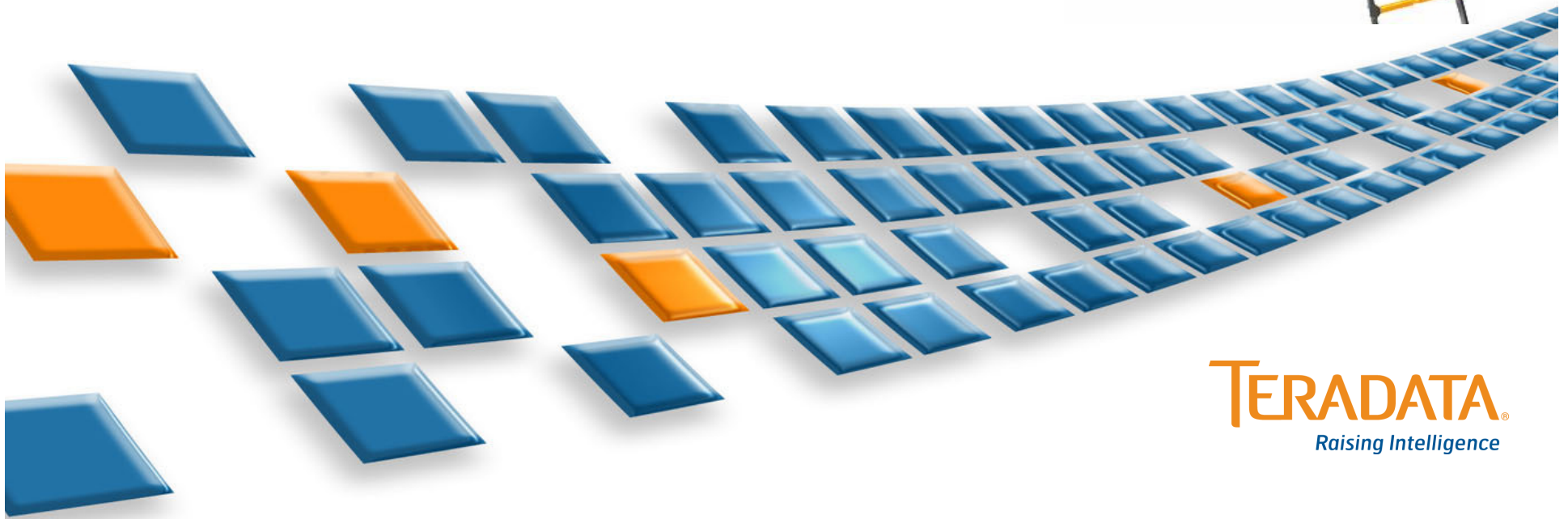
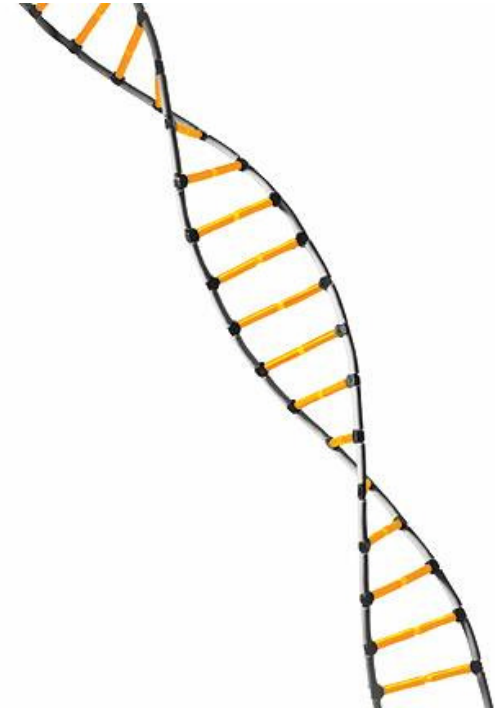


The Evolution of Advanced Analytics

David C. Hastings – Advanced Analytics COE

September 14, 2009



TERADATA[®]
Raising Intelligence



The Present...



- **Everyone** has been impacted
- Forecasts and sentiments in **flux**
- Sales and profits are **down**
- Success **tougher** to attain & sustain



Who Will Weather The Storm?



"From what I've learned in business and seen in Washington, hard questions rarely get asked in good times. They're too easy to ignore, to avoid, to put off when things are going well."

