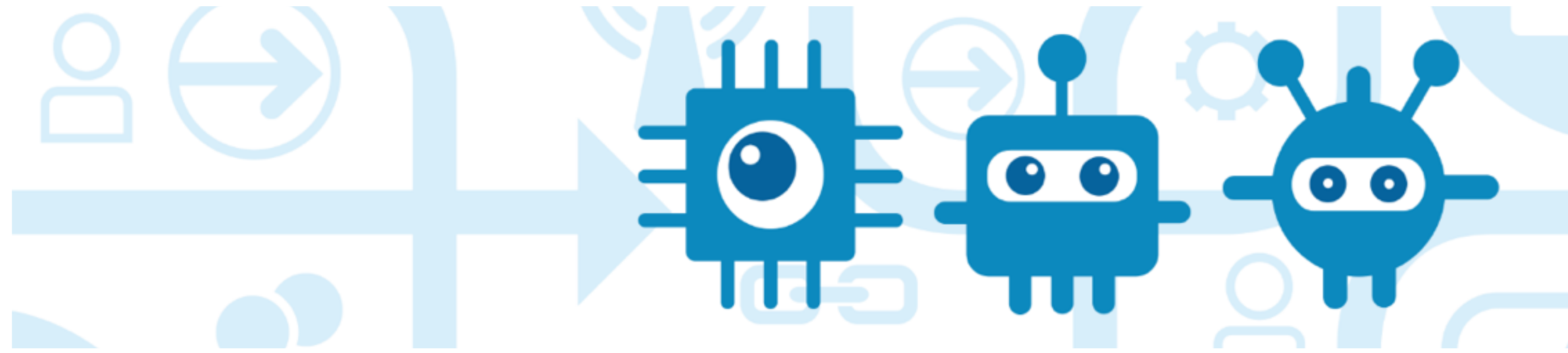


# Big Data & Internet of Things

<Innovate@**SPEED**>



## Big Data and the Internet of Things

Business opportunities, technologies and examples

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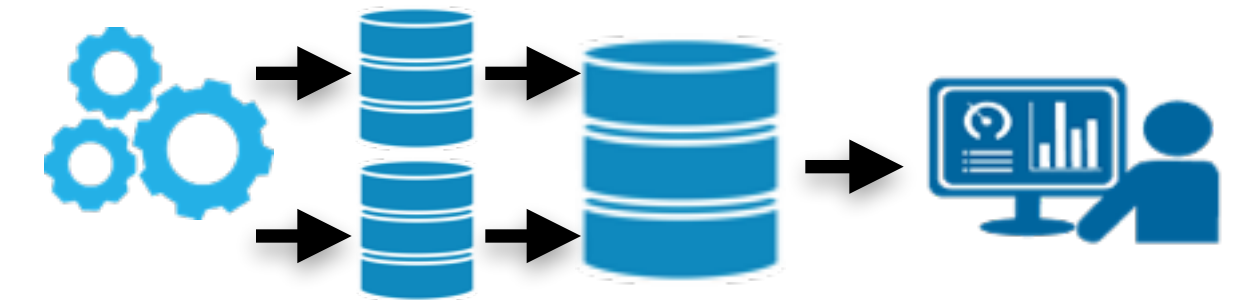
# Big data - Business point of view

# Big Data

Big data is being generated by everything around us at all times. **Every digital process and social media exchange produces it. Systems, sensors and mobile devices transmit it.**

What differentiates **big data** from **traditional business data**?

- **Business data** is typically well structured, created by specifically designed business applications and processes (like CRM, ERP or HR systems), and managed in relational databases within the organization
- **Big data** is the data arriving from multiple external and/or internal sources at an alarming **Velocity**, **Volume** and **Variety**, typically not created by business applications and processes, not well organized or structured, and not stored in relational databases.



To **extract meaningful value from big data**, you need optimal **processing power**, **analytics capabilities** and **skills**.

# What is changing in the realm of big data?

**Big data is changing the way people within organizations work together. It is creating a new culture in which business and IT leaders must join forces to realize value from all data.** Insights from big data can enable **all employees** to make **better decisions** — deepening **customer engagement**, **optimizing operations**, preventing **threats and fraud**, and capitalizing on **new sources of revenue**.

Escalating demand for insights from big data **requires a fundamentally new approaches to architecture, tools and practices.**



## Competitive advantage

Data is emerging as the world's newest resource for competitive advantage.



## Decision making

Decision making is moving from the elite few to the empowered many.



## Value of data

As the value of data continues to grow, current systems won't keep pace.

# Big Data & Analytics are making the world Smarter

Smarter Cities



Smarter Healthcare



Smarter Grids



Smart Water



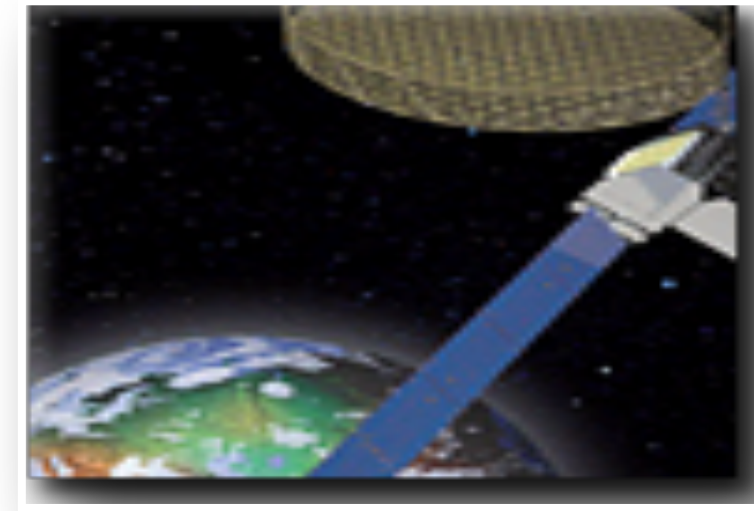
Smarter Traffic



Smarter Processes



Smarter Telecom



Smarter Public Safety



Smarter Finance



Smarter Retail



Smarter Living



Smarter Education



# Real world big data use cases



**BC Egg Marketing Board** used IBM analytics capabilities to cut basic farm inspection workload by 66 percent and reduce the budget cycle from two months to less than two weeks.

[PDF \(862.20KB\)](#)



**Infinity Property & Casualty** used predictive analytics to identify fraudulent claims, better identify subrogation potential, and improve right-tracking of claims to speed claim handling.

[Video \(00:03:17\)](#)



**Daimler FleetBoard – Mercedes Benz** uses an IBM analytics-based telematics solution to help optimize vehicle usage and routing, enable remote delivery of functionality to vehicles and lower customers' insurance premiums 10 percent.

[PDF \(80.85KB\)](#)



**Discovery Health** employed IBM predictive analytics to extract insights from clinical, demographic, billing and member data to find chronic health-risk patterns and help risk analysts improve predictive accuracy.

[PDF \(69.55KB\)](#)



**Allianz Group** implemented a centralized risk-management platform with IBM advanced analytics, gaining greater visibility into its equity basis and accelerating its economic portfolio reporting from six weeks to one day.

[PDF \(79.35KB\)](#)

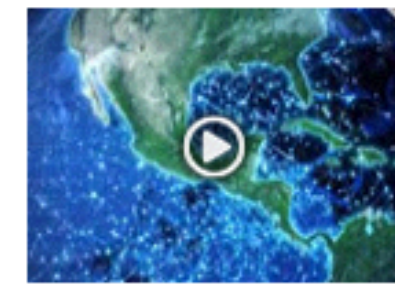


**Security First Insurance** employed the content analytics capabilities of IBM Watson Foundations on social media posts to boost productivity and customer satisfaction by bridging social media and the claims process.

[PDF \(88.18KB\)](#)

[Video \(00:04:22\)](#)

[Visit the web page](#)



**T-Mobile** uses big data and analytics to gain insight into data flowing through its entire network in seconds, and enhance the veracity of that data to above 99.99 percent.

[Video \(00:03:10\)](#)



**Sprint Velocity** stores driver preferences in the cloud so drivers can use their smartphones in their vehicle compartments to create a more personalized experience.

[Video \(00:00:40\)](#)



**Santam Insurance** used IBM predictive analytics to improve claims categorization, reducing the time and cost of settling cases and processing 15% of claims within an hour – a 95% time savings.

[Visit the web page](#)



**Westfield Insurance** applied business intelligence and analytics to gain greater insights, make good risk selection, service customers, market and sell products, and differentiate the company.

[PDF \(932.04KB\)](#)

[Video \(00:04:01\)](#)



**Insurance Bureau of Canada** engaged IBM to perform a proof-of-concept project that successfully automated the detection of potential claim fraud and the identification of possible fraud rings.

[PDF \(695.68KB\)](#)



**First Tennessee Bank** increased marketing response rate by 3.1 percent by using predictive analytics to more accurately target offers to high-value customers.

[PDF \(357.75KB\)](#)

[Video \(00:04:12\)](#)



**Pioneer West Virginia Credit Union** reduced its loan delinquency ratio by 95% in one year by gaining the insights to understand operations in a near-real-time environment.

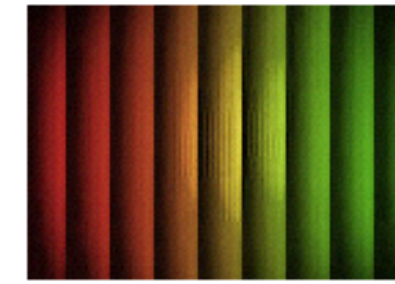
[PDF \(820.49KB\)](#)

[Video \(00:04:28\)](#)



**Barclays** used advanced analytics in a collaborative forum to reveal hot topics and sentiments in real time, helping ensure its global workforce aligned with the bank's customer-centric strategy.

[PDF \(932.83KB\)](#)



**C Spire Wireless** used IBM predictive analytics on customer-behavior and account-profile data to optimize its service mix and offers, increasing the efficacy of its customer retention campaigns by half.

[PDF \(77.68KB\)](#)



**TEOCO** enabled CSPs to access and analyze massive amounts of big data to uncover the source of cost and network issues, a move that is helping providers save millions of dollars.

[PDF \(746.6KB\)](#)

# Real world big data use cases



**Becker Underwood** used IBM analytics to integrate and optimize its global agriculture chemicals supply chain, greatly improving its inventory turn and forecasting accuracy to sustain rapid business growth.

▶ [Video \(00:03:45\)](#)



**Recology** used big data and analytics to improve operational efficiency, transporting waste to collection facilities more efficiently and reducing the amount of trash sent to the landfill by 50%.

▶ [Video \(00:02:53\)](#)



**Mueller, Inc.** used IBM business intelligence analytics to measure and improve sales performance, create effective business plans, and gain deep insight into patterns and trends in its data.

▶ [PDF \(628.67KB\)](#)



**Jabil Circuit** built a comprehensive suite of analytical tools that made its finance department more efficient and effective, reducing time to close and manual activity by 50 percent.

▶ [PDF \(599.65KB\)](#)

▶ [Video \(00:05:22\)](#)



**City of Toulouse, France**, uses IBM social media analytics to gain insights into citizens' needs from social media posts, helping the city identify and prioritize citizens' most pressing issues.

▶ [PDF \(78.62KB\)](#)



**Miami-Dade Police Department** used advanced analytics to uncover insights in cold robbery cases, more quickly identifying suspects, making arrests and reducing repeat crimes.

▶ [PDF \(2.19MB\)](#)

▶ [Video \(00:03:32\)](#)



**Memorial Healthcare System** uses IBM content analytics to cull insights from vendor data, reducing invoice cycles by about 40 percent and revealing vendor relationship problems to mitigate fraud risks.

▶ [PDF \(1.30MB\)](#)

▶ [Video \(00:04:26\)](#)



**Seton Healthcare Family** minimized readmission of patients who had suffered congestive heart failure by uncovering insights trapped in unstructured data to identify at-risk patients.

