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I really enjoyed reading the January/February 2012 edition of Supply Chain Brain (www.supplychainbrain.com) magazine. The issue was titled *2012 Supply Chain Management Resource Guide – A Look Ahead* and contained several industry-expert write-ups in each of 28 different knowledge categories.

One recurring theme I found was the important aspects of data analytics between traditionally silo applications such as Enterprise Resource Planning (ERP), Product Lifecycle Management (PLM), Customer Relationship Management (CRM), Sales & Operations Planning (SOP or S&OP), and others. It is not enough to analyze data within one application: the data must be analyzed across the organization as it flows through and manifests itself within the standpoint of different applications and different user perspectives.

The challenge of course is that the data must exist for it to be analyzed. I'm not talking about entity information such as customers, vendors, or products. Those entities are – if you will – like molecules. What I'm referring to are the characteristics that exist at a more atomic level: the customer's zip code or Standard Industry Classification code; what categories of products and services are provided by a vendor; the difference between the same item sold in light, medium, or dark blue.

Confirming what I already knew as I listened to the other speakers when I was not presenting at an anti-fraud conference in Hong Kong in March, fraud detection is done using data analytics by focusing on a variety of entity attributes and looking for anomalies and patterns that conflict with normal behavior.

Paraphrasing an old saying: the devil is in the data.

Establishing meaningful data characteristics can be an intense, introspective exercise into what truly defines an organization's entities. The benefits are an ability to analyze business performance at a new and deeper level of detail, sometimes close to the point of prediction. Close enough is not often good enough especially in a highly competitive environment or during difficult economic situations where wrong decisions can be more costly than just the money wasted. Instinct is important but information is invaluable.

In a sidebar called *A CEO's View On Analytics* that was part of the article titled *Sell It!* in the March 26, 2012 issue of Information Week magazine, Steve Schlecht, CEO of Duluth Trading Company was quoted as stating: "Today my biggest challenge is this area of analytics."

If you know of a company – maybe your own – that is struggling with detailed business performance analysis, then have them contact me. I'm happy to help and I'll bring my microscope. :-)

Thanks.

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