



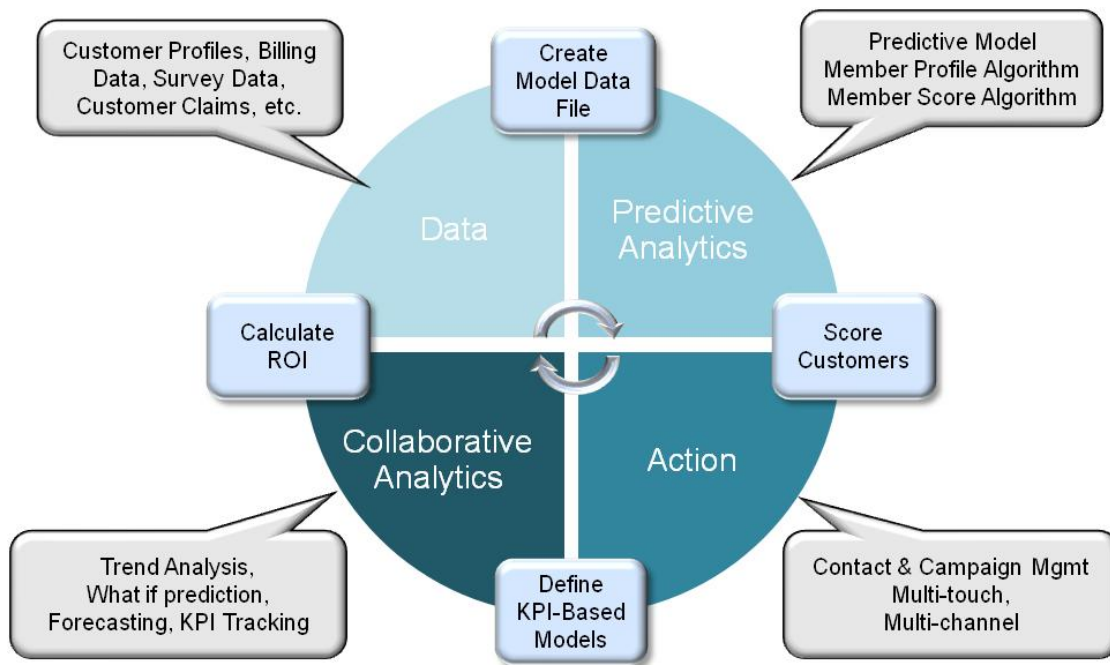
The case for Predictive Analytics

In today's environment, Business has become increasingly dynamic, complex and uncertain. Importantly, the challenge is to envision how your company should participate in today's ever changing world and what is necessary to create a new competitive revolution to effectively drive the future. Decision making has never been more critical for success in business than today. Your immediate and future success can come down to one decision at any given time. Organizations are searching for ways to improve the way they do business, increase their competitiveness, reduce costs and grow revenue. In a 2009 CIO Insight survey of senior managers and IT executives, respondents listed their top priorities as;

1. Improving business processes,
2. Delivering better customer service,
3. Generating more business from new and current customers,
4. Differentiating the company from competitors via IT.

But faced with the challenging business environment, what can organizations do to meet these prioritized objectives?

The path to success in all of these areas has traditionally been to use business intelligence (BI) information or even gut instinct to make decisions. Increasingly, organizations are finding that the benefits of BI can be enhanced when complemented by **Predictive Analytics**. Specifically, more insight can be gained, and even better decisions made, by coupling business-relevant information with an easy-to-use predictive analytics solution providing visualization and collaboration to the 93% of business users who do not use analytics today.





