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AnVIM: a methodology for creating business value with business analytics

Giles A. Hindle (Giles.Hindle@hull.ac.uk)

Richard Vidgen (R.Vidgen@hull.ac.uk)

Hull University Business School, University of Hull, Hull, UK.

Abstract

Organisations are exploring how to get value from analytics to transform their organisations and business models. Being good at analytics and predictive modelling is not enough unless it is accompanied by an understanding of the business model, the sources of value, and the opportunities for transformation. To meet this need the Analytics Value Innovation Methodology (AnVIM) has been developed through iterative application in practice. AnVIM draws on the soft systems methodology for business model mapping and value identification. Analysis of the business model is used to identify opportunities for analytics, which as classified in a matrix according to potential for value creation and viability – those opportunities that are high in value and viability are the focus for analytics development. Analytics models are the pivotal point between business value and data; they are the means through which data is made into information. The scope of AnVIM further includes an assessment of data availability and quality. However, rather than drive the analytics process bottom-up from data or top-down from the business model and value sources, AnVIM argues that both are needed, i.e., an ambidextrous ability to explore (e.g., to find new opportunities and patterns in the data) and to exploit (e.g., to drive analytics models from known business issues and opportunities). The AnVIM approach is illustrated through vignettes of analytics usage in the food bank and telecommunications industries.