Deloitte Analytics and IBM Software
See what’s inside
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Improving the value of data from the inside out

The pressure is on. Globalized competition, crushing data volumes, and more stringent risk and compliance requirements are putting most businesses to the test. As a result, many are turning to business analytics to gain fresh insights and enhance their organizations’ performance. Analytics-driven insights can position a business for strategic, competitive, and cost advantages—the elements required to thrive under pressure.

While business analytics can be applied to almost any business process, most organizations tend to focus on five areas of decision-making and operations: customer, finance, risk, supply chain, and workforce. Properly applied, business analytics can deliver uncommon insights and breakout value in these areas.

Our approach

Deloitte Analytics’ comprehensive approach to analytics is fueled by a deep industry knowledge, broad functional experience, and effective use of technology—including leading business analytics technologies from IBM. We collaborate with organizations to help them capture, manage, and analyze information coming from internal and external sources to help answer some of their toughest business questions.
To shed more light on how companies are taking advantage of analytics, Deloitte Analytics commissioned *The Analytics Advantage*, a survey focusing on the state of analytics readiness at leading corporations and what the future holds.

Our most recent survey findings reinforced some widely held beliefs—and uncovered a few surprises. Here are some highlights:

**Analytics supports strategic decisions.**
About 17 percent of respondents reported that corporate strategy and competitive advantage are “heavily dependent” upon the company’s analytical capabilities.

**We’re just getting started.**
Ninety-six percent of respondents said that analytics will become more important to their organizations over the next three years.

**Smarter decision-making is the goal.**
Forty-nine percent of respondents said that better decision-making is the greatest benefit of using analytics.

**Influence on marketing is increasing.**
Fifty-five percent of respondents said their marketing and sales groups invest in analytics—second only to finance operations.

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What business leaders are saying

*Analytics is a key factor in decision-making*

- Better decision-making based on data: 49%
- Better enablement of key strategic initiatives: 16%
- Better relationships with customers and business partners: 10%
- Better sense of our risk and better ability to react to changes in the economic environment: 9%
- Better financial performance of the organization: 9%
- Better capability to respond to buying trends in the marketplace: 5%
- Identification and creation of new product and service revenue streams: 1%
Other, more predictable themes associated with still-emerging business capabilities were evident in survey responses. For example, structure is seen by many as a challenge: Because analytics is managed by a variety of executives within a wide range of functions, greater structure, coordination, and alignment may be needed to realize the full impact. Similarly, access to talent persists as a challenge as companies see rising demand for analytics without a corresponding leap in talent with the skills and abilities to deliver.
Here’s a closer look at some selected data from the survey:

**Majority of organizations lack technology to support analytics**

- Rudimentary, with only spreadsheets and basic reporting tools: 18%
- Basic reporting tools with limited predictive analytics tools: 49%
- Reporting and predictive tools widely available: 17%
- Reporting and predictive tools, plus tools for analyzing unstructured data: 9%
- Reporting and predictive tools, plus tools for analyzing unstructured data, with perspective triggers/alerts: 7%

**Leading barriers to analytics use**

- There is no centralized approach to capturing and analyzing data for our company’s use: 32%
- Our company lacks proper technology and infrastructure to capture the data: 23%
- Leadership does not understand or support the use of analytics: 12%
- We lack the correct talent to use our data: 10%
- Our industry hasn’t really employed analytics in a significant way: 8%
- Privacy issues: 3%
- Other: 12%

**Who oversees analytics initiatives**

- CEO: 9%
- CFO: 18%
- COO: 0%
- CIO: 15%
- CMO: 5%
- Other C-suite executive: 5%
- Business unit or division head: 23%
- Chief Analytics Officer or equivalent: 4%
- No single executive: 20%

While the use of analytics is on the rise, the wide variety of technology capabilities in place suggests that the definition of “analytics” itself may vary considerably. As this chart shows, many organizations have only the most basic tools in place to support their analytics efforts—one reason Deloitte is focused on helping clients make better use of enabling technologies in the quest to make analytics a reality.

Why isn’t analytics being used even more widely today? Survey respondents point to a number of obstacles in the way of adoption, starting with the lack of a centralized approach and a gap in technology and infrastructure capabilities. People, process, and technology must be part of the answer for analytics to work. We help clients focus on all three.

Who’s responsible for analytics? The apparent answer: “It depends.” That said, these results show a pattern that tips in some predictable directions—namely the CFO, CIO, and interested business unit leaders. Today Deloitte is helping the entire C-suite get their analytics efforts on track, leading with specific business insights rather than technology capabilities.
Deloitte’s vision of using analytics to help organizations with business results through continuous improvement is supported by IBM’s software offerings within each major category.

