Siebel Analytics - Insight to Action

Ricky Kapur
5th September 2005
Agenda

- Overview of Siebel Analytics

- From Insight to Action – Integrating Operational and Analytical environment

- Closed Loop Marketing – Service to Sale

- Business Intelligence for the masses – Economic Scalability
Siebel Provides Next Generation BI and Analytics Today

- Market leader in Customer Analytics
- Fastest growing company in the entire analytics/business intelligence market (cited by IDC in numerous 2003 studies)
- Over 600 customers, 75% of which use us for Enterprise BI
- Winner of many of the BI industry’s most coveted awards
  - Reader’s Choice Award - Best Customer Intelligence Solutions
  - Real-Ware Award - Best Business Intelligence Product
- Experienced broad user adoption at some of the most analytically sophisticated companies anywhere
- Own some of the most robust pre-built, industry-specific business analytical applications on the market

The Fastest Growing in Entire BI Market

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Revenue (U.S. $ Millions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>110</td>
</tr>
</tbody>
</table>

44% Growth
Siebel Customers are demanding an Enterprise Wide BI Capability

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of Live Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM</td>
<td>55,500</td>
</tr>
<tr>
<td>Telecom Italia</td>
<td>25,500</td>
</tr>
<tr>
<td>Deutsche Telekom</td>
<td>22,000</td>
</tr>
<tr>
<td>Bank of America</td>
<td>21,800</td>
</tr>
<tr>
<td>JPMorganChase</td>
<td>21,000</td>
</tr>
<tr>
<td>Société Générale</td>
<td>23,000</td>
</tr>
<tr>
<td>Microsoft</td>
<td>60,000</td>
</tr>
<tr>
<td>KTF</td>
<td>10,000</td>
</tr>
<tr>
<td>AT&amp;T Wireless</td>
<td>12,000</td>
</tr>
<tr>
<td>HP</td>
<td>47,000</td>
</tr>
<tr>
<td>GE</td>
<td>14,000</td>
</tr>
<tr>
<td>Siemens</td>
<td>13,800</td>
</tr>
<tr>
<td>BT</td>
<td>28,000</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>12,000</td>
</tr>
<tr>
<td>GlaxoSmithKline</td>
<td>12,100</td>
</tr>
<tr>
<td>National</td>
<td>11,900</td>
</tr>
<tr>
<td>Northwestern Mutual</td>
<td>10,750</td>
</tr>
<tr>
<td>Cisco Systems</td>
<td>26,300</td>
</tr>
<tr>
<td>Allianz</td>
<td>35,500</td>
</tr>
<tr>
<td>Gateway</td>
<td>9,100</td>
</tr>
<tr>
<td>DIRECTV</td>
<td>10,500</td>
</tr>
<tr>
<td>centrica</td>
<td>8,700</td>
</tr>
<tr>
<td>ZURICH</td>
<td>8,500</td>
</tr>
<tr>
<td>Charles Schwab</td>
<td>8,250</td>
</tr>
</tbody>
</table>
Imperatives for Industry

- Can I track delinquency behavior?
- Am I alerted when limits are breached?
- Can I have an integrated perspective of market, operational and credit risk?

- Can I quickly identify and tracking potentially fraudulent transactions?
- Can I quickly respond to compliance requirements?

- How can I predict Customer Life Time Value?
- Who can I effectively cross-sell to? What is the best product to cross-sell?
- Through which channels have I acquired my profitable customers?

- What are the behavioral patterns that lead to attrition?
- What will make my customer most satisfied?
- How can I timely identify branch service quality issues?

- What is my profitability by lines of business, management hierarchy, and products?
- What are the touch points my customers access most?

