Chapter 8
The Current State of Analytics in the Corporation: The View from Industry Leaders

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ABSTRACT

Business intelligence and analytics in general are currently experiencing a resurgence in interest from both the business and academic communities. As a response, a Business Analytics Special Interest Group (SIG) was formed at Villanova University in 2007 to better link these two communities and support the growing needs of business. As a multi-disciplinary group composed of both analytics professionals and academics, one of the first tasks was to investigate how businesses viewed analytics and how they were incorporating them in actual practice.

With this in mind, an interview questionnaire was developed and senior-level executives from a diverse group of sixteen different firms were interviewed in a group context. Their responses led to the development of a new, integrated analytics curriculum and the establishment of a new Analytics Round Table. The results from this series of semi-structured interviews are presented in this paper.

DOI: 10.4018/978-1-4666-0279-3.ch008

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1. INTRODUCTION

In the spring of 2007, a group of faculty from the various departments within the Villanova School of Business met together with the idea of forming a new Special Interest Group or SIG, devoted to the area of Business Analytics (BA). Because all of them had seen a rapid growth in the area of BI or analytics in their own respective fields, they realized that there was a large potential gap between how academics viewed analytics and how they were viewed in the corporate world. In fact, according to Garner, the BI market defied the rest of the tech sector and grew 21.7% in 2008 (Gartner, 2009). With this in mind several key executives who were known to be actively involved in using BI and analytics (used interchangeably in this article) in their own corporations were invited to become active participants in the new SIG.

In order to better understand the needs of the corporate users of business analytics, it was determined that one of the first activities of the group should be to actually speak to key executive directly. For this purpose, senior executives from sixteen different companies in a variety of industries were identified and interviewed by the group members. The results of this year-long interview process are compiled and presented here. These results were further used to help guide the design of a new BA curriculum at the university and also formed the basis for a new academic/industry initiative.

2. METHODOLOGY

It only takes a cursory discussion of BI among users and vendors to see that there is a lot of confusion about what BI is and how to best make use of it business today. Some of the greatest popularizers of BI in business today have made much of this problem of perception (Watson, 2009). In order to better get a sense of what companies today were actually doing with BI and what their needs were, it was decided that it would be best to actually speak to key people in a variety of industries who were known to be active users of BI technology. With input from the initial group, individuals from sixteen companies were identified and invited to speak to the committee. These break down into the following categories:

The category of “business consulting” included large firms such as KPMG and Bearing-Point. These consulting firms were engaged in a wide variety of consulting activities, so their responses varied considerably. Some of the firms had been mentioned in Davenport’s recent book on Business Analytics. Most of these firms were local to the Philadelphia area and were firms with which the committee members had already had some contact. Seven of the firms sent two or more people to participate; indicating a high level of interest in working with the group. It is important also to note that these were firms who were known to be active users of BI/BA so they represent a skewed sample of firms who are on the “cutting edge” of BI/BA. Most of the firms were large, multi-billion dollar, multi-national firms, though there were a few, smaller consulting firms.

To facilitate the interview process, members were asked to submit questions and a questionnaire was developed that focused on key issues of strategy and their perceived needs. In order to keep the interviews at a reasonable length, only ten questions were used. The rest of this article is structured around a discussion of the responses.

Table 1. Breakdown of industries interviewed

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>No. of Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Consulting</td>
<td>4</td>
</tr>
<tr>
<td>BI/BA Vendors</td>
<td>4</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>2</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>2</td>
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<tr>
<td>Industrial Chemicals</td>
<td>2</td>
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<tr>
<td>Financial Management</td>
<td>1</td>
</tr>
<tr>
<td>Transportation</td>
<td>1</td>
</tr>
</tbody>
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