**Business Analytics (BA)**

Business analytics (BA) is the practice of [iterative](https://searchsoftwarequality.techtarget.com/definition/iterative), methodical exploration of an organization's data, with an emphasis on statistical analysis. Business analytics is used by companies committed to data-driven decision-making.

BA is used to gain insights that inform business decisions and can be used to automate and optimize business processes. Data-driven companies treat their data as a corporate asset and leverage it for a competitive advantage. Successful business analytics depends on [data quality](https://searchdatamanagement.techtarget.com/definition/data-quality), skilled analysts who understand the technologies and the business, and an organizational commitment to data-driven decision-making.

**Business analytics examples**

Business analytics techniques break down into two main areas. The first is basic [business intelligence](https://searchbusinessanalytics.techtarget.com/definition/business-intelligence-BI). This involves examining historical data to get a sense of how a business department, team or staff member performed over a particular time. This is a mature practice that most enterprises are fairly accomplished at using.

The second area of business analytics involves deeper [statistical analysis](https://whatis.techtarget.com/definition/statistical-analysis). This may mean doing [predictive analytics](https://searchbusinessanalytics.techtarget.com/definition/predictive-analytics) by applying statistical [algorithms](https://whatis.techtarget.com/definition/algorithm) to historical data to make a prediction about future performance of a product, service or website design change. Or, it could mean using other [advanced analytics](https://searchbusinessanalytics.techtarget.com/definition/advanced-analytics)techniques, like cluster analysis, to group customers based on similarities across several data points. This can be helpful in [targeted marketing](https://whatis.techtarget.com/definition/targeted-ad-targeted-advertising) campaigns, for example.

Specific types of business analytics include:

* [Descriptive analytics](https://whatis.techtarget.com/definition/descriptive-analytics), which tracks [key performance indicators](https://searchbusinessanalytics.techtarget.com/definition/key-performance-indicators-KPIs) to understand the present state of a business;
* Predictive analytics, which analyzes trend data to assess the likelihood of future outcomes; and
* [Prescriptive analytics](https://searchcio.techtarget.com/definition/Prescriptive-analytics), which uses past performance to generate recommendations about how to handle similar situations in the future.

While the two components of business analytics -- business intelligence and advanced analytics -- are sometimes used interchangeably, there are some key differences between these two business analytics techniques: