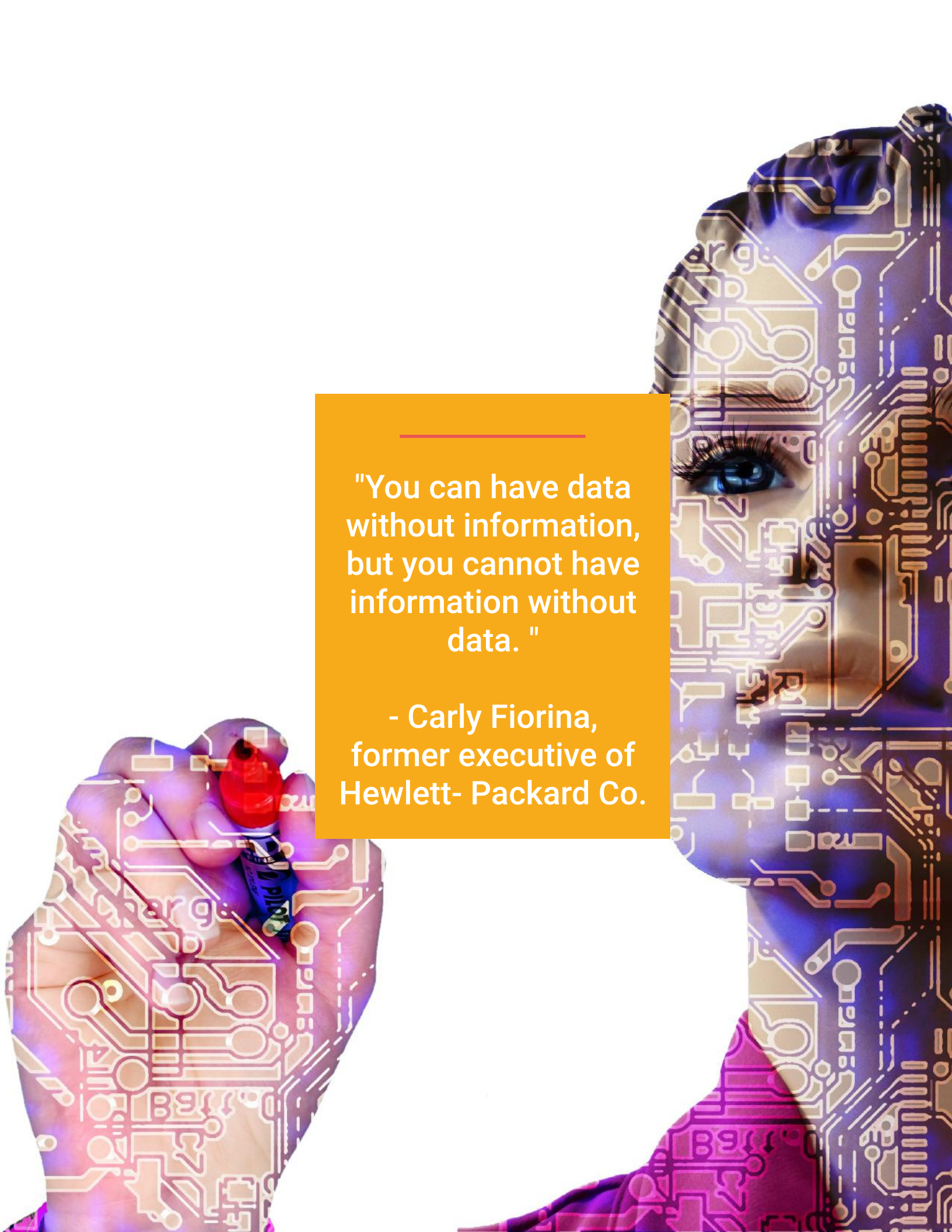


DATA INTELLIGENCE

Find out about what data intelligence is,
and how financial institutions use it to
gain competitive advantage



