



HERBERT  
SMITH  
FREEHILLS

# DEMYSTIFYING ANALYTICS: HOW ANALYTICS ARE DRIVING DECISION-MAKING IN EVERYDAY BUSINESS

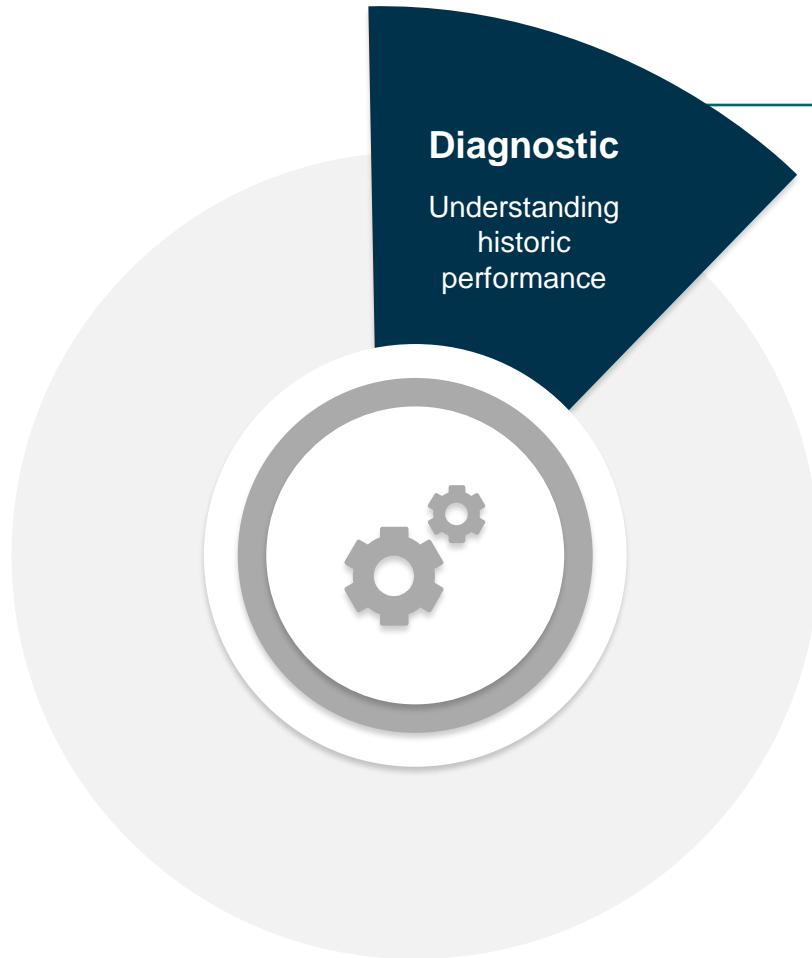
JOHN O'DONOGHUE - HEAD OF PRICING & FUNDING, DISPUTES

JANUARY 2018






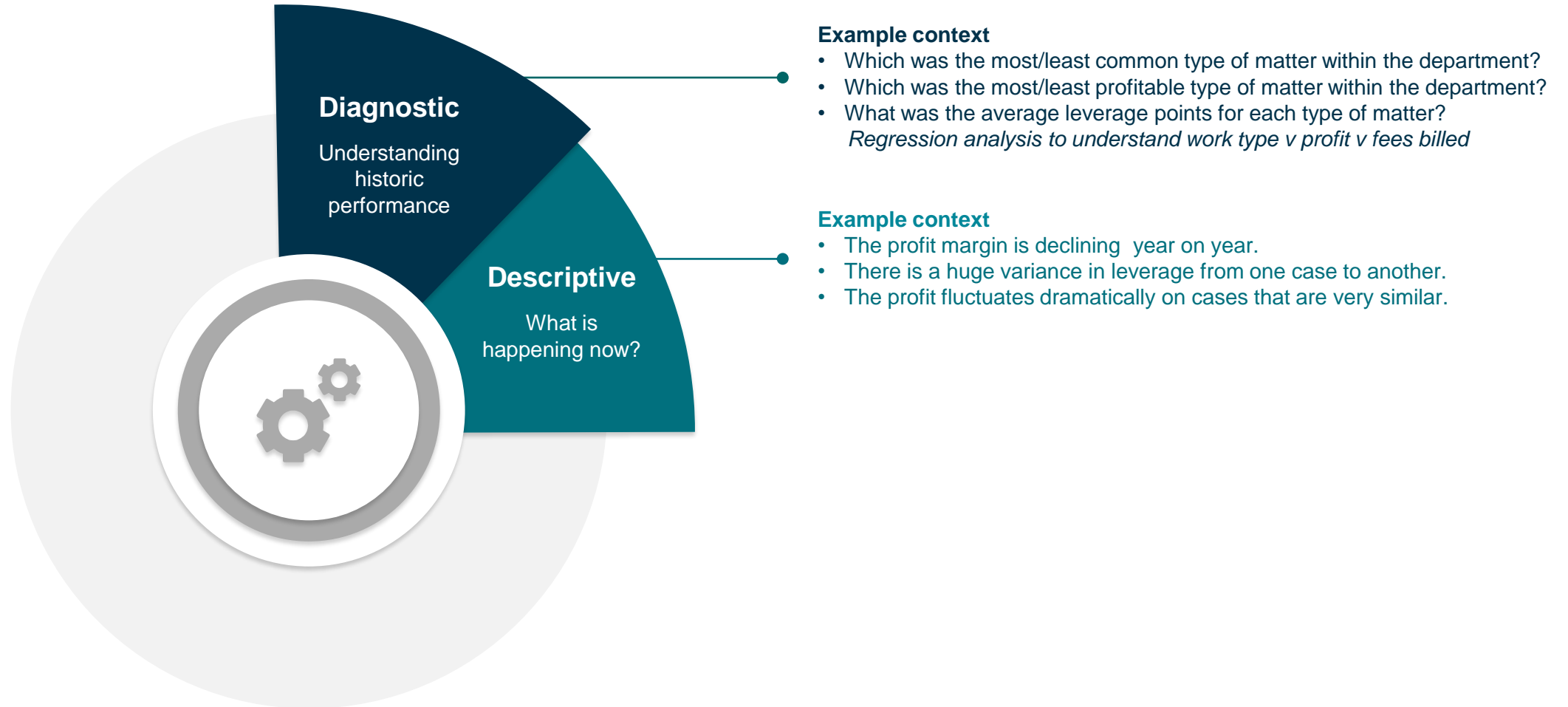