-- H. Lee Scott, CEO, Wal-Mart
(Excerpt from NRF 2009 keynote address)





What is Advanced Analytics?

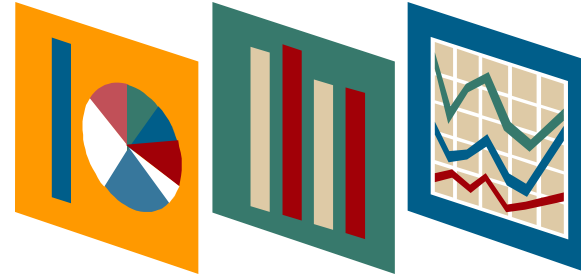


Basic Analytics

What happened?

When did "X" happen?

What was the **impact** of "X"?

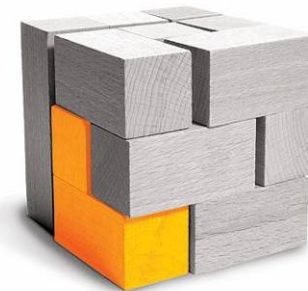


Advanced Analytics

Why did "X" happen?

When will "X" happen again?

What **caused** "X" to happen?



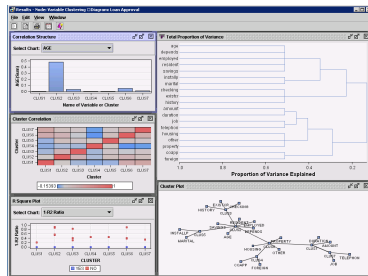


Advanced Analytics Evolution

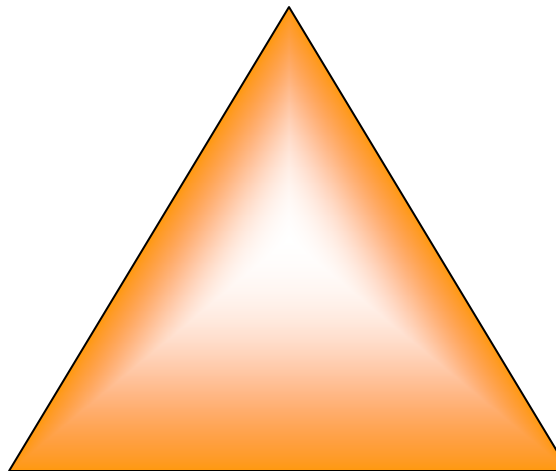


- The evolution of Advanced Analytics can be examined from three primary aspects ...

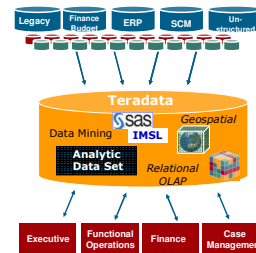
Business Impact



Depth of Analytics



Enabling Technology





Major Analytic Trends and Their Adoption Status ...



Mature	Mature/Evolving	Emerging	Nascent
<ul style="list-style-type: none"> ✓ Assortment Optimization and Shelf Space Allocation ✓ Supply Chain Analytics ✓ Workforce Analytics 	<ul style="list-style-type: none"> ✓ Customer-Driven Marketing ✓ Integrated Forecasting ✓ Localization and Clustering ✓ Marketing Mix Modeling ✓ Pricing Optimization ✓ Real Estate Optimization ✓ Multi-channel Analytics and Data Integration 	<ul style="list-style-type: none"> ✓ Test and Learn ✓ Clienteling ✓ Demand Shaping ✓ Real Time Offers ✓ Sentiment Analysis ✓ Video Analytics ✓ Multi-channel Analytics and Data Integration 	<ul style="list-style-type: none"> ✓ Fraud Detection and Prevention ✓ Product Recommendation



Research Co-Sponsored by Teradata and SAS

Available for Download at:

<http://www.teradata.com/t/industry-expertise/retail/>

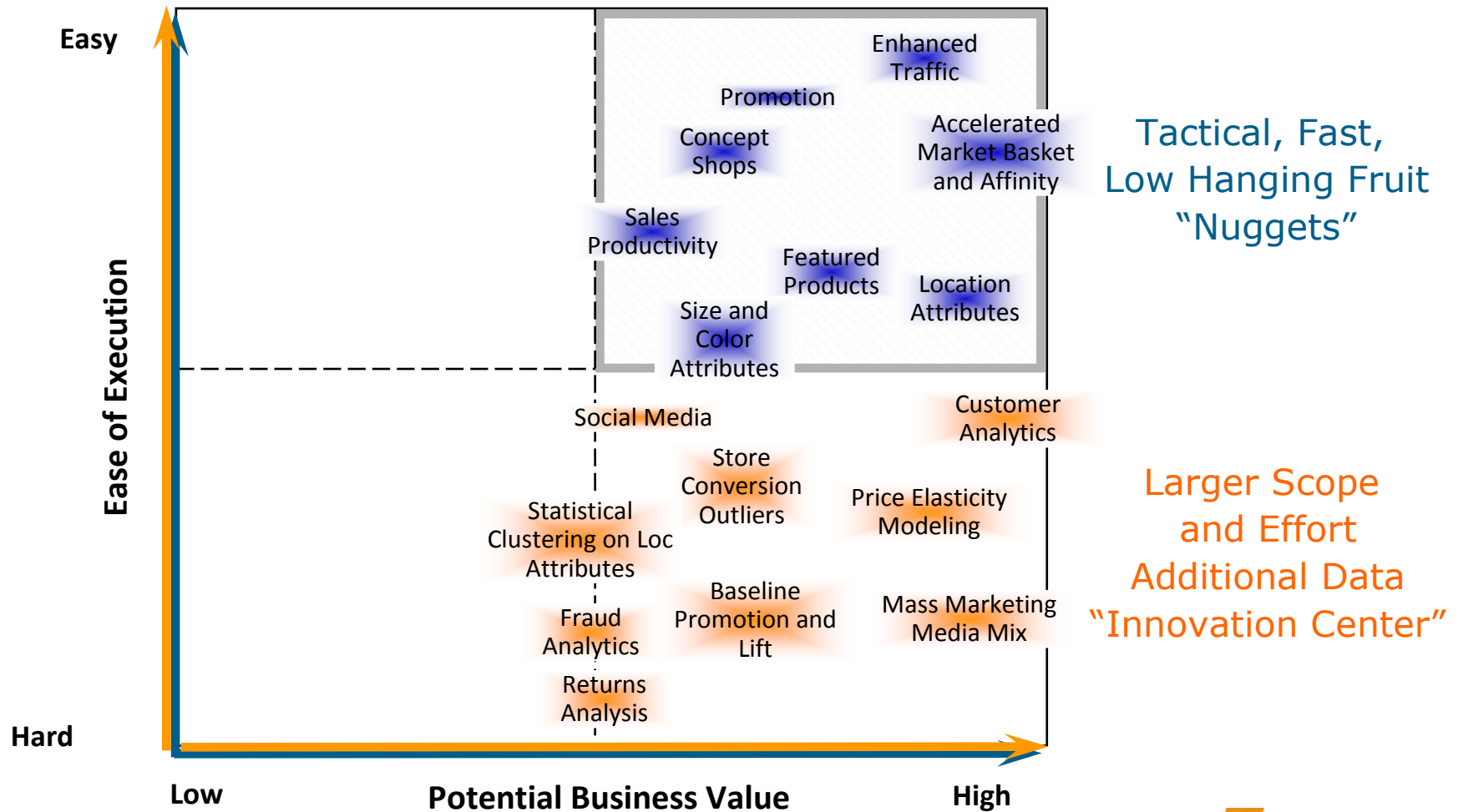
To be presented at Teradata Partners Conference – Tuesday, October 20, 2009 @ 11AM.



