



# The Person Who Knows the Most Wins How Data Is Changing the Nature of Business

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### **Background**

- "Big Data" is so 2010.
- "Extreme Data" is a better name:
  - Volume
  - Variety
  - Velocity

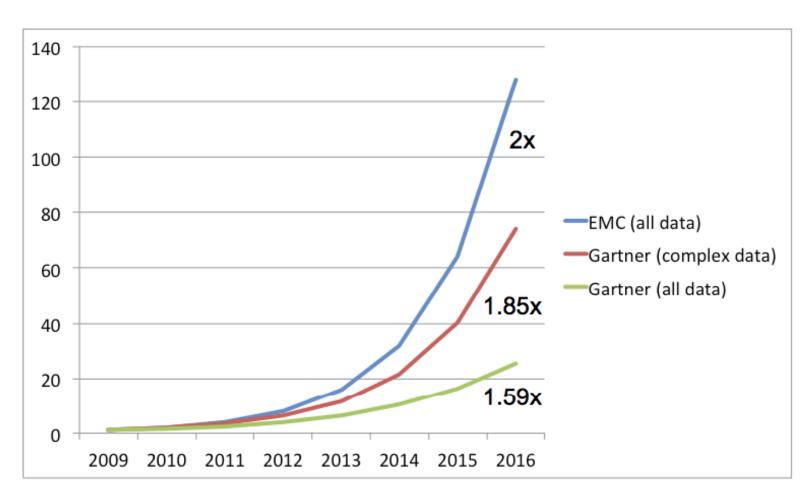


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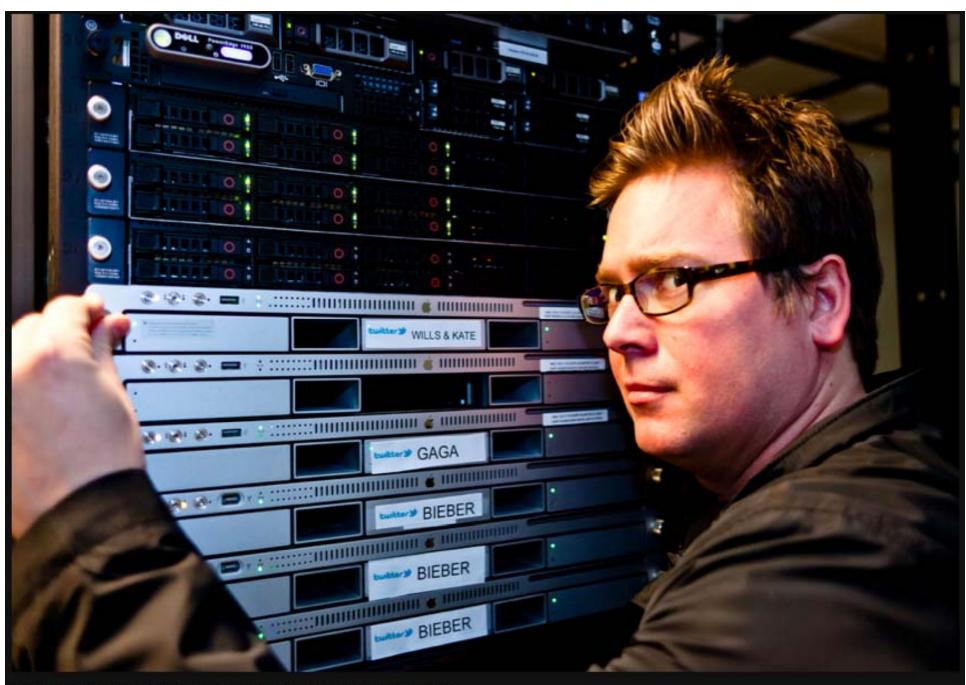
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#### **Forecast Growth in Data Volume**



# Complex Raw **Large** Pre-relational Schemal Detailed Linked Heterogeneous Graphs



@biz gets our servers ready for the royal wedding By @Twitter ★ Favorite



# Volume, Variety, Velocity

- 1. Accurate modeling of risk in financial portfolios
- 2. Analysis of customer acquisition costs and churn
- 3. Product and content recommendations based on user behavior
- 4. Advertisement targeting based on preferences
- 5. Point-of-sale transaction analysis

- 6. Capture and analyze traffic data on a network to better manage bandwidth among devices
- 7. Real-time and forensic analysis of network activity to detect and respond to threats
- 8. Monitor financial trades for evidence of money laundering, fraud
- 9. Deliver better search results based on user behavior
- Data exploration and experimentation



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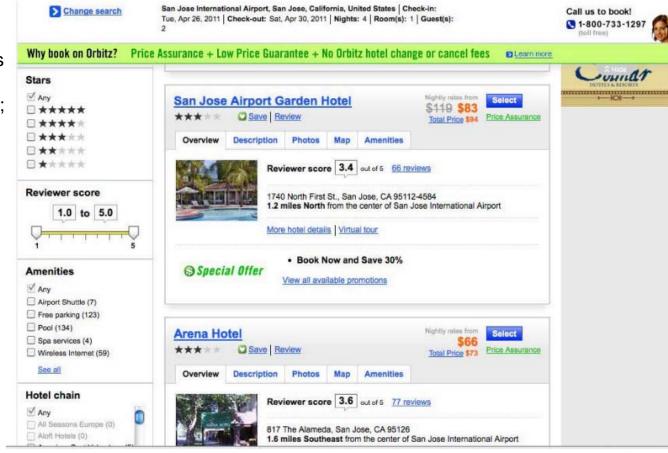


#### **Optimizing Hotel Search**

Behavioral analysis based on user activity on web site;

Clustering of users with similar behavior into cohorts;

Cohort behavior used to predict behavior and preferences of individuals.