▶ [Video \(00:03:01\)](#)



**Regina Police Service** of Saskatchewan relies on sophisticated content analytics tools from IBM to identify and remove inappropriate content from social media sites, making them safe for the public.

▶ [PDF \(750.75KB\)](#)



**Durham, NC, Police Department** reduced the amount of violent crime in a 2-square mile high-crime region of the city by over 50 percent from 2007 through 2011 with IBM analytics technology.

▶ [Video \(00:03:20\)](#)



**Ishinomaki City** used analytics on fish species and location data to restore the local fishing industry, hurt by the 2011 earthquake and subsequent nuclear accident.

▶ [PDF \(80.31KB\)](#)



**Chickasaw Nation Division of Commerce** used IBM predictive and patron analytics on its gaming operations, promotions and patron data to reduce its month-end close process by 50 percent and provide a better gaming experience.

▶ [Video \(00:05:45\)](#)



**Singapore Land Transit Authority** used predictive tools and smart cards to provide citizens with a more convenient, smart public transportation system that helps reduce traffic and pollution.

▶ [Video \(00:04:09\)](#)



**State of North Carolina** identified nearly USD200 million in suspicious Medicaid claims by using analytics to sort through and prioritize tens of thousands of providers and hundreds of millions of claims in minutes.

▶ [Video \(00:02:13\)](#)



**SHOP.CA**, the largest e-commerce marketplace in Canada, uses IBM advanced analytics solutions to improve the search experience, target personalized emails and improve click-through rates 300 to 500 percent.

▶ [PDF \(146.78KB\)](#)

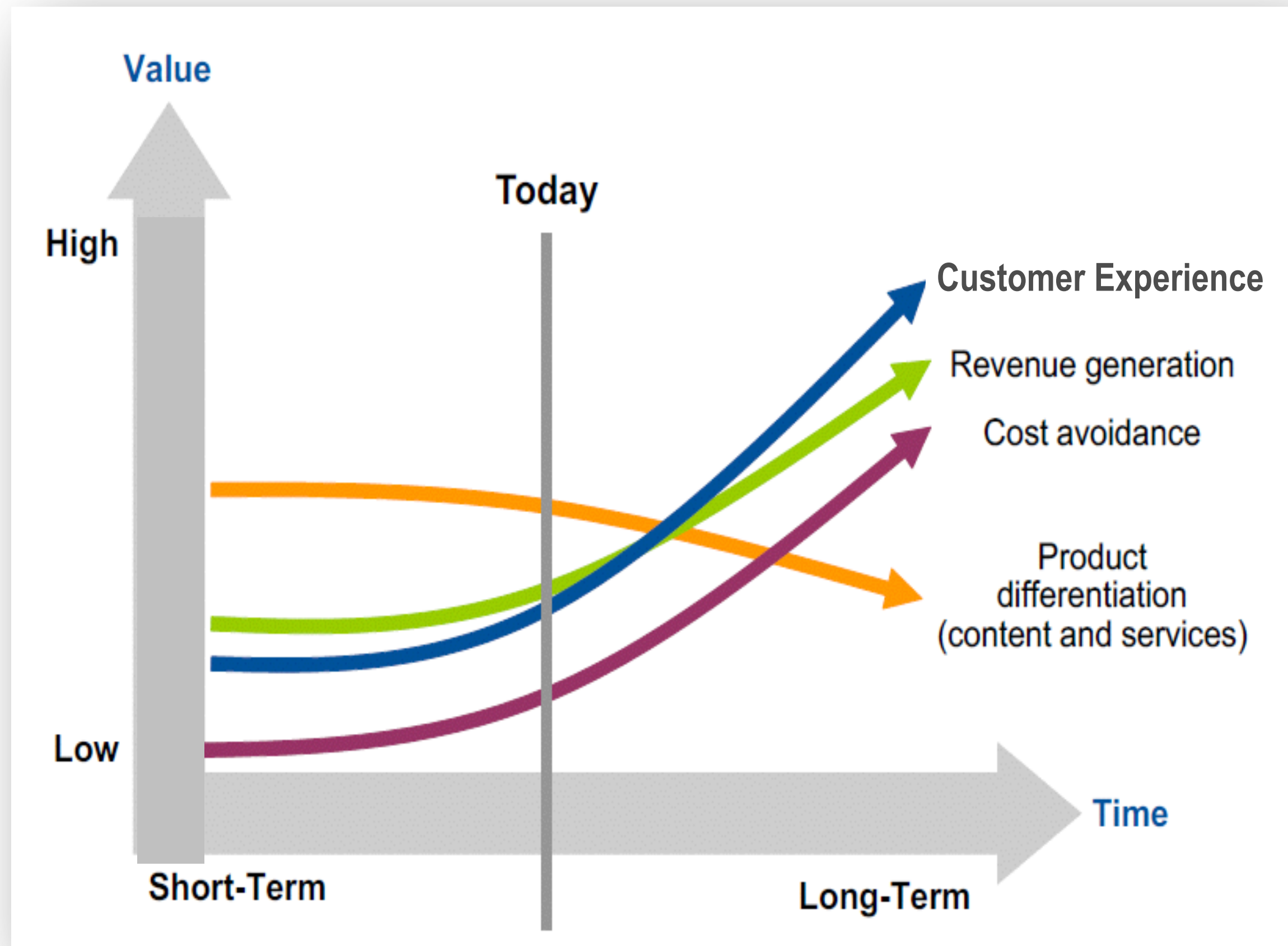


**Luxottica** used IBM Big Data & Analytics capabilities and a solution from Aginity to identify their highest-value customers from nearly 100 million and create personalized marketing campaigns.

▶ [PDF \(84.34KB\)](#)

# The Real Value of Big Data

The benefits of connected people and devices will change over time, as connectivity becomes commodity and through higher experience & demand of the real value



## Customer Experience



Improved, real-time customer interaction

## New Revenue generation



Revenue from new applications and services

## Cost avoidance / productivity



Reductions in warranty related costs (e.g. recalls) due to remote diagnostics

## Product differentiation



Differentiation opportunities from content & service perspective (functionality)



# How can businesses realize the value of big data?

New skills are needed to fully harness the power of big data. Though courses are being offered to prepare a new generation of big data experts, it will take some time to get them into the workforce. Meanwhile, leading organizations are developing new roles, focusing on key challenges and creating new business models to gain the most from big data.

4.4MILLION  
data scientists  
needed by 2015



## Discovering the new role of data scientist

Gartner finds that by end 2015, the demand for data and analytics resources will reach 4.4 million jobs globally, but only one-third of those jobs will be filled. The emerging role of data scientist is meant to fill that skills gap.

## Being proactive about privacy, security and governance

While big data can provide significant value, it also presents significant risk. Organizations must be proactive about privacy, security and governance to ensure all data and insights are protected and secure.

## Create new business models with big data

From data-driven marketing and ad-targeting to the connected car and smart buildings, big data is fueling product innovation and new revenue opportunities for many organizations.

# Questions to You

- What are the characteristics of big data?
- What is the value of big data?
- What are the challenges with big data?

# Big data - Information systems point of view

**But first, some key technologies you'll need to understand...**

# Relational Database (“SQL data store”)

Relational databases stores data in **series of tables** (relations) with **pre-defined data structure** (attributes) and **well defined data types** (type of value). In other words, rows in tables define **records** and columns in tables define **fields** (or attributes) for that record. As result, each record in a table must share the same set of attributes. Another feature of relational database is “**relationships**” between the tables, meaning that records in different tables can be linked together by matching values in key columns (e.g primary keys).

Well-defined **Structured Query Language** (SQL) is used to **maintain and query** the database. Database **functions** and **procedures** are used to perform processes and calculations on data.

These well-defined characteristics of relational databases makes them well suitable for storing and processing **numeric data** and allow them to be optimized in number of different ways to increase performance.

Relational databases are **not** well suitable, however, to store unstructured information (such as text, audio, video), large amounts of data (petabytes) or data that requires flexibility in it’s structure (like generic sensor data).

Examples: IBM DB2, Oracle, Microsoft SQL, MySQL

## Hypothetical Relational Database Model

PubID	Publisher	PubAddress
03-4472822	Random House	123 4th Street, New York
04-7733903	Wiley and Sons	45 Lincoln Blvd, Chicago
03-4859223	O'Reilly Press	77 Boston Ave, Cambridge
03-3920886	City Lights Books	99 Market, San Francisco

Primary Key

Primary Key

AuthorID	AuthorName	AuthorBDay
345-28-2938	Haile Selassie	14-Aug-92
392-48-9965	Joe Blow	14-Mar-15
454-22-4012	Sally Hemmings	12-Sept-70
663-59-1254	Hannah Arendt	12-Mar-06

ISBN	AuthorID	PubID	Date	Title
1-34532-482-1	345-28-2938	03-4472822	1990	Cold Fusion for Dummies
1-38482-995-1	392-48-9965	04-7733903	1985	Macrame and Straw Tying
2-35921-499-4	454-22-4012	03-4859223	1952	Fluid Dynamics of Aquaducts
1-38278-293-4	663-59-1254	03-3920886	1967	Beads, Baskets & Revolution

Primary Key

Foreign Key

Foreign Key

SELECT B.Title, A.AuthorName from BOOKS B, AUTHORS A where PUBLISHERS.PubID in '03-4859223'

Title	AuthorName
Fluid Dynamics of Aquaducts	Sally Hemmings

# Key-Value Database (“noSQL” data store)

A key-value store, or key-value database, is a data storage paradigm **designed for storing, retrieving, and managing associative arrays**, a data structure more commonly known today as a **dictionary** or **hash**. Dictionaries contain a **collection of objects**, or records, which in turn **have many different fields** within them, each containing data. These records are stored and retrieved using a **key that uniquely identifies the record**, and is used to quickly find the data within the database.

Key-value systems treat the data as a single opaque collection which **may have different fields for every record**. This offers considerable **flexibility** and more closely follows modern concepts like **object-oriented programming**. Because optional values are not represented by “placeholders” in the structure, as in most RDBs, key-value stores often use far **less memory to store the same database**, which can lead to large performance gains in certain workloads. Data is maintained and queried by applications using the database programming interfaces, e.g REST API (http).

Key-value stores are **not** well suitable for storing data that requires high performance in numeric calculations and, due to lack of pre-defined structure, they tend to duplicate data.

Examples: Cloudant, MongoDB

e.g JSON format:

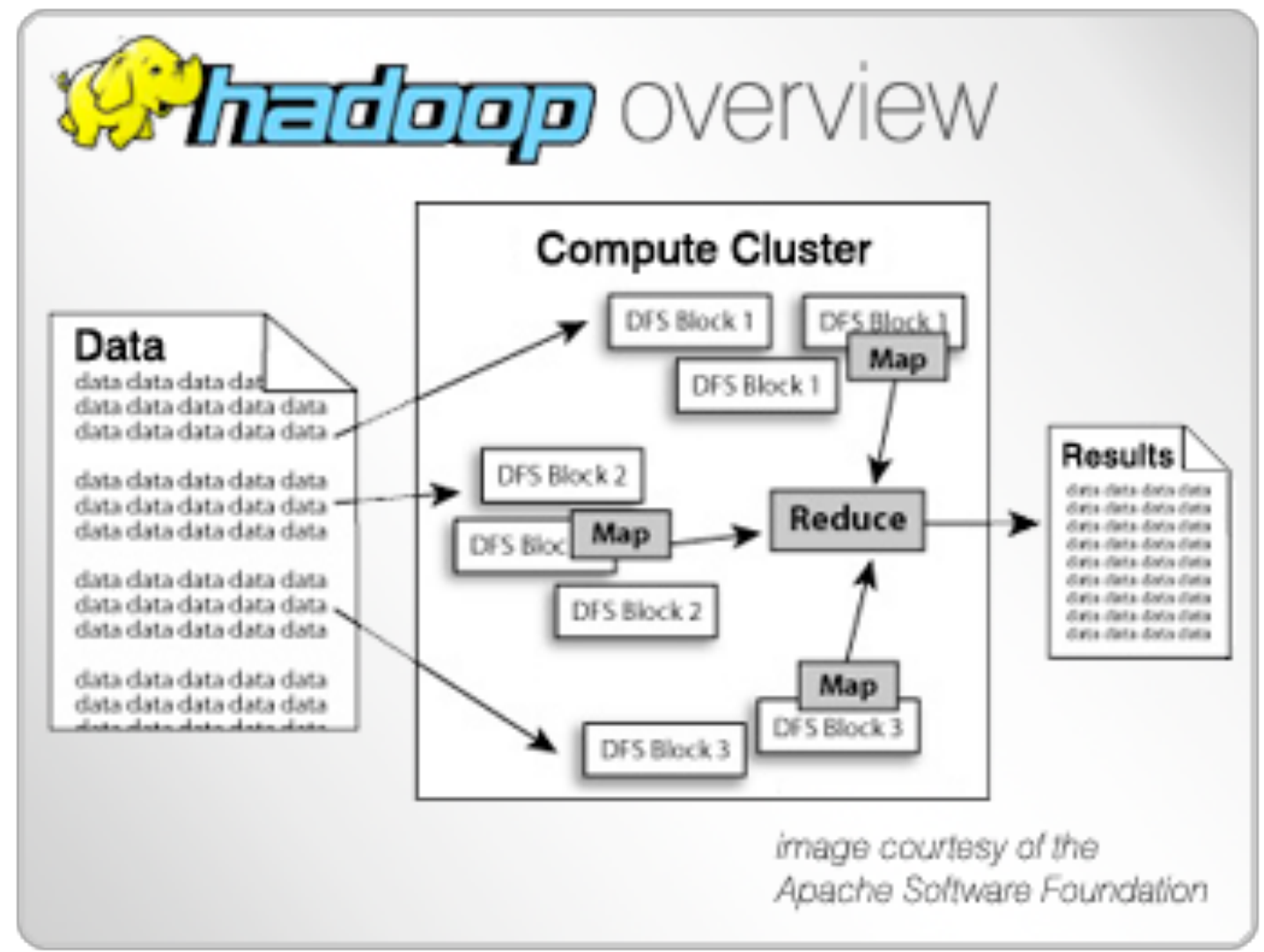
```
{ "ISBN" : "2-35921-499-4",
  "Title" : "Fluid Dynamics of Aquaducts",
  "Date" : 1952,
  "Publisher" : [
    { "PubID" : "03-4859223",
      "PublisherName" : "O'Reilly Press",
      "PubAddress" : "77 Boston Ave, Cambridge"}],
  "Author" : [
    { "AuthorID" : "454-22-4012",
      "AuthorName" : "Sally Hemmings",
      "AuthorBDay" : "12-Sept-70"}]
}
{ "ISBN" : "1-34532-482-1",
  "Title" : "Cold Fusion for Dummies",
  "Revision" : 2,
  "Date" : 1990,
  "Publisher" : [
    { "PubID" : "03-4472822",
      "PublisherName" : "Random House",
      "PubAddress" : "123 4th Street, New York"}],
  "Author" : [
    { "AuthorID" : "345-28-2938",
      "AuthorName" : "Haile Selassie",
      "AuthorBDay" : "14-Aug-92",
      "AuthorTitle" : "Mr"}]
}
```

# Hadoop and MapReduce

Hadoop is an open source Apache project and framework technology for **distributed computing that addresses data intensive analytic needs in big data domain.**

Allows storing of **vast amounts of data in any format on a distributed Hadoop File System (HDFS)**, to be processed with **massively parallel MapReduce programming model** for enhanced analytic review.

Can be **integrated with other technologies** which enhance gathering, analysis, text analytics and visualization of massive data sets



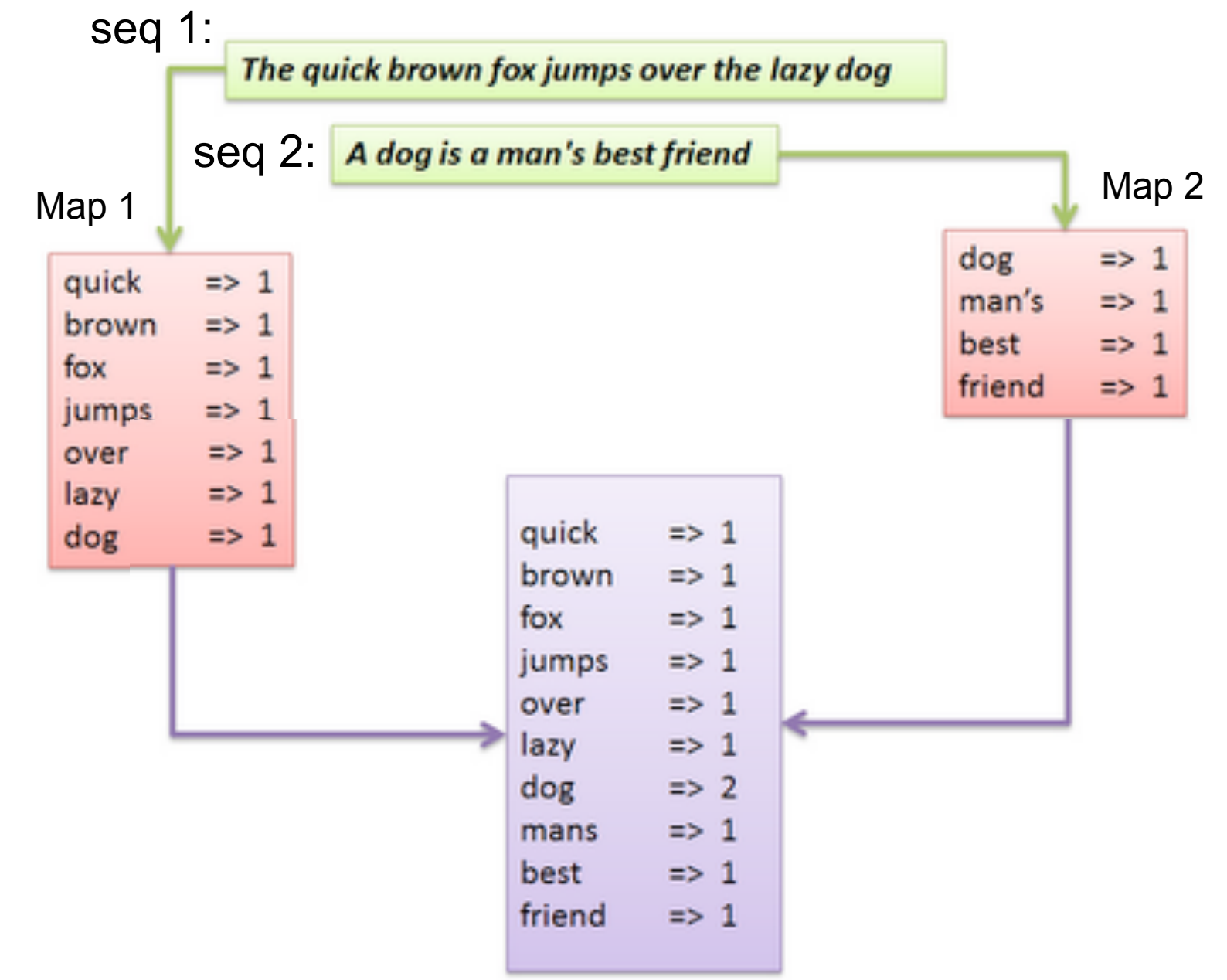
Examples:  
 Apache Hadoop,  
 IBM BigInsights,  
 Hortonworks,  
 Cloudera, MapR

## Traditional serial processing (single file):

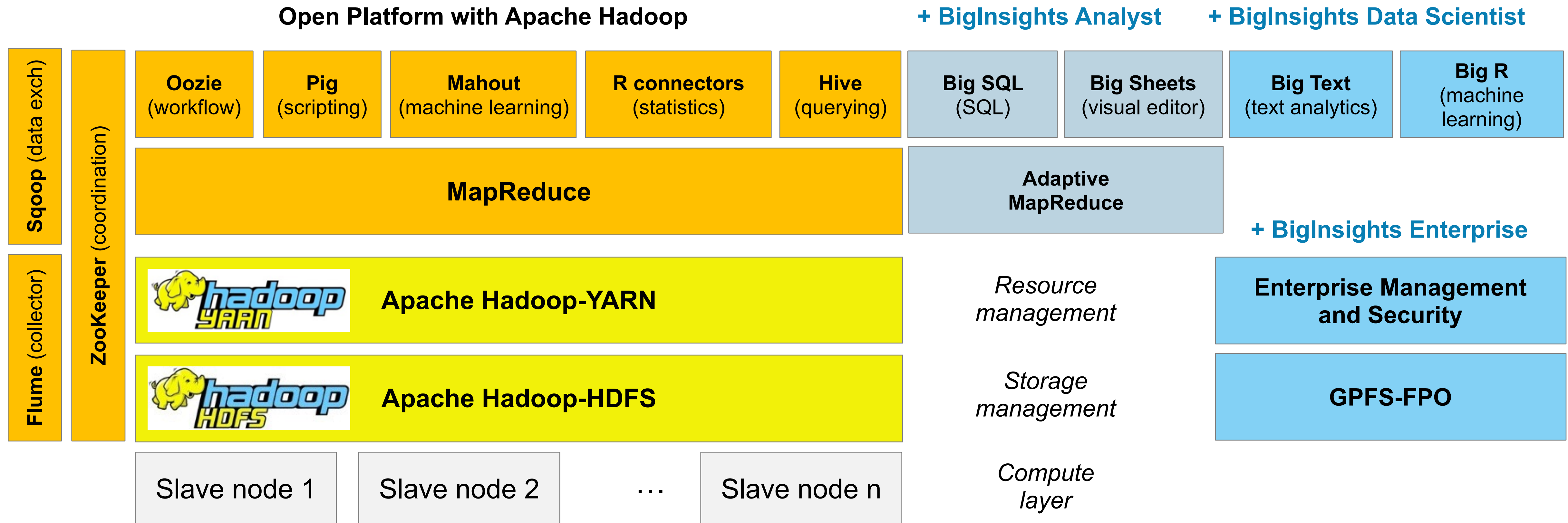
Count the number of words in the following paragraph.  
 Make sure you do not count "Stop Words" (the, a, is)