# The four pillars of data analytics



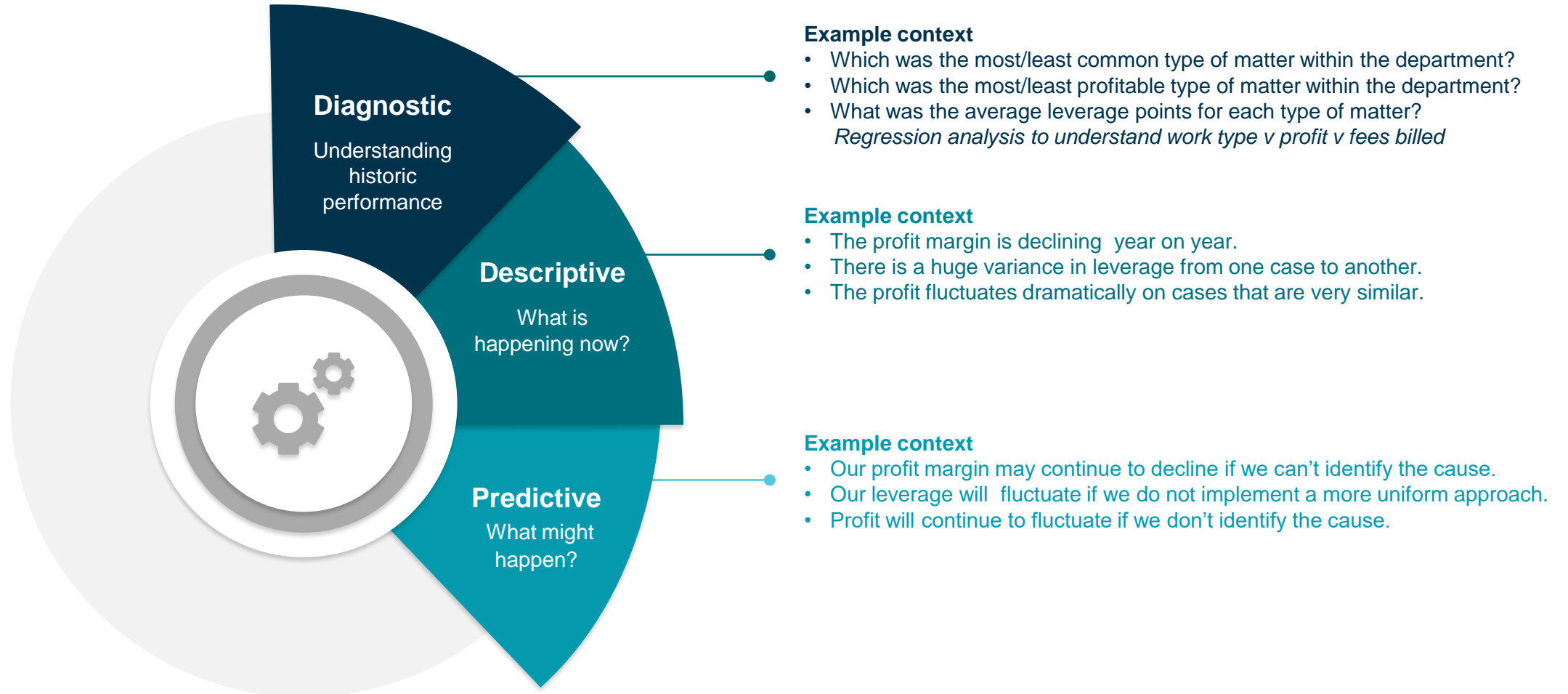
## Example context

- Which was the most/least common type of matter within the department?
  - Which was the most/least profitable type of matter within the department?
