

An effective information strategy thanks to Business Analytics and Optimization

IBM

Software Group



Welcome to the podcast on „An effective information strategy thanks to Business Analytics and Optimization“. In the discussion are Martin Moser, Business Development Executive of the New Intelligence Initiative and Uwe Hoehne, Service Area Leader in the Business Performance Management sector.

Globalization: countless reciprocal dependencies and greater risks associated with the explosive increase in amounts of data lead to inefficiency and ever greater complexity.

Martin Moser, Business Development Executive of the New Intelligence Initiative, sees the greatest challenge for companies being primarily the ability to take the correct decisions at the right time.

Martin Moser: „We need to be in a position to tame the flood of data that is overwhelming us – this tsunami, as a colleague recently called it – to float on top of it and extract information. Decisions taken based on the data collected in this way need to be made with increasing speed. Well-known examples are the volcanic ash cloud or the sunken oil platform in the USA; such events can pose an immediate and enormous threat to a company. I therefore need to be able to react quickly. Now the question arises, how do I do that? I must be able to anticipate certain changes and develop scenarios. In this way I can gauge what the ash cloud means for business. Being confronted with such situations and the speed with which they need to take decisions are central concerns for our customers.“

Uwe Hoehne, Service Area Leader in the Business Performance Management sector, now explains how IBM supports companies to take more intelligent decisions.

Uwe Hoehne: „A few years ago, IBM made a conscious decision to become a leading Business Solution Partner. With regard to analytics, this means that we can not only access the competence, management and industry pool of the largest

company consultancy structure worldwide, Global Business Services, we are also in a position to link this pool with the expertise from our research laboratories with over 3000 mathematical researchers, and to involve our technology skills from the hardware and software group.“

Expertise and today's technology combine to make not just the automation of processes feasible, but also to optimize them and to exploit existing resources in the best possible way. According to Martin Moser, the central strengths of the IBM Business Analytics solutions lie in Predictive Analytics.

Martin Moser: „If we analyze our core competencies, we see that we were always very strong in the area of Business Analytics in its conventional sense. We have also extended our forecasting skills through the purchase of companies and thereby expanded in the Predictive Analytics area, and it is here that we want to continue to focus. We would like to offer our customers solutions that help them to take decisions based on reliable forecasts faster, so that they can react with greater flexibility to new circumstances.“

Uwe Hoehne and Martin Moser use real life examples to explain how companies can design and efficiently implement an effective information strategy using IBM Business Analytics and Optimization solutions.

Uwe Hoehne: „About 10 years ago, in my capacity as a consultant I was confronted with the transformation of airline companies. The change from state-run to public airlines gave rise to the central question of what customer management should look like. How can you win and retain loyal customers? One answer that emerged was the frequent flyer programs. The analysis began with the question: who are our loyal customers and how can we assure their loyalty at tenable costs. The management and optimization of customer loyalty is based on an analytical issue. We proceeded with this approach at Lufthansa and many other airlines within and outside of the Star Alliance.“

Martin Moser: „I was confronted by another problem at a customer. On taking up his position, the new CEO came to the Controlling department and requested a report on the current project status. Panic broke out within the company; employees came to us and explained that they needed information but didn't know how to deal with the flood of data, and they needed to be able to present the boss with a meaningful report. This resulted in a project being started with the aim of automatically collecting information, processing it and thus providing the CEO with relevant data which had never been available in this company beforehand. The CEO wanted to manage the company on the basis of up-to-the-minute information, and thereby be in a position to take well-founded decisions.“

At the beginning of September 2010, the new BAO Center at the IBM research laboratory in Rüschlikon will be opened. Our experts see the advantages of this center lying primarily with the opportunity to design Business Analytics and Optimization solutions across IBM borders.

Uwe Hoehne: „As I have already mentioned, Business Analytics and Optimization means that we merge industry know-how, process expertise, mathematical algorithms and software and hardware competencies and deploy them together. This is the declared objective of the Analytics Center, which will open on 1st September in Zurich, and of all the other Analytics Centers in the world – in Berlin, Vienna, Beijing, Tokyo, New York and Washington. Although the industry focus of these centers differs, they work closely together.“

Martin Moser: „The advisory competencies of our consultancy colleagues as well as the industry experience and technology skills are consolidated in this center. The team in the center is in a position to work together across borders and to design innovative solutions together with the customers. We intend to set up round tables and thus involve universities and technical colleges in order to drive the issue of analytics in a targeted manner onto the market.“

We would like to thank Uwe Hoehne and Martin Moser for their interesting remarks. For further information, visit our Website on Business Analytics and Optimization.



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