



From Velocity Comes Value

EDIT TITLE LATER

Tax Data Analytics Additional Information



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What is Tax Data Analytics?

“Tax data analytics” is data and analytics applied to the tax domain. But let’s first step back and understand what “data analytics” is independent of our (tax) application area. [According to Investopedia](#), data analytics is: “ ... the science of analyzing raw data in order to make conclusions about that information. Many of the techniques and processes of data analytics have been automated into mechanical processes and algorithms that work over raw data for human consumption.”

4 types of data analytics:

1. Descriptive analytics describes **what** has happened over a given period of time.
2. Diagnostic analytics focuses more on **why** something happened. This involves more diverse data inputs and a bit of hypothesizing. Did the weather affect beer sales? Did that latest marketing campaign impact sales?
3. Predictive analytics moves to **what is likely going to happen** in the near term. What happened to sales the last time we had a hot summer? How many weather models predict a hot summer this year?
4. **Prescriptive analytics suggests a course of action.** If the likelihood of a hot summer is measured as an average of these five weather models is above 58%, we should add an evening shift to the brewery and rent an additional tank to increase output."

Gartner describes the 4 types graphically. Note the relationships: