



SENTURUS

ENHANCE YOUR BI WITH PREDICTIVE ANALYTICS

Arik Killion - Advanced Analytics Architect



Topics for Today

- Who am I and what am I doing here?
- If this is the future, where's my jetpack?
- Marketing case study - The \$1M BI Column
- But wait, there's more... aka “Hey baby, I don't need a P-Value to see you're statistically significant”
- Q & A

Who am I?

- Arik Killion - Advanced Analytics Architect for Senturus
- 17 Years experience as a
 - ~~Statistician~~
 - ~~Data Analyst~~
 - ~~Data Miner~~
 - ~~Predictive Analyst~~
 - ~~Knowledge Discovery Professional~~
 - Data Scientist
 - ??
- Spent 5 years as the Director of Analytics for a national marketing agency
- Some companies I've worked with: Kraft Foods, Nestle/Gerber, Kia Motors, Honda/Acura, Mitsubishi, Verizon Wireless, Shaw Industries, Mohawk Industries, JD Power, Nielsen Ratings, Patron, Allergan/Botox

What am I doing here?

- Bring fantasy back to reality
- Have a real-world discussion
- Show how to bring power and influence to decision makers
- Have fun, meet new people





**IF THIS IS THE FUTURE, WHERE'S MY
JETPACK?**

If this is the future, where's my jetpack?

- The relevancy problem with Predictive Analytics



“Hello, Mr. Yakamoto, welcome back to the Gap. How’d those assorted tank tops work out for you?”

- The “art of the possible” is here, but most companies are not.

If this is the future, where's my jetpack?

- Advances in technology seems to have made things more difficult

2011



~150

2012



~350

2014



~1,000

Growth of the marketing technology landscape over 7 years

2015



~2,000

2016



~3,500

2017



~5,000

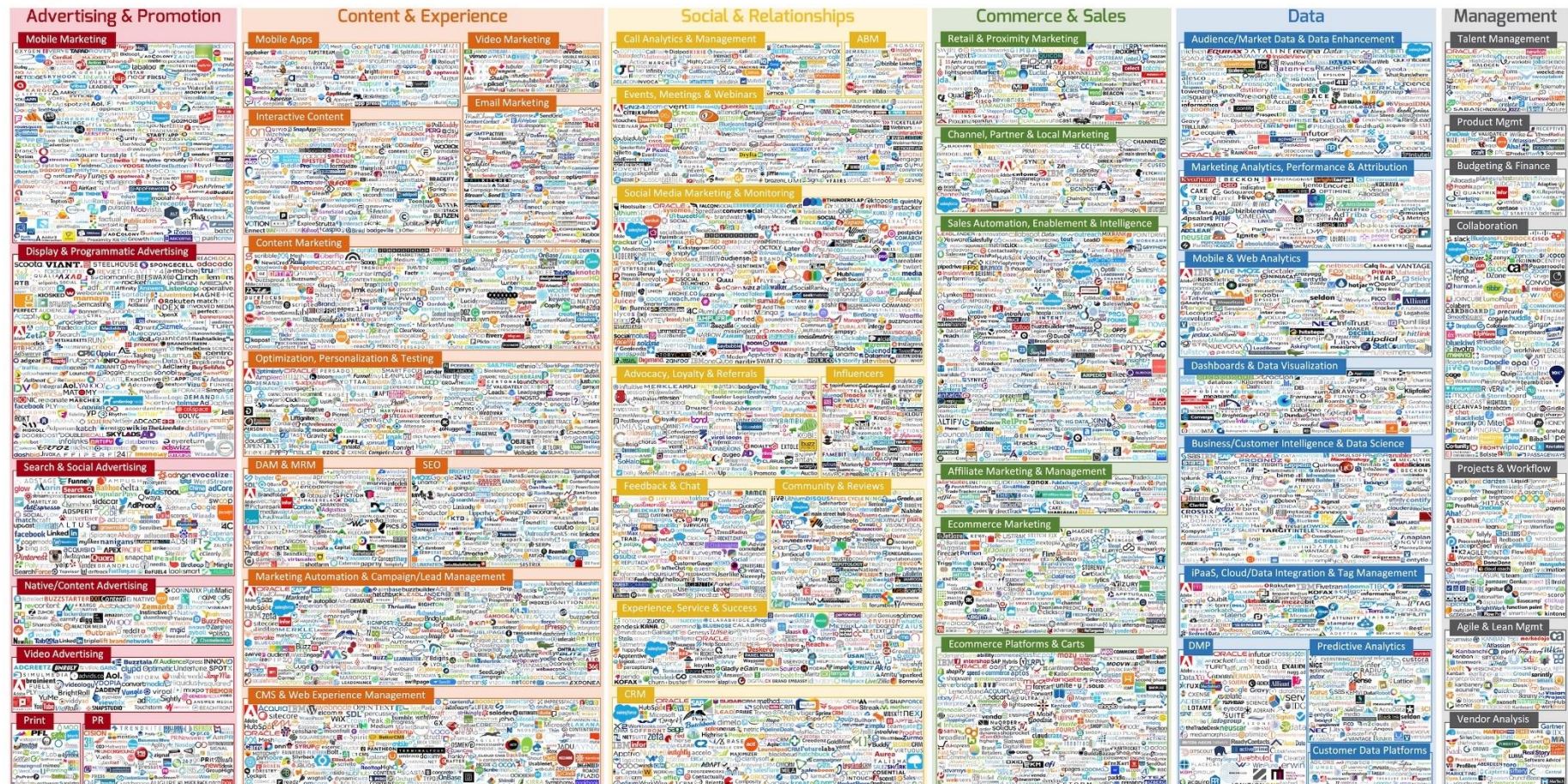
If this is the future, where's my jetpack?

