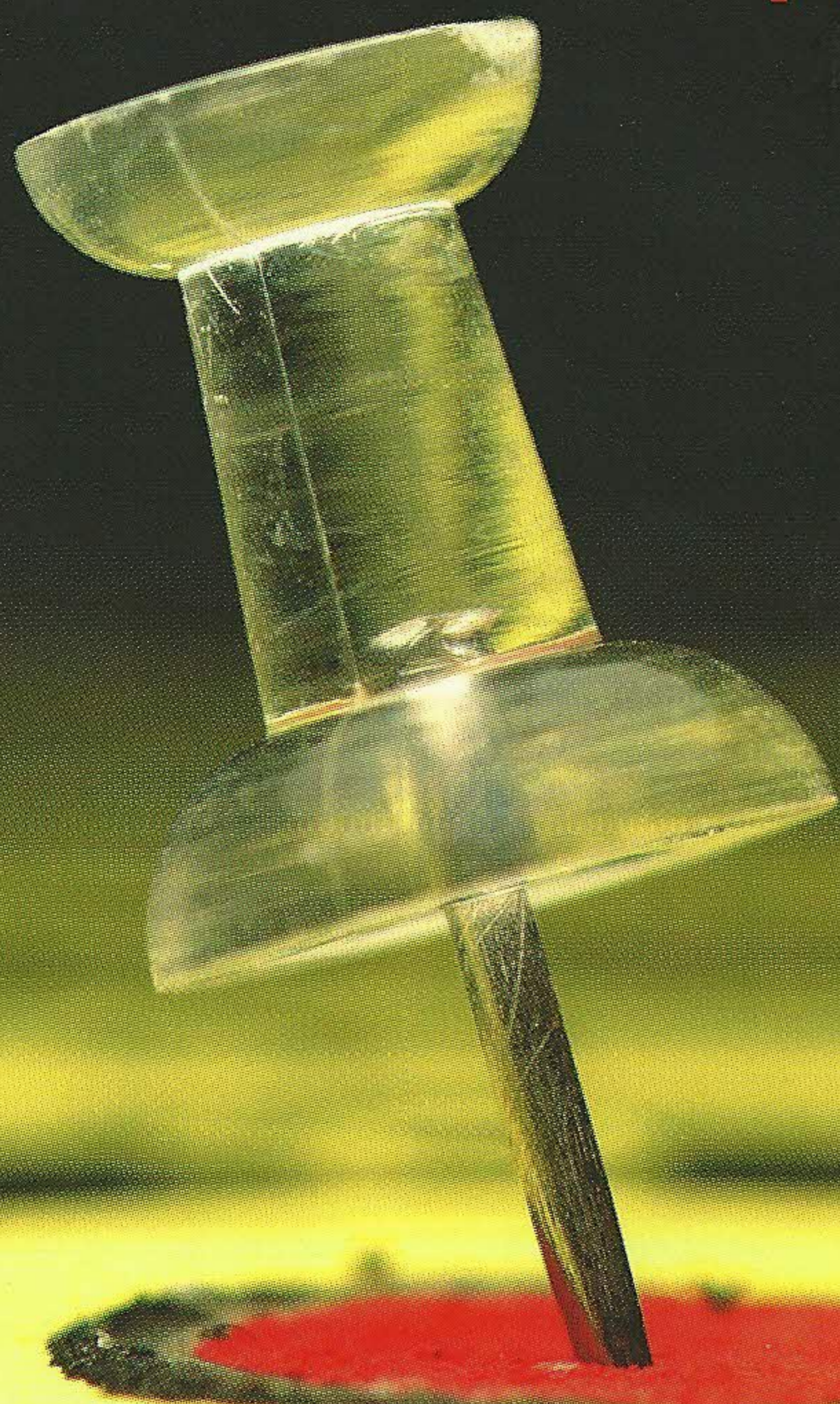


Thomas H. Davenport • Jeanne G. Harris

# Competing on Analytics

