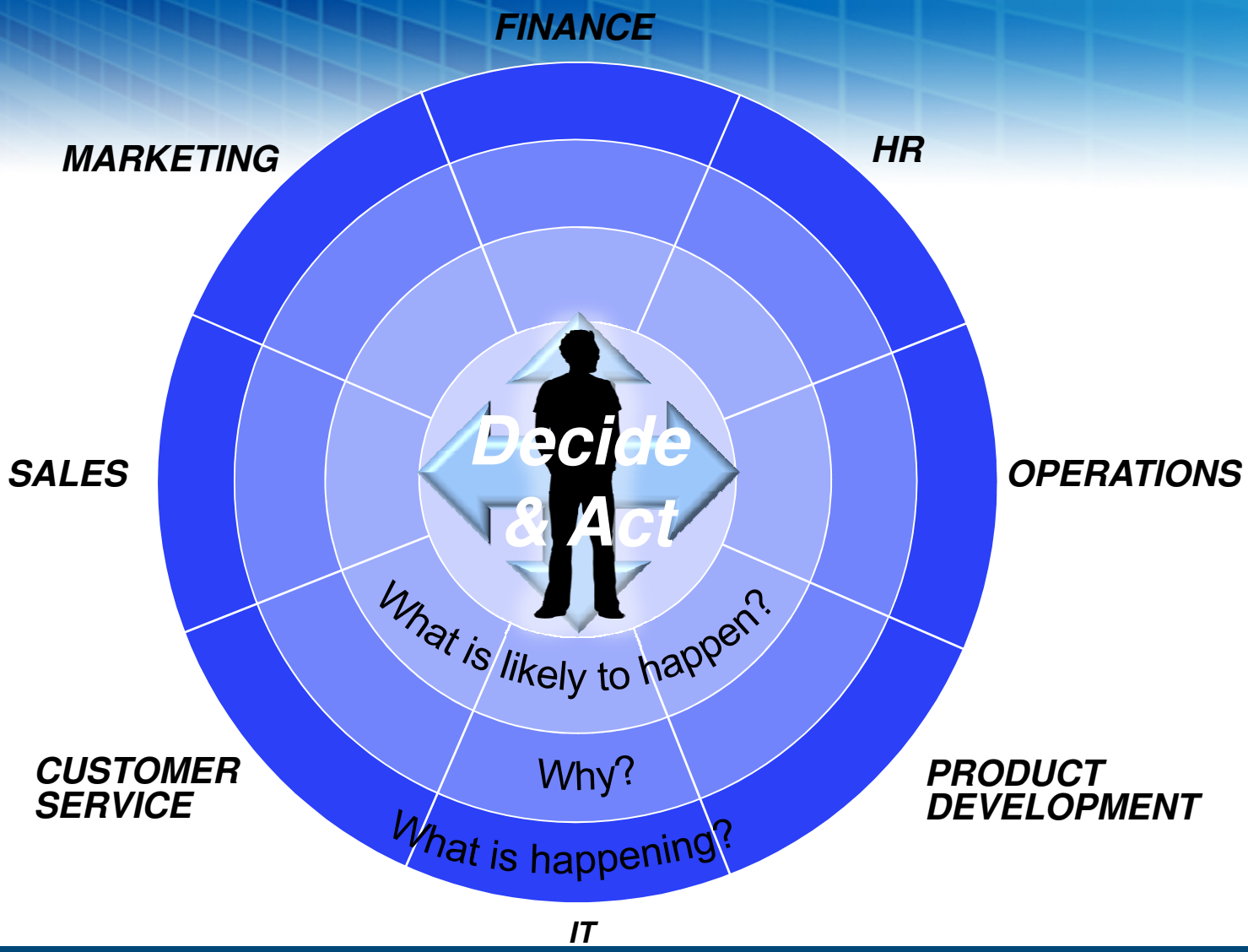
SMART IS
Dramatically lowering the cost of claims.

A large US insurer has embedded predictive analytics in claims handling while maximizing and accelerating the collection of subrogation payment. The company achieved an **ROI of 403% with payback in 3 months**.