  - What was the average leverage points for each type of matter?
- Regression analysis to understand work type v profit v fees billed*
- 

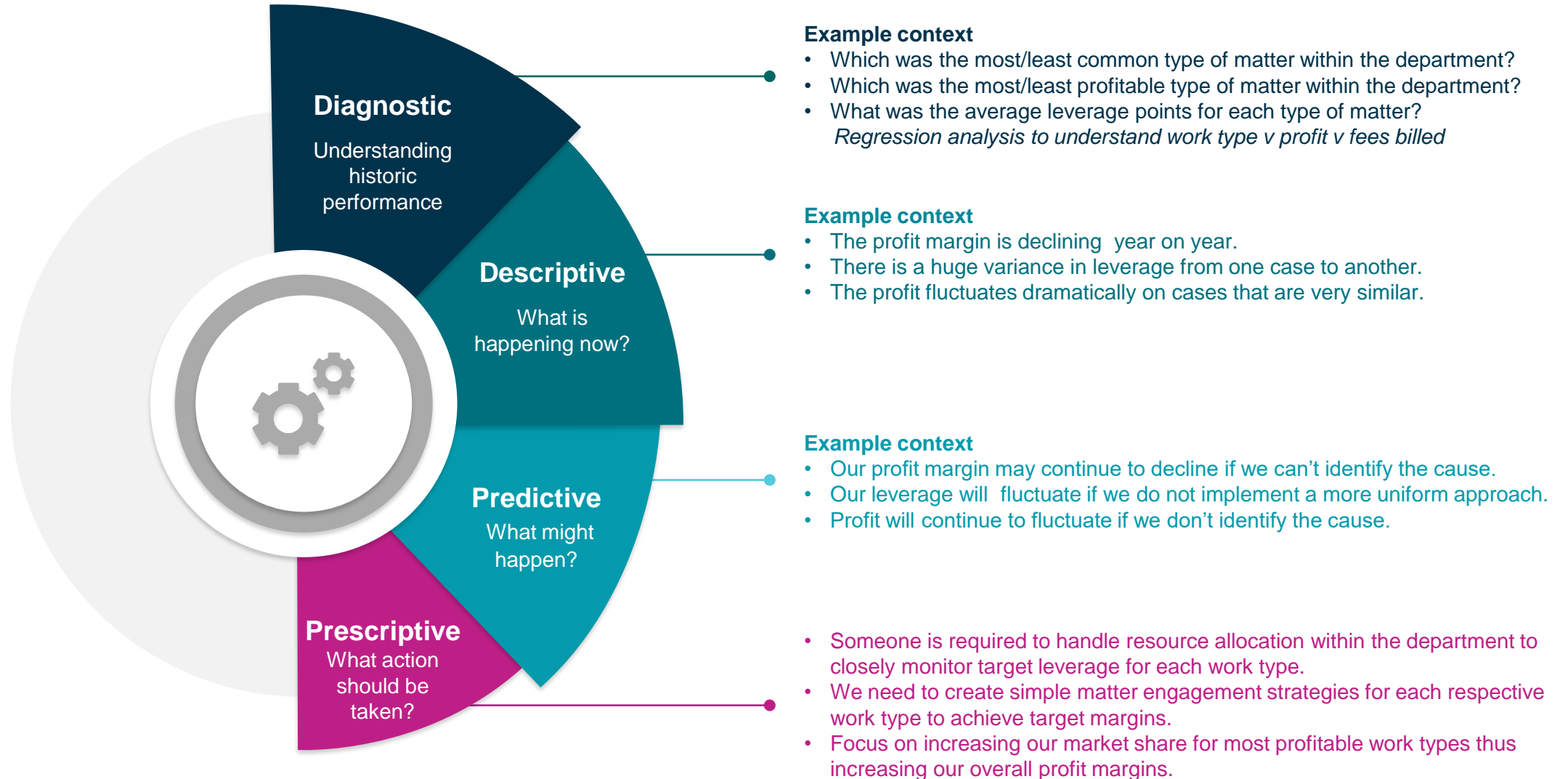
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# The exponential growth of data