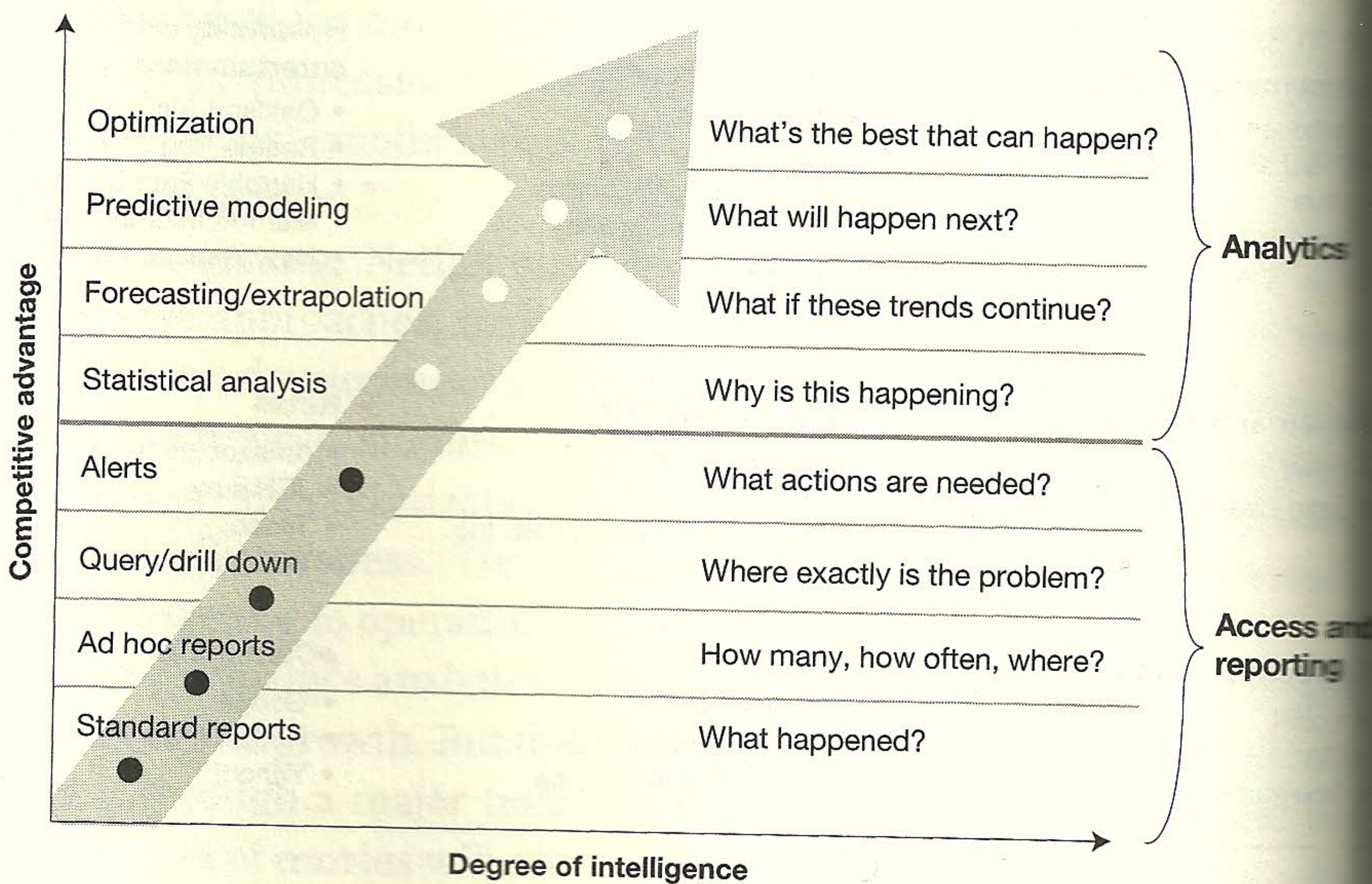
The New Science  
of Winning

Foreword by Gary Loveman,  
CEO of Harrah's Entertainment, Inc.