Driving Smarter Business Outcomes



Informed, Aligned Decisions and Actions



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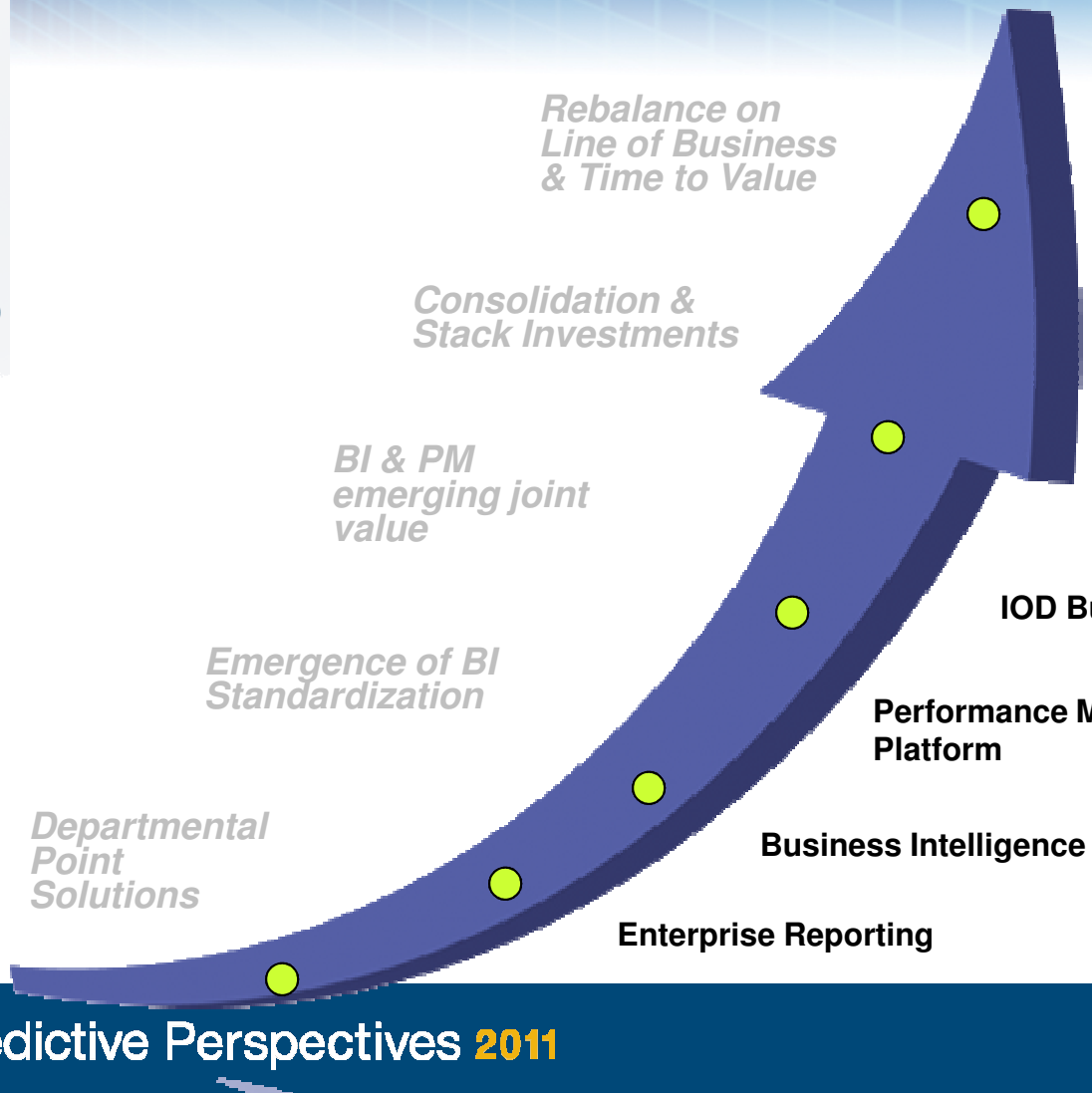
Key Investment Themes

Real-Time, Predictive	Pervasive, Collaborative	Vertical/Horizontal Solutions

Market Changes



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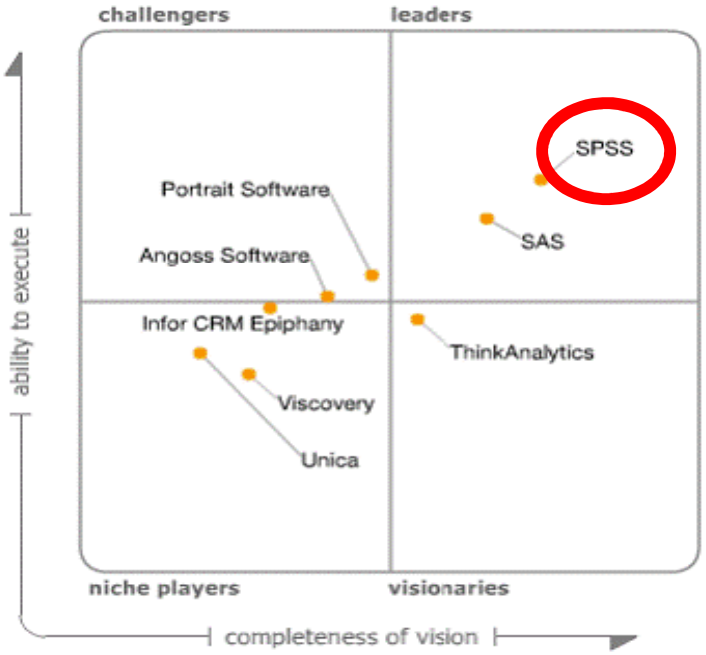
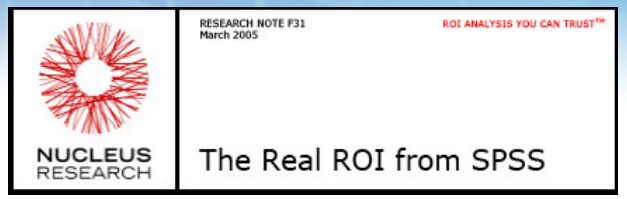
Real Value…Real ROI…Real Impact!



Gartner Magic Quadrant™: Customer Data Mining



- 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