

An Expert's Summary of Data Mining

Introduction to Data Mining

Sometimes it's helpful to get one expert's overview of exactly what data mining is and should be doing, rather than trying to patch together several different views. Here's one expert's summary of data mining

MIT

Pat Gilbrough is President of Management Information Tools Inc. and has written an excellent brief introduction to data mining for a non-specialist executive.

The entire article is on the Web site (<http://www.ukpua.org/archives/articles/datamine.html>) contains charts, graphs and detailed explanations not reproducible here, and the reader is encouraged to read the entire study, a summary of which is offered here.

The system that performs the day-to-day functions of a business such as order entry, accounting and inventory control is called the "operational system," Gilbrough explains, and the information it creates is called operational data. "Data mining," Gilbrough says, "is used to bring awareness of the substance between different data elements present in a business' operational data." In other words, it's a process that helps you uncover information you would typically not find. Unlike using pre-established computer reports to get information, data mining has no fixed presentation of data and allows the user to create inquiries based on what information she requires at the time.

Key Features

Easy to use. Data mining must be easy to use and not require extensive training. It is important for the user to be able to focus her thought process on researching data quickly rather than trying to figure out how to run a program. Difficult data mining systems tend not to be used by the people that may need it the most.

Accessible. The real value of data mining is giving this tool to the people that have a direct need for it and that can take direct action from what is learned by the data research. Give it to each sales rep in your company to research the activity of her assigned customers. Give it to the inventory control person to quickly find dead stock in the inventory. Give it to accounting to help in establishing budgets.

Quick. It is critical that the "slicing and dicing" of information can occur in a matter of seconds to encourage the powerful research capabilities of data mining. Managers and executives are much less apt to use a system to its potential when they have to wait longer than a few seconds between responses, especially given the interactive environment required with exploring data.

Current. Using data that is several months or even weeks old reduces the power of data mining. The more up-to-date the information is, the more likely a plan can be implemented to improve a situation that has been presented by the data mining system.

Major Benefits

Lower Cost of Data Processing. With information supplied to users with their own data research, the less custom report and hard-coded inquiry programming is needed. Programmers can focus their attention on operational issues such as transaction entry and processing versus information output requests.

Reduction in Computer Generated Hardcopy Reports. Many computer reports are now generated to show a manager the totals in a given area of business. In other words: the bottom line. With data mining, that same manager would start an inquiry by showing the "bottom line" totals on a screen and then research more of the detail behind that total only if needed.

About Management Information Tools

Management Information Tools, Inc. is the developer of the MITS online analytical processing /data mining system that incorporates technology allowing the creation of data cubes and a data warehousing environment on an enterprise's existing host computer. IBM is the exclusive distributor for the MITS product.

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