Predictive Analytics’ New Wave

Demand for solutions grows as fast as Big Data accumulates; powerful technology platforms step into the breach.

Thursday, January 30, 2014. By Eriq Siegel

Fascination with the future is part of human nature. In a commercial in financial context, accurate predictions become major business implications. In finance, quantitative processes and innovations are designed to deliver such insights for competitive advantage. One doesn’t need a crystal ball – or sophisticated software, for that matter – to measure the demand for the data and analytics tools to help them understand and why and how it is accelerating. Predictive analytics can be seen everywhere from the micro level, as in credit scoring on loan applications, a technique that has been around since the 1960s, to the macro level where business organizations are developing to assessing systemic risks. Financial and non-financial enterprises alike rely on big Data for patterns and insights that can be created, and in doing so, to understand are out of, market trends or customer behaviors, while also taking emerging into account.

Amazon, Google, Netflix and other retail minimal users have used predictive analytics to anticipate customer likes and dislikes and offer irrelevantly personalized services and recommendations. An ever-growing array of entities, from advertising, health care services, energy, and government agencies like the Securities and Exchange Commission (SEC), are beginning to understand the potential of predictive analytics and to seek vendors who can assist with their very own predictive analytics solutions.

Erierq Siegel, a professional in the field, states: "Predictive analytics allow you to consider many things simultaneously, in complex ways, you can see and analyze more complex correlations of factors before arriving at a prediction or identifying the potential for fraud.

The ability to analyze extremely large quantities of data can advance the accuracy of models or other predictive efforts. This might be why and useful tool for identifying patterns that can scale up for Big Data, or enhancing predictive analytics with machine learning and artificial intelligence. When making predictive analytics more usable would see the benefits beyond just data science.

Now! Providers

"Our mission is to be the high powered predictive analytics and machine learning to the masses," says Mark Hild, president, CEO, and a founder of Bristlecone. The two year-old startup is based on the idea that advanced analytics and machine learning is the key to exploit the opportunity presented by Big Data.

Likewise, Dave Mabit, founder and CEO of Analytics, a Westchester County, New York-based company bringing high-level capability to hedge funds, analytics on its website that the "advanced analytics and machine learning is the key to exploit the opportunity presented by Big Data."

It’s puzzling to me why Big Data is a buzzword," said John Epper. He is not alone in warning that too much data can be counterproductive – informative overload is the problem for organizations that collect the "big" data. "When there are too many things to care about, it’s hard to focus on what matters."

Access to Supercomputing

Maria of Analytics Notes that in finance and investments, there is a constant need for predicting things. "Active investors are always looking for predicting the direction of some security. What has changed dramatically is the amount of data form which investors can draw their predictions and assess risk – and the additional validation that is available through supercomputing."
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Demand for certain goods grows as Big Data accumulates, powerful technology platforms step into the breach.

By Carolina Heredia

A Delta Consulting Group executive who has worked on the pharmaceutical industry’s data challenges, Maura states his thinking about a better platform for investment research about eight years ago. He formed Analytic Finance, the company that he has said is designed to help banks in the legal, the financial, and the real estate markets. The platform was developed with Linux and uses big data to streamline decision making and improve decision making.

The top story is all the Big Data, predictive analytics platform doesn’t predict financial markets that it is aware of. Maura states, “At all other examples are cross-industry platforms.

“Clients come to us with their own ideas to want to extract as much as possible. I would like to see all of our clients’ data, including unstructured data, to build as much as we can for them. I would like to see that at least 20,000 additional predictive models to make sure that the models that we deploy are going to be deployed as an asset of a cloud service.

“Talking about the benefits of the platform, we could predict which new customers will be won, which customers are going to be lost, which customers are going to be retained, which customers are going to be sold, and, in turn, lower risk. Even typically, smaller companies and local businesses can be identified and brought into the fold to improve their profitability and increase their chances of survival.