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chiefmartec.com Marketing Technology Landscape ("Martech 5000")

May 2017



Sources: CabinetM, Capterra, G2 Crowd, Google, LUMA Partners, Siftify, TrustRadius — see <http://chiefmartec.com/2017/05/marketing-technology-landscape-supergraphic-2017/> for details.

Produced by Scott Brinker (@chiefmartec) and Anand Thaker (@anandthaker).

If this is the future, where's my jetpack?

So, now what?

To be continued...



MARKETING CASE STUDY

The \$1 Million BI Column

Marketing case study - The \$1M BI Column

The Company

- Major Flooring Manufacturer in the U.S.
- \$8.1B in Revenue (2015)
- Distribute to ~18,000 Independent retailers in North America

Marketing case study - The \$1M BI Column

The Problem

- Floor samples units were a major investment



- 1 Factory Plant to produce year round
- ~\$3k-\$4k per unit (materials, labor, shipping, setup)
- Placement guided by relationships with company sales personnel
- \$12 Million/Year marketing line-item

Marketing case study - The \$1M BI Column

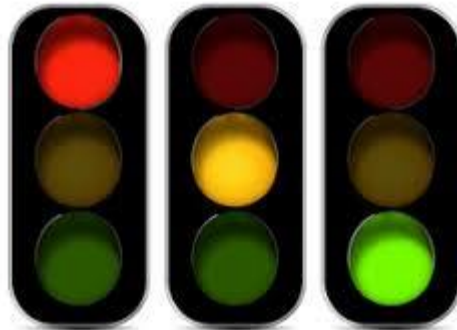
The Solution

- Compile historical sales, RFM Analysis on prior unit placement sites
- Compile profile data for each store
- Gather demographics for each store
- Outcome bands:
 - Green = Exceeded Margin Cost of Unit in 1 year for the related products
 - Yellow = Broke even or came close
 - Orange = Fell short
 - Red = Didn't even look like they tried
- Created predictive models for each band within 3 brands (12 models)
- Automated scoring of every retailer on a monthly basis with a voting mechanism to select the “best” outcome prediction

Marketing case study - The \$1M BI Column

The Outcome

- BI Report for ordering sample unit placements
- New “traffic light” column for likely predicted margin outcome
- Saved \$1.1 Million in the first quarter of use



But Wait There's More...

Your jetpack!

- How to start:
 - Start in a problem area that will have great impact
 - Realize you probably already have all the data you need
 - Find a trusted adviser to help navigate
 - Most predictive project ROIs are between 3 & 8 months (particularly in marketing)
 - Understand systems can be automated
- Marketing is the tip of the iceberg
 - Employee growth and satisfaction
 - Accurate forecasts, demand planning, assortment planning
 - Root cause analysis
 - And many, many more...



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Q & A

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