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## What is a Zettabyte?

	Approximate bytes conversion
1 kilobyte	1,000
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1 zettabyte	1,000,000,000,000,000,000,000

More than 40  
zettabytes by 2019

Less than 20  
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2016 data estimated to have doubled by 2019



30 zettabytes  
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That's more than  
3.9bn 256gb  
iPhones!



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# Using data to drive your decision making process



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## Netflix

Why did Netflix buy House of Cards without even commissioning a pilot?

By tagging every film based on content, creating **800,000 micro genres**. This identified a significant proportion of subscribers liked political satire, films with **Kevin Spacey** and **directed by David Fincher**. New subscribers were **4.9million** in the season after launch, **up** almost **25%** from the previous year.



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Which product does Walmart increase its stock for, when a hurricane is expected?



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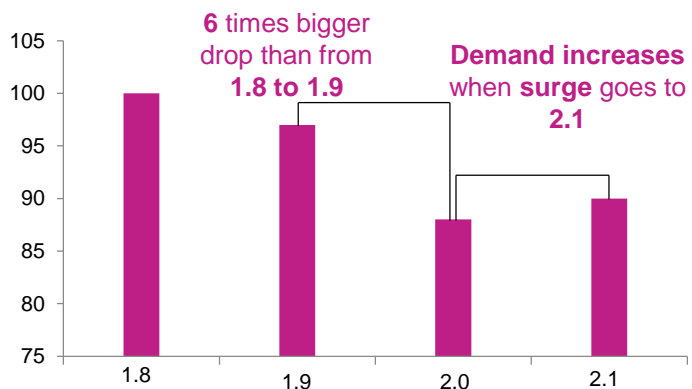
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### Psychology of pricing



## Uber

The frequent change in price has allowed Uber to get a better prediction of price elasticity of demand.

Source: New York Times: Big Data – Using Smart Big Data, Analytics and Metrics to make better Decisions  
Source: <http://www.digitalistmag.com/future-of-work/2018/01/11/human-is-next-big-thing-05748862>

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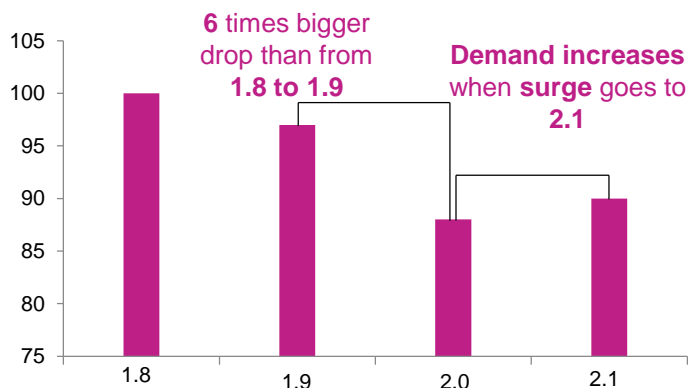
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### Uber example

Using analytics to identify behavioural habits i.e. Pre-empting your clients response to pricing proposals. Will the volume of work decrease if we increase the price?





# Key takeaways

- How can you improve the clarity of data within your business?
- How can you make your data more accessible?
- How can you utilise your data to help shape/improve your business?
- What are the main challenges your business may face in practically using data to support your decision making process?
- How can you use big-data to personalise your product/service and what are the challenges in doing that?