## MapReduce parallel processing (multiply sequences of the file):

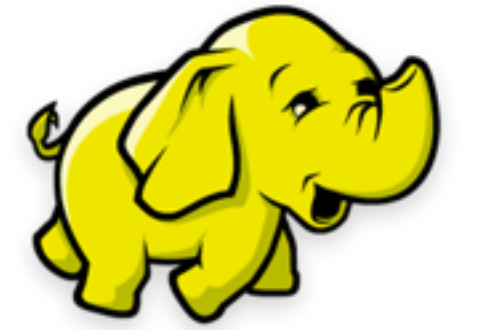


# MapReduce on top of Hadoop





# Hadoop Advantages



## Unlimited Scale

- Multiple data sources
- Multiple applications
- Multiple users

- Reliability
- Resiliency
- Security

## Enterprise Platform

## Wide Range of Data Formats

- Files
- Semi-structured
- Databases

# MapReduce Challenges



- Need deep Java skills
- Few abstractions available for analysts

**Ease of Development**



**Disk-based Performance**

- No in-memory framework
- Application tasks write to disk with each cycle



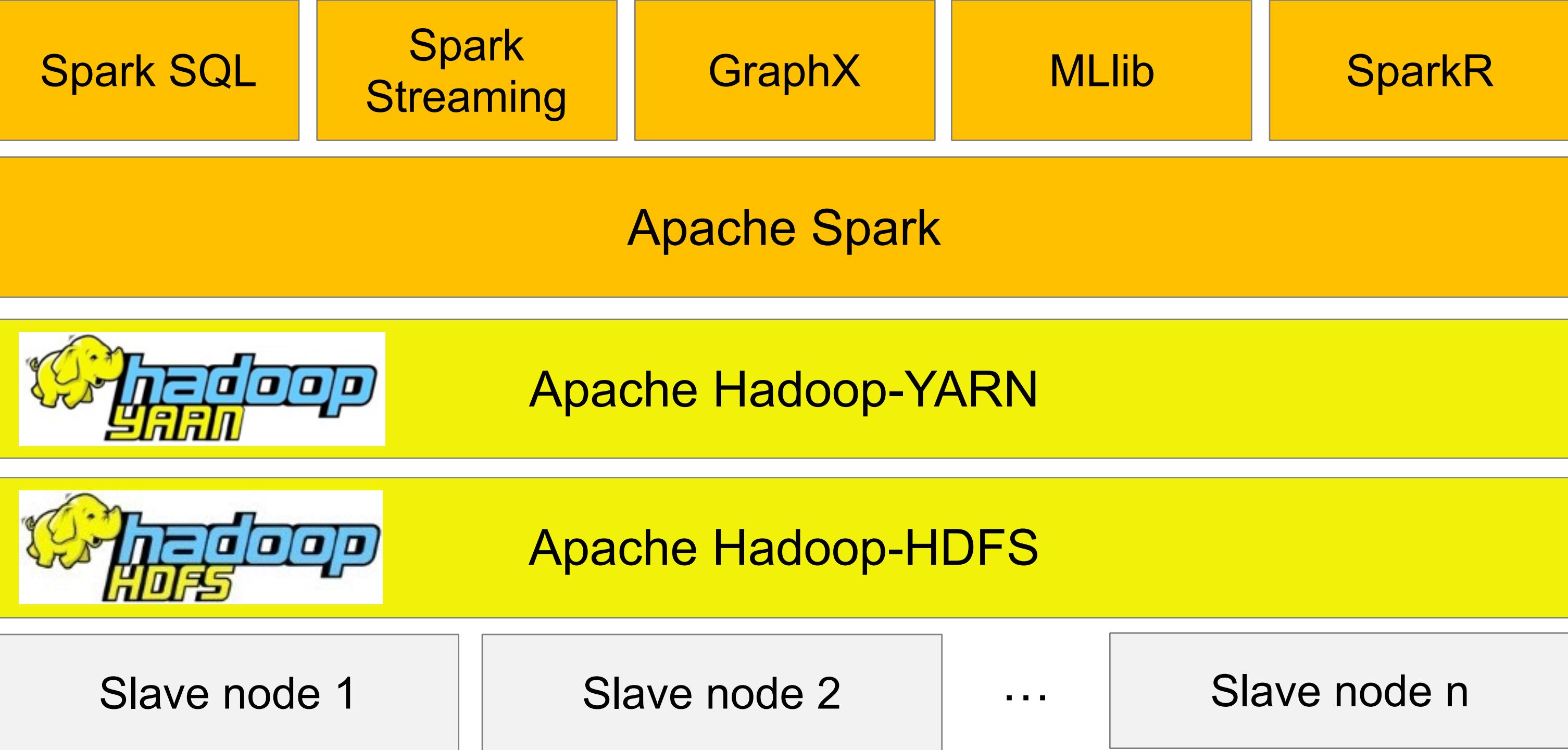
- Only suitable for batch workloads
- Rigid processing model

**Combine Workflows**



# Spark on Hadoop

## Open Source Apache Hadoop and Spark



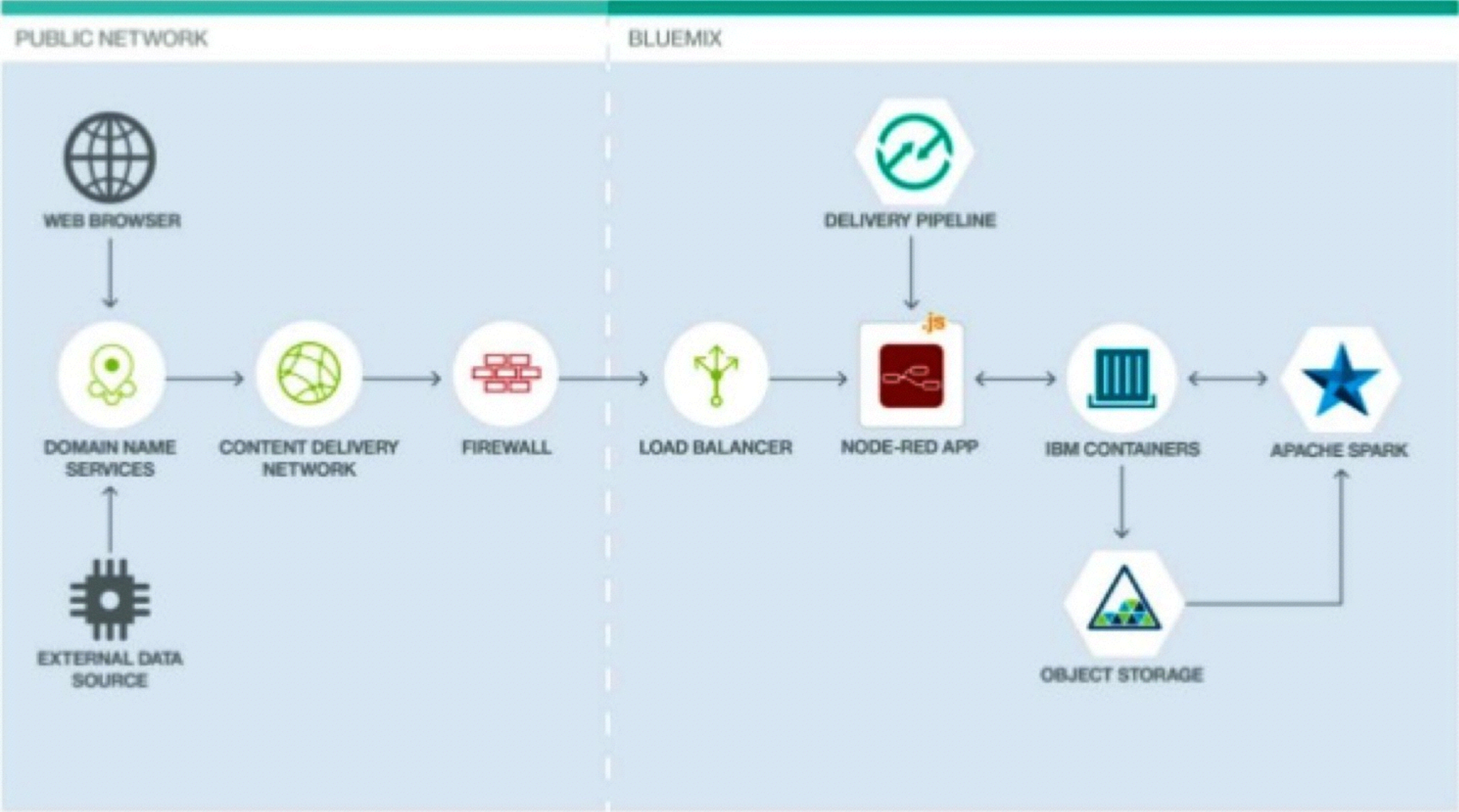
+ BigInsights  
Spark support  
(with BigInsights)

Resource  
management

Storage  
management

Compute  
layer

# Apache Spark in IBM Bluemix cloud



# Apache Spark Advantages



- Easier APIs
- Python, Scala, Java

## Ease of Development

## In-Memory Performance

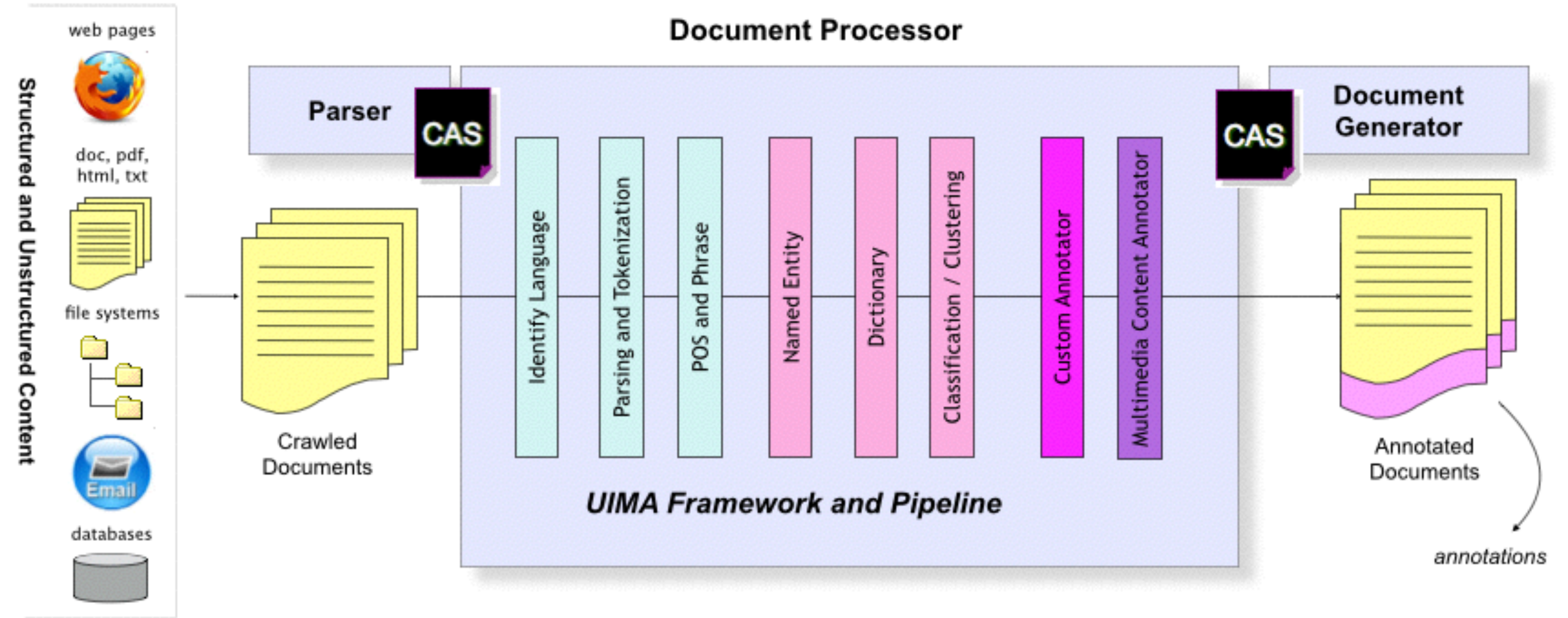
- Resilient Distributed Datasets
- Unify processing
- 10 to 100 times faster than MapReduce

- Batch
- Interactive
- Iterative algorithms
- Micro-batch

## Combine Workflows

# Unstructured Information Management Architecture (UIMA)

- UIMA is an **open standard (OASIS)** to **manage unstructured data**.
- Typical use case for UIMA is **text analytics**, i.e to create a structure upon an unstructured information.
- **Annotators** are developed to process the information.
- Information sources (and targets) can be relational databases, noSQL datastores, HDFS etc.
- Examples:  
 Apache UIMA  
 IBM Watson Content Analytics