- My branch managers don’t know how they are doing until after the end of the month, when it is too late to make a difference. Could I have day to day reporting?
Components of an Analytical CRM capability

- **Data Warehouse**
- **Business Intelligence**
- **Predictive Analytics**
- **Closed Loop Marketing**
- **Integration into CRM environment**

**Value to the Business**

- **Low**
- **High**

**Leveraging rich analytical information to drive differentiation workflow into CRM environment**

**Develop multi-stage, event-triggered campaigns, and provide campaign information to members within CRM environment**

**Identify cross-sell and churn targets to manage retention**

**Business Intelligence for the masses – “Trickle-Down BI”**
Agenda

- Overview of Siebel Analytics
- From Insight to Action – Integrating Operational and Analytical environment
- Closed Loop Marketing – Service to Sale
- Business Intelligence for the masses – Economic Scalability
Using Insight to Drive Actions and Customer Interactions in Real-time is Becoming a Business Imperative

Market Needs Are Expanding Far Beyond Traditional Query and Reporting

- Transactional Reporting
  - “Here are your reports”
- Query, OLAP / DW
  - “Explore my data”
- Performance Management
  - “How am I doing vs. goals?”
- Insight Driven Action
  - “What is my best opportunity?”
  - “What should I do next?”
- Intelligent Interaction
  - “What should I do now, at the moment of contact”

Increasing Value

Generational Step

Paradigm Shift
### Executive Branch Dashboard

#### Attrition Details

Welcome, Morris, Payet!

**Contacts Details**


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Critical</td>
<td>William F. Burd</td>
<td>91.9</td>
<td>1</td>
<td>109,132</td>
<td>9,725</td>
<td>62.5</td>
<td>24.7</td>
<td>-98.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>April Addison</td>
<td>96.0</td>
<td>3</td>
<td>108,188</td>
<td>8,282</td>
<td>19.2</td>
<td>27.3</td>
<td>14.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>William J. Duckworth</td>
<td>94.6</td>
<td>2</td>
<td>100,166</td>
<td>5,300</td>
<td>60.0</td>
<td>24.7</td>
<td>60.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Loy Burnbaugh</td>
<td>88.2</td>
<td>1</td>
<td>108,856</td>
<td>41</td>
<td>65.0</td>
<td>29.9</td>
<td>50.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Patrick Downham</td>
<td>88.7</td>
<td>1</td>
<td>108,796</td>
<td>7,248</td>
<td>35.8</td>
<td>29.9</td>
<td>27.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Amaryllis Atkinson</td>
<td>95.6</td>
<td>1</td>
<td>105,582</td>
<td>4,733</td>
<td>92.0</td>
<td>3.1</td>
<td>92.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Thirs Doy</td>
<td>99.9</td>
<td>5</td>
<td>103,239</td>
<td>7,444</td>
<td>19.2</td>
<td>90.0</td>
<td>14.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Adelbert Duckworth</td>
<td>93.3</td>
<td>5</td>
<td>108,216</td>
<td>5,715</td>
<td>30.0</td>
<td>81.9</td>
<td>23.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Harry Draybrin</td>
<td>95.6</td>
<td>4</td>
<td>107,886</td>
<td>9,612</td>
<td>5.0</td>
<td>68.3</td>
<td>3.8</td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Augustus Draxen</td>
<td>90.0</td>
<td>3</td>
<td>107,621</td>
<td>1,362</td>
<td>27.5</td>
<td>60.0</td>
<td>21.2</td>
<td></td>
<td></td>
<td></td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Herman Ainsworth</td>
<td>90.4</td>
<td>3</td>
<td>107,337</td>
<td>4,983</td>
<td>92.0</td>
<td>63.7</td>
<td>92.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Eben A Downes</td>
<td>92.0</td>
<td>5</td>
<td>107,086</td>
<td>2,624</td>
<td>97.5</td>
<td>0.6</td>
<td>44.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Beth Drenbach</td>
<td>95.6</td>
<td>4</td>
<td>106,824</td>
<td>4,449</td>
<td>57.5</td>
<td>90.0</td>
<td>44.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>William J. Ackerman</td>
<td>92.8</td>
<td>1</td>
<td>105,522</td>
<td>2,187</td>
<td>43.3</td>
<td>83.2</td>
<td>33.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Enos Dubois</td>
<td>94.2</td>
<td>4</td>
<td>100,269</td>
<td>5,739</td>
<td>9.2</td>
<td>5.2</td>
<td>7.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Peter Driphoole</td>
<td>90.6</td>
<td>1</td>
<td>105,847</td>
<td>4,613</td>
<td>88.0</td>
<td>13.6</td>
<td>88.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Critical</td>
<td>Nathaniel Dru</td>
<td>92.1</td>
<td>4</td>
<td>106,310</td>
<td>7,640</td>
<td>80.0</td>
<td>80.0</td>
<td>80.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Using Insight to Drive Actions and Customer Interactions in Real-time is Becoming a Business Imperative

