

Editor's Note

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Best Regards,

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Special Report: The Business Value of Portal Analytics

A Changing Portal Paradigm

The first wave of enterprise portal implementations focused on getting content into the portal. This was a natural first step because, at the time, the challenge was to gather material previously scattered and stovepiped all over the enterprise and get it into a central repository.

The job of the portal is to provide more bang for the buck; to be qualitatively, not quantitatively, better....

Now, during the second wave, enterprises are increasingly concerned about using the portal and related technologies to assemble Web services that deliver new solutions on a portal framework. This is because, thanks to the advent of Web services and other technologies that make it remarkably simple to pack portals with content, enterprises want users

to get the most out of portals; and also because of the increasing strategic value of information itself.

Getting the most out of portals means achieving information efficiency.

Think of the 80/20 rule and the following examples:

- Employees need access to only 20 percent of their enterprise's IT applications to do 80 percent of their jobs.
- 80 percent of online traffic is generated by 20 percent of content.
- 20 percent of reports tell managers 80 percent of what they need to know.

In these circumstances, the job of the portal is to provide more bang for the buck; to be qualitatively, not quantitatively, better.

Introducing Analytics

For the portal to be qualitatively better, an enterprise has to be able to understand how users interact with the portal. The set of tools that enables this understanding is referred to as analytics.

Almost every Internet user is already familiar with some basic function of analytics as related to content. For example, blogs and message boards keep track of how many times a particular piece of content has been viewed; back-end data tracking offers detailed logs of the IP originations of website visitors; Sourceforge and Download.com let you know which programs have been downloaded most often; Amazon.com indexes product sellers by consumer reviews.

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In all of these cases, analytics are there to guide users to the 20 percent of content that attracts 80 percent of demand; the content, in other words, that has the most bang for the buck. Furthermore, the 20 percent of information that is most important to one user may be different for another user. Being able to correlate the most critical information by type of user makes analytics data much more valuable.

Analytics become particularly useful online because, in the digital world, there are no obvious markers of popularity. In a mall, by contrast, a popular store attracts foot traffic and a hit movie draws long lines. It is easy, in these contexts, to find the big-bang 20 percent, because you can use your senses.

Consider the change that takes place when you move to a digital environment. You can't see traffic. Analytics can. This means that, in any non-analytic environment, users and managers are essentially operating blind.

Correcting Attitudes

Individuals and businesses are still new to the digital world and, as such, make all kinds of mistakes that would never take place in the real world. For

example, no business would ever invest in physical assets that nobody used; but plenty of businesses have invested in digital assets, specifically portal initiatives, that no one or few people use.

Unfortunately, the Internet revolution of the 1990s imbued us with the "If you build it, they will come" mentality. The idea was that IT investments would, by some mysterious agency, generate value in the absence of proper governance, change management, and accompanying process change. In portals as in other IT investments, this is simply the wrong idea. It is not just a matter of building; you have to build the right thing in the right place at the right time. In the portal context, analytics give you the information you need to engage in this kind of smart building. As you'll see, there are plenty of important consequences for employees, customers, IT, and the business.

Improving Business Results

Today's technology enables the application of analytics to any kind of portal, regardless of whom it faces. Let's start with the repercussions for your most important user group: customers.

Back in the pre-Web days, businesses could make only a limited analysis of their customers. With the advent of the Web, you can learn a great deal about customers. Analytics let you learn many things: for example, how long customers linger on a particular product, what their browsing patterns are, and what kind of terms they're searching for on your site. Monitoring brick-and-mortar customers to this extent is impossible; in the online world, however, information is easy and non-invasive to gather.

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Given this fact, it's remarkable how few companies have woken up to the opportunity of learning more about their customers. As recently as last year, many Fortune 500 companies weren't even responding to customer e-mails indicating buying interest. This is because the outdated culture of the call center still reigns at many companies,

preventing management from realizing the value of online customer analysis and service.

A portal without analytics is like an expensive car without a windshield. Even the best parts and assembly count for nothing if you can't see where you're going; in the case of a website without analytics, you can't see where your users are driving you. Are they looking for information the portal doesn't contain? Are they asking for transaction options the portal doesn't support? Are they abandoning a particular page because of long loading times? These are hundreds of other questions will go unanswered without an analytics layer.

On the other hand, getting as much insight as possible into user behavior gives the business the tools it needs to boost internal productivity, improve sales, and otherwise bolster performance. Remember, if you're a typical company, you are increasingly reliant on knowledge workers, interconnected partner ecosystems, and online customers. The good news is that you can get to know all about them with analytics.

Improving IT Performance

Even as businesses strive to grow revenue, they are keenly interested in cutting down internal costs and becoming more efficient. In recent years this internal imperative has extended to the IT function.

IT faces a particularly difficult challenge. The growth of technology infrastructures demands more IT expertise and sophistication; shrinking budgets, on the other hand, reduce the resources available to service infrastructure.

One of the solutions to this problem is rationalizing infrastructure. This is not as simple as it may sound. For at least ten years, beginning well in advance of the Y2K scare, companies have been making large investments in IT without strict roadmaps or governance models. As a result, there has been an explosion in the number of applications, hardware, and other IT technology in play.

Analytics offers one way to rationalize IT. Just as an analytically enhanced externally-facing portal can tell you what's hot and what's not with customers, an internal use of the same technol-

ogy can tell you what IT employees are actively using and what is just shelfware. Information like this lets the business know which IT investments are paying off, which investments need to be written off, and how the company's assets can be best aligned for future performance.

Analytics are what allow you to derive meaning from otherwise meaningless or invisible data; to go without analytics, then, is to drive blind.

A Universal Proposition

Analytics offers you a tool to judge between any set of competing data at a time when business success is about efficiency in evaluating data (be it market-, customer-, or employee-related).

In the Information Age, the heart of success is OODA: Observe, Orient, Decide, and Act. Whoever can go through this loop faster than a competitor, according to late United States Marine Corps Colonel John Boyd, wins. Think about analytics as offering the following components of the loop:

Analytics offers you a tool to judge between any set of competing data at a time when business success is about efficiency in evaluating data (be it market-, customer-, or employee-related).

Observe: What are customers, employees, and assets (like e-business applications) doing?

Orient: How is the business performing? Is it in step with customer and employee behavior? How is it taking advantage of existing assets?

This information feeds into the Decide and Act steps, where management armed with the right information executes on it. If the quality of the information is low, implies Boyd's now-classic theory, you can't expect a favorable outcome.

This is why analytics should not be thought of as yet another set of e-business tools, any more than a windshield should not just be thought of as yet another part of a car. Analytics are what allow you to derive meaning from otherwise meaningless or

invisible data; to go without analytics, then, is to drive blind. With analytics, on the other hand, you can attain the full value of portals, customer relationship management (CRM) systems, extranets, intranets, and IT investments in general.

Vendors

Analytics is situated between the application infrastructure and portals worlds. This is so because application infrastructure is the back-end world in which data resides and portals are the front-end world through data is delivered. If you're looking for a vendor with a strong play not just in analytics proper but in the application areas adjacent to it, BEA is in a unique position. BEA is, along with IBM, one of the two giants of application infrastructure. BEA's acquisition of Plumtree, the undisputed pure-play portal standout, in 2005 gives BEA customers the best solutions for both the front-end and back-end worlds with the analytics to observe, orient, decide and act on them.

We hope that you enjoyed this discussion of analytics and portals, and invite you to learn more about them on Line56.com and Portalsmag.com.

Don't forget to download your FREE white paper now, "An Overview of BEA AquaLogic™ Interaction Analytics," courtesy BEA:

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