• In your own words, explain what predictive analytics is and how it differs from

retrospective/descriptive analytics

• List at least 3 application areas where predictive analytics can be used. Think how

analytics could help in your current organization

Predictive Analytics is a data analysis that uses data mining and statistical modeling of historical data to understand possible outcomes for different subject such as business’s needs, status, and strategies. It helps to determine what could happen in the future.

|  |  |  |
| --- | --- | --- |
| Predictive Analytics | Descriptive Analytics | Prescriptive Analytics |
| Used historical data to predict future outcomes | Used historical data to summarize what was happened. | Used data to show what could happen in the future and provide different recommendation of each possible outcomes |
| They predict what will happen in the future | They describe what happens | They predict possible consequences and recommend best possible actions to take on specified outcome |
| Used to determine what could happen in the future of the business | Used to summarize what is happening in the current business’s status. |  |
|  |  |  |
|  |  |  |

**Predictive Analytics Applications**

*Determining Customer Churn using the Company Products - Marketing*

Predictive analytics can be used to determine customer’s status when they will end their subscription or patronage in the company’s product. It will also help to identify the possible causes why the customer will leave before it actually happen.

*Identifying Business Risk Assessment - Finance and Risk*

Predictive analytics can also help to build a decision support system that can help analyze possible problems that can lead to business risk if they will invest to different stock market.

*Identifying Business Workforce and Sales Revenue*

It can help to determine the trends of the business population whether they will need more people for the business operations to provide more sales and increase the business’s revenue.

**Predictive Analytics in PEO LNUS Analytical Role Team**

Predictive Analytics could be a great help in our organization in different ways:

Schedule

* Predictive Analytics could help to prevent future revenue loss for LNUS Analytical Team; we can identify how much revenue the team could loss if a certain publication will not be deliver on-time through analyzing the target revenue and the cost of each publication.

Number of Publication to be process

* By analyzing the current number of publications that we have for the year, the team can identify the number of publication that will turn over to team from US for next year.

Customer who uses Lexis Advance and eBook product

* Lexis Advance and eBook are two of the main products that PEO LNUS Analytical Team prioritized and must be delivered with the best quality, data accuracy, and timely. By analyzing the customer’s feedback/concerns, predictive analytics can be used to identify whose customers will retain their subscription to our products and which customer will cancel their subscription and when they will end their subscription.

Outsourcing new process from US to PEO LNUS Analytical Team

* Studying the LNUS Analytical Team current performance, predictive analytics can be used to determine if the team could effectively handle new processes from US.