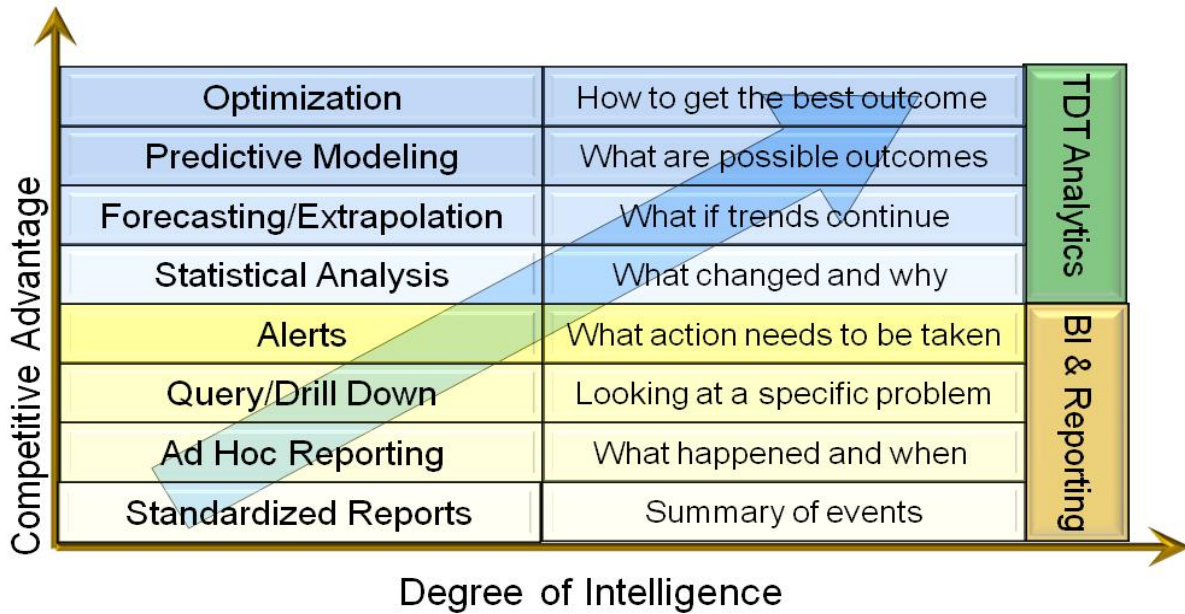
To stay competitive, organizations must constantly review the status of their projects, policies, and initiatives they have to make rapid decisions about which should continue, which should change, and which are worth launching. What's needed to make these choices is easy access to up-to- date business relevant information. Unfortunately, many managers do not have access to the information they need to make these decisions. The required information is usually buried in a variety of data sources distributed throughout an organization. And while IT can provide access to information, this approach can be time consuming and resource intensive. Most BI tools are targeted to only 7% of the user community and don't provide a collaborative environment. What's more, traditional approaches to Business Intelligence (BI) with reports or existing query tools may not be suited to business users who want quick self-service answers to sets of questions they have.

Executives, managers, and business users need the ability to quickly discover, collect, analyze, and share relevant information and they need to be able to answer their own questions as they have them.

For years, organizations have relied on BI solutions to access information they need to help meet their business objectives. For instance, many use the information to measure and improve business processes; compile financial results from across the company; gather, analyze and act on customer information; and track and ensure regulatory compliance.

While conducting these tasks, most managers rely on data provided to them by IT. For example, in 2007, more than 80 percent of the 215 senior IT executives surveyed by CIO Insight said they delivered some BI information to their business managers via reports. About 60 percent said additional information was delivered via dashboards.

While meeting the needs of some users, these approaches have limitations. Reports are static, rear view mirror oriented and can quickly become outdated and not representative of the true situation at hand. Dashboards offer more current information, but the user is limited to the information presented and cannot easily incorporate other relevant data or dynamically drill down into more granular detail. In particular, it takes a great deal of time to develop custom applications to extract, assimilate, analyze, and visualize any newly desired information. IT simply does not have the time to accommodate such frequent, temporal requests.

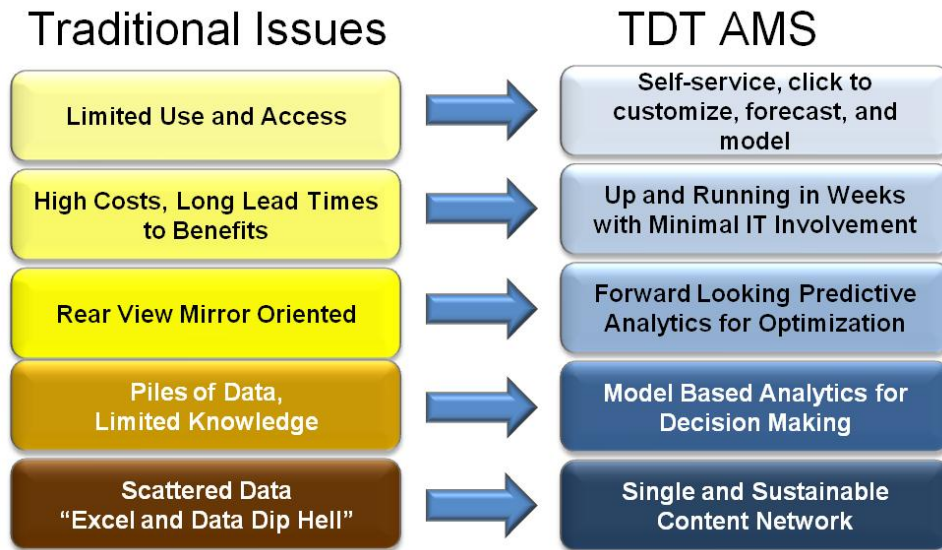


Recent business conditions are forcing a change. Traditional BI solutions have been leveraged for the high value of their reporting and analytics capabilities, but now organizations are looking to provide the same power of information access to all workers who need it.

