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ABOUT OUR SPEAKER: Tom Davenport, MA'79, PhD'80 was named among the most influential business and technology gurus in the world (3rd after Peter Drucker and Tom Friedman). He holds the President's Chair in Information Technology and Management at Babson College and teaches MBAs how to master information management. As a highly sought consultant in the business world, he coaches executives on how to make better choices by putting analytics to good use.

Tom authored or coauthored fourteen books, including *Competing on Analytics*, an instant best seller translated into 14 languages. He taught at HBS, University of Chicago, Dartmouth, and the University of Texas and directed research centers at Accenture, Ernst & Young, McKinsey & Company. Tom's wife Jody Davenport is also a Harvard grad EdM '77.

Prof. Davenport seems to be the godfather of business analytics. What seems to be an emerging trend in business strategy has been at the forefront of Davenport's research for more than a decade. He has mastered both the art and science of taking consumer information and transforming it into analytical data used for strategic decision-making in business.



Students say Tom is a "wonderful professor who makes the subject of Information Technology accessible and enjoyable. Through primary research, case studies, articles and life experience, Tom creates an incredibly lively and engaging classroom environment and like most excellent teachers – he listens to his students, values their point-of-view and truly cares. Even after graduation, Tom continues to engage and for that I am grateful." See Website Pg. 2 for excerpt of "What People Want (and How to Predict It)" by Thomas H. Davenport and Jeanne G. Harris. 

Harvard January Luncheon

All Alumni, Guests

WHEN: Fri, Jan. 10, 2014--Register 11:30am
Lunch 12pm Speaker 12:45pm

WHERE: Michaels on East, 1212 S East Ave.

DRESS: Business Casual.

ENJOY: Lunch, Dessert, Tea, Coffee,
Cash Bar for Beer, Wine, Cocktails

\$25 Credit /Check NOW (\$30 at Door)

RSVP: Tom Davenport, Author & Consultant • Luncheon • Fri, Jan 10, 11:30am-2pm

MY NAME: _____ Degree/Program & Year _____

GUEST NAMES: (Please Print) _____

My Email Address: _____ Phone _____

Here's my check for _____ Reservations for Alumni + Guests @ \$25 each = \$ _____ (Total)

MAIL This Form AND Check PAYABLE TO : Harvard Club of Sarasota

Sandrina Riddell, Events Treasurer

8155 36th St. East, Sarasota FL 34243

OR BUY TICKETS ONLINE TODAY with VISA, MASTERCARD at WWW.SARASOTAHARVARDCLUB.ORG

What People Want (and How to Predict It)

MIT SLOAN MANAGEMENT REVIEW January 09, 2009

Thomas H. Davenport and Jeanne G. Harris



Companies now have unprecedented access to data and sophisticated technology that can inform decisions as never before. How successful are they at helping forecast what customers want to watch, listen to and buy?

The Year 2007 was a terrible year for many big movie stars. One major exception was Will Smith, whose film “I Am Legend” set a box-office record for a movie opening in December, taking in \$77 million. In 2008, Smith’s star vehicle “Hancock” grossed more than \$625 million worldwide despite poor critical reviews. Smith’s success was not all that surprising, however: With the exception of the Harry Potter movies, those in which Smith star have higher opening weekends and average box-office receipts than movies with any other male lead.



Does Smith know something that Jim Carrey and others do not?

Quite possibly: When Smith went to Hollywood to start his film career, he and his business manager studied a list of the 10 top-grossing movies of all time. “We looked at them and said, OK, what are the patterns?” Smith recalls. “We realized that 10 out of 10 had special effects. Nine out of 10 had special effects with creatures. Eight out of 10 had special effects with creatures and a love story.”²

Smith calls himself a “student of universal patterns” and studies box-office results after every weekend, looking for patterns of success. Given his track record of choosing films that reliably deliver \$120 million or more, he is clearly an astute observer.

Smith’s ability to analyze and predict which movies are likely to succeed belies conventional wisdom on predicting consumer taste. Such predictions are viewed as an art, not a science. The reasons for success or failure are inscrutable. Producers of movies, music, books and apparel pursue their artistic visions and offer them to the public, which may or may not recognize genius when it sees it.

It’s easy to see why most people view the prediction of taste as an art. Historically, neither the creators nor the distributors of “cultural products” have used analytics — data, statistics, predictive modeling — to determine the likely success of their offerings. Instead, companies relied on the brilliance of tastemakers to predict and shape what people would buy. If Coco Chanel said hemlines were going up, they did. Feelings, not data, were critical. Harry Cohn, the founder of Columbia Pictures, believed he could predict how successful a movie would be based on whether his backside squirmed as he watched (if it did, the movie was no good).

Such tastemakers still exist. Wines that receive a 90+ score from Wine Spectator are virtually guaranteed high market demand. Manufacturers of everything from automobiles to toasters rely on the Color Association of the United States’ recommendations to determine color trends for their products. The success of Columbia Records’ cohead, Rick Rubin, has been attributed in part to “the simultaneously mystical and entirely decisive way he listens to a song.”³

Creative judgment and expertise will always play a vital role in the creation, shaping and marketing of cultural products. But the balance between art and science is shifting. Today companies have unprecedented access to data and sophisticated technology that allows even the best-known experts to weigh factors and consider evidence that was unobtainable just a few years ago.

As a result, the prediction of consumer taste is quietly becoming a prominent feature of the entertainment and shopping landscape. Creators and distributors of cultural products are attempting to predict how successful a particular product will be before, during or after its creation. Consumers of cultural products can draw upon recommendations — a form of prediction as well — about which products or product attributes will appeal to them.

In this article we describe the results of a study of prediction and recommendation efforts for a variety of cultural products. We explain why prediction and recommendation technologies are important, the different approaches used to make predictions, the contexts in which these predictions are applied and the barriers to more extensive use.

READ FULL ARTICLE: <http://sloanreview.mit.edu/issue/winter-2009/>