Market Needs Are Expanding Far Beyond Traditional Query and Reporting

Increasing Value

Retrospective

Query, OLAP / DW

Transaction]

Performanc e Management

Insight Driven Action

Intelligent Interaction

“Here are your reports”

“Explore my data”

“How am I doing vs. goals?”

“What is my best opportunity?”

“What should I do next?”

“What should I do now, at the moment of contact”

Active Decisioning

Generational Step
Cross-Sell Offers generated within Marketing environment provided to members within the CRM environment

Useful analytical insights provided to front-office
Customer complains about a specific product/service. Members opens a new Service Request. Churn Probability is recomputed in real-time and presented to the member as a high risk issue.
New ‘Increased Churn’ probability computed within Siebel Analytics kicks off a workflow in Siebel and provides the member with the authority to close the service request through a fee waiver.

Churn Probability is recalculated in Siebel Analytics and presented back to the member.
Member updates customers details. Customer is now married, and income has increased to 100k-200K.
Based on the additional insights on customer details, new targeted offers are provided to the member to discuss with the customer.
Agenda

- Overview of Siebel Analytics
- From Insight to Action – Integrating Operational and Analytical environment
- Closed Loop Marketing – Service to Sale
- Business Intelligence for the masses – Economic Scalability
The Service To Sale Solution Set Focuses on Improving Customer Retention and Revenue Growth

Why **Service** to **Sale**?

- Because the quality of customer service is the single-most-important factor influencing customer retention.

  - **Generic Offer**
  - **Targeted Offer**
  
  - **Excellent Service**
  - No Sale
  - Sale

- Because an offer will not result in a sale if it is not preceded by an excellent service interaction.

  - **Poor Service**
  - No Sale
  - No Sale

- Because an offer will not result in a sale if it is not targeted and personalized to the individual.
A marketing manager receives a customer attrition alert for Gold Customers. Using **Siebel Analytics**, he quickly investigates the root causes behind the alert.

Using **Siebel Marketing**, the marketing manager creates a customer segment of all ‘Gold Customers At Risk’. He also develops a number of retention campaigns.

A ‘Gold Customer At Risk’ calls into the contact center with a service request. His call is immediately routed the agent best suited to providing him with excellent service.

Using **Siebel Call Center**, a contact center agent walks through a customer retention script and presents the customer with a real-time offer that is tailored specifically to him.
The Service To Sale Solution Process

Marketing Manager

Gain & Refine Customer Insight → Design Customer Segments → Develop Retention & Growth Campaigns

Customer Agent

Provide Personalized Customer Service → Real-Time Offer Allocation → Generate & Execute Lead → Measure Performance

Customer

Request Service → Respond to Offer
Gain and Refine Customer Insight

- Receive automated attrition alerts and initiate relationship initiatives based on anticipated events.
- Monitor and recognize identified patterns that lead to attrition.
- Anticipate actions to prevent attrition of profitable customers.
- Develop predictive scores that allow you to forecast customer profitability and customer risk
Design Customer Segments

- Segment customers based on profitability and create predictive customer profiles to identify most valuable customers.
- Segment Designer allows queries across multiple different stars in the data warehouse to be easily handled.
- Allow business users to have easy access to an interactive UI which displays counts in a “waterfall” style display.
Provide Personalized Customer Service

- Differentiate service based on customer profitability prediction.
- Personalize interactions with each individual based on prediction of his expectations.
- Build a 360 degree view of customer across product divisions to improve service.