**Analytics vision**

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**Advanced Analytics**
- SPSS Modeler, Statistics, Decision Management, Analytic Catalyst
- IBM Content Analytics
- IBM Social Media Analytics
- InfoSphere Identity Insight
- InfoSphere Streams & BigInsights
- ILOG Decision Optimization & Views Family
- Enterprise Marketing Management Suite (Unica, Coremetrics, Tealeaf)
- DemandTec Family
- OpenPages/Algorithmics (GRC)
- i2 Family

**Performance Management**
- Cognos TM1/Planning
- Cognos Controller
- Cognos Disclosure Management
- OpenPages Platform
- Cognos ICM (Varicent)

**Business Intelligence**
- Cognos Business Intelligence
- Cognos Insight (personalized analytics)
- Cognos Express

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**Data Management**
- Data Management & Warehousing
  - DB2, PureScale, solidDB, Informix, IMS
  - InfoSphere Warehouse
  - IBM Smart Analytics System
  - IBM PureData System/Netezza Family
  - IBM Industry Models
- Information Integration & Governance
  - InfoSphere Information Server & Foundation Tools
  - InfoSphere MDM Server & MDM for PIM
  - IBM Initiate Master Data Service
  - InfoSphere Data Explorer (Vivisimo)
  - InfoSphere Optim & Guardium
- Star Analytics
- Enterprise Content Management
  - FileNet Family
  - Content Analytics with Enterprise Search
  - Case Manager
  - Content Collector & Manager
  - Datacap, Document Manager
  - eDiscovery, Enterprise Records
Kennedy named Deloitte the leader in Analytics IT Consulting in the research firm’s IT Consulting: Analytics 2014 report. It noted, “Deloitte’s analytics portfolio, including IT consulting, is robust, mature, deep, and broad, with a special focus on ensuring it can address analytics needs across all client business functions for each industry.”


Gartner rated Deloitte Consulting LLP “Strong Positive” in its MarketScope for Business Intelligence and Information Management, North America, for both 2011 and 2012. The report notes that Deloitte’s “clients are advocates and are satisfied with consultants’ commitment, experience, and partnership.”
Why Deloitte Services and IBM Software?

Deloitte addresses a wide range of analytics challenges for clients—from customer, finance, and risk issues to supply chain, workforce, and beyond. What sets us apart is our business-first approach: Every challenge begins with a thorough understanding of the underlying business issues. Then, we select the technology solution that matches our client’s challenge.
We often turn to IBM Software, which covers the full spectrum from data management to predictive modeling. Here are some highlights:

IBM SPSS for predictive analytics helps leaders predict what will happen next with confidence, allowing them to make smarter decisions and improve business outcomes. Deloitte uses these powerful, user-friendly advanced analytics products to help clients look around corners. Our teams of analytics professionals combine business skills with statistical capabilities to help clients uncover hidden patterns—on everything from retaining high-value customers to identifying and minimizing fraud and risk.

IBM’s visualization products help bring analytics insights to life, making them real and actionable for a wide range of business users. IBM has expanded its line-up with three new products: Watson Analytics, which delivers data visualizations to users without advanced analytics training through spoken user requests; RAVE, IBM’s Rapid Analytic Visualization Engine that enables more complex, interactive visualizations; and Concert, a mobile-ready social analytics platform that helps improve business collaboration.

IBM’s Big Data Platform is comprehensive and integrated. The four core capabilities of the platform are Hadoop, stream computing, data warehousing, and information integration. Centered on IBM BigInsights, these capabilities—often used in combination—allow Deloitte to address the entire spectrum of clients’ big data business problems. Deloitte’s big data specialists help clients turn “what if?” use cases containing large volumes of varied data into functioning systems offering real insights.

IBM created PureData Systems to reduce complexity, accelerate time to value, and improve IT economics. Depending on the application types and data services required, Deloitte can select and leverage one type or any combination of the three types of IBM PureData Systems (workload, operational, and transactional analytics) to deliver sophisticated and high-volume data services to client applications.

