



What is Decision Analytics?

When my partner and I founded Eastport almost ten years ago, we committed to the idea of helping organizations make better decisions. We felt strongly that intelligence analysis techniques were directly relevant for this purpose, across an increasingly diverse set of markets beyond the traditional Federal intelligence community. The accelerating speed and globalization of business, wider availability of more and more information, and continuing dramatic adoption of information technologies and the Internet within and across organizations, are driving organizations to sharply improve critical reasoning skills over ever-wider oceans of information. In markets as diverse as pharmaceuticals, financial services, consumer products, law enforcement, taxation, risk management, homeland security, automotive manufacturing, public service, and so on, it seemed like every time we turned over a rock, we found another classic intelligence analysis challenge. And across all these diverse markets, the same core set of intelligence analysis methods, techniques, and technologies found ready applicability. Especially when paired with Eastport's own unique agile solutions methodology.

Early on, we faced the challenge of what to call the kinds of solutions we were delivering to this wide range of markets. "Intelligence analysis" is historically correct, and most of our solutions draw from decades of experience in the Federal intelligence community (more precisely, the "Defense joint intelligence analysis community", CIA Directorate of Analysis, et al., as opposed to the more collections-oriented parts of the Federal Intelligence Community). However, this label evokes images of James Bond and Jack Bauer, John Le Carre and Ken Follett, and (at least used to) rule out the work we were doing in the commercial world. "Business Intelligence" had the opposite problem, and also has found popular usage in a narrower field (basically, data mining/visualization of sources internal to a corporate IT department). "Analytics" as a term isn't widely used within the Federal marketplace, and is typically associated in the commercial domain within highly technical/mathematical techniques (e.g. statistical modeling) or business intelligence approaches (see, for instance, Davenport and Harris' "Competing on Analytics").

We finally settled on the phrase "decision analytics" to describe the space we operated in, and the value we deliver. "Decision Analytics" is how people within organizations collaboratively reason over evidence to deliver insights into the organization's decision-making process. Dr. Mark Williams, my partner and Eastport's CTO, more formally defines "Decision Analytics" as:

"...the processes by which opinion, judgments, facts, and insights important to a decision are discerned from the analyses of, and reasoning about, available information and knowledge. Decision analytic processes encompass mathematical, heuristic, and visual techniques that help engage the intuition of decision-support analysts to derive meaningful findings about a subject of interest..."

If the recent chatter in the blogosphere is any indication, the rest of the world is catching up with Dr. Williams' definition. There's been quite a bit of chatter recently about "decision-centric business intelligence", "BI 2.0", and "business analytics". Most of this chatter is coming from the Business Intelligence vendor community, targeted at the CIO/enterprise systems crowd, and is still more or less bottom-up data focused (though conceptually climbing up closer to the actual analysts and decision makers). By contrast, Eastport is and will remain focused on the analysts, decision makers, and decisions.

ANY organization facing critical mission decisions, and needing to reason critically under uncertainty, over huge amounts of information inside and outside their organization, is facing a decision analytic challenge. Some examples of these "decision analytic" challenges:

- a large financial services firm needs to understand and monitor what motivates potential investors to choose their, and their competition's, investment offerings.
- pharmaceutical companies must figure out who the "known opinion leaders" are within critical medical and biological research domains; e.g. who are the leading experts within the field of cardiovascular disease research.
- tax authorities must determine which large commercial firms might be skirting too close to the limits of tax compliance, and which firms deserve to be audited, based upon the tax reporting provided by all the firms as well as all the other information available publicly (SEC filings, commercial news reporting, shareholder sources, international exchange data, etc.).
- Federal homeland security authorities need to determine whether the very next "suspicious activity report", or next one, or the one after that, represents nothing at all (most likely), or actually contains evidence of some terrorism-related activity (unlikely, but critical if so).

The key to addressing "decision analytic challenges" is understanding the business or mission driver - who are the "analysts" or equivalent, what is their mission & organizational context, who is the "decision maker" they are supporting, and what is the nature of the insights necessary to support the decision(s). Once you understand this, then and only then can you start to consider process and technology - what existing enterprise systems might support the decision, what "realm of the possible" capabilities and technologies might be available to augment the enterprise, how to evaluate vendor claims.

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