Inbound Unstructured Data

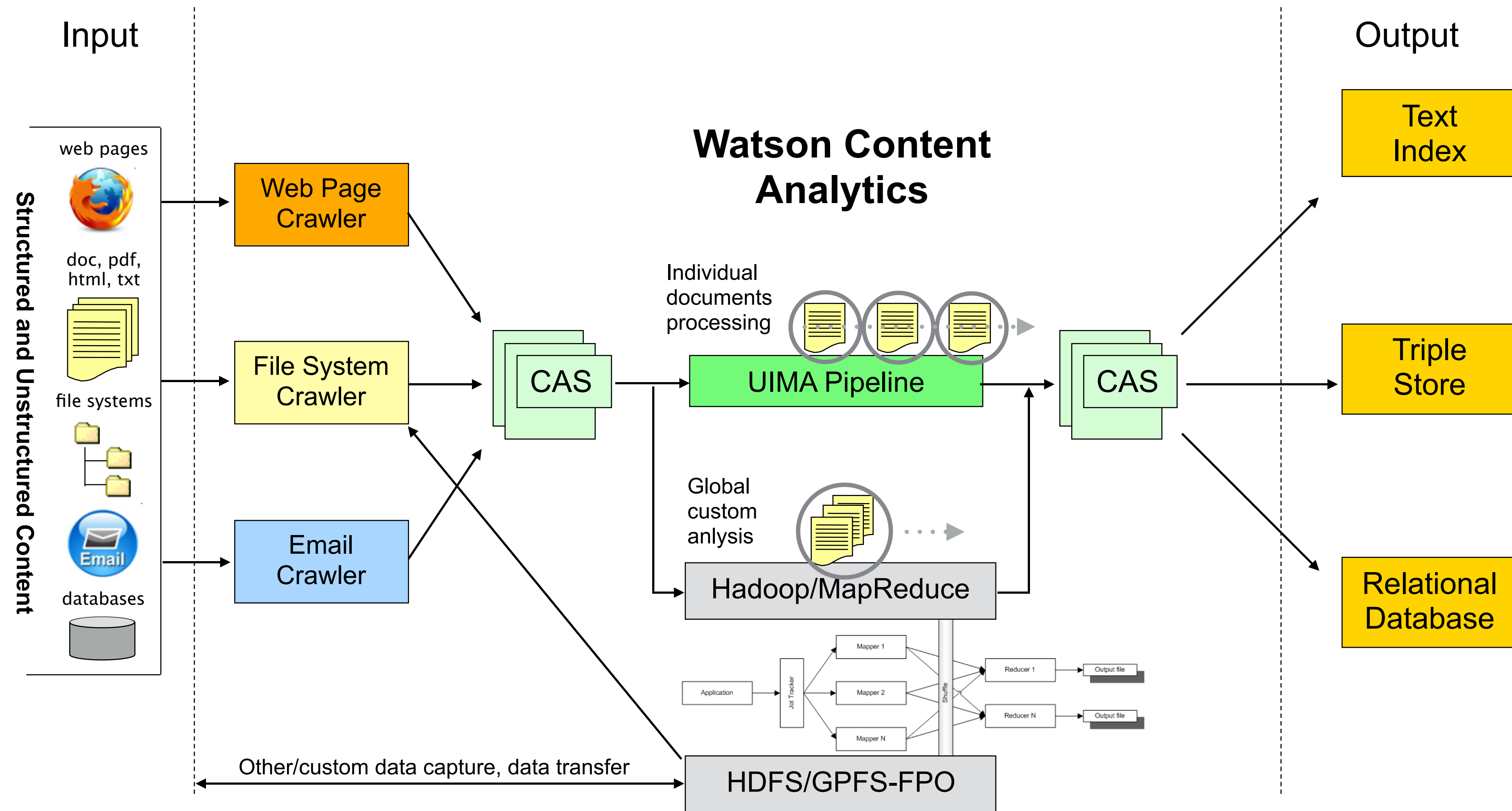
**PC 143 (Hunter)**  
**15 June 2006 23:47**  
 Suspect identified himself as **John Setsuko**. Matched description given by night club doorman (IC1, Male, Ag 22-24 yrs, blue Everton shirt). Stopped whilst driving **White Ford Mondeo, W563 WDL**. Address given as **22 East Dene Ridge, Copdock, Ipswich**. Searched at scene and found in possession of **1oz Cannabis Resin** and **lockable pocket knife**.



Extracted / Derived Information

Arresting_Officer	PC 143
Arrest_Date_Time	15/06/2006 : 23:47
Suspect_Forename	John
Suspect_Surname	Setsuko
Suspect_VRN	W563WDL
Suspect_Vehicle_Colour	White
Suspect_Vehicle_Make	Ford Mondeo
Suspect_Addr_Street	22 East Dene Ridge
Suspect_Addr_Town	Ipswich
Evidence_1_Description	1 oz Cannabis Resin
Evidence_2_Description	Lockable pocket knife

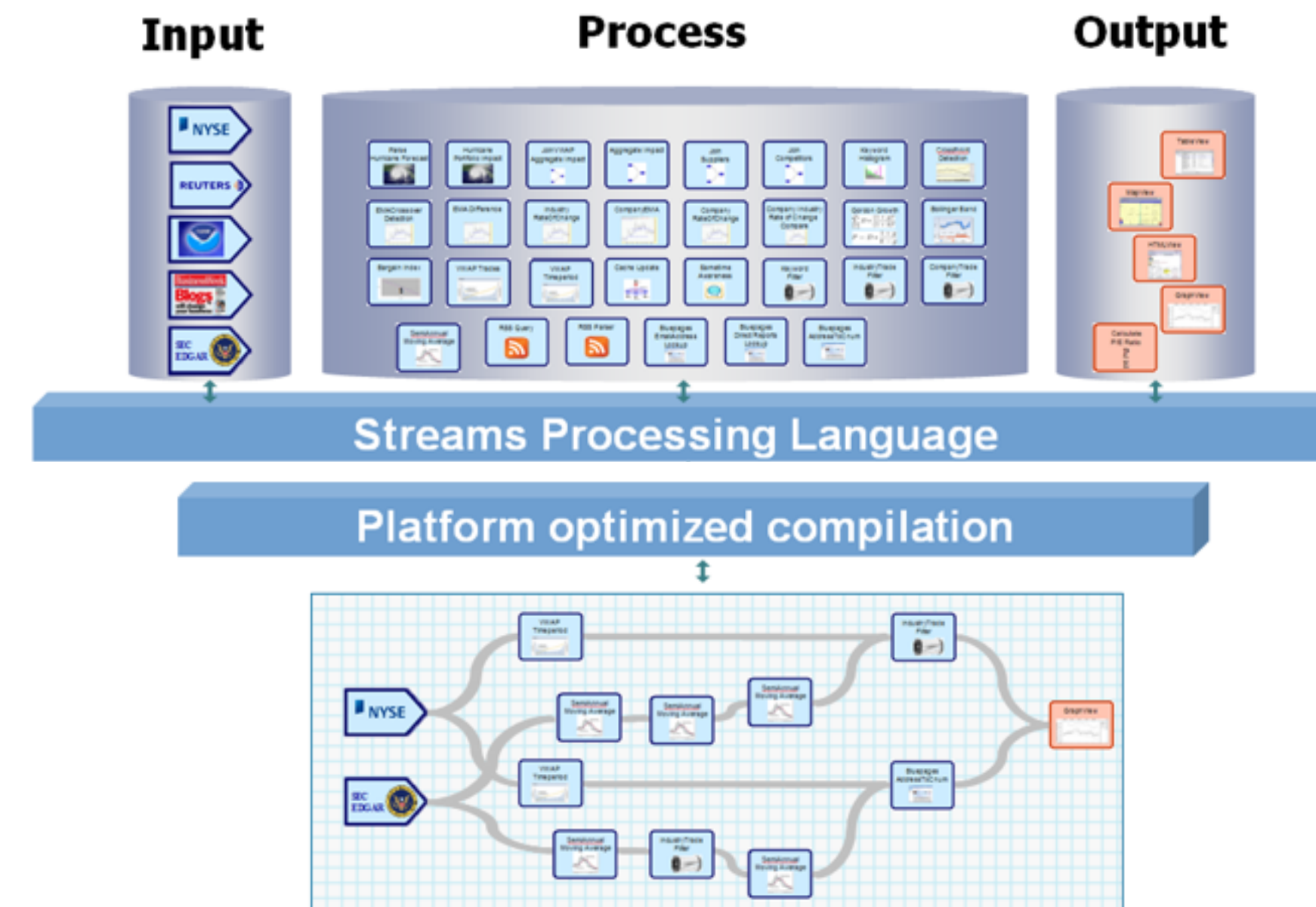
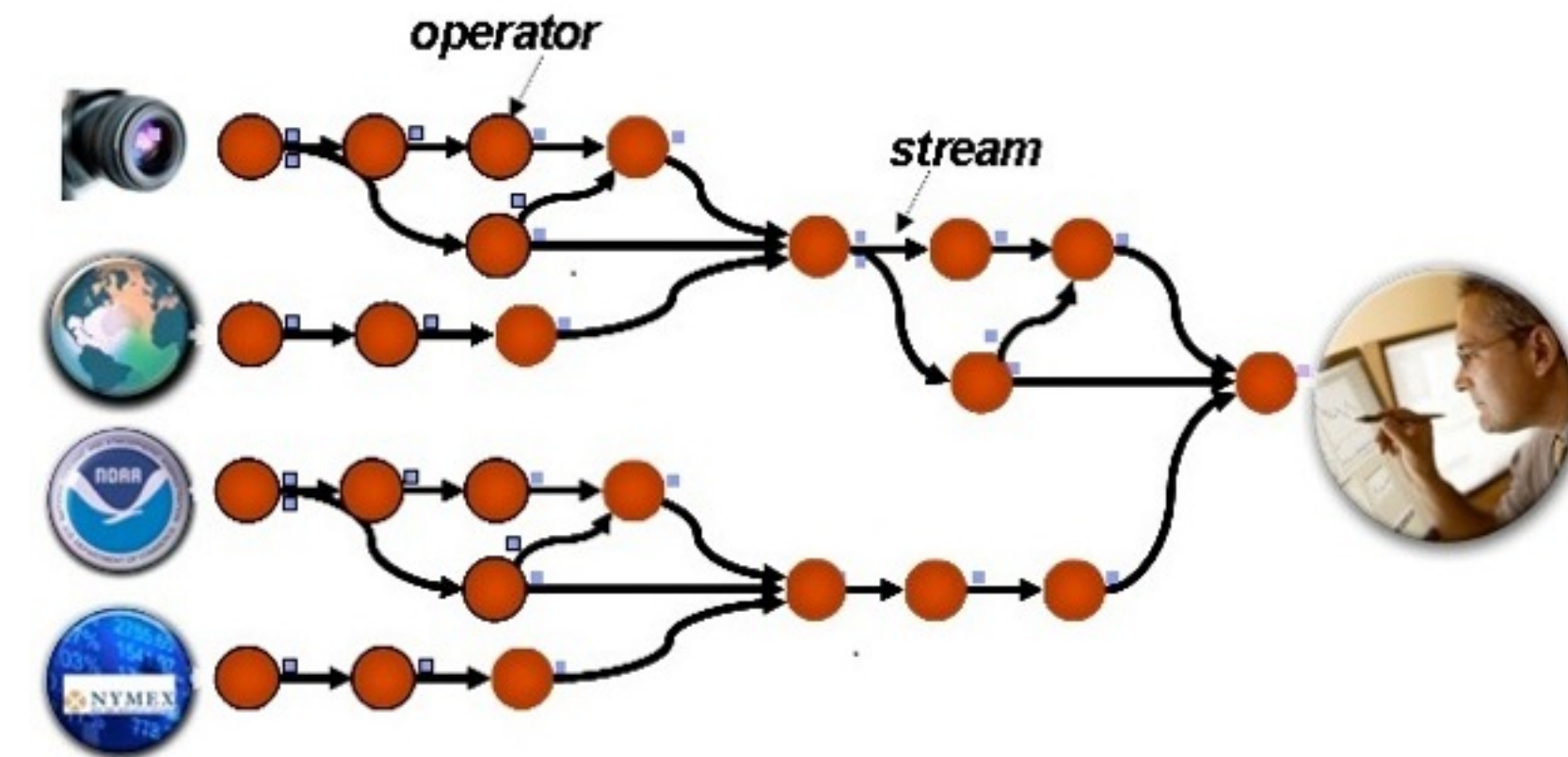
# UIMA with Hadoop