Source: Orbitz, "Extending the Data Warehouse with Hadoop",

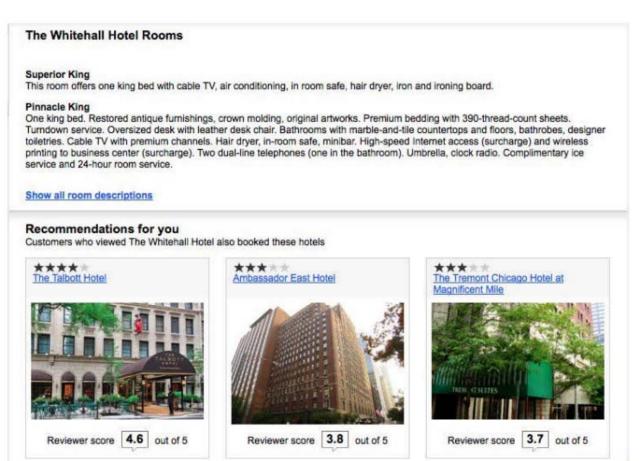


#### Recommendations

Predictive analytics present users with choices that are more likely to appeal to them.

More appealing choices translates into more rooms booked.

Further refinements: A/B testing on displayed options to increase the transaction rates and prices.



Source: Orbitz, "Extending the Data Warehouse with Hadoop",

http://www.cloudera.com/resource/chicago-data-summit-extending-the-enterprise-data-warehouse-with-hadoop-orbitz-worldwide



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VoIP call quality depends on quality of service – if data packets cross the network at different speeds, users will hear static or drops in their calls.

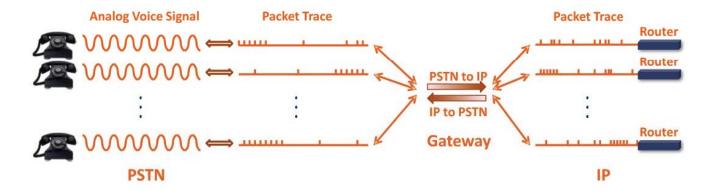
Analyzing the distribution of packet transmission rates and delays, and correlating with QoS guarantees in the network, allows carriers to provide high-quality service cheaply.

#### **VoIP Packetization and Transmission**

Semi-call Packetization



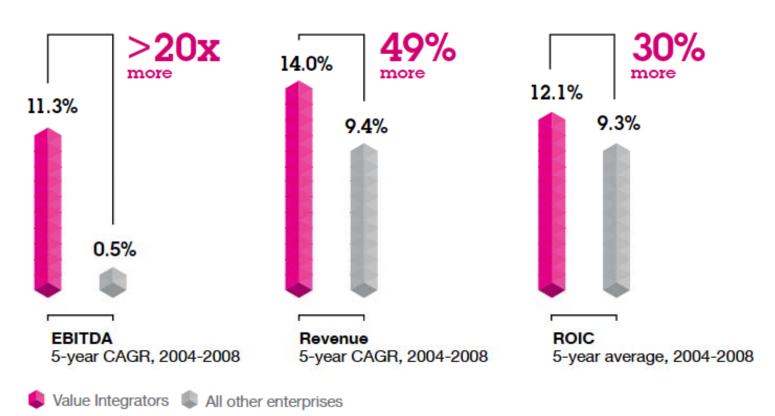
Transmission through IP network and PSTN via gateway



Source: Revolution Analytics, "Voice Over IP: Studying Traffic Characteristics for Quality of Service using R and Hadoop", http://www.cloudera.com/resource/hw10\_voice\_over\_ip\_studying\_traffic\_characteristics\_for\_quality\_of\_service



#### **Should a CEO Care?**



Source: IBM, "The New Value Integrator," http://www-935.ibm.com/services/us/cfo/cfostudy2010/



#### **Should a CFO Care?**

Driving integration of information across the enterprise

Measuring / monitoring business performance

Developing your people in the Finance organization

Providing inputs into enterprise strategy

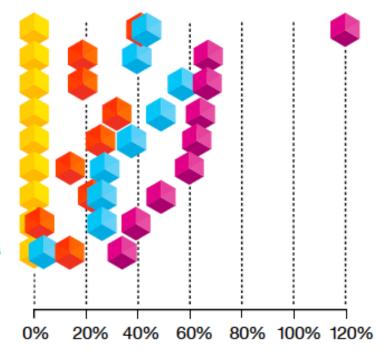
Executing continuous Finance process improvements

Supporting / managing / mitigating enterprise risk

Driving Finance cost reduction

Driving enterprise cost reduction

Strengthening compliance programs and internal controls



Percent more effective than baseline

Source: IBM, "The New Value Integrator," http://www-935.ibm.com/services/us/cfo/cfostudy2010/

Scorekeepers (baseline)

Disciplined Operators

Constrained Advisors

Value Integrators



#### **Should You Care?**

- In business, medicine, agriculture, energy and other domains, data presents us with transformative opportunities.
- The stakes have never been higher.
- Winning is imperative.