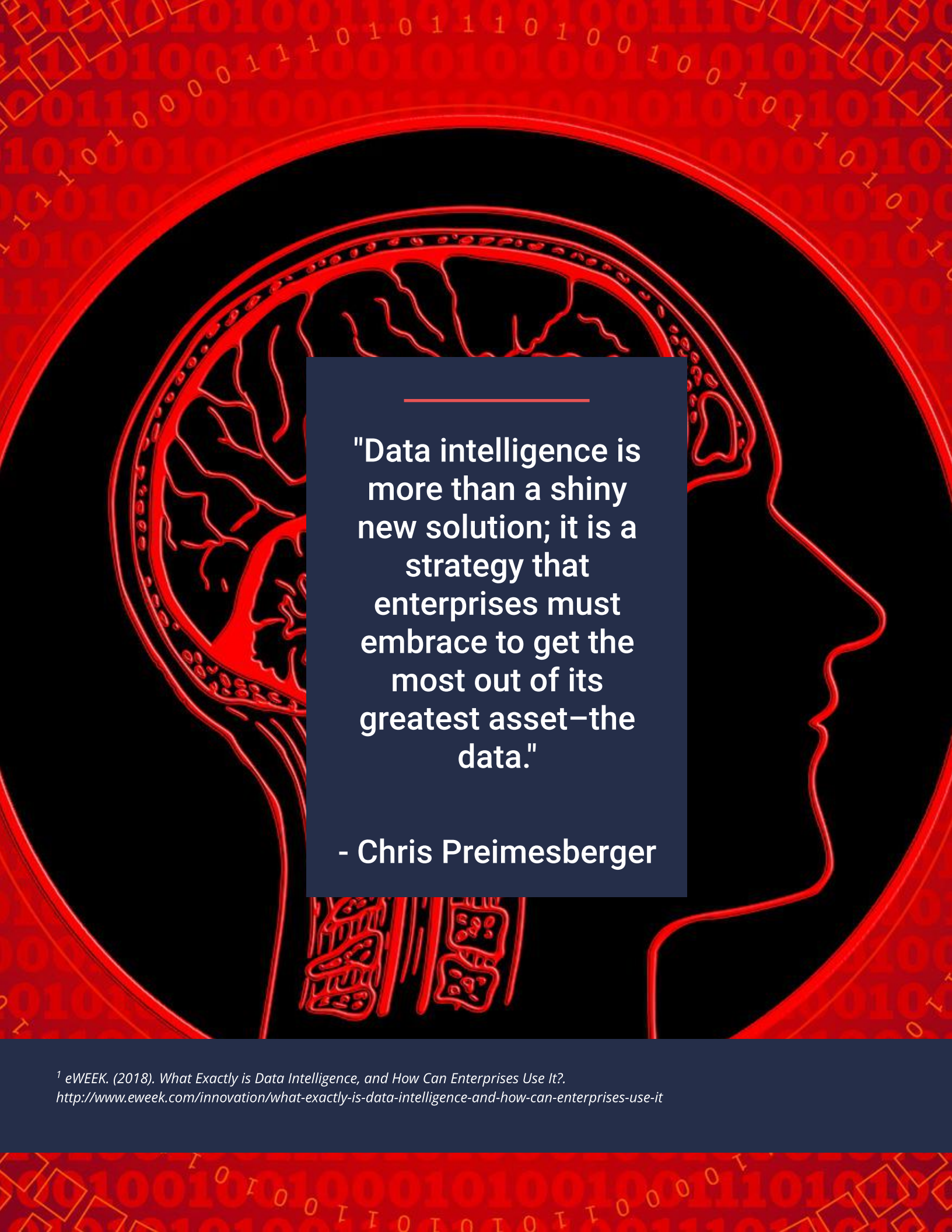
A woman's face and hand are shown, overlaid with a glowing blue circuit board pattern. The woman has dark eyes and is looking slightly to the right. Her hand is holding a red pen. The background is white.

"You can have data
without information,
but you cannot have
information without
data. "

- Carly Fiorina,
former executive of
Hewlett- Packard Co.

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"Data intelligence is more than a shiny new solution; it is a strategy that enterprises must embrace to get the most out of its greatest asset—the data."

