1)BUSINESS UNDERSTANDING

Business Objective

-CRISP-DM methodology provides a structured way accomplishing this by focusing on this 3 goals

I) start gathering background information about the current business situation.

- Understanding your organization’s business situation helps you know what you are working with in terms of available resources (personnel and material), problems and goals.

-The tasks include determining organization structure, describing problem area and then describing the current solution.

-In determining organization structure some of the concerns should feature chart of corporate divisions with members roles, key individuals in the organization, important sponsor who will provide financial support and/or expertise, steering committee and produce a list of members and lastly try find out the business units that will be affected by this data mining activity.

-To describe problem area we need to consider the following: identify the problem area (such as marketing, customer care or business development), describe the problem in general terms, clarify the prerequisites of the project (what are the motivations of the project? Does the business already use data mining), Check on the status of the data mining project within the business group (has the effort been approved or technological advantages should be advertised) and if necessary, prepare informational presentations on data mining to your organization.

-To describe current business solution we need to describe any current solution used to address the business problem. We need to describe the advantages and disadvantages of the current solution. Also, address the level of acceptance this solution has had within the organization.

II) Document specific business objectives decided upon by key decision makers.

-This is where thing get specific. Concrete primary objectives need to be agreed upon by the business units affected by this data mining project. This goal will eventually be translated from something as nebulous as “reducing customer churn” to specific data mining objective that will guide in analysis.

-Be sure to take note of the following points for later incorporation into the project plan. Remember to keep goals realistic: describe the problem you want to solve in data mining, specify all business questions as precisely as possible, determine any other requirements such as not losing customers in the process and also specify expected benefit in business terms.

III) Agree upon criteria used to determine data mining success from a business perspective.

-Success criteria falls into two categories objective or subjective. The task is to document all the success criteria

Assessing the Situation

Data Mining Goal

Project Plan

2) DATA UNDERSTANDING

3) DATA PREPARATION

4) MODELLING/ANALYSIS

5) VALUATION

6) RECOMMENDATION