Quadrant Analysis

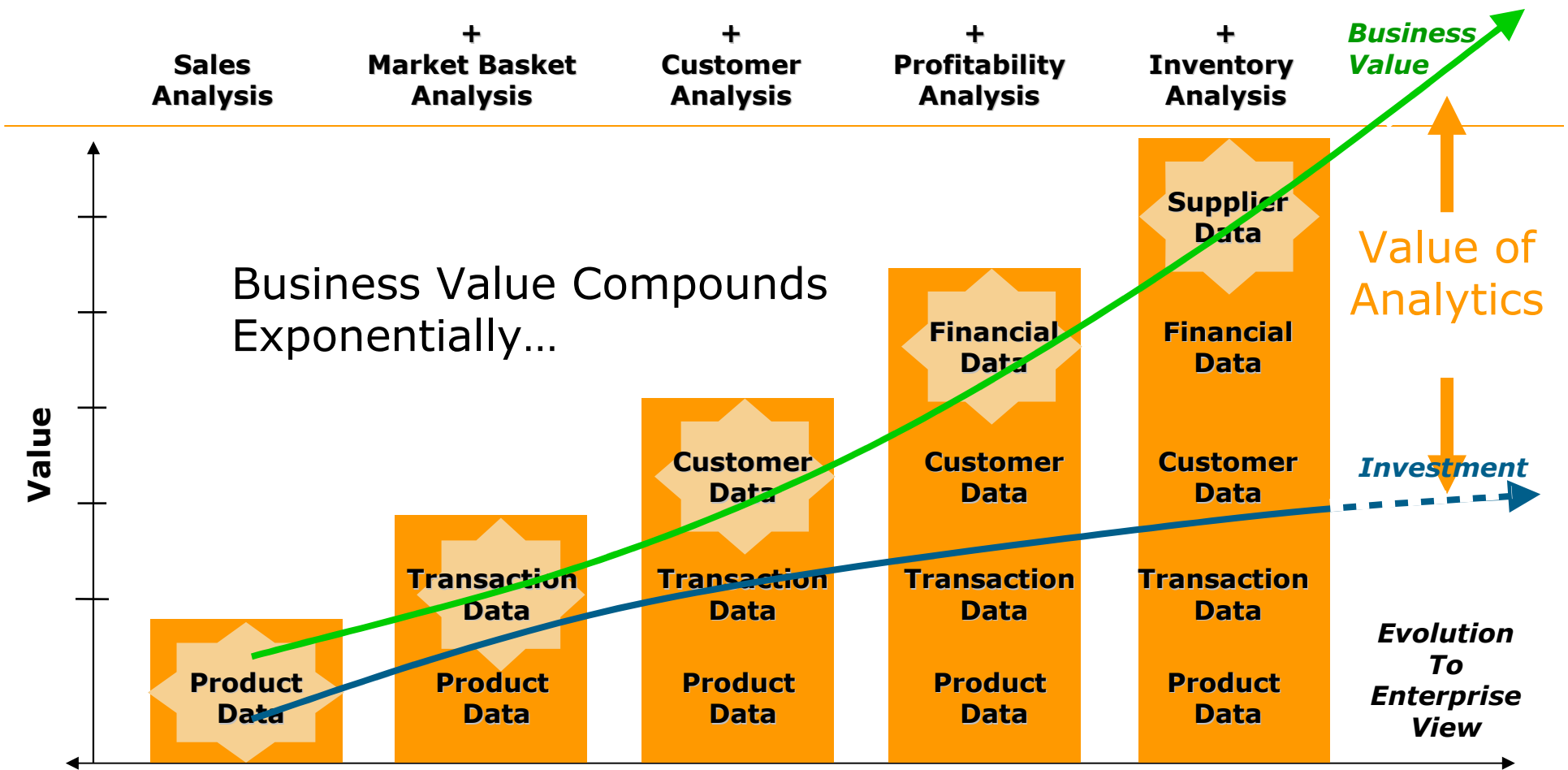


- Focus energy on high value easily executable analysis...





The Superior Business Value Of Centralized, Integrated Detail Data



... while the investment increases incrementally



Trend: Iterative Approach to Analytics

- Traditional Methods:
 - > Focus on detailed plans and **documentation**
 - > Center around a **project plan**
 - > Require a **long time** gap before value is realized
- Iterative Methods:
 - > Emphasize face-to-face **collaboration** over tools
 - > Value **response** to change over sticking to a plan
 - > Focus on working **solutions** more than documentation
 - > **Short iteration** cycles lead to a shorter time to **value**
 - > Very useful if requirements are **not** well understood
 - > Aim to prove **success or failure** of projects **quickly**