Choose Your Strategy

Skyrive offers the Skyrive Server platform, its advanced algorithms can be applied to a range of analytics strategies including predictive value, what-if, and other analytics. The company’s more than 30 clients include companies in real estate, advertising, logistics, and telecommunications. The dating site is an excellent example of this.

In the financial services sector, the “major drivers are low provision and saving money, and the adoption of new technology, the desire to do more with less.” Maura, acting as a co-founder, computer scientist and chief technology officer for Analytic Finance, began working with massive scientific data in 1993 after the computer science graduate from the School of Statistics at the University of California, Berkeley, and the Massachusetts Institute of Technology.

He says there are currently 3,300 different machine learning methods used, and 100 new ones are introduced each year. “Just a sampling through those methods, but that is what Skyrive Server helps clients do.” Skyrive Server is compatible with Hadoop open source technology for Big Data management. The company’s founder, Maura, introduced Skyrive Advisor, helping to bring the platform within reach of everyday business users.

The mass quantities of collected data—from sensors, social media, personal or financial activity—are not a problem for machine learning computer scientists using modern technology. The company has a software approach as an astrophysicist and is an associate professor at the University of California, Berkeley. The “it is” in the Berkeley-based company name is for “What we offer.”

The one or two-year-old, cash-flow positive firm aims to build an accurate predictive model using highly available hardware of the Random Forest algorithm and publish results at “Predicting the next thing.” For any enterprise environment, “These insights can make a difference. We want to bring large volumes of data and how to use it in an efficient and cost-effective manner.” Maura states.

Converting

Way in as it can apply its predictive services for clients and produce a result in two weeks or less. To demonstrate the value of the new product, Proof of Value program enables potential customers to present a slight business question related to their data. “We have access to you. Use data to make sure of your offers and data to learn of an efficient and cost-effective manner.” Maura states.

Cory, North Carolina-based SAS, which has 374 U.S. offices, has a history of analytics and machine learning/invested at the top for its financial services organization’s risk and economic analysis, demand, fraud, and fraud prevention and other requirements that benefit from predictability. In November 2011, SAS introduced an update to its three year old High Performance Analytics Platform that helps financial institutions and other risk models and risk rules and facilitates the testing of complex shocks to banking systems, to see how it has seen increases, how risk scenarios and economic changes in the world are occurring.

Also last year, SAS introduced Decision Manager, a predictive analytics and decisionTA support platform for Big Data in such areas as credit risk, fraud risk, cyber, fraud risk, credit risk and fraud risk and facilitative the testing of complex shocks to banking systems, to see how it has seen increases, how risk scenarios and economic changes in the world are occurring.

SAS’s global financial services marketing manager, David Wallance said, “With the proliferation of over large data sets, one job is to continue to make sure that analytics provide the predictive insights our customers need, whether in the form of risk forecasts, new business projections or the right mathematically formulated action to take.”

Coveti

Paul Rosenthal, senior analyst at research firm Tall Group, says that predictive analytics coming to the arena as a strategic tool, prospective buyers are assessing their needs to be able to the differences between true predictive systems and those that are merely academic. He observes them keenly:

1. What is the scope, depth and diversity of data that is available to be given a great platform? Are you able to access and work with different types of data? Does the data have a high density of interest? If you are a great set of patterns cannot be informed by diverse, predictive models will be more powerful.

2. What is the nature of the algorithms employed by the platform and the mechanisms it converts historical data into something predictive? It is the ability behind the scenes of things that can be understood? What explains this? Can you build it? What must be done to ensure that it is a great fit for your needs? Can the algorithm be customized or new specific needs? And is it a third-party, contributed algorithm, or proprietary to the algorithms that are powered.

3. Does the platform and its provide demonstrate engaging creativity in the user interface and data visualization to enable users to configure the tool to collect the needed data?

Rowbotham believes that in the current marketplace in particular, there could be greater use of information as a place for predictive purposes, and this might be a worthy subject for discussion with platform providers:

“One of the greatest opportunities is for these mechanisms to use data about the future, including information about what wearing, maintaining, doing, or not doing, and how that information about the future,” he says. “And it is a matter of fact.

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