

Case Study Collection Mid-Course Check-In

Papa Gino's, Mobile County Public Schools, SportVU, Cincinnati Zoo, and Alameda County Social Services Agency are organizations that have exemplified integrating analytics in their businesses to increase profitability.

Founded in 1961, Papa Gino's is the epitome of Boston Pizza. Michael Valerio started Papa Gino's with his wife after emigrating from Italy (Papaginos.com). Fast-forward fifty years and the company has integrated analytics into its business process to remain profitable, relevant, and a hit amongst Bostonians. Prior to integrating its new system, Papa Gino's operated as other pizzerias with a general ERP system, point-of-sale system, and Microsoft Excel spreadsheets. Through analytics administered through QueBIT, an IBM Partner, Papa Gino's was able to do the following: create one information system, analyze real-time metrics to stimulate positive customer behavior, increase customer visits by 33%, optimize staffing, and create an interactive dashboard for management to gauge results (Ibm.com). Analytics has helped Papa Gino's run more efficiently, create profitable marketing campaigns, and expand into new markets.

Mobile County Public Schools in Alabama operated like the vast majority of public schools in the United States before they integrated analytics into their education system. Reports, analysis, and feedback generally took months to produce in the old administration system. Analytics helped create a data warehouse to manage administrative and academic data in real time. New metrics were created to measure faculty and students. Through the new metrics, at-risk student dropouts were predicted and help was offered before major incidents occurred. Analytics has allowed teachers and administrators to see students from a different perspective that allows individuals to excel and be served (Ibm.com). The results for integrating analytics into the Mobile County Public Schools range from a 3% increase in graduation, improved test scores, and new metrics to assess teachers.

The sports analysis industry processes, records, and sells sports data to teams, newspapers, and other parties. Analytics is a big part of statistical record keeping, but SportVU is in a class of its own. Specifically,

SportVU has integrated a webcam missile tracking system into the game of basketball (Sportvu.com). The system tracks movement at a rate of 25 times a second and redefines analyzing player performance. It can process multiple variables and scenarios such as player interaction, dribble-shot ratios, and specific shot location percentages (fastcodesign.com). SportVU's system is the new "Moneyball" for basketball, but with major analytical capabilities that move far beyond player performance.

The Cincinnati Zoo faced many of the same challenges experienced by other non-profits: shrinking funding from past sources, declining visitors, and lack of a reliable customer base. Other industry competitors sought to boost revenue through traditional channels such as downsizing staff, increasing admission charges, and adding new attractions. Through IBM's Cognos BI software, the Cincinnati Zoo compiled their three information systems into one. They learned current marketing campaigns were driving away local customers, advertising was not reaching its target audience, and processes were redundant. Analytics served the zoo in the following areas: new advertising in "zoo friendly" zip codes, maximization of point of purchase food prices, and sales promotions to likely customers (Ibm.com). The end result was increased revenue and a new system to record and analyze information without the need to increase staff size.

The current economic situation has forced social service agencies to cut budgets, increase caseloads for social workers, and lay off staff. Alameda County Social Service Agency (ACSSA) integrated analytics as an alternative to cutting staff or increasing case loads. They centralized their case system, better analyzed case-fraud, and developed a real-time program to assist in selecting programs and services for clients. Analytics saved ACSSA an estimated 11 million dollars, reduced case manager burnout, and streamlined the case process (Ibm.com). Government agencies are not known for their efficiency, but ACSSA is leading the charge.

Organizations ranging from pizza parlors to zoos are utilizing the benefits of analytics to have a competitive advantage in the changing marketplace.

Best Buy is a company that has integrated analytics into its customer-centered business model. Its analytics team studied over 60 million households and developed eight different customer segments (Davenport & Harris,

2007). While Best Buy is the only big box chain in electronic retail, it has fallen out of touch with consumer buying habits in regard to online purchases of electronics (Datamonitor, p. 6). Best Buy's analytical research was too myopic in nature to see the growing trend in online purchases of computer and consumer electronics. According to the U.S. Department of Commerce, over the past five years ecommerce has grown from around 21 billion dollars to 53 billion dollars, a 152% increase over five years (Census.gov). After reviewing five years of annual reports as well as annual sales reports for Best Buy, the only allusion to online sales or online analytics comes in the form of statements like, "Website sales grew 34 percent for the fiscal month" (2009 Financial Year Sales, p. 3). The public has no access to the data that would show this 34 percent increase in online sales. Nowhere in its business reports does Best Buy mention better analytically understanding or expanding into the online shopping environment. I personally made a phone call to Best Buy Investor Relations, and they stated for Fiscal Year 2011 they made around 2 billion dollars in online sales (Sabrina, personal communication, June 25, 2012). The US Retail Ecommerce Sales by product category for computer and consumer electronics was 41.9 billion dollars for 2011 (Emarketer.com). Best Buy has captured less than 5% of online electronic purchases. Customer preferences have shifted for electronic goods as they have become more commoditized. Best Buy's weakness is that over the past five years, consumers have increased online purchasing, and its analytics department failed to draw Best Buy into the competitive new market (Datamonitor.com Pg. 11). Online retailers like Amazon have invested heavily in analytics to improve the online shopping experience for customers. I would drop Best Buy as a company in *Competing in Analytics 2* for the following reasons: failing to expand analytically into online purchases, neglecting to remain analytically competent in keeping shareholders up-to-date in its filings and shareholder meetings, and failing to adjust to consumer buying preferences, from which Best Buy dominated five years ago.

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