

Towards Dynamic Business

*KXEN's Interactive Modeling
Could Change Business
Decision Making
Forever*

Speeding up a business process nearly always provides competitive advantage and usually provides cost advantage as well. Great examples of this include Just-in-Time (JIT) manufacturing and on-line music downloads. So, what if you could make informed business decisions more quickly? What if you could quickly and easily take the gigabytes of data that lay moldering about waiting for the expert modeler and play with them, experiment with them, ask them questions without waiting and paying for costly models to be built? Find out, for example, what's really driving your sales, and who's really buying your products. That's KXEN's value proposition.

Out of the Mines and Into the Light

Data warehousing, data mining and the whole area of business intelligence began to grow dramatically in the middle of the 1990s. As computers grew large enough to accommodate heaps of data, software vendors emerged to provide products for managing, analyzing, mining and refining the data. Many companies discovered huge value in these activities, but extracting key information from the data was slow and arduous.

Even now, with far more powerful servers and far more sophisticated analytical software, the process can be slow and difficult. If executives need answers to important business questions, getting to the answers can be a project of its own, involving analyst planning, modeling, creating subject-area databases from a data warehouse, testing for validity and then finally using data mining tools to extract the reports that may provide the answer. This process can take days, weeks or even months and the cost can be high in both human and computer resources.

KXEN Shortens The Cycle

KXEN's alternative approach to these problems can shorten the cycle in many cases to a matter of hours or less. Using Vladimir Vapnik's Statistical Learning Theory, KXEN employs a statistical approach that is different from that of other products and one which is inherently faster for building statistical models. Because of this approach, KXEN does not need to use the traditional data warehouse/data mart operational structure to produce results. It can go directly to the data, at the source.

KXEN is designed to integrate with the existing processes. It provides documented interfaces for access to data that may be held in relational databases, text files or statistical sources such as SAS or SPSS applications.

Empowering the Business User

Typically, decision makers are forced to rely on specially-skilled statisticians and model builders experienced in data mining to attempt to glean meaningful information from mounds of data. Because KXEN is designed to enable business professionals of every kind, these professionals can try many alternative scenarios without having to specify them to another person and wait for the results. They can save time and money and have much tighter control over sensitive information.

Additionally, KXEN enables organizations to use their data more often and in more ways. Because KXEN is easy to use and the graphical results from its models are easy to understand, using it and its results does not require a degree in statistics or computational analysis.

Further, KXEN can use current data. In effect, this means that the results themselves are up-to-date and hence, in a dynamic situation, more accurate than provided by other methods. KXEN provides indicators that measure just how accurate and how reliable each model is.

Towards The Dynamic Business

KXEN modeling and forecasting capability is not constrained to any specific area of business. It could be used to model customer behavior as easily as cash flows or the flow of work through a manufacturing plant. How it is used is thus up to the company that deploys it. Because analysis can be done far more quickly, the results can also be acted on far more quickly.

KXEN customers have, for example, integrated KXEN into call center systems, using its statistical power to predict which products to offer to the customer when a call is being made. It has been integrated into ecommerce systems to predict what offer to make to a customer while they are accessing the web site. KXEN can be used to change the way that a business works at the business process level.

KXEN is designed to be a business capability rather than just a data mining capability. As such, its statistical power can be directed at problems that would never be thought important enough to consume the time of the data mining profession. For data mining professionals themselves, KXEN removes a great deal of the drudge work involved in building models and improves productivity.

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Calculating KXEN ROI

The price for KXEN is based on CPU and functionality – for example, \$125,000 for a 4 CPU package with either regression or segmentation – but with no limit on the number of users. The investment is significant and hence ROI (Return On Investment) is a key consideration for companies considering its usage. However, it brings some cost advantages with it:

- It does not require an expensive data warehouse infrastructure, because it integrates with existing applications
- It does not demand a lot of time from IT for its installation and it reduces the workload of statisticians and data mining professionals

The benefits KXEN can deliver come from the answers it can provide and its speed in providing them. The value of this depends on how a company uses it. It is worth considering both the product's initial impact and its potential longer-term impact on the business to get a complete picture.

However, Baroudi Bloor believes that any business that carries out a significant amount of analytical activity and data mining will be in a good position to achieve a fast ROI. KXEN claims that some of its customers have achieved ROI very quickly – after the building and use of just a few models, we believe this to be a credible claim.

The KXEN Kicker

Baroudi Bloor believes that KXEN modeling and forecasting have the potential to change business at the very core. Having the tools to use existing data to quickly and easily answer critical business questions as they arise, not having to wait weeks for needed analysis, makes business more flexible, adaptable, and able to respond to both crisis and opportunity.

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