

Competing on Analytics

In a world where traditional bases of competitive advantage have largely evaporated, how do you separate your company's performance from the pack? Use analytics to make better decisions and extract maximum value from your business process.

In **Competing on Analytics: the New Science of Winning**, [Thomas H. Davenport](#) and Jeanne G. Harris argue that the frontier of using data has shifted dramatically. Leading companies are doing more than just collecting and storing information in large quantities. They're now building their competitive strategies around data-driven insights that are, in turn, generating impressive business results. Their secret weapon? Analytics: sophisticated quantitative and statistical analysis and predictive modeling supported by data-savvy senior leaders and powerful information technology.

Why compete on analytics? At a time when companies in many industries offer similar products and use similar technology, distinctive business processes count among the last remaining points of differentiation. Many previous bases for competition—such as geographical advantage or protective regulation—have been eroded by globalization. Proprietary technologies are rapidly copied, and breakthrough innovations in products or services are increasingly difficult to achieve.

That leaves three things as the basis for competition: efficient and effective execution, smart decision making, and the ability to wring every last drop of value from business processes—all of which can be gained through sophisticated use of analytics.

Davenport and Harris show how exemplars—organizations as diverse as the Boston Red Sox, Netflix, Amazon.com, CEMEX, Capital One, Harrah's Entertainment, Procter & Gamble, and Best Buy—are using new tools to trump rivals. Through analytics, these companies identify their most profitable customers, accelerate product innovation, optimize supply chains and pricing, and leverage the true drivers of financial performance.

A timely, much needed resource, *Competing on Analytics* promises to rewrite the rules of competition.

Other information and sources (International)

› [Tom Davenport](#)

› [Books](#)