IBM Cognos ICM (formerly Varicent) offers an enterprise application that leading organizations use to streamline compensation processes, reduce errors, meet compliance requirements, and drive improved sales performance. Organizations are able to design and manage highly complex compensation programs, including sales commissions, MBOs, and non-cash rewards. Deloitte helps deliver on this solution, providing deep technical capabilities, a long history with Varicent, and the know-how to match technical solutions to the strategic goals of the enterprise.
IBM offers a business analytics stack that is agnostic and complementary to any underlying ERP or legacy system. These IBM analytics product offerings support Deloitte’s analytics service offerings:

- IBM Algorithmics: Data analytics for risk-related issues
- IBM Cognos: BI/PM capabilities for structured and unstructured data
- IBM Cognos FSR: Designed for financial reporting and disclosure management challenges
- IBM Content Analytics: Provides a stand-alone content analytics platform designed to help organizations extract valuable insights from enterprise content, regardless of source or format
- IBM ILOG: Business rules engine with optimization algorithms and models
- IBM InfoSphere Identity Insight Solutions: A scalable entity resolution and analysis platform for fighting fraud and theft
- IBM InfoSphere Streams, BigInsights, and Vivisimo: Big data analytics tools for gleaning insights from large, complex data sets that draw from traditional and nontraditional sources
- IBM OpenPages: GRC platform for managing risk and compliance
- IBM SPSS: Predictive analytics software to help predict outcomes, solve problems, and make smarter decisions
- IBM Unica: Solutions targeting the world of interactive marketing, designed to help users understand what motivates their consumers across digital, social, and traditional marketing channels
- IBM Varicent: Analytics software for sales performance management and incentive compensation management

Other key components of IBM’s analytics technology offerings that support Deloitte’s analytics services include:

- Information management software from IBM, including Information Server, MDM Server, FileNet, DB2, Informix, Optim, Exeros, and Initiate
- IBM PureData and Smart Analytics Systems (server appliances) or IBM Smart Analytics Cloud
Deloitte and IBM have solutions to help solve clients’ biggest challenges. Deloitte’s service lines and market offerings map well to IBM Software capabilities, creating powerful solutions for our joint clients.

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<th>IBM Software acquisitions</th>
<th>Deloitte market offerings and service lines</th>
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<td><strong>Business Analytics</strong></td>
<td>Cognos, SPSS, OpenPages, Clarity,</td>
<td>Algorithmics, Clarity Systems, Cognos,</td>
<td>Market offerings: Deloitte Analytics, Customer Transformation, Finance Transformation, Business Transformation, Digital Enterprise, Governance, Risk &amp; Compliance</td>
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<td><strong>Information Integration &amp; Governance</strong></td>
<td>Cognos Business Intelligence and TM1,</td>
<td>Algorithmics, Clarity Systems, Cognos,</td>
<td>Market offerings: Deloitte Analytics, Digital Enterprise, Governance, Risk &amp; Compliance</td>
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<td>SPSS Family for Predictive Analytics,</td>
<td>OpenPages, SPSS, Star Analytics, Varicent</td>
<td>Service lines: Information Management, Deloitte Digital, Enterprise Application Integrity, Enterprise Risk Management Services, Governance Services</td>
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<td>Risk Analytics with OpenPages and</td>
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<td></td>
<td>Algorithmics</td>
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<td><strong>Data Warehousing</strong></td>
<td>InfoSphere DataStage and Quality Stage, InfoSphere Data Replication Server, InfoSphere Guardium, InfoSphere Optim Data Growth Solution, InfoSphere Master Data Management, InfoSphere Discovery</td>
<td>Guardium, Princeton Softech, Exeros, Initiate</td>
<td>Market offerings: Deloitte Analytics</td>
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<td>Service lines: Information Management</td>
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<td><strong>Data Management</strong></td>
<td>InfoSphere Warehouse, Smart Analytics System, PureData, Industry Models</td>
<td>Netezza</td>
<td>Market offerings: Deloitte Analytics</td>
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<td>Service lines: Enterprise Application Integrity, Information Management, Finance, Technology, Strategy &amp; Architecture</td>
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<td><strong>Big Data</strong></td>
<td>DB2 Database software, InfoSphere Optim Data Privacy, Data Masking and Data Growth, IMS, solidDB, Guardium, Informix</td>
<td>Princeton Softech, Guardium, Informix, Solid Information Technology</td>
<td>Market offerings: Deloitte Analytics, Digital Enterprise, Customer Transformation</td>
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<td></td>
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<td>Service lines: Information Management, Advanced Analytics, Data Analytics</td>
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Deloitte’s acquisition of Numius

Emphasizing a strong commitment to business analytics, Deloitte Belgium recently integrated Numius—a market leader in IBM-based business analytics services and solutions—into its Information Management service line. The team, which is expected to take a leading position in the Belgian business intelligence and analytics market, now includes more than 75 Deloitte and Numius professionals who offer a broad mix of industry, functional, and technical experience. This combined strength can give Deloitte clients even greater possibilities at a time when investing in business analytics is no longer a choice but a strategic imperative.
Analytics at work

Advanced analytics in Financial Services
A leading property and casualty insurance provider asked Deloitte to help transform its claims handling process to improve its bottom line and competitive position. Deloitte leveraged IBM’s SPSS predictive analytics software to provide actionable information about what drives claims loss and expense. The Deloitte team then set up business processes and infrastructure to take advantage of these insights, which helped the provider realize significant cost reductions and improve customer service.