**Siebel Call Center**

- Differentiate service based on customer profitability prediction.
- Personalize interactions with each individual based on prediction of his expectations.
- Build a 360 degree view of customer across product divisions to improve service.
Real-Time Offer Allocation

- Predict product propensity correlating insight from multiple data sources, leverage real-time predictive scores at the operational level during customer interactions.

<table>
<thead>
<tr>
<th>Customer</th>
<th>Customer Agent</th>
<th>Siebel Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>Complete Service Request</td>
<td>Revise Customer Profile</td>
</tr>
<tr>
<td></td>
<td>Deliver Offers to Customer</td>
<td>Predict Customer Segment</td>
</tr>
<tr>
<td></td>
<td>Generate Lead</td>
<td>Update Customer Profile</td>
</tr>
<tr>
<td></td>
<td>Accept?</td>
<td>Retrain Segmentation Model</td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>Re-calculate Offer Scores</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>End</td>
</tr>
</tbody>
</table>

Customer Response

<table>
<thead>
<tr>
<th>Real-Time Offers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offer Name</td>
</tr>
<tr>
<td>Low Interest Rate Car Loan</td>
</tr>
<tr>
<td>Free Financial Planning</td>
</tr>
<tr>
<td>Increased Credit Limit</td>
</tr>
<tr>
<td>Home Equity Loan</td>
</tr>
</tbody>
</table>
Agenda

- Overview of Siebel Analytics
- From Insight to Action – Integrating Operational and Analytical environment
- Closed Loop Marketing – Service to Sale
- Business Intelligence for the masses – Economic Scalability
Economic Scalability – The Three Pillars

Physical Scalability
- Business Self-sufficiency (no report/cube-factory)
- No data duplication
- No network overload

Economic scalability (Build Vs Buy)
- Meeting business timelines
- Quick Time-to-Value
- Out-of-the-box applications
Economic Scalability – The Three Pillars

Physical Scalability
- Business Self-sufficiency (no report/cube-factory)
- No data duplication
- Good Citizen on the Network
- Complex Analysis (Multi-pass, Sub Queries, advanced calculations)

End User Scalability
- Ease of use – Insight accessible to anyone who needs it
- Dynamic Vs Static
- All content personalized and role-based
- Content is rich and interactive

Economic scalability:
- Meeting business timelines
- Quick Time-to-Value
- Out-of-the-box applications
Physical Scalability:
Legacy Business Intelligence – Heavy Above the Line

Different User Tools for Different Functions – “Report-Centric”

- **OLAP Analysis**
- **Query & Report**
- **Portal/Scorecard**
- **Data Mining**

- Tools are complex
- Results are inconsistent
- Minimal ability to reuse
- Heavy dependencies on IT
- Unpredictable performance
- Each app becomes a silo

Minimal Ability to Centrally Manage Resources and Applications

This makes it extremely difficult for IT to deliver on performance, manage change, and give self-sufficiency to the business
Scalability requires the Right architecture

Centralized Management of Resources, Applications, Data Access

- Enterprise Business Model Metadata Services
- Intelligent Multi-Level Caching Services
- Multidimensional Analysis Engine (OLAP)
- Data Mining Services
- Calculation and Integration Services
- Optimized Data Access and Intelligent SQL Request Generation Services

All Relevant Enterprise Data Sources

Economic Scalability – The Three Pillars

Physical Scalability
- Business Self-sufficiency (no report/cube-factory)
- No data duplication
- Good Citizen on the Network
- Complex Analysis (Multi-pass, Sub Queries, advanced calculations)

End User Scalability
- Ease of use – Insight accessible to anyone who needs it
- Dynamic Vs Static
- All content personalized and role-based
- Content is rich and interactive

Economic scalability (Build Vs Buy):
- Meeting business timelines
- Quick Time-to-Value
- Out-of-the-box applications
Three Key Requirements of an Analytic Application

