

IBM Moves Predictive Analytics Into New Era by Giving Business Users "Three Clicks" to Smart Decision Making

Unveils New Software that Automates the Ideal Course of Action for Millions of High-Value, High-Volume Decisions

IBM (NYSE: IBM) today unveiled new software that places the power of predictive analytics directly into the hands of business users for faster, more insightful decision making.

With three simple clicks, business users can now build a predictive model within a configurable web browser interface, and run simulations and what-if scenarios that compare and test the best business outcomes before the model is ever deployed into an operational system. Business users now have full control over the analytic process, enabling them to make accurate decisions in real-time, based on changes in strategy, customer buying patterns and behaviors, or fluctuating market conditions.

Starting today, IBM is delivering a new, configurable offering for the insurance industry, and another for marketing organisations within all business verticals. The first is designed to help identify fraudulent insurance claims, which accounts for approximately \$30

billion in losses a year. The second manages every inbound customer and prospect interaction via call center, web, point-of-sale or email.

The new software, IBM SPSS Decision Management, combines predictive models, business rules and optimisation to increase an organisations confidence to automatically deliver accurate, high-value, high-volume decisions at the appropriate point of customer interaction.

For example, a retailer may need to decide which customers should receive information about a new line of products. The marketing manager can quickly build a model to identify the customers likely to respond based on past purchasing patterns, demographics, responses to previous offers and include those customers in the new product campaign. However, before deploying the results the business user can first tweak the dials using a simple web interface, and run what-if scenarios on the results. This ensures the campaign will yield optimal results by targeting only high-value customers.

"IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance," said Rob Ashe, general manager, business analytics at IBM. "By making predictive analytics pervasive, and giving business users control of the technology, organisations can optimise the point of interaction, better anticipate change in real-time, and carry out strategies that improve outcomes. With today's announcement, we have empowered every single business user with the power of predictive analytics, so the best course of action can now be easily deployed into any operational system, minimising the cost of bad decisions.

Analytics Goes Mainstream by Giving Control to Business Users

As business users possess the deepest understanding of customers and how the organisation functions, IBM SPSS Decision Management software now gives them a simple way to inject predictive analytics in the business process to ensure optimal outcomes. The new solution

has simplified predictive analytics by offering a simple, three click automated modeling and scoring web interface.

Business users can set up data for quick and efficient modeling, select the best-performing models automatically and then get results in easy-to-interpret charts and graphs. Now, predictive models can be deployed in a fraction of the time it would take to build them manually. And, with the new simulation feature, business users can visually see the outcomes and do a comparison of the models and business rules, and change if necessary, before they are deployed.

This solution also enhances collaboration between business users and professional analysts by providing one framework to work together seamlessly. Business users can easily design and build models based on their own business scenarios, with their expert analysts validating and refining those models to improve results.

Create Customisable Solutions to Fit Industry-Specific Business Problems

Any organisation can fully configure and customise the software to fit their specific business problem and industry vernacular, whether its risk management for financial services, predicting part failures in manufacturing, or crime prevention in government. IBM is launching a series of industry specific solutions with IBM SPSS Decision Management. The first two will focus on customer interactions and insurance claims, with others to be added in the future.

According to Forrester Research, about 60 percent of companies evaluate their capabilities to be poor/below average for customer interaction management, and 62 percent cannot easily manage real-time scoring of customers. The new IBM SPSS Decision Management software for customer interactions helps organisations retain customers, grow revenue and drive profits by creating a personalised experience for every inbound customer and prospect via call center, web, point-of-sale or e-mail. Users can now quickly and easily determine which inbound interactions are the best candidates for an up-sell, cross-sell or retention offer and then offer personalised, real-time recommendations that have the greatest likelihood of acceptance by the customer.

For example, if a high-value retail banking

customer dials into the call center to complain about a product or service, the new software may predict, based on the customer's data, that the individual is likely to churn. The information about the complaint, combined with the customer's history, can then be used to create a customized retention offer on the spot.

According to the Insurance Information Institute,

fraud accounts for 10 percent of the property/casualty insurance industry's incurred losses and loss adjustment expenses, or about \$30 billion a year. With the new IBM SPSS Decision Management software for claims, insurers can easily reduce settlement time and increase customer satisfaction through automated, real-time risk assessment. As a result, claims adjusters and others with in-depth business knowledge can quickly and easily define how risk should be assessed and automate the decisions made by the call center agent who is directly speaking with a customer to easily determine whether a claim is fraudulent.

For example, by using a combination of business

rules and predictive models, the insurer can set up processes to identify claims that qualify for quick approval, as well as those that seem suspicious and require follow up. This means they can resolve most legitimate claims in a single interaction, increasing customer satisfaction and decreasing costs, and detect fraudulent cases at an earlier stage so that they can be routed for investigation.

Availability

IBM SPSS Decision Management is now available worldwide.

Also available are two pre-packaged solutions: IBM SPSS Decision Management for Claims and IBM SPSS Decision Management for Customer Interactions.

To learn more about IBM business

analytics please visit: www.ibm.com/gbs/bao

To learn more about SPSS, an IBM

Company, please visit: <http://www.spss.com>

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