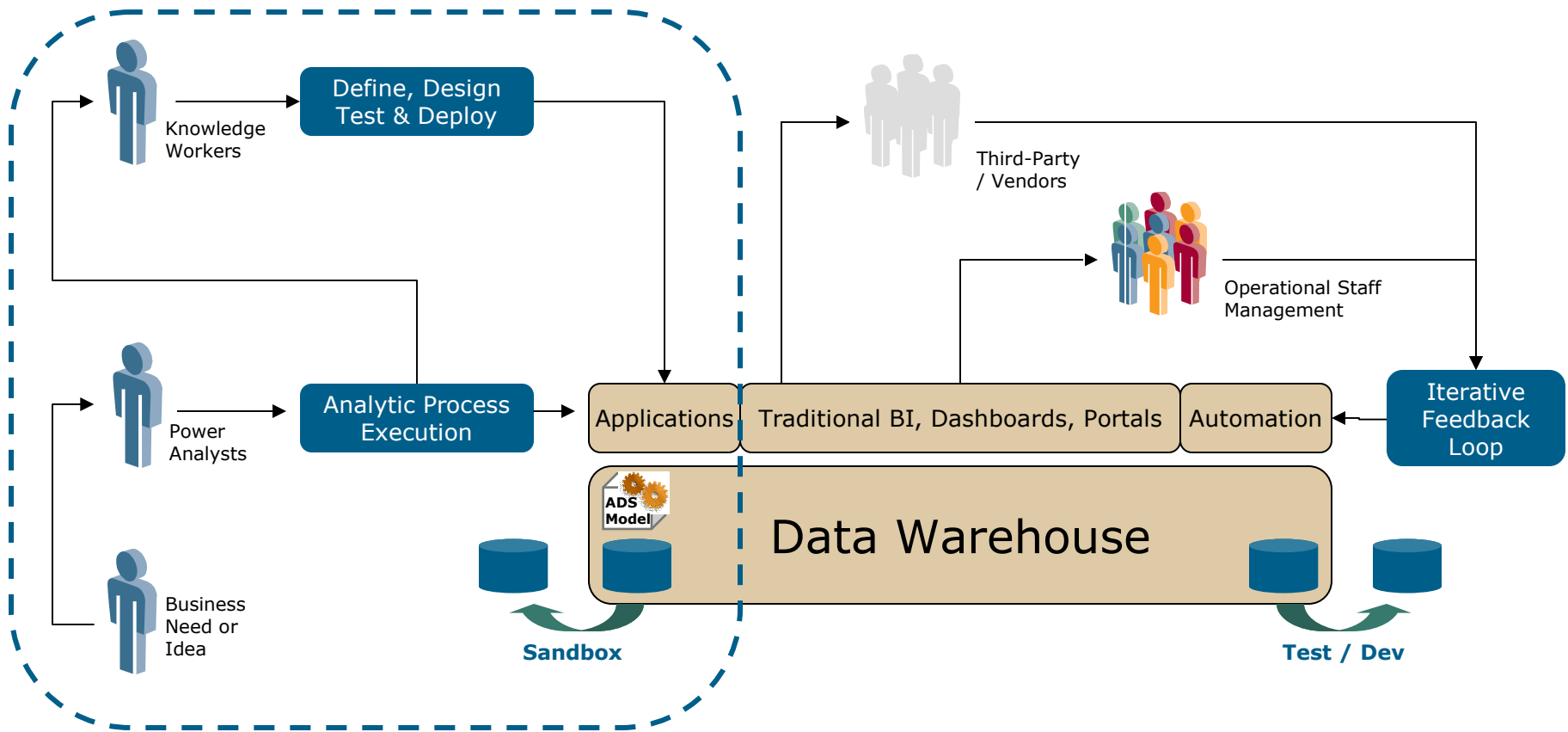


Identify – Accelerate – Enable



Trend: the Analytic 'Ecosystem'

- Evolving Analytic Environments to Improve Speed to Value, Drive Richer Insights





Advice to Retailers...



Enhance the shopping experience through:

- Cross-channel view
- Mobile marketing
- Targeted and personalized promotions

Global Retail Insights
Top 10 - 2009

Gain competitive advantage by analyzing your own data to:

- Understand the customer
- Deliver targeted advertising and promotions
- Manage more productive inventory
- Optimize price

Tom Davenport, Babson College
NRF Big Show - 2009

#1 Understand your customer—NOW
#2 Understand and control your inventory—NOW
Start with the details for analysis

Lee Scott, Former CEO, Wal-Mart
NRF Big Show - 2009



Key Takeaways...



- Think 'Stra-tactical'
 - > Tactical execution mapped to corporate objectives
- Speed to Value
 - > Focus on Short-Term, High Value Analysis
- Iterative Process
 - > Identify – Accelerate – Enable
- Integrate into overall BI Strategy
 - > Analytic Ecosystem





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