

DATABASE/ANALYTICS

Turning Data into Action

Businesses are "activating" their enterprise data warehouses to increase business value.

There's no point in doing business intelligence without launching an active data warehouse. So says Laura Johnston, vice president of CRM and loyalty at Travelocity. "It's hard to be relevant if you don't understand who the customer is and can't access information," she says.

Travelocity, which launched its Travelocity Guarantee and Customer Bill of Rights last year to appeal to consumers' desires for personalized service and offerings, is in the process of becoming even more relevant by moving to an active data warehouse. Companies like Travelocity are "activating" their warehouses by blending current and historical data from across the enterprise, allowing them faster and comprehensive access to the information needed to solve complex business problems. Travelocity's Teradata-powered warehouse, for example, will enable the travel services company to gather actionable data in real time because it offers complete data integration with shared views.

Like Travelocity, many companies are discovering the need to create an actionable data



warehouse. Clay Young, senior vice president and cofounder of ProClarity, points to the changing competitive landscape and the need to make informed decisions as to the reasons fueling this shift. "If you don't have the necessary information to acquire or delight the customer, then you're at a competitive disadvantage," he says, adding that CRM systems are sometimes used alone as simply "glorified" contact management systems. "Innovative thinkers...want to maximize profitability and get the dominant share of wallet for the goods they sell," he says.

To achieve that goal companies must leverage their data warehouses, not just use them for storage, says Jack Schember, marketing manager at Melissa Data. "We're seeing more of an

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awareness of how to intelligently use a data warehouse," he says. "I feel that data warehousing is a legacy term—you put data in there and it doesn't do anything. That thinking now has changed. Companies are realizing that data is an essential part of their business."

Harte-Hanks Managing Director Lisa Hamilton says she sees companies adopting a holistic approach when it comes to database marketing and business intelligence. "We see a resurgence of measuring emotions and retention. Companies are taking a complete view, but now they're taking action in a holistic fashion," Hamilton says. In essence, she says, companies are integrating their data silos and processes and modifying their operations in efforts to optimize their relationships with customers.

This shift, however, requires organizations to overcome the inherent challenges of breaking down silos and pulling data from all parts of the company. Additionally, before transitioning to an active data warehouse, companies should decide upon the right techniques before building an analytical model, such as deciding which customers will respond to which messages. They should also develop a plan for use, and list the expected benefits like real-time customer feedback, then decide which elements to measure.

Additionally, companies must narrow and set key related definitions prior to deploying the

Success Is Sweet With "Active" Data

When Israel-based confectioner Elite Industries merged with dairy supplier Strauss Fresh Foods to form Strauss-Elite, the company had to alter its marketing tactics to manage the double-digit growth of its new chocolate and coffee business. The only way to do so was to incorporate data intelligence and a data warehousing initiative into the new corporate structure.

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"To be competitive we had to change," says Rafael Yankovitch, director of business intelligence and enterprise portals at Strauss-Elite. "The only way to know what works is to be able to analyze the data." At first the company analyzed the data postmortem. In other words, Yankovitch says, the organization examined the old processes and brand analysis to make improvements.

Now, by using a business intelligence (BI) system from SAP, the company tracks data on a daily basis to make continuous improvements to products and processes. Currently, the BI system draws data from the company's CRM system and production units; Strauss-Elite also is integrating the BI system with its ERP system, with completion scheduled for mid-2007.

Yankovitch says marketing and quality control staff analyze the data feeds, which consist of gross sales, returns, long shelf life, customer discounts, financial analysis, gross profits, balance sheets, distribution data, sales incentives, inventory control, market share data, and customer complaints. "We believe our analytics efforts would not be successful if the database wasn't enterprisewide," he says.

active data warehouse, says Howard Dresden, chief strategy officer at Hyperion Solutions. "When they say 'customer' what do they mean? When they say, 'revenue and profit' what do they mean?" Dresden says, "It's about knowing those relationships and making that commitment on a senior level that everyone will do it the same way."

Travelocity's Johnston calls the company's transition to an active data warehouse a journey, and says it's about realizing increased business value—putting the data in one place, removing latency issues, integrating the front end and back end, and removing isolated silos of information. Instead of executing campaigns based solely on shopping behaviors, Travelocity will soon begin to add layers of relevance to build increased loyalty. "We got the plumbing built," she says, "and now it's about getting more sophisticated with what we send through the pipes." *Mila D'Antonio*