**Hadoop / BigInsights**

# Stream Computing

- Stream Computing (or Realtime Analytic Processing) is a technology to **continuously analyze massive volumes of streaming data in near real-time**
- In addition to capture streams of data from network, data sources can also include persistent data stores, such as relational databases, noSQL databases, Hadoop etc.
- A stream computing system is typically capable of receiving **hundreds of thousands transactions per second**, and can leverage **sub-millisecond latencies** in analytics to immediately react upon events and trends
- **Can perform complex but fast analytics of heterogeneous data types** including text, images, audio, voice, VoIP, video, police scanners, web traffic, email, GPS data, financial transaction data, satellite data, sensors, and any other type of digital information
- **Can adapt to rapidly changing data forms and types.**
- Examples: IBM Streams





# Predictive Analytics and Stream Computing in Healthcare

## Capabilities:

- IBM Stream Computing
- IBM SPSS Predictive Analytics

## Real-time analytics and correlations on physiological data streams

Heart Rate deviation, Blood pressure, Temperature, EKG, Blood oxygen saturation etc.,

## Improvements:

Early detection of the onset of potentially life-threatening conditions, **up to 24 hours earlier than current medical practices**

Early intervention leads to **lower patient morbidity and better long term outcomes**

Technology also enables physicians to verify new clinical hypotheses





Asian telco reduces  
billing costs and improves  
customer satisfaction

**Capabilities:**

IBM Stream Computing  
Analytic Accelerators

Real-time mediation and analysis of  
**6B CDRs per day**

**Improvements:**

Data processing time reduced from  
**12 hrs to 1 sec**

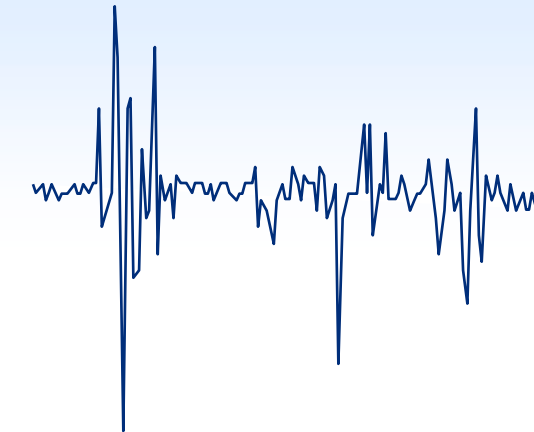
**Hardware cost reduced to 1/8<sup>th</sup>**

Proactively address issues (e.g. dropped calls)  
impacting customer satisfaction.

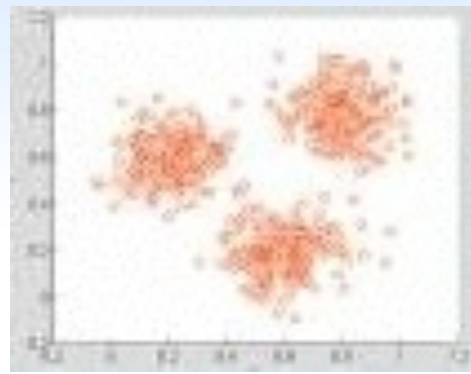
# Streams Analytic Accelerators

Text  
(listen, verb),  
(radio, noun)

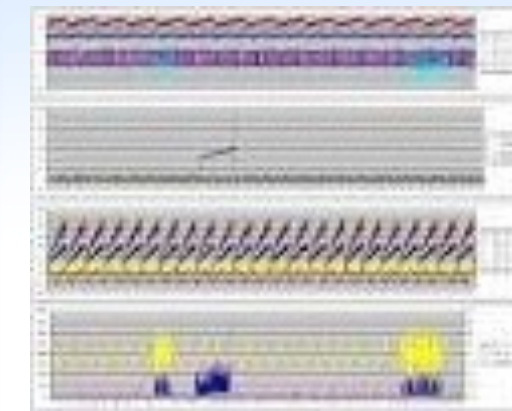
Simple & Advanced  
Text Analytics



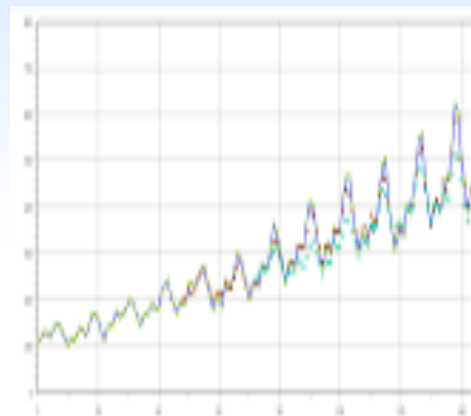
Acoustic



Mining in  
Microseconds



Advanced Mathematical  
Models



Predictive

$$\sum_{population} R(s_t, a_t)$$

Statistics



Geospatial



Image & Video

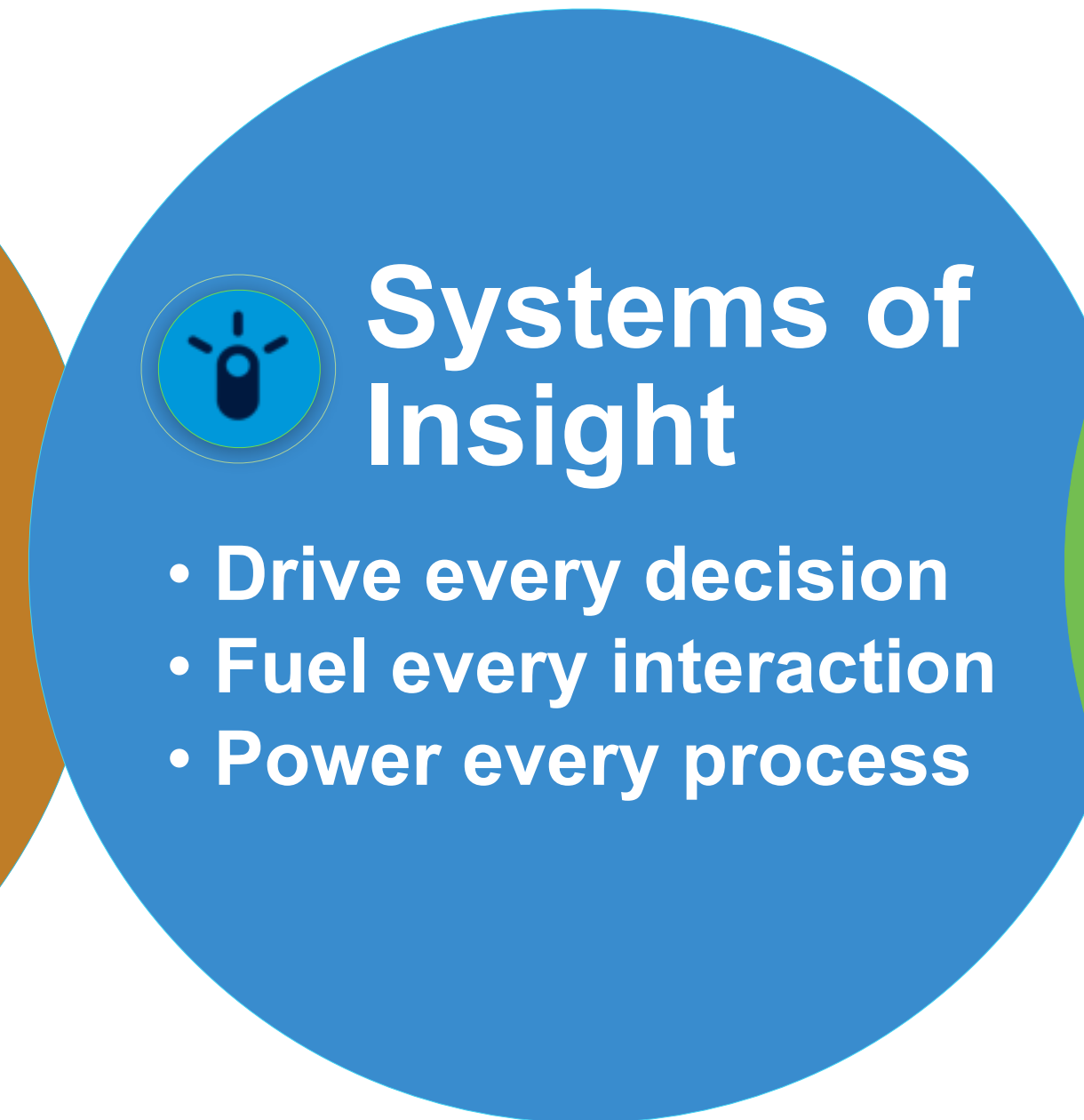
# Information management architectures for big data ...