- Chris Preimesberger

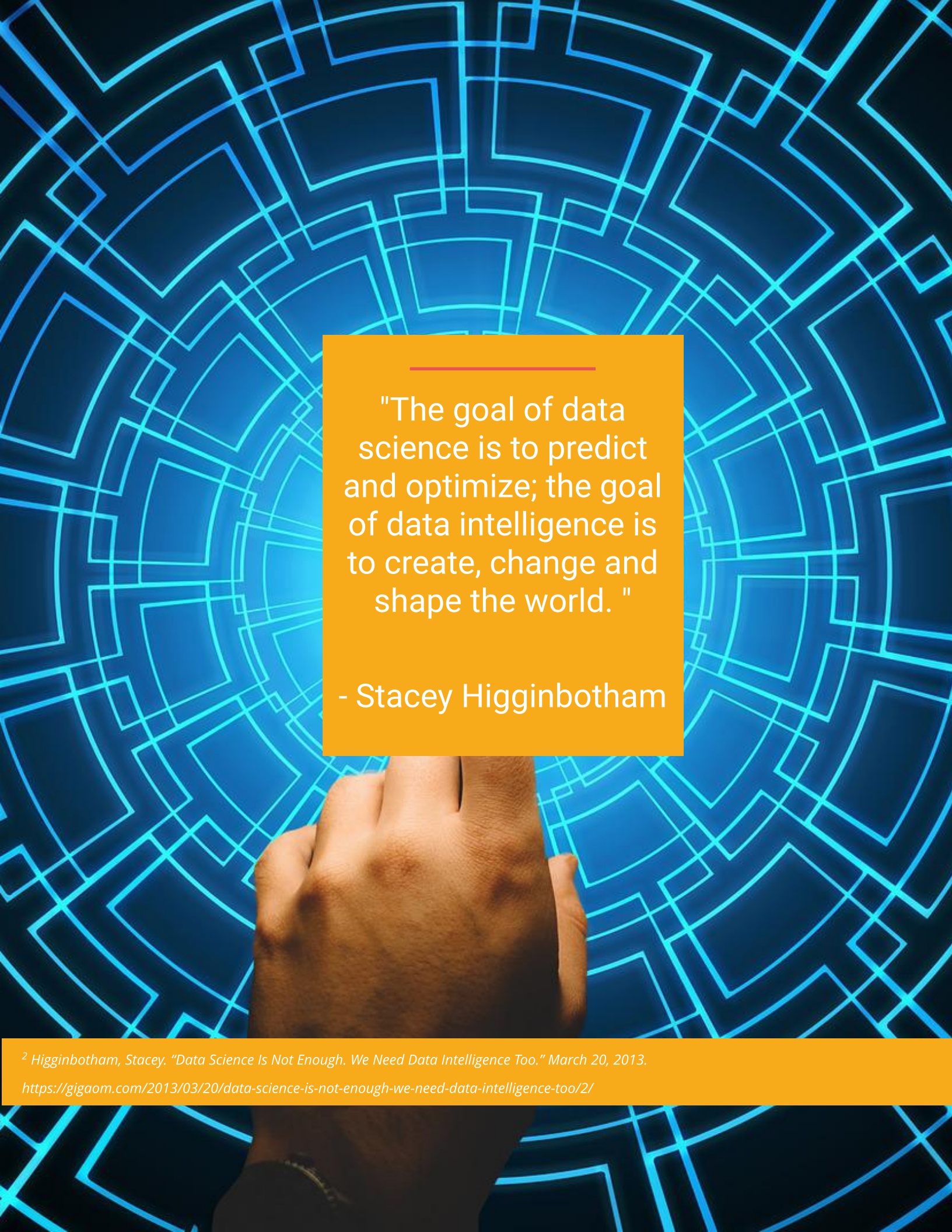
¹ eWEEK. (2018). *What Exactly is Data Intelligence, and How Can Enterprises Use It?*.
<http://www.eweek.com/innovation/what-exactly-is-data-intelligence-and-how-can-enterprises-use-it>

INTRODUCTION

Recent innovations have been designed and developed to embrace behavioural psychology. Data intelligence seeks to use these capabilities to improve the financial habits of consumers. Its machine learning capabilities allow for the automation of chores and provide personalised advice that is actionable.

The promise of data intelligence draws three critical purposes for individual consumers:

- ▶ Allows the consumers' financial life to be brought into focus on a daily basis
- ▶ Allows consumers to see the appropriateness of transactional decisions
- ▶ Allows for greater understanding of how changes in behaviour might improve financial wellness

The background of the entire image is a complex, concentric geometric pattern in shades of blue and cyan. The pattern consists of numerous overlapping squares and rectangles of varying sizes, creating a maze-like or fractal-like effect that radiates from the center. In the lower-left foreground, a person's hand is visible, with the index finger pointing towards the center of the geometric pattern. The hand is in sharp focus, contrasting with the abstract background.

