**Business Analytics v/s Data Analytics**

I was wondering what to write as part of this week’s memo when I thought of sharing my views on business analytics and data analytics. The primary reason for writing about this is these terms are used interchangeably quite often which is not the case. To understand these terms and concepts better I did some reading using which will try to summarize to the best of my ability.

Business Analytics focuses on business implications of data and the result from them. For eg based on the data that is being analysed whether a product’s production should be increased or decreased depending on the sales of the product, a new product line should be introduced or another project should be given preference over another. It also helps in deriving innovation and financial performance. Business analytics helping in business planning and supporting future business strategies. Data insights are used in understanding the trends and patterns and strategic decisions are taken based on this. There are 3 main types of business analytics - descriptive, prescriptive and predictive. Descriptive is when past data is used to derive insights to take future decisions. Predictive is next step to insight where things like machine learning are used. Prescriptive is when possible actions based on results of descriptive and predictive are used.

Data Analytics focuses on combining data and creating datasets to analyse patterns and trends that can be used to drawn conclusions are it. Analysis the trends and patterns help in understanding if a new product is to be launched or evaluating the effectiveness of new treatment. A couple of commonly used techniques in data analytics are data mining, predictive analytics, machine learning, big data analytics and text mining. Data mining is sorting through large sets of data to identify trends and patterns. Predictive analytics is when data is aggregated and analysed at historic level. Machine learning is when statistical models are used to program a machine to process data faster. Text mining is when sentiments are used in emails, documents etc.

Goal of business analytics is overall benefit of the organization in terms of business planning and performance. It is a single version of truth whereas in case of data analytics its all about identifying trends and patterns. Data source are defined in advance in case of business where in terms of data analytics its more adhoc in nature as and when new correlations are identified. Business analytics is more retrospective and descriptive in nature whereas data analytics is more predictive and prescriptive in nature. In terms of team’s people involved in business analytics are CIO, analytics managers, business analyst, data warehouse etc whereas in data analytics people involved are data analysts, business managers for product etc.

Though business analytics and data analytics use data as the premise the manner in which it is being utilized is different. Every organisation needs to leverage data for growth, innovation and insights. Business analytics and data analytics go hand in hand as they share a common goal of solving problems and improving efficiency.