**RESOURCE REPORT A**

**AREAS OF GROWTH IN ANALYTICS**

**Drivers**

There are many drivers creating an urgent need for analytics educated employees. The drivers include[[1]](#footnote-1) & [[2]](#footnote-2) & [[3]](#footnote-3) & [[4]](#footnote-4) & [[5]](#footnote-5)

* Big Data, both structured and unstructured, continues to grow exponentially
* The need to draw competitive insights out of a company’s data
* Analytics provides an opportunity to enable innovative ideas and new business models
* Continued advances in analytics software, algorithms, modeling, and visualization
* Advances in open source software and platforms such as R, Apache Hadoop
* Many existing employees are not skilled to cope with the complexities of Big Data
* Need for enhanced security, performance, and scalability
* A growing need for predictive models and employees who understand them.
* Need for employees with the ability to translate analyzes to action
* The need to pull value from data that can lead to competitive differentiation
* The need for better dashboard tools, designed for business users and available on mobile devices

The reality that social media analytics is becoming an integral part of every business.

There are four areas experiencing sustained growth in demand for analytics trained professional: Marketing Analytics, Financial Analytics, Healthcare Analytics, and HR/Talent Analytics.

**Marketing Analytics**

A few quotable quotes:

“Marketing organizations are better defining specific needs within ‘analytics’ and getting more precise at searching for specific analytics-related skill sets, as opposed to hiring someone with a general analytics background. For CMOs, this is further evidence of the accelerating shift toward more – and more sophisticated – use of analytics in marketing. And here again, organizations leading these advances will win.”[[6]](#footnote-6)

“There has been a significant increase in demand for both specialist skills and more general digital marketing roles across the board. When asked about the digital marketing jobs landscape, Jane Creaner Glen, Head of Recruitment and HR at the Digital Marketing Institute said, “I would say it is evolving all the time. A lot of companies are still looking for broad digital marketing skills at the Manager and Executive level. Although, as the industry matures it is separating out more into specific skills areas, such as Content, SEO/SEM, Analytics and Social Media.”[[7]](#footnote-7)

“The most nascent -- but arguably the most powerful -- marketing analytics tool is predictive modeling. Predictive modeling takes conventional data kept by marketers and CMOs, compiles it and crunches it to reveal patterns that confidently predict future buyer behavior. Predictive analytics allow marketers to more concretely assess what messages or content they should be creating in order to optimize their revenue potential.”[[8]](#footnote-8)

“As of our analysis date (July 2013), there were 23,118 job postings that included one or more of the requirements: marketing analytics, advanced analytics, marketing mix modeling, media mix modeling or digital attribution.”[[9]](#footnote-9)

Duke University’s Fuqua School of Business August 2014 CMO Survey[[10]](#footnote-10) identified two important trends for B2B marketers:[[11]](#footnote-11)

* Digital marketing spending increased while non-digital marketing spending decreased
* Spending on marketing analytics is expected to increase 73% over the next three years

“Big Data coming from social, mobile, search, web traffic and back-end processes and analytics applied to these data can deliver individualized, personalized digital experiences across all channels.”[[12]](#footnote-12) Investing in marketing analytics is important to secure the future of most companies.[[13]](#footnote-13)

**Financial Analytics**

A quotable quote:

“With the rise of analytics, in many organizations Finance is expanding its role and providing increasing value in other functional areas. For many, Finance has become the enabler of analytics and decision support. The reasons are simple: Finance data is rapidly being deployed outside its traditional scope. Further, as the economy evolves, Finance is looking for ways to deliver greater value as a business function, as it often overlaps with analytics in other business areas. Finance also has an ability to apply analytics above and beyond traditional delivery channels.”[[14]](#footnote-14)

The financial services may have been slower to adopt social media and feel the full force of Big Data and digital technologies,[[15]](#footnote-15) but demand is growing rapidly for professionals with an understanding of financial analytics.[[16]](#footnote-16) “More CFOs are relying on analytics to create market differentiation and to identify new sources of revenue.”[[17]](#footnote-17) They are recognizing and taking advantage of three key benefits: real-time data access, visualization, and the ability to analyze massive amounts of data.[[18]](#footnote-18)

According to the senior managing director of Accenture’s Financial Services group in North America, there is a skills shortage among trained analytics talent from fund managers to investment bankers.[[19]](#footnote-19)

Data is core to businesses in financial services. Many top business schools run financial analytics specializations within their MBA programs, which look at areas such as data mining, predictive modeling, and fixed income asset pricing. An Analytic Finance concentration is within the MBA program at Chicago’s Booth School of Business, and the MBA at NYU’s Stern School of Business offers the Financial Systems and Analytics track. In the UK, Swansea University offers a dedicated MSc Business Analytics and Finance degree, and the University of Southampton offers an MSc Business Analytics and Finance program.[[20]](#footnote-20)

**Healthcare Analytics**

“Financial analytics holds the largest share among the healthcare analytics market and tends to be one of the strongest emerging applications in healthcare analytics.”[[21]](#footnote-21) Rapid advancements in technology and increasing data complexity are two of the major drivers for the rapid growth in financial healthcare analytics. The functional gap between payers and providers and the high cost of adopting healthcare financial analytics will challenge the growth in this market sector. The healthcare financial analytics market is segmented into three types: claims analytics, revenue management analytics & risk management analytics. The healthcare financial analytics is also characterized by end-users segments including healthcare, pharmaceuticals, biotechnology, and higher education. By region, the healthcare analytics market is segmented into four major areas: North America, Europe, Asia-Pacific and all other areas grouped together.[[22]](#footnote-22)

**HR/Talent Analytics**

According to a Deloitte study, “Talent Analytics presents the second largest capability gap for organizations, trailing only the need to build better leadership. Three in four companies (75 percent) believe that using analytics in HR is “important,” but just 8 percent believe their organization is “strong” in this area.” [[23]](#footnote-23)  The survey concludes that most HR organizations have been slow to get started.

HR Management has been slow or reluctant to dedicate analytics staff with the responsibility to gather, analyze, and interpret data. For HR departments to fully utilize Talent Analytics staff with new and different skill sets will be required. While the number of job postings slowed in 2014, the demand for HR analytics professionals remains strong. “Part of the reason for the slowing growth in HR analytics job postings may be the difficulty in finding people to fill these roles. Due to high demand for analytics skill sets over the past few years, it is taking longer to fill these types of positions – and becoming more expensive.”[[24]](#footnote-24)

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