"The goal of data science is to predict and optimize; the goal of data intelligence is to create, change and shape the world. "

- Stacey Higginbotham


² Higginbotham, Stacey. "Data Science Is Not Enough. We Need Data Intelligence Too." March 20, 2013.

<https://gigaom.com/2013/03/20/data-science-is-not-enough-we-need-data-intelligence-too/2/>

UNDERSTANDING DATA INTELLIGENCE

Data intelligence enhances the financial lives of consumers. It provides consumers with new perspectives, which derives from transactional and goal-oriented data.

It uses the concepts used in big data and data science. The fusion of these concepts is then used to create a pool of accessible data that is accessible by organisations. It is used to provide customers with added insights so that they can make better decisions and materially change their behaviours for the better. Data intelligence can also provide customers with a more predictive user experience that tailors personally for them.

A background network diagram with teal circles of various sizes connected by thin teal lines on a dark teal background. A central dark purple rectangle contains white text.

**"There have been
some truly innovative
techniques developed
over the years.
However, few have
been as potentially
game-changing as
data intelligence."**

- Humberto Farias

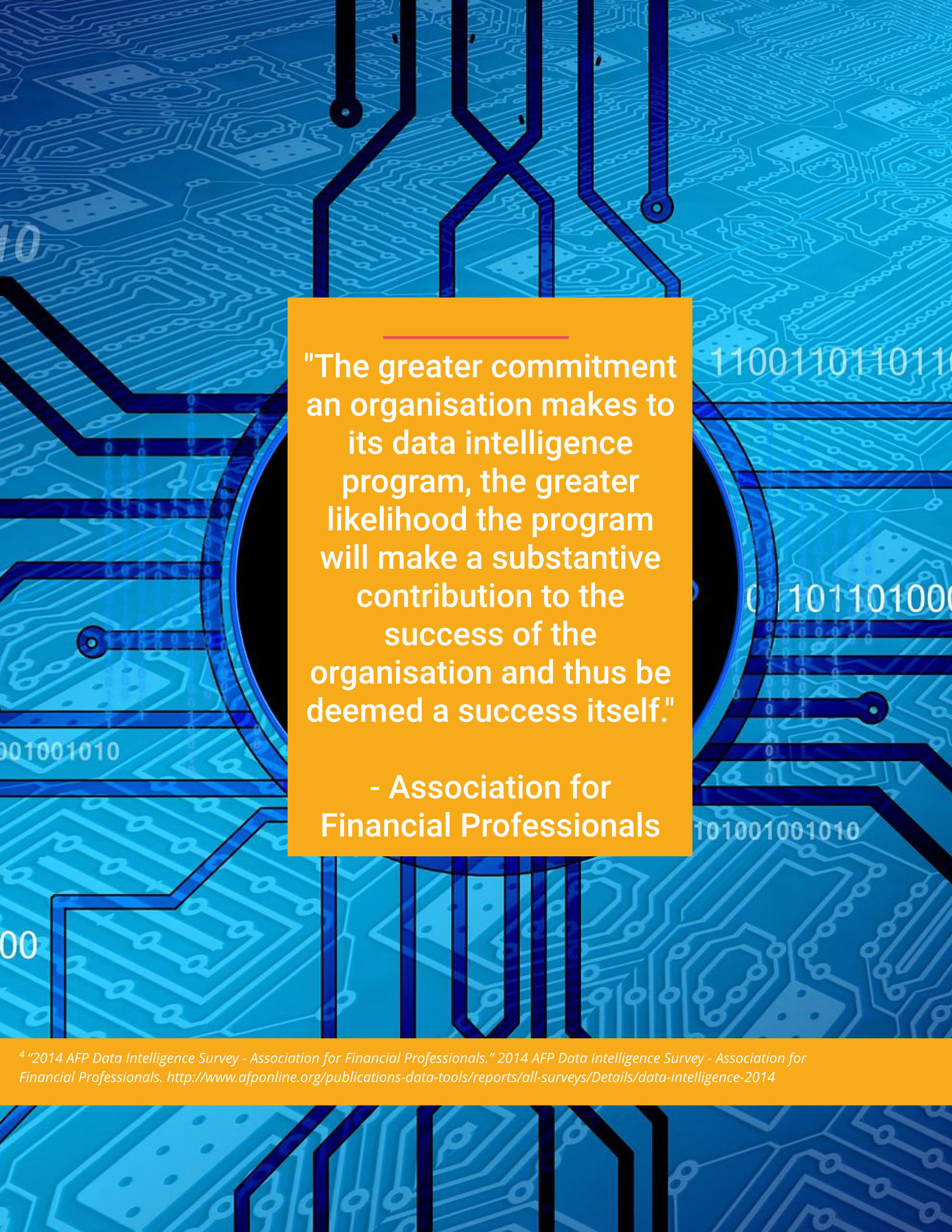
³ Farias, H. (2018). How will data intelligence transform the enterprise?.

