

## Analytics goes Mainstream

The era of analytics entering the mainstream is at hand, and IBM has earmarked a substantial amount of money to solidify its already formidable portfolio in terms of how analytics is delivered.

The changes at IBM locally over the last 12 to 24 months can be attributed to the company's winning of the Business Intelligence and Analytics 2012 category, says Charles Manuel, Division Head of Business Analytics, ASEAN.

"We are able to demonstrate to our customers in very tangible form how they can drive quick outcomes to their business," explained Manuel. He referred to the Smarter Planet conversation initiated by IBM, which focused on the theme of analytics and how it can be utilized to gain competitive advantage by re-framing existing issues and using analytics to anticipate events.

The idea here is to provide "smarter" data to executives in the context of the entire business. "How does analytics come in to change the game at how you look at your business?" asked Manuel rhetorically.

"Our customers are recognizing that there is a sound strategy," says Manuel, pointing to the acquisition of Cognos, SPSS, Clarity Systems and OpenPages, Algorithmics and Varicent as evidence of the company's focus on business analytics.

Moreover, IBM was able to reassure local customers – many used to buying hardware and software from IBM, that the company was capable of providing this capability and add value to them. Despite many of these customers embarking on analytics for the first time, the local implementation and integration that IBM was able to provide allowed the company to move beyond a customer-vendor relationship to a partner-relationship. Our main goal is to ensure that our customers see us as partner in their analytics journey... not vendors.

### Ahead of the game

An absolute focus on what matters most to a customer is one of the

fundamentals that has kept the 100-year-old company staying ahead of the game, says Manuel. IBM's focus on innovation that matters has allowed the company to make a difference to a large number of industries ranging from healthcare to manufacturing. On that front, IBM as a company has held the most number of patents in the world for the last 19 years now, a testament to the research and development that the company has invested into. "IBM spent \$6 billion annual on research and development alone," he noted.

The ability to execute bold decisions by exiting certain businesses while investing in the right ones also played a huge part in the company's successes. After identifying analytics as one of four key growth areas, IBM has invested some \$14 billion into acquiring analytics related companies in the past five years alone.

While Manuel concedes that analytics has been around in different forms such as data warehousing and data mining, the focus then pertained more to automation. That is when areas like enterprise resource planning (ERP) and supply chain management (SCM) became a "buzz word". But automation by itself is not sufficient anymore.

Today, analytics looks set to be a fundamental platform for change, much as how cloud computing revolutionized the IT industry. "This is the era where analytics has become mainstream," says Manuel, who noted that IBM has no intention of slowing down either. "We've earmarked a substantial amount of money in the next few years as well to further solidify our portfolio."

Being constantly aware of what customers want and their changing needs is the key. Moreover, there is also a need to make bold decisions in line with these needs, according to Manuel. He said: "It's the DNA of always transforming and being relevant to customers that keeps



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CHARLES MANUEL,  
Division Head  
Business Analytics, ASEAN



us going in a profitable way and still very significant in terms of [our] contribution to businesses.”

The result is that IBM no longer speaks to just the IT department today, but the “other parts of the organizations including Chief Finance Officer, Risk Officers, Chief Marketing Officer and Statistician.”

This last fact is easily evidenced when looking at the company’s evolving partner ecosystem. Where it used to consist of resellers and distributors tasked to sell IBM products, the company now works with consultants, academia, government institutions and even regulatory bodies. Clearly, this changing partnership ecosystem is a reflection of how the company is striving to stay essential in the increasingly complex and fast-paced business world of today.

### Making sense of the data

This is a time of paradigm shifts in the industry and marketplace, observed Manuel, and one crucial element has to do with data. Simply put, every individual is generating a huge amount of data every day, ranging from documents, photographs, voice recordings and videos. This adds up to a phenomenal volume of data, which forms the first pillar of this change. The velocity of data has picked up too, according to Manuel, in which data can be changing with the rapidity of sub-second latency in certain instances like stock market.

Finally, the variety of data has also grown steadily. Unlike a decade ago when a big part of the data that needs to be analyzed was found within the enterprise, only 20 percent of the data needed today is available in a structured form. With the remaining 80 percent in unstructured form, “You have this massive paradigm shift in terms of what is happening in the market place in terms of the data,” says Manuel. With organizations already looking at their data as assets, the question is how to tap into them to gain a competitive advantage.

The role of analytics and its impact to businesses can be compared to how the microscope revolutionized the field of medicine 300 years ago, says Manuel. While germs have always been around, it was only with the invention of the microscope that scientists were able to see the millions and millions of tiny patterns invisible to the naked eye. “Big data analytics is something like that,” he says, referring to how it allows businesses to make sense of data residing both within and outside an organization.

More than the data itself, it is about finding those patterns and hidden insights.

Manuel ticked off three benefits of analytics, namely to “Know how you are doing (Business Intelligence)”, “WHY (Query and Analysis)” and “What should you be doing (Predictive)”. This type of insight can be used by a broad range of user - from brand manager of a shoe manufacturer, to the prime minister of a country.

### Success Stories

We invited Manuel to share some success stories of organizational successes in the Asia-Pacific that have resulted from collaborating with IBM. He outlined two stories, though names were not mentioned due to their potential sensitivity.

The first was a government entity, part of a division of the Ministry of Finance in that country. According to Manuel, the IBM team put together a budgeting and planning solution in place which was backed up by some business intelligence. This allowed the government body to monitor in real-time their current exposure to the markets in terms of its debt.

Moreover, the solution also brought down their response time on some of the reports that were needed. In some cases, it was reduced to a couple of hours, or in other instances, mere minutes. This was a massive improvement in response time as well as accuracy considering that these same reports would take days and weeks to consolidate in the past.

Another success story belonged to that of a customer in the banking sector. This particular bank was going through a massive expansion in the number of branches. While tapping into the consumer market



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represented a tremendous opportunity, the bank also faced operational and financial credit-based risks. From the 10 days required to perform a monthly assessment, a system built using Cognos allowed it to bring down the response time substantially to be in line with industry benchmarks.

The common theme in the success stories outlined by Manuel appears to be businesses that were either using either obsolete methods, or tools that were ill-suited to generate crucial reports in a timely and accurate manner. Indeed, Manuel shared an anecdote of how many departments are still working with Excel spreadsheets for analytics and struggling as a result.

### Conclusion

“Analytics is one of the foundation on which IBM will continue on our transformative journey,” says Manuel in closing. He encouraged customers to have an open mind when approaching IBM, alluding to the positive experiences of its customers.

Manuel implored businesses to focus on the business outcome, noting that IBM is in this for the long run. “That is what we are committed to make sure that each of them is a positive one.” **RCA**

To find out more about IBM Cognos Enterprise, visit: <http://www-01.ibm.com/software/sg/analytics/cognos/enterprise/>

