

The analytics ADVANTAGE

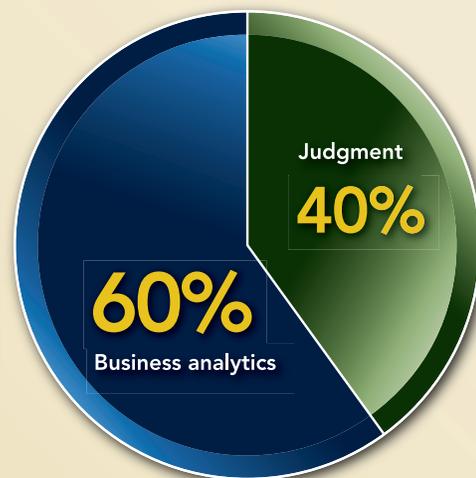
An Accenture survey finds organizations increasingly realize the value of data analysis.

Executives' intuition is no longer the most relied-upon decision-making tactic for organizations as analytics increasingly supplements judgment and other subjective methods of running a business. While the advantages of analytics are more apparent than ever, there's still a long way to go. Seven of every 10 respondents to a recent survey on the topic say they are seeking to increase their organizations' use of business analytics for decision making. Two-thirds say they feel their companies still need to improve analytics capabilities, according to the report by Accenture, a global management consulting, technology services and outsourcing company. And half say they aren't spending enough on analytics.

Survey methodology

A total of 254 online surveys were completed in the United States in 2008 by managers from large companies (those with reported revenue of more than \$500 million), representing a mix of industries; 257 were completed in the United Kingdom. The countries had similar results, and the U.S. findings are presented.

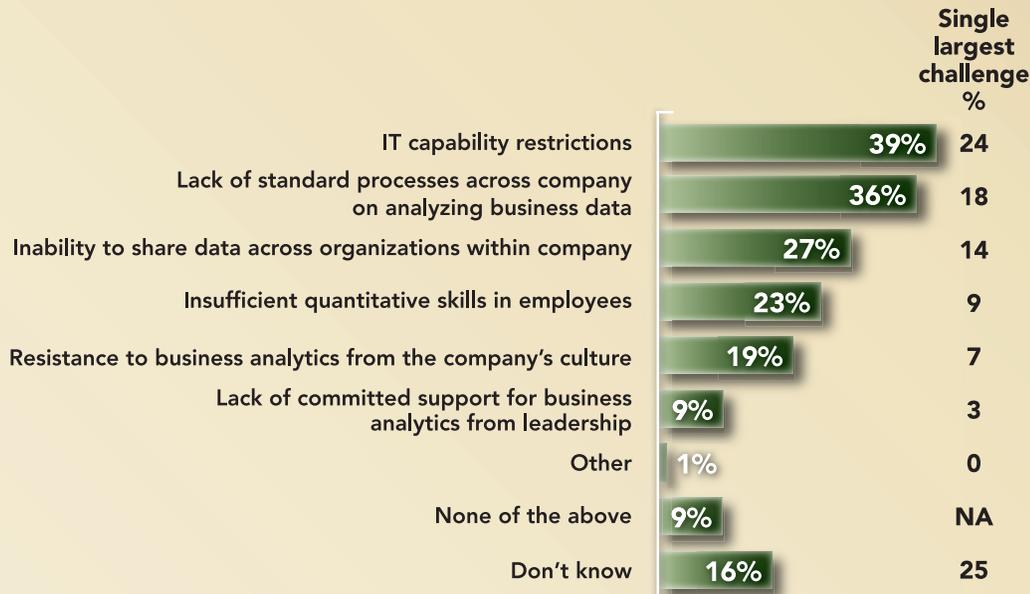
What percentage of business decisions employ business analytics versus judgment?



Reasons judgment is used	%
When good data is not available	61
When there is no past data for decision (innovation)	61
When decision relies upon qualitative/subjective factors	55
Generally trust judgment more than facts	7
When it is not a really important decision	7

Though 60% of business decisions are based on business analytics, according to survey respondents, judgment is still often used for a variety of reasons.

What are the largest challenges to embracing business analytics?



IT capability restrictions top the list of the largest challenges to embracing business analytics.

Does a company have to improve analytics to stay competitive?

Reasons for "Yes"

In the current increasingly competitive marketplace, a company must use these techniques just to stay even in its field—and, of course, to grow. Analytics enable market differentiation and the ability to target/segment.



Reasons for "No"

The company already has the analytic capabilities it needs. It now needs to focus on client/customer service and products.

Motivating factors

The value of business analytics is becoming clear. As you consider this trend, keep these points in mind:

- Analytics presents a growing opportunity because of market and business drivers. Companies must respond by bringing in analytical talent and investing in further increasing their business analytics usage.
- Organizations need to move from a silo approach to more inclusive information management programs that work across the entire company.
- With increasing similarities among organizations, a desire to differentiate means they should turn to data analysis to both develop new propositions and seek out new trends or problem areas.
- Flexibility and agility require organizations to scale up their analytics activities, maturing beyond traditional reporting to embrace the drive for real-time demand.

Most respondents said they see the need to improve analytics to stay competitive.