<https://www.infoworld.com/article/3277957/data-science/how-will-data-intelligence-transform-the-enterprise.html>

COMPONENTS OF DATA INTELLIGENCE

Data intelligence provides customers with personalisation in their experience. It helps to make informed predictions and comes up with suggestions used to remedy these projections. It is operationalised in a data engine, and contains three components:

1. **Detection**: identifies historical and current patterns in transactions as clusters. E.g. recurring transactions, income and savings goals.
2. **Prediction**: The identified patterns are used to develop algorithms, and create a new data structure. It enables predictive behaviour based on the trends it recognises. E.g. predicting future cash flows
3. **Suggestion**: Through analysing the prediction, it leads to a suggested course of action. E.g. reminder to transfer money from one account to another to meet an obligation.




"The greater commitment an organisation makes to its data intelligence program, the greater likelihood the program will make a substantive contribution to the success of the organisation and thus be deemed a success itself."

- Association for Financial Professionals

HOW IS DATA INTELLIGENCE DIFFERENT TO BIG DATA

It fuses the forces of both big data and data science. It also contains an analytics layer on top of the aggregation platform, which helps with pattern and insight recognition. This helps to:

- ▶ Predict consumer financial needs
- ▶ Provides customers with a more personalised user experience
- ▶ Able to predict future activity, and thereby provide suggestions as guidance



"Advanced data analytics greatly increases value creation through improved customer understanding and higher-quality lead generation."

- Boston Consulting Group

⁵ McKeown, Terry. "Bring Visibility to Credit Invisibles Through Alternative Data." REwired. September 15, 2017.

<https://www.housingwire.com/blogs/1-rewired/post/41314-bring-visibility-to-credit-invisibles-through-alternative-financial-data>

APPLICATIONS OF DATA INTELLIGENCE

Technology is constantly growing. There is an expectation that banks will continue to deliver high-end technology that provides consumers with more intuitive user experiences. They do this by offering added personalisation through assistance with predictions and suggestions.

Using the data provided information, it provides consumers with a personalised experience. It does so by tailoring the experience, product, and guidance for each customer's unique situation. Consumers gain new insights, which helps them better plan for the future and solve current financial struggles.



"Companies that put data at the center of the marketing and sales decisions improve their marketing return on investment by 15 - 20 percent. "