Harvard Business School Press

FIGURE 1-2

**Business intelligence and analytics**

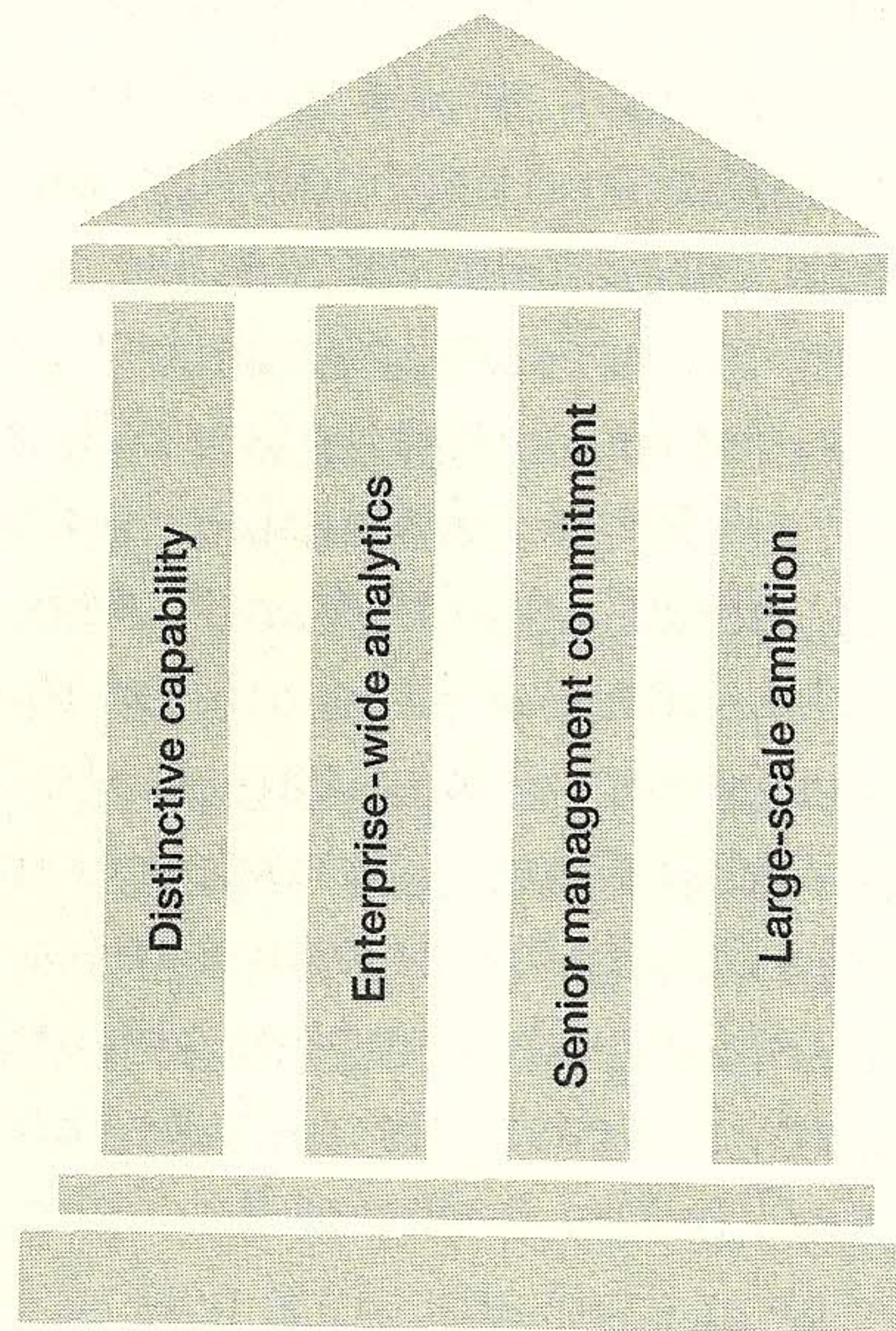
Source: Adapted from a graphic produced by SAS. Used with permission.

Cognos, BusinessObjects), predictive industry applications (Fair Isaac), and the reporting and analytical modules of major enterprise systems (SAP and Oracle). And as we'll describe later in the book, good analytical capabilities also require good information management capabilities to integrate, extract, transform, and access business transaction data. Some people, then, would simply equate analytics with analytical information technology. But this would be a huge mistake—as we'll argue throughout this book, it's the human and organizational aspects of analytical competition that are truly differentiating.

### Why Compete on Analytics?

At a time when companies in many industries offer similar products and use comparable technology, high-performance business processes are among the last remaining points of differentiation. Many of the previous bases for competition are no longer available. Unique geographical ad-

FIGURE 2-1

**Four pillars of analytical competition**

Of all the four, however, senior executive commitment is perhaps the most important because it can make the others possible. It's no accident that many of the organizations we describe became analytical competitors when a new CEO arrived (e.g., Loveman at Harrah's) or when they were founded by CEOs with a strong analytical orientation from the beginning (Hastings at Netflix or Bezos at Amazon.com). Sometimes the change comes from a new generation of managers in a family business. At the winemaker E. & J. Gallo, when Joe Gallo, the son of one of the firm's founding brothers, became CEO, he focused much more than the previous generation of leaders on data and analysis—first in sales and later in other functions, including the assessment of customer taste. At the New England Patriots National Football League team, the involvement in the team by Jonathan Kraft, the son of owner Bob Kraft and a former management consultant, helped move the team in a more analytical direction in terms of both on-field issues like play selection and team composition and off-field issues affecting the fan experience.