# Systems of Insight create New Value

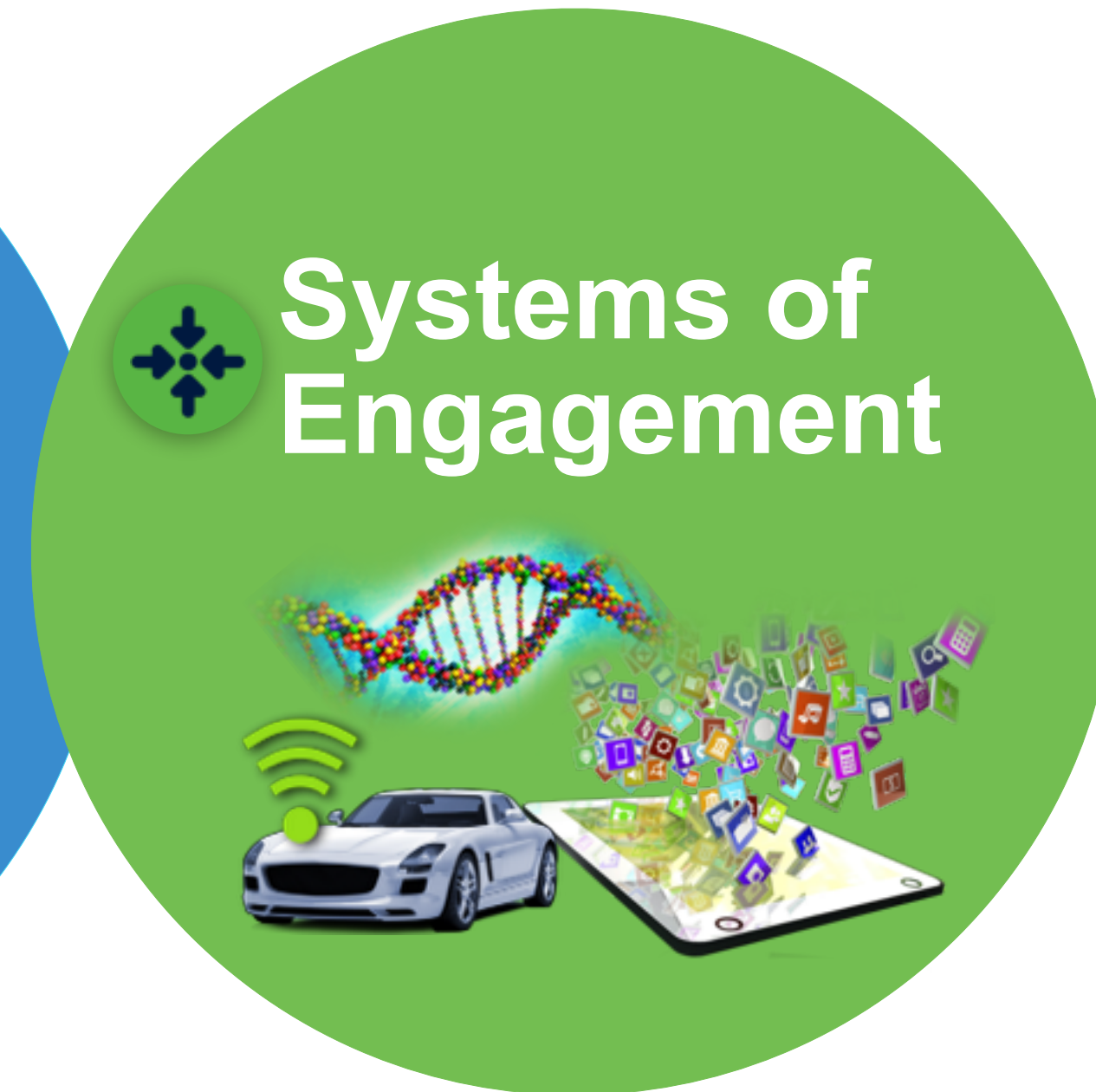
Any Data



Managing enterprise transactions and data



Using analytics to create new insights

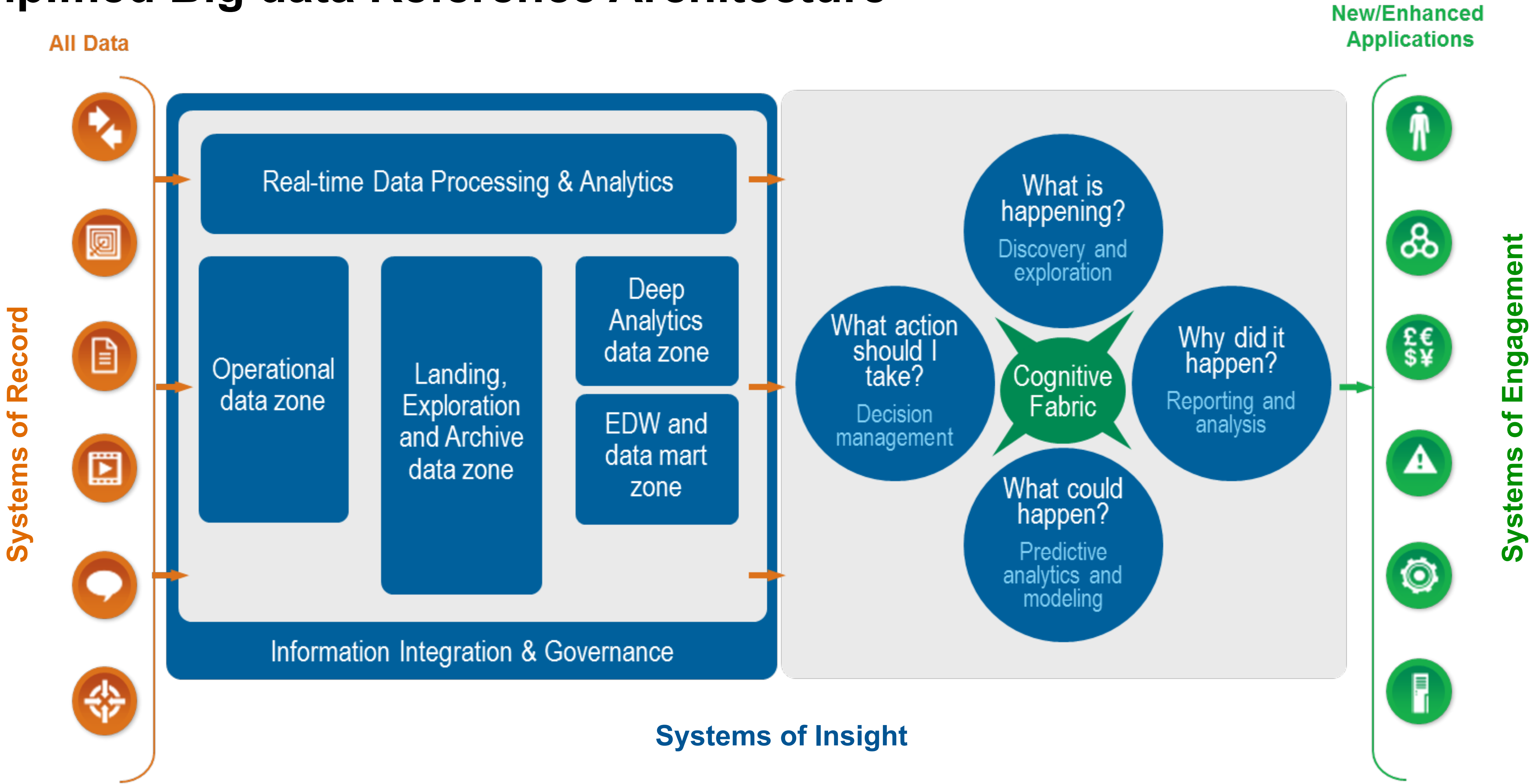


Providing user experience, engaging customers/employees

New/Enhanced Applications

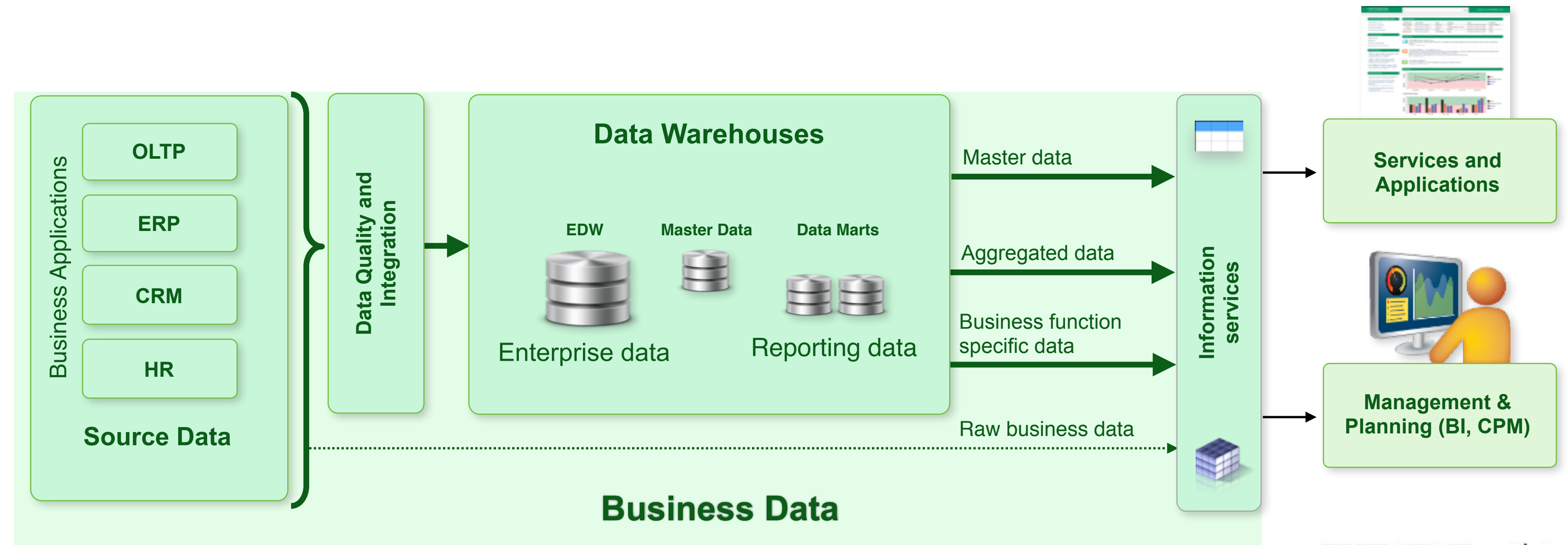


# Simplified Big data Reference Architecture



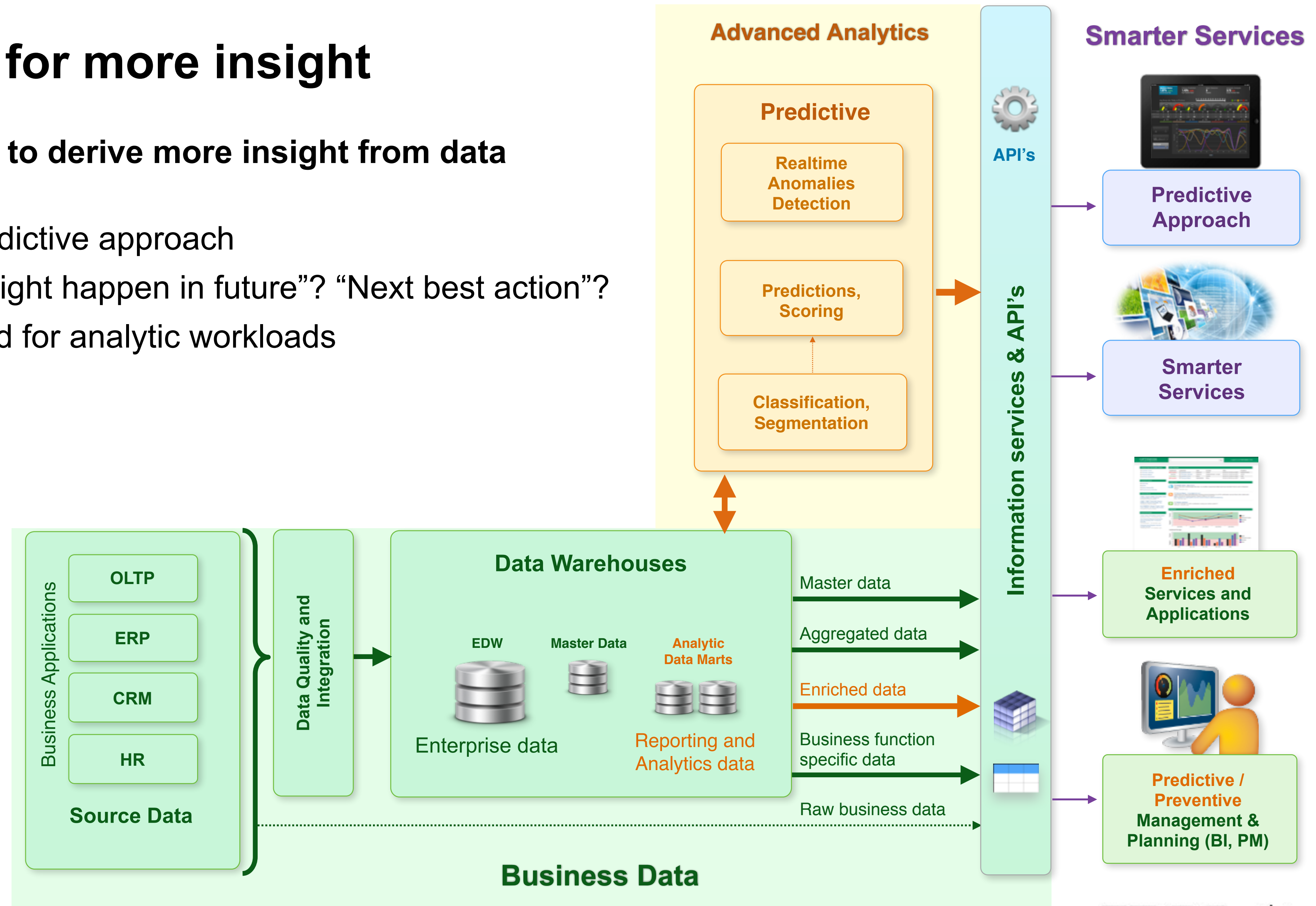
# 1. Traditional business information systems

- **The focus is to deliver application independent, trusted information to the business** (decision making process)
- **DW:** Based on well structured data, organized in Relational Databases (SQL-based)
- **BI:** “How are we doing”? “Why is it so”? “What should we do about it”?