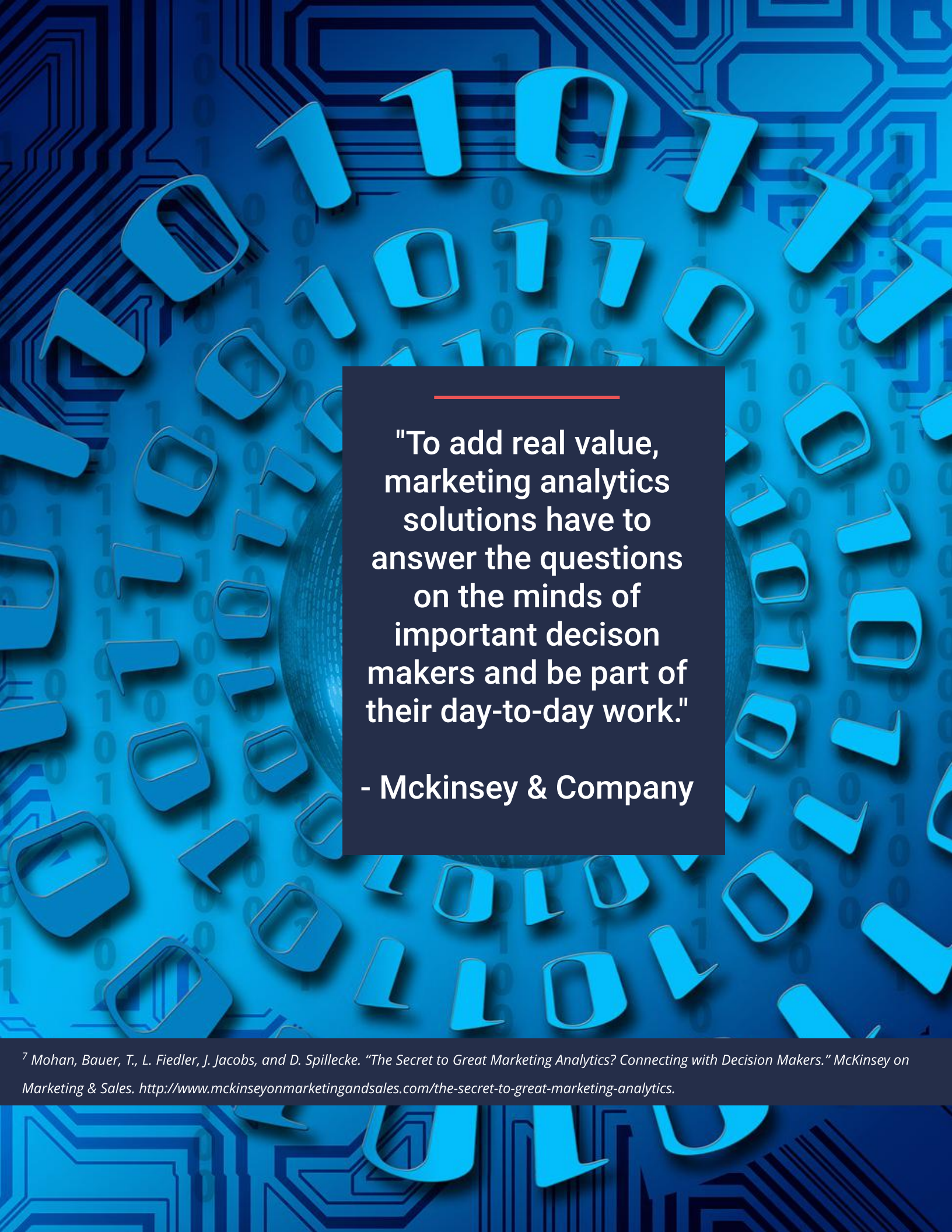
- Jonathan Gordon

⁶ Gordon, J. "Bit Data, Analytics And The Future of Marketing And Sales." *Forbes*. July 22, 2013.
<http://www.forbes.com/sites/mckinsey/2013/07/22/big-data-analytics-and-the-future-of-marketing-sales/#3f5ba7be344d>

MECHANICS OF DATA INTELLIGENCE

Data intelligence leverages a pool of data that is derived from the fusion of big data and data science. It embraces behavioural psychology; allowing for an understanding of behaviours, preferences and profiles.

Through its behavioural psychology functions, it also analyses data to make predictions. These predictions provide consumers with a more educational context of daily transactions, which notifies consumers of how decisions in one area can affect other areas. It, therefore, enables consumers to make informed decisions that allow them to be projected further towards their goals and objectives.



**"To add real value,
marketing analytics
solutions have to
answer the questions
on the minds of
important decision
makers and be part of
their day-to-day work."**

