



.....from the CEO's desk

After getting an encouraging feedback on our first edition we are happy to bring out the second edition of our news letter – News and Views. This quarter the world has been gripped with the ever-worsening US (and UK?) housing crisis, rising crude oil prices and global inflationary pressures. Whether the oil prices are speculative - only time will tell, but inflation is likely to stay high for some time forcing companies to adopt ruthless cost cutting measures to stay competitive. However in this environment there are a breed of managers thriving through smart decisioning by relying more on 'Measurability' and 'Efficiency'.

Talking about 'Smart Decisions', in this issue we have an article by our partner James Taylor. He focuses on how analytics empowers business managers with the knowledge and capability to make smarter customer decisions. In an era of massive data warehouses and information overload; extracting meaningful insights, understanding Customers better and taking proactive actions (before your competition does) is key.

We would also like to introduce Sweta, who is one of the early associates of Marketelligent. As you will see, she has accomplished a lot in a relatively short professional span.

As always we are on a constant improvement process and would like your feedback on this issue.

Roy K Cherian

Q2 2008 Highlights

- Engaged with a leading Middle-East bank to implement Strategic MIS across their Credit Cards Business; including Business P&L, Segment P&L, Credit Control and Collections.
- Partnered with a Direct Marketing Company to evaluate Customer buying behavior for a leading India-based manufacturer of consumer watches.
- Sponsored in association with Salford Systems USA the first ever Analytics summit in India at NIT Durgapur.

Meet some of our associates.....

Sweta Sharma



Sweta Sharma is involved in Analytics Consulting and Business Development for Marketelligent. She has rich experience in Pharmaceuticals Analytics, Risk Analytics and Retail Analytics, including Segmentation, Forecasting, and Predictive Modelling,

She specializes in Time to Event Analysis, Multivariate rank Analysis, Multiple Comparison tests using ANOVA, ANCOVA models, Predictive Modeling, Customer Segmentation & Financial Forecasting.

Her achievements include building default model for US sub prime lending client and strategising retail analytics for one of the leading beverage manufacturer in India. She is also a recipient of Bronze award for Excellence for her work in one of the Phase Four Trials in GlaxoSmithKline.

Prior to joining Marketelligent, she was with GlaxoSmithKline Pharmaceutical Ltd. She holds a Masters in Statistics from Bangalore University.

Her interests range from hiking to reading philosophy and fiction, travelling & cooking. She occasionally paints and is a Gold Medalist in Tae-kwan-do.

Smarter Customer Decisions, by James Taylor

James is the Founding Principal of Smart Enough Systems. He is also an authority on Decision Management Systems, a prominent blogger (www.smartenoughsystems.com/wp), and is a co-author of the book "Smart (Enough) Systems". Previously, James was VP of Product Marketing at Fair Isaac.

When you interact with your customers, the most likely scenario is that the point of contact is one of three types:

- A customer service representative or other junior member of staff (driver, store clerk etc).
- An automated system (IVR, ATM, website)
- Someone who works for a third party (store-in-store clerk, outsourced CSR)

If you want to deliver a good customer experience, you need to ensure that all these different touch points are making good decisions about how to treat your customers.

In reality they are probably not doing so. Most of the decisions are being made by people who don't know this specific customer or how to treat them, who have little or no real support and who are expected to remember a large manual of policies and procedures. The decision-making in the systems involved is either non-existent or was delegated to programmers rather than driven by customer-facing business people. When the customers interact with systems directly, they probably use a system that lacks any real sense of personalization – it is the same for everyone.

The solution to these and other problems is to adopt a new approach to building information systems - to adopt a new approach to automating decisions using information technology.

This approach is known as Enterprise Decision Management.

Enterprise Decision Management (EDM), or Business Decision Management as it is sometimes known, is an approach for automating and improving high-volume operational decisions. Focusing on operational decisions, it develops decision services using business rules to automate those decisions, adds analytic insight to these services using predictive analytics and allows for the ongoing improvement of decision-making through adaptive control and optimization:

- A decision service is a service in an Service Oriented Architecture (SOA) that answers a business question. Decision Services allow critical business decisions to be externalized from your applications, managed once and shared between channels, processes and systems.
- Business rules, especially when managed using a Business Rules Management System or BRMS, allow you to take a declarative rather than procedural approach to decisions. This means you can state how you want your customers should be treated rather than having to program it.
- Analytic insight is added into decisions using predictive analytic techniques to derive more statistically valid rules or to derive predictive insights into your customers that can be represented as executable models.
- Adaptive Control deals with the reality that customer decisions do not remain static. You need an infrastructure for adapting those decisions to changing needs and strategy in a controlled many. This is sometimes known as champion/challenger where new "challenger" approaches are constantly developed to challenge the existing "champion".

You can take some simple steps to get started in making your customer decisions smarter and adopting EDM:

- Identify some key decisions. You might target some decisions you know you already take that affect your customers or you might use the hidden decision categories to find some. Pick those decisions about which customers complain or that competitors do well.
- Automate using rules and embed decision services in your systems. Using a business rules management system to design decision services is an effective way to start delivering smarter decisions. Your business staff can set the policies and regulations that drive the decisions and the decision service allows the right decision to be shared across systems, processes and channels.
- Enhance with analytics as you can. Decision Services are ideal targets for analytic improvement. As you develop insight about your customers – what are the right segments to target or what predicts future profitability for a customer – you can easily embed this insight into your decision services and update the rules to take advantage of it.
- Prepare and plan for change. No customer decision is static for long. Getting out of the mindset that changes to systems are "bad" and mean that someone made a mistake is important. Only then can you continuously review and enhance the way you treat customers. Your competitors change, your customers change, your products change and your decisions should too.

There is no need to tolerate dumb customer decisions. You should figure out how to make them smarter before your customers realize they don't have to tolerate it and find someone who will treat them better.