## 2. Adding analytics for more insight

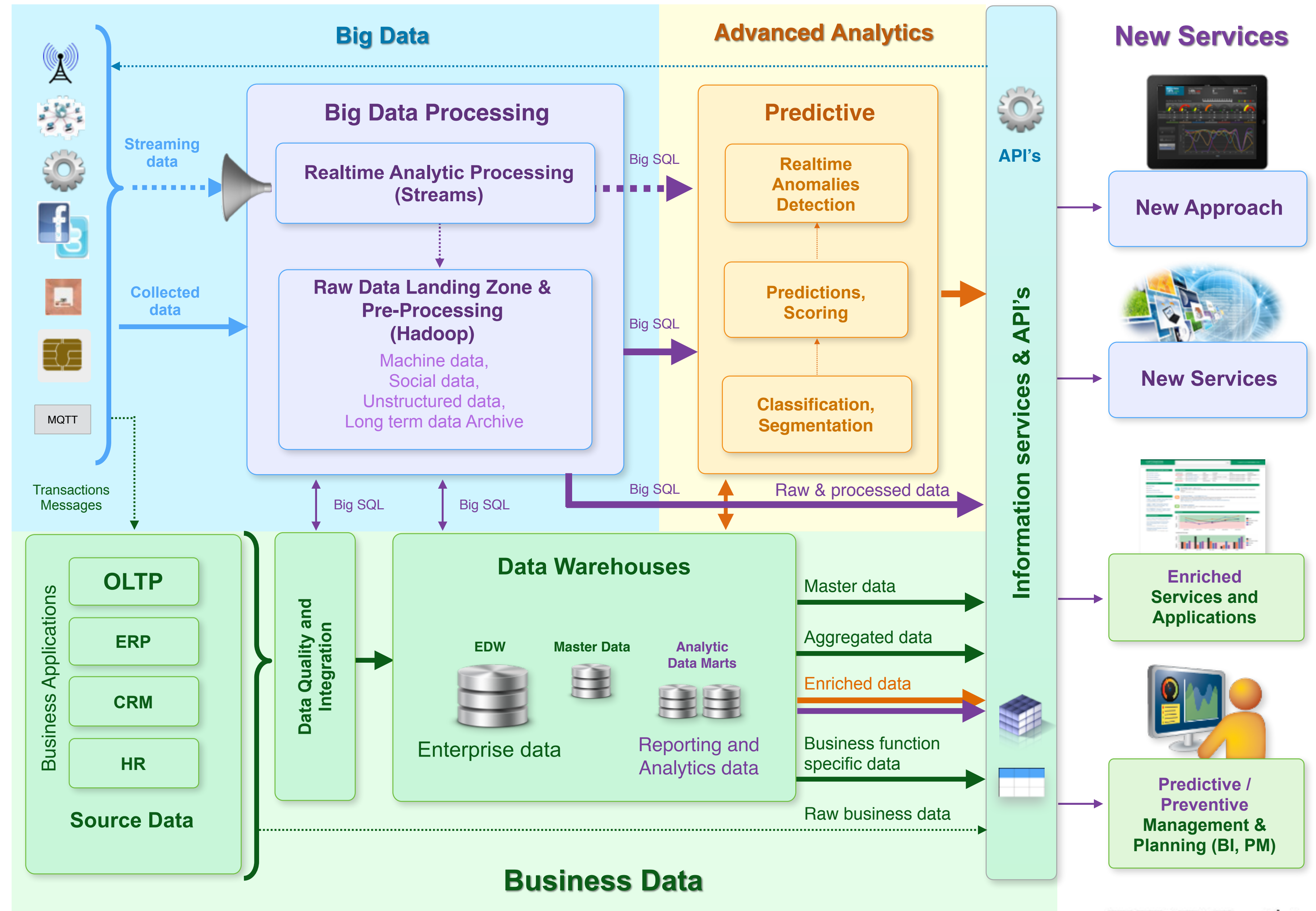
- The focus is on being able to derive more insight from data (business optimization)
- Enrich existing data with predictive approach
- **PA**: “More insight”? “What might happen in future”? “Next best action”?
- **DW**: Increase power & speed for analytic workloads





### 3. Adding new data sources

- The focus is on being able to **analyze Any/All data** and **take big data approach** in order to differentiate, stay ahead and create new business models (business innovation)
- **DW & Streams:** Dynamic data warehousing with **added noSQL** and **Streaming data processing capabilities** to handle **Volume, Variety** and **Velocity** of data

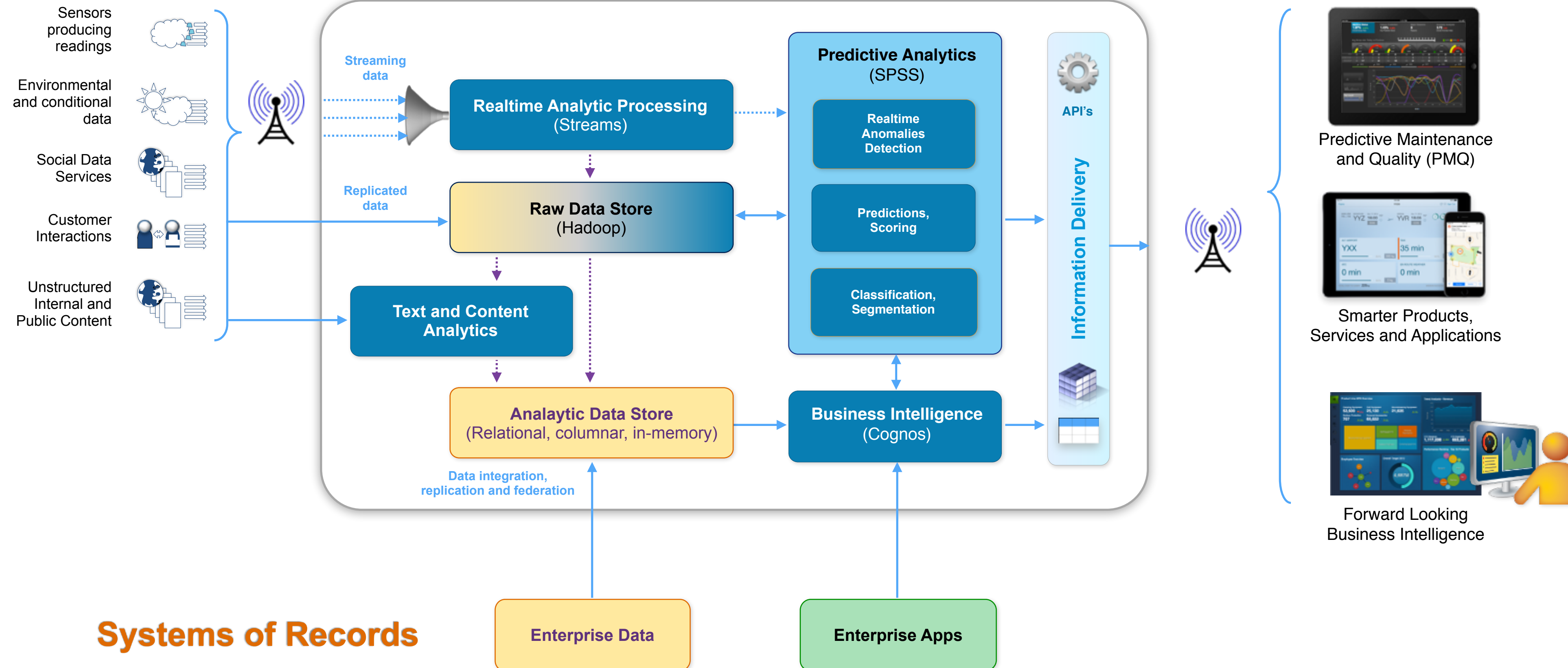


# Example of operational analytics, supporting big data sources

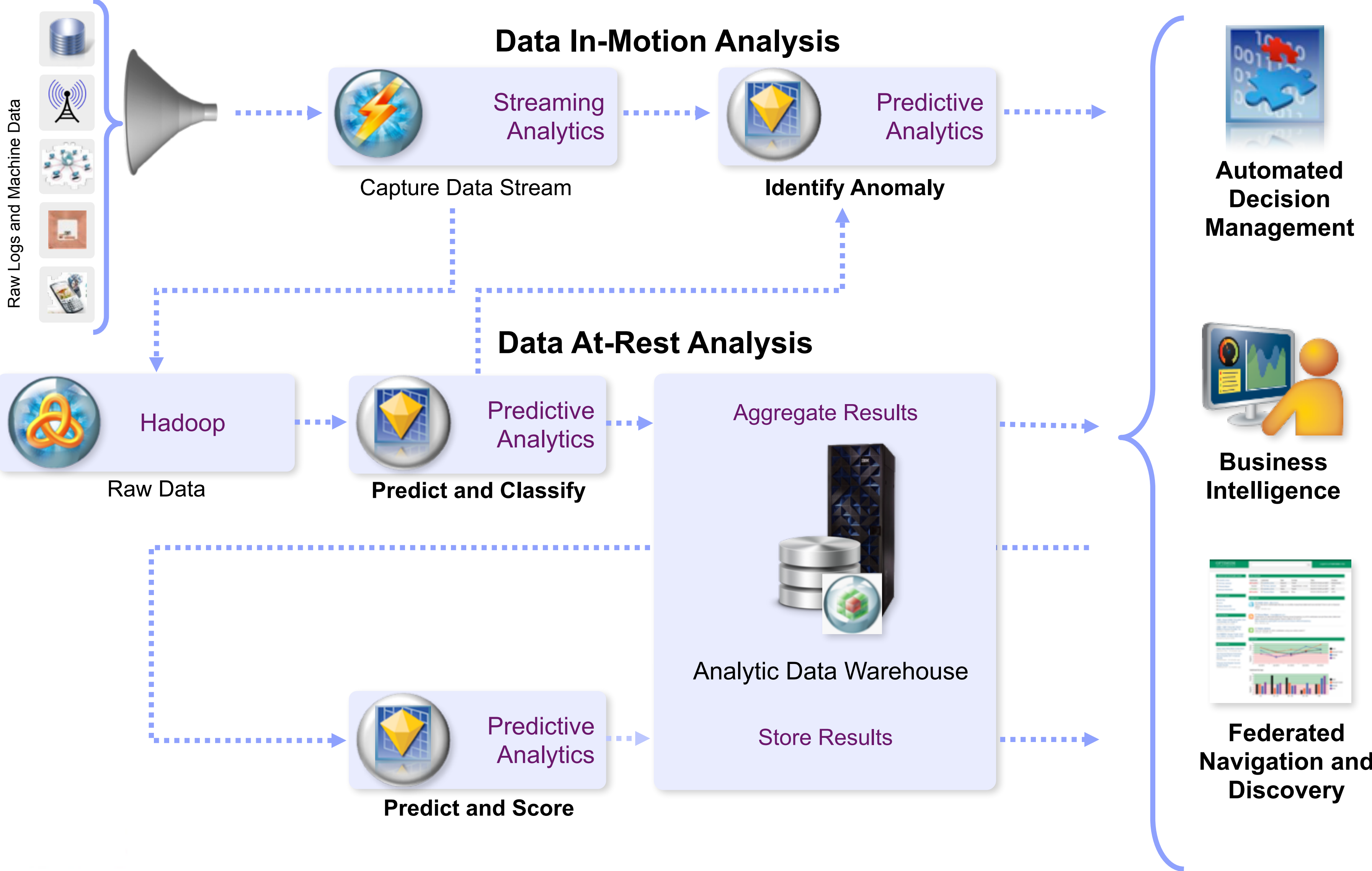
## Data sources

## Systems of Insight

## Systems of Engagement



# Example data flow