User Layer: Dashboards and Analytic Workflows

Function Layer: Subject Area Data Warehouse

Data Layer: Robust Data Integration

Siebel  Oracle  SAP  PeopleSoft  i2  Legacy
### Steps Required to Build a BI Solution

- Develop detailed understanding of operational data sources
- Design a data warehouse by subject area
- License an ETL tool to move data from operational systems to this DW
- Build ETL programs for every data source
- License interactive user access tools
- Research analytic needs of each user community
- Build analytics for each audience
- License / create information delivery tools
- Set up user security & visibility rules
- Perform QA & performance testing
- Manage on-going changes/upgrades

These steps require significant resources with specialized skills / expertise.

These steps require different types of BI and DW technology.

These steps typically take a long time to perfect as knowledge of best practices is learned.
Siebel Business Analytics Applications

Change the Economics of BI

Siebel Business Analytics solutions approach:
- Faster time to value
- Lower TCO
- Assured business value

Easy to use, easy to adapt
Role-based dashboards and thousands of pre-defined metrics
Prebuilt DW design, adapts to your EDW
Prebuilt Business Adapters for Siebel, Oracle, PeopleSoft SAP, others

Source: Patricia Seybold Research, Gartner, Merrill Lynch, Siebel Analysis
## Pre-built Analytical Applications - Build Vs Buy

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sales Analytics</th>
<th>Service &amp; Contact Center Analytics</th>
<th>Marketing Analytics</th>
<th>Financial Analytics</th>
<th>Supply Chain Analytics</th>
<th>Workforce Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>✓ Pre-built data warehouse design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications &amp; Media</td>
<td>✓ Pre-built extraction routines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complex Manufacturing</td>
<td>✓ Over 50 pre-built business analysis areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Sector</td>
<td>✓ Thousands of pre-built metrics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>✓ Pre-built analytic agents and alerts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services</td>
<td>✓ Embedded industry best practices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Technology</td>
<td>✓ Personalized by user role and function</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance &amp; Health Care</td>
<td>✓ Integrated security &amp; data visibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life Sciences</td>
<td>✓ Integrated with operational workflow and business processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Sector</td>
<td>✓ Insight integrated with customer touch point systems for intelligent interaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel &amp; Transportation</td>
<td>✓ Global support for 20 languages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Full breadth of BI platform capabilities – Ad Hoc, Interactive Dashboards, Proactive Detection / Notification, Mobile Analytics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Incorporating data from across enterprise sources:**
  - Siebel
  - PeopleSoft
  - Oracle
  - SAP
  - Other Operational & Analytic Sources
Siebel Service and Contact Center Analytics includes 18 star-schemas designed for analysis and reporting on contact center, service, and customer data.

Pre-mapped metadata for the 18 star-schemas, including additional best practice calculations and derived fields that are not physically stored in the data warehouse. This pre-built metadata enables any user to do easy point and click ad hoc analysis on the full range of available fields.

Pre-built ETL routines to extract data from over 3,000 operational tables and load it into the warehouse, sourced from Siebel, SAP, PeopleSoft, Oracle Applications, and call center telephony middleware.

A “best practice” library of over 150 pre-built intelligence dashboards, reports and alerts for service and contact center agents, managers and executives.

- Presentation Metadata
- Logical Metadata
- Physical Metadata
## Things to Consider when designing a BI capability

### Pervasive User Reach
- Personalized interactive dashboards
- Proactive alerts highlight key information in context
- Guided analytics lead to results
- Directly drives operational systems, business processes and workflows
- High user self-sufficiency

### Integration into operational CRM
- Timely, real-time information
- Integration into operational environment
- Historical, real-time & predictive analytics
- Relevant & actionable for each person

### Solutions Approach
- Most comprehensive suite of analytical apps across enterprise functions
- Complete, prebuilt solutions
- Based on industry & analytic best practices
- Results in faster deployment, lower TCO, and assured business value

### Mission-Critical Architecture
- Terabytes of data
- Tens of thousands of concurrent users
- Enterprise-class performance, reliability
- Leverages existing operational and data warehouse investments