As such, there is a growing demand for speed, and companies need to adjust business processes and strategies to react to market conditions in rapid fashion. For example, 42 percent of the 220 senior executives in a 2009 CIO Insight survey said improving; optimizing business processes was a top priority this year.

For organizations to achieve their business goals and leverage Analytics, they must improve everyone’s ability to use information and offer more people access to more kinds of information. In particular, there is a growing need for easy-to-use solutions that provide up to date interactive access to information. The collection, assimilation, and sharing of data has not kept pace with today’s need for rapid decision-making and flexible information access.

As information requirements and user expectations increase, BI solutions are challenged to meet the needs of a broader audience. As we’ve pointed out, the main impediment to dynamic BI is that people cannot get the data they need to make decisions. IT can help, in some cases. But it is impractical for IT to respond to every request as managers attempt to pull information from new sources on the fly. Besides draining IT resources, the time required to develop solutions might prevent IT from fulfilling the requests altogether.



The alternative is for workers to handle such matters on their own. Unfortunately, this is not a trivial task. First, decision-makers would need to identify and locate the relevant data. This might include information about sales, production, product return rates, inventory levels, etc. And the desired information might be scattered in departmental Excel files, Access data bases, ERP systems, a corporate data warehouse, an online data repository, customer service e-mails, and so on. Time lost searching for such information can be substantial. Past studies found that most workers have difficulty finding such data, spending 15 to 35 percent of their time searching. The problem is exacerbated as raw data and the variety of data that must be searched explode in volume. And assuming the data is found, workers must then extract the relevant information needed for decision-making. For instance, a manager might need only the fourth-quarter sales statistics for North America, the inventory of one product in stores in the Northeast, or the volume of repeat business for customers who spend more than a certain amount. To gather this specific information from the raw files and databases requires cutting and pasting, or writing custom scripts to extract the required information. This manual process can be time consuming, non-repeatable and error prone.

Add the complexity of assimilating data from multiple sources and the problem is compounded. As is the case with extracting data, assimilating data can be time-consuming and error prone. Here, data often must be converted before it can be used. For example, an ERP system might list sales per quarter, while an inventory system uses per month figures.

Once all the information is gathered together, it then must be analyzed. For example, a manager might want to calculate sales growth by quarter, by region, average sales per month, and so on. This might require that the assembled information be incorporated into an additional application, such as a financial analysis package or spreadsheet. Again, errors can be introduced as this manual process is undertaken. And finally, employees often need to generate graphs or charts to help identify trends, milestones, and shortcomings visually. Unfortunately, many human resources have trouble creating charts and graphs using desktop office productivity and other applications. And unlike analysts, many workers who are not used



to viewing data on a day-to-day basis do not even know which type of charts to use to extract relevant information. Essentially, what employees need to help make informed business decisions is something that is powerful and easy to use, with a low learning curve.

Predictive Analytics provide business users information in near real time in a collaborative environment allowing for better decision making. Our analytical engine, "Axel" (collaborative agreement) is a new generation services platform (SaaS) created to embed Analytics within businesses in an active form that allows businesses to understand and use them on near real time basis in order to compete more effectively by creating a single trusted view of the information across the enterprise. Our Analytical engine provides end users, business users desktop capability by;

- Being relevant: The full range of analytics are available to users as business process based KPI models; KPIs known by business users.
- Provided in Near Real Time: Business users need to be able to proactively forecast, predict, and model outcomes and take action when the business needs it.
- Being able to collaborate: Business users need to be able to collaborate in real time with various members of the organization using the same data points for decision.
- Closed Loop: Predictive analytics and models must be used in a closed loop not only to validate and recalibrate them, but more importantly to close the loop between the business process and the analytics driven action.
- Being Self Service and Adaptive: Business users need an easy to use graphical interface allowing them to easily visualize and understand trends and directions while simultaneously being able to forecast and simulate

Predictive Analytics model and features

Model Based Business Analytics	Expressions Language	Self-Service	SaaS
<ul style="list-style-type: none">• KPI based model of the business creates strategic to operational taxonomy• Provides business users with unique actionable knowledge• Binds all users within an accurate and controllable model	<ul style="list-style-type: none">• Designed for business analysts• Easy to learn and use• Creates rapid definition and deployment of KPI based models	<ul style="list-style-type: none">• Customized views and visualization• Click to Forecast -KPI Perspectives• Click to Predict -any model value• Simple administration	<ul style="list-style-type: none">• Subscription or utility• Full range of analytics• Multi-tenant, single data, logic, and security model• Browser based

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