



## BBBT Podcast Transcript



### About the BBT

The Boulder Business Intelligence Brain Trust, or BBT, was founded in 2006 by Claudia Imhoff. Its mission is to leverage business intelligence for industry vendors, for its members, who are independent analysts and experts, and for its subscribers, who are practitioners. To accomplish this mission, the BBT provides a variety of services, centered around vendor presentations.

For more, see: [www.bbbt.us](http://www.bbbt.us).

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<b>Host:</b>	<b>Claudia Imhoff</b> , President, BBT
<b>Guest(s):</b>	<b>Simon Arkell</b> , CEO
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<b>Transcript:</b>	[See next page]
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Claudia Imhoff: Welcome to this special edition of the Boulder BI Brain Trust podcast. I'm Claudia Imhoff and I'm here in Grants Pass, Oregon, at the Humphrey Strategic Communications annual Pacific Northwest BI Summit. I'm pleased to have the opportunity to interview each of the vendors attending this event.

CI: I'm with Simon Arkell. He's the CEO of Predixion Software. Welcome, Simon.

Simon Arkell: Thanks for having me.

CI: Now we talked this morning about Big Data. Everybody's talking about Big Data. It was an interesting conversation about what do you do with Big Data. It wasn't so much that we can store it. We all know we've got all this wonderful technology. It's now more about what the heck am I going to do with all of this Big Data. How do you see people using it?

SA: To start with, Big Data has come to the forefront with technologies like Hadoop, which have made the management of this Big Data better, faster, potentially more easy than the ways that the data was handled historically. To us, as a company, it's not just about how you manage the speeds and feeds and the sheer volume of the data, but it's what you do with it. We're a predictive analytics company. What we aim to do is take all of this data, no matter where it's from, and to make sense out of it and help people make decisions.

You see a lot of what we've been saying in a different way the last couple of years, this concept of prescriptive analytics, where we have heard from customers time and time again, "That's great that you can tell me what the risk of this customer being a fraud is, but what do I actually do with that information?"

"How do I get my regular information workers, my employees, to do something about that? Can machine learning help generate that recommended intervention?" if you will. We spend a lot of time at that other end of the spectrum.

But we also know that data is changing and it's growing so exponentially that, on the back end, and we have a great platform, we like to spend a



lot of time thinking through how to handle this volume of data and the other Vs that we don't like to talk about. How do we take into account technologies like Hadoop and R and everything else that's going on and make sure that we can utilize that information in order to get to the predictive and then the prescriptive?

CI: One of the problems...I don't know if it's a problem. One of the challenges in a lot of organizations who would like to be able to do predictive and prescriptive types of analytics...Part of the problem is that you had to have a PhD in Statistics. You had to really understand the algorithms. You had to create them yourself and that sort of thing. Prediction software is taking that level of expertise and putting it into its technology, isn't it? So that maybe somebody that is not a PhD in Statistics can actually do some kind of predictive or prescriptive analysis, right?

SA: Yeah, absolutely. That's been our mission since day one, and we've been around nearly four years now. We've tried to abstract away that complexity, because the incumbents, the big guys that we were looking to disrupt, had been around for a long time. They had technology that's been around for a long time. They had users that they had targeted because those were the only users back in the day who were those data scientists. Realize that there's a very short supply of them. It's not like you don't need them, but how do you give them an audience? How do you allow their expertise and knowledge to be amplified and complemented by subject-matter experts?

Because you may have a data scientist who is fantastic at algorithms and using linear regressions to predict whatever it is, but at the end of the day, if they don't understand the subject matter, and maybe they're thrown into a new industry, how do you make them really create something that's compelling and accurate for insurance and then the next month for health care? They're very different.

If they can collaborate with the subject-matter experts, the business analysts, and iterate on that model, then they're now given an accelerator to a more accurate and complete solution.



Once that model or that application has been created by this, now, teamwork, which exists for the first time between the business analyst and the data scientist, can I automate that, put it into production very easily? Then, most importantly, which is where we focus as well, is put it into an interface that someone who's never heard the word "algorithm" before can actually use and consume and take action from. That is the prescriptive piece.

It's creating a nice graphical website that has the information about risk of patient readmission, as an example, but then use machine learning to recommend the appropriate intervention to stop the bad thing from happening. That's the end-to-end life cycle of predictive analytics as we see it, where it's not just how you take a data scientist and create a better model, but it's how you deliver it to a nontechnical actor who can actually take action and do something about it.

CI: That is the ultimate goal of this entire industry of business intelligence is to be able to act on the intelligence that you've just been given.

SA: That's right.

CI: Prescriptive, it's not just, "Here's your next-best action." It's actually looking at all of the actions and saying, "What's the optimal action? I could do this, or I could do that, or I could do something else. The best one, or the one that we think will come up with the best outcome, is this middle one, so that's the way you should go."

SA: We've deployed that for a big chain of hospitals back East which do exactly that. They look at, in this particular example, patient risk of readmission, and the clinician, the nurse, or the doctor, with an iPad or a workstation on the floor of the hospital, is actually being shown three or four different interventions they could take, which become part of the discharge papers. It shows what the percentage reduction in that risk is going to be by deploying the various readmissions. They don't have to follow that -- it's not like they don't need to think anymore -- but they can use that as a data point in deciding, clinically, what to do next. That's what's important.



CI: It is. They are given the options. They weigh what's going on. They know the patient, they know the situation, perhaps better than the software does, and they can pick the one that they think is actually going to be the best for that particular human being.

SA: We've actually had this surface into the physical world. Our software interfaces, that are just very graphically rich Web pages, really, for these nurses and doctors, have color-coding for different risk stratifications for patients. They've actually gone ahead and printed up magnets which are color-coded to our software, which they now stick on the patient bed. We're actually seeing it go into the real work flow of the organization itself.

CI: Now, that's data visualization.

SA: Exactly.

CI: It's a very exciting time for Predixion Software. Obviously, you've hit a chord, because you also have some very interesting news about some investments into your company.

SA: We have, historically, been a venture-backed company and have some great VCs behind us, but we entered into a global strategic partnership with Accenture, where not only are they reselling our product and implementing it to customers around the globe in every industry, but they have licensed the technology to provide analytics services to their customers. Just as importantly, they were the lead investor in our recent series-C investment. We raised \$20 million. They were the lead investor, but GE also participated and sees us as an integral component of this Industrial Internet initiative, where every machine on the planet is going to have some sort of sensor data that's output, and you need to make sense of that in the very same way...

CI: Absolutely fascinating. If people aren't aware of it, they should look up Industrial Internet. It's an absolutely incredible project that GE is involved in.

SA: Yeah.



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CI: Thank you so much. I really do appreciate you coming in. Again, I've been talking to Simon Arkell. He's the CEO of Predixion Software. Thank you, Simon.

SA: Thanks.

CI: Thank you for listening to this special edition of the BBBT podcast, and thanks to Scott Humphrey for giving me this opportunity and for hosting the Pacific Northwest BI Summit.