**Analytic Competitor and the killer Apps**

This article was very interesting interms of explaining about analytic competitors in the field. It intitally went through the glance of the power of killer apps created by American Airlines for electronic reservations, Otis Elevator for predictive maintenance and American Hospital Supply for online ordering which increased the revenue and reputation of its creators.

The one interesting thing to me about the article was that it discussed about a new breed of companies upping the stakes and organizations such as Amazon, Harrah’s, Capital One and the Boston Red Sox who dominated the field by deploying industrial strength analytics.

The most impressing part to me in this article was about how various organizations were competing on analytics. How these analytic competitors wringed every drop of value to know factors like what products customers want, what prices the customers pay, how many items they buy in their lifetime and knew their compensation costs and turnover rates. They also calculated their personnel contribution or detraction from the bottom line and how salary levels relate to individual’s performance. How analytics competitors coordinated a way by overarching a strategy by top leaders and pushing down to the decision makers at the entry level. How they selected and hired employees with expertise with numbers, best evidences and best quantitative tools.

It told us how Capital One was successful with analytics by a 20% growth in earnings per share everyyear and how Amazon’s online retailing investments profit despite infrastructure and growth. It also told us how statistics worked as a weapon for the dramatic victories of the Boston Red Sox, the New England Patriots and  the Oaklands A’s who are famous for their geeky number crunching.

The second interesting part of the article was the study made by the Author and his colleagues at Babson College’s Working Knowledge Research center who studied 32 organizations that have made a commitment to quantitative, fact based analysis out of which 11 were full-bore analytics competitors.

The one impressive example was about the game of analytics by Marriott International over the past 20 years. The optimal price for guest rooms were established known as the Revenue management and also expanded the quantitative expertise to areas such as conference facilities and catering. They also developed systems to optimize offerings to frequent customers and assess their likelihood of those customers going to other competitors.

When it comes to analytic competitors, it is not just about descriptive statistics but beyond basic statistics that these companies used predictive modeling to identify profits. Companies like Progressive which used regression analysis, Capital One which used information based strategy by doing more than 30000 experiments on different interest rates and incentive direct mail packages whose main goal was to maximize likelihood of potential customers, Barclays Bank which used information based customer management and UPS who were able to track shipment of packages and identify sources of problems by making targeted analytics user to comprehensive analytics competitor were the common examples quoted for the leadership based analytics and how leaders used sophisticated experiments to measure overall impact or lift in the intervention strategies.

It finally discussed about the P&G who had maintained separate sales and marketing analysts who tookcare of the supply data and opportunity of growth, designed corporate supply network and crack analysts who improved business by mastering number crunching. How the CEO was the principle advocate who understands the business and has the passion for quantitative approach and who require both appreciation and familiarity.