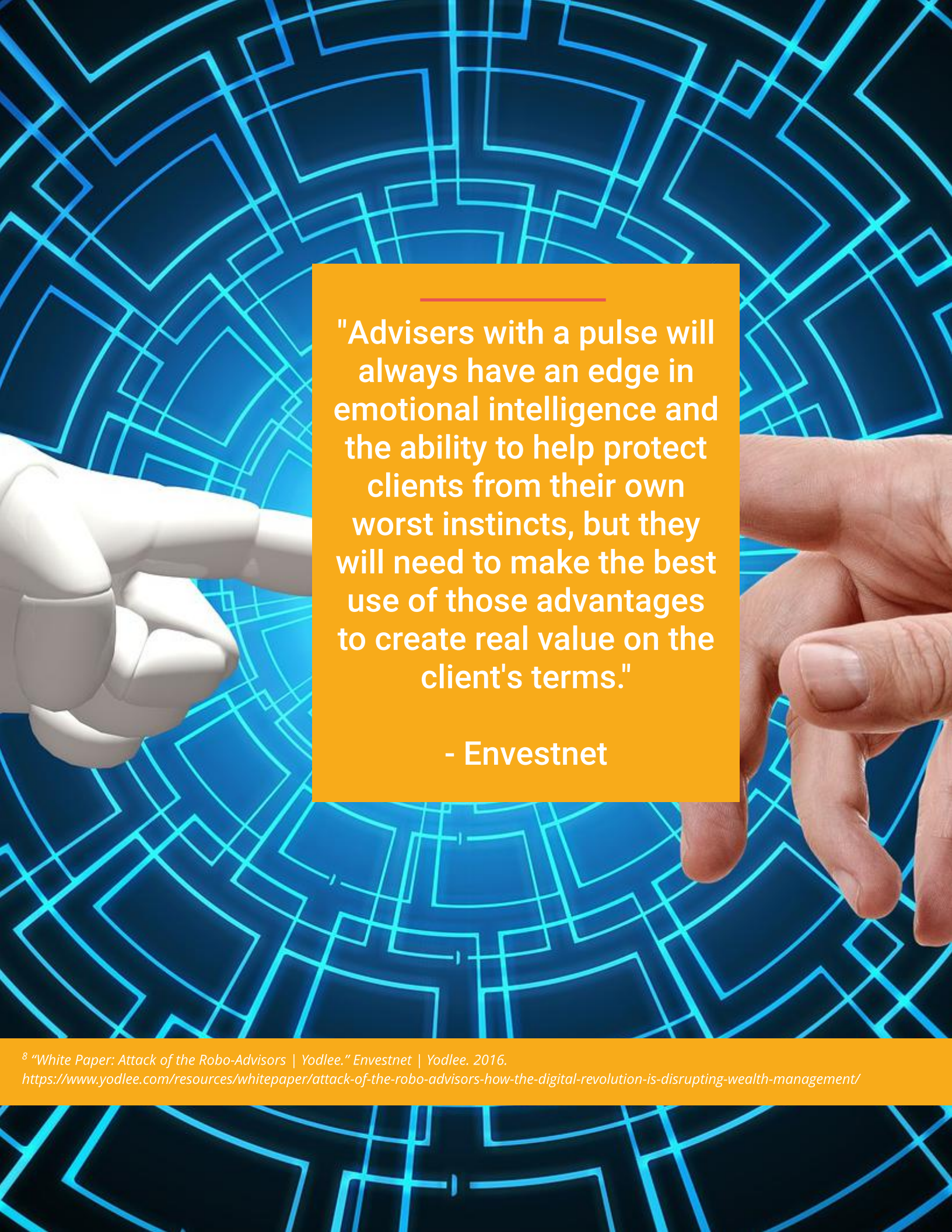
- McKinsey & Company

⁷ Mohan, Bauer, T., L. Fiedler, J. Jacobs, and D. Spillecke. "The Secret to Great Marketing Analytics? Connecting with Decision Makers." McKinsey on Marketing & Sales. <http://www.mckinseyonmarketingandsales.com/the-secret-to-great-marketing-analytics>.

MAXIMISING THE BENEFITS OF DATA INTELLIGENCE

To maximise the benefits of data, obtain information from all the data that is collected and organised. Do this by answering the questions:

- ▶ From where is quality data able to be obtained?
- ▶ Exactly what insights are customer and institutions able to gain from given data?
- ▶ How can consumer lives be improved after given insight from the data?
- ▶ Which individuals will benefit most from big data usage
- ▶ When and where will the data and insights be delivered?



"Advisers with a pulse will always have an edge in emotional intelligence and the ability to help protect clients from their own worst instincts, but they will need to make the best use of those advantages to create real value on the client's terms."

- Envestnet

⁸ "White Paper: Attack of the Robo-Advisors | Yodlee." Envestnet | Yodlee. 2016.

<https://www.yodlee.com/resources/whitepaper/attack-of-the-robo-advisors-how-the-digital-revolution-is-disrupting-wealth-management/>

INFLUENCE OF DATA INTELLIGENCE ON ADVISOR-INVESTOR RELATIONSHIPS

Data intelligence provides consumer financial advisors insights to gain a holistic view of finances. A comprehensive outlook enables them to see the implications of how one decision can affect the other. As such it allows them to understand their client's financial choices and trade-offs better. Customers are thus able to get more personalised guidance from their advisors. The individualised advice could lead to more productive conversations and therefore enforce greater advisor-investor relationship.



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