



modern analytics

## COMPETING ON ANALYTICS

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“EVERY FIRM CAN CALCULATE SIMPLE DESCRIPTIVE STATISTICS ABOUT ASPECTS OF ITS BUSINESS, BUT THE MOST AGGRESSIVE ANALYTICAL COMPETITORS GO WELL BEYOND BASIC ANALYSES”<sup>1</sup>

Recent research<sup>2</sup> shows that companies that adopt predictive analysis across their enterprises have the ability to not only make better, fact-based decisions but also different decisions as a result of the insights revealed by these analytics.

These companies are recognized by their industry leading performance. They include; Capital One, Amazon, Harrah’s Entertainment, Progressive Insurance, Barclays Bank, Procter & Gamble and UK retailer Tesco. Instead of using analytics for occasional business decisions, they use them as a primary basis for competition.

What differentiates these companies is their cultural shift from ‘product centricity’ to ‘customer centricity’ through using advanced analytics to fully understand and predict the needs and behaviors of their customers. They link product silos with customer data and share one view of the customer.

They understand which customers are the most profitable, have the greatest potential life-time value, highest return-on-customer and can identify more similar customers that can be attracted using specifically designed products, value propositions or services.

They use advanced analytics to present relevant opportunities to customers in the way that customers prefer and can do this in real-time at any point of contact. This dramatically increases the opportunities for cross-selling and up-selling in a highly personalized and customer-friendly way.

Advanced predictive modeling and analysis has been and can be a focus for financial performance and supply chain improvements, but breakthrough performance comes in the attraction, retention and increased profitability of the enterprises’ customer relationships.

Modern Analytics advises on the most effective use of marketing analytics, undertakes advanced analytical modeling and automates the data marts that create the fact-based environment for enterprise decision-making and business performance breakthroughs. The firm is known for its quality, speed and affordable solutions.

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<sup>1</sup> Tom Davenport, Author, Professor and Director of Research, School of Executive Education, Babson College, Boston.

<sup>2</sup> Davenport, ‘Competing on Analytics’, Babson Working Knowledge Research Center, 2005