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## Analytics Panel During the Tribeca Film Festival

The Accenture Information Management Podcast Series

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**Introduction:**

Welcome to the Accenture Information Management Podcast Series. Accenture participated in a panel discussion during the 2009 Tribeca Film Festival to talk about how companies are using analytics to improve their decision making. Representing Accenture is Jeanne Harris, executive research fellow and a senior executive at the Accenture Institute for High Performance. Also on the panel are John Kopcke, senior vice president for business intelligence and performance management for Oracle; Michael Morris, vice president of applications development and program management for Major League Baseball and Andrew Wing, president and CEO of Cantor Entertainment. The moderator is Shari Rogalski, a senior executive within Accenture Information Management Services.

We'll start off with each of the panelists defining what analytics means to them and the value it can bring to an organization, beginning with Michael Morris from Major League Baseball. Later, we'll hear the panel's views on the key to a successful analytics solution.

**Michael Morris:** I think, definitionally, analytics is the application of some statistically rigorous technique against data. I think it can be applied in most any industry and in any facet. For baseball, there certainly is a huge opportunity in optimization of our expenses and the ability to predict injuries. We spend tens of millions of dollars a year on players on the disabled list, and to the extent that we can minimize that and ideally prevent that, it's huge dollars for us.

**Andrew Wing:** From my perspective, analytics is being able to define the right attributes so that you can then put it into the model, but also to understand the weighting and the prioritization of the different attributes of the movie industry. What goes into a movie in deciding might be what's the production budget, what's the genre, the trends in the marketplace, the talent behind it, whether it's an A list star, like a Will Smith, or you have indie films. And, while most people will look at the box office, the studio is looking at 12 to 18 releases a year. How do I fill out the calendar? How do I populate it with what I think is going to be the blockbuster? But at the end of the day it's also about the profitability that comes with the cost of producing a movie, as well as the gross box office potential.

**John Kopcke:** I like to give it more of a business definition, which is that it is the people, process and systems that support fact-based management. It's all about making the right management decisions. It's not just the technology; it's the people and the processes as well.

**Jeanne Harris:** I was just going to build off of what John was saying here. I think the core of analytics is really all about asking the right questions, making the right decisions and getting them executed. And so sometimes people think that that somehow implies that there is a lack of innovation, that analytics somehow drives innovation out. But, in fact, what we found is that it's really just the opposite. What companies who are analytic do, they are actually very innovative, but they do it in a more rigorous kind of way. They view something they are doing for the first time as an experiment. They set up parameters and they set up metrics and they have ways of measuring effectiveness of that experiment.

Best Buy is a great example of this because Paul McCartney was going to do a one-time event for Best Buy and they were going to have a CD that only they could sell. Is that a good idea? Well, they decided it was a worthy experiment. And so they set up a set of metrics and they held the event. They sold the CDs, and guess what? It was a fantastic idea. Now, they do a lot more of that. So, I think one of the things that's key is to focus less on the technology, less on the math, and more on what can you do to drive new business insights, what can you do to make the best possible decisions. Do them consistently and see those decisions executed, because you can have the best decisions and if they don't get executed, it doesn't really matter. It has to all kind of fit together and that's why we talk in terms of an analytic capability instead of focus so much on the technology.

**John Kopcke:** The key is putting it into the business process. If this is not ingrained in your business process, or not ingrained in management processes—and that's something that we differentiate at Oracle, the difference between a business process and a management process—it's not going to get used. And that's where I think you can differentiate some technologies, how integratable are they with lots of aspects of the business.

**Andrew Wing:** What my point, though, is in listening—even looking—at this whole conversation, analytics clearly are critical in making those business decisions. The one thing that I think we are all challenged in this environment is you are never going to get that exact answer. So, we're all paid a lot of money for knowing 75 to 80 percent and then being able to make the tough decision—[that's] really where it comes down to both the execution and the knowledge and experience.

**Jeanne Harris:** Absolutely. And you know some people will argue that if you don't know with 99.999 percent certainty, why should I even listen to the data? But the fact is, study after study after study has shown that decisions based on facts are better than decisions made in the absence of facts. Because fundamentally, if you don't at least factor data into your decision-making process system, what are you relying on? You're relying on prejudice. You're relying on gut feel, whatever that turns out to be. More often than not it's based on stereotyping and unfounded assumptions.

The intent is to find a balance between the art and the science, to get the data, make the best possible decisions you can in the most rigorous way you can. And so, I think that's really the potential of analytics. Not to get it perfect, not to do it 100 percent, all the way, every time, just to do it better than the next guy.

**Shari Rogalski:** I would like to give each of our panelists a chance to make a closing remark that the audience might pay attention to and/or a bit of advice. Jeanne? Can we start with you?

**Jeanne Harris:** OK. Let's see, if I had just one piece of advice, I think it's to make sure you're asking the right questions and look at how you make decisions in your organization, and just think about how you can incorporate data and facts into the questions that make the most difference to achieving high performance in your business.

**Andrew Wing:** I mentioned this and it was part of the discussion, but I think conducting the analysis, having the information. Just bear in mind how quickly time is shifting. If we just look back 12 months, where was our economy and where is it today? And while as much as we all had those predictive models and all of that data, frankly we wouldn't be in this position if we were right with our modeling. So you've got to use some of that intuition and also understand what's happening with the economic climate and the shifts that are going on. And, by the way, sociological shifts, as well.

**Michael Morris:** This almost sounds contradictory to Andy, but it's not. I believe that you need to spend the time up front to make sure that you do analytics the right way. So, spend the time. And the reason I went with Accenture is I wanted to look at all the factors and be strategic about it. I think we will be very well served having made that decision.

**John Kopcke:** If you are just getting started really with analytics, my recommendation is don't start with the CEO, start with the accounts receivable clerk. The lower you start in the organization, the easier the project is, the more measurable the benefits are, the cheaper it is to implement, the span of data that you need to go after is simpler and you can get quick wins very early.

### Closing:

Thank you for listening. There's more from the Tribeca Film Festival event on our website, including full transcripts. To hear additional comments from our panelists, please visit us at [accenture.com/tribecapanel](http://accenture.com/tribecapanel).