Sales performance management in Retail
A major retailer’s sales compensation program was unreliable and inconsistent, creating dissatisfaction among management and sales staff alike. Leaders engaged Deloitte to help automate sales compensation using IBM Cognos Incentive Compensation Management (ICM). The Deloitte team leveraged its sales performance management experience to design and implement a fully automated solution that provides clear visibility into key sales metrics and scores, as well as a top-down view of team performance. Deloitte also helped the retailer develop its long-term strategic vision that aligns sales performance with corporate goals.

Accounting and tax reporting in Technology, Media, and Telecom
A global technology leader with operations in hundreds of countries wanted to streamline its statutory accounting and global tax reporting processes using Automated External Reporting (AER). Deloitte used data analytics software from IBM, including DB2, Cognos TM1, and Cognos Disclosure Management (CDM) to gather information from the organization’s massive data warehouse and automate its tax and statutory reporting processes. The AER solution was designed to eliminate manual databases and spreadsheets, reducing the time needed to perform existing processes while reducing risk and improving management control.

Statutory management reporting in Financial Services
A global financial services organization faced major regulatory reporting changes, so it turned to Deloitte for help in implementing a modeling and reporting solution based on Cognos TM1. The project was complicated by continually evolving regulatory requirements and strict deadlines to avoid penalties. The Deloitte team delivered the new reporting solution on time, and it was designed to be expandable as new requirements emerge. The team also conducted end-user training and effectively transferred the solution to an internal competency center for ongoing maintenance and enhancement.
Leading together

The power of analytics can enable better, faster decision-making. The business results are proven and real. The only question is who’s going to lead this explosive market.

Through Deloitte’s strategic alliance relationships, like the one with IBM Software, we can provide capabilities spanning the range of decisions from tactical to operational to strategic—backed by one of the deepest stacks of analytics technology in the world. When it’s time to make smart, informed decisions promptly, this powerful combination can help deliver, addressing the full complexity of business today.

Deloitte is an IBM Premier Business Partner, with access to a wide variety of hardware-software-services resources, as well as IBM education and complementary tools. Deloitte’s trained staff, which is located at a new IBM Center of Excellence at its U.S. India headquarters in Mumbai, is responsible for creating innovative solutions, tools, and accelerators for the IBM Software suite of products.

Through Smarter Teaming, we can help companies change enterprise information into a strategic asset for making faster, smarter decisions while effectively managing risk.
Contacts

To learn more about the Deloitte and IBM relationship, visit www.deloitte.com/us/ibm or contact:

**Deloitte**

Bob Dalton  
Lead Client Service Principal  
Global Relationship Leader  
Deloitte Consulting LLP  
rdalton@deloitte.com  
+1 404 631 3939

Nat D’Ercole  
Partner  
Deloitte Consulting LLP  
ndercole@deloitte.ca  
+1 416 643 8063

Scott Rosenfelder  
Director, Enterprise Risk Services  
Deloitte & Touche LLP  
srosenfelder@deloitte.com  
+1 312 486 2763

Scott Kruglewicz  
Specialist Leader, IBM Alliance  
Deloitte Consulting LLP  
skruglewicz@deloitte.com  
+1 404 452 6245

Laura Blaszak  
Specialist Senior, IBM Alliance  
Deloitte Consulting LLP  
lblaszak@deloitte.com  
+1 617 487 5588

Bob Miller  
IBM Alliance Technical Architect  
Deloitte Consulting LLP  
robmiller@deloitte.com  
+1 918 671 5168

**IBM**

Glenn Brogan  
Global Relationship Leader  
gbrogan@us.ibm.com  
+1 914 720 7352

Jose Leruth  
Global Alliance Executive – Deloitte  
IBM Software Group  
jleruth@us.ibm.com  
+1 508 685 6217

Douglas Connelly  
Global Strategic Alliances  
Business Analytics  
douglas.connelly@us.ibm.com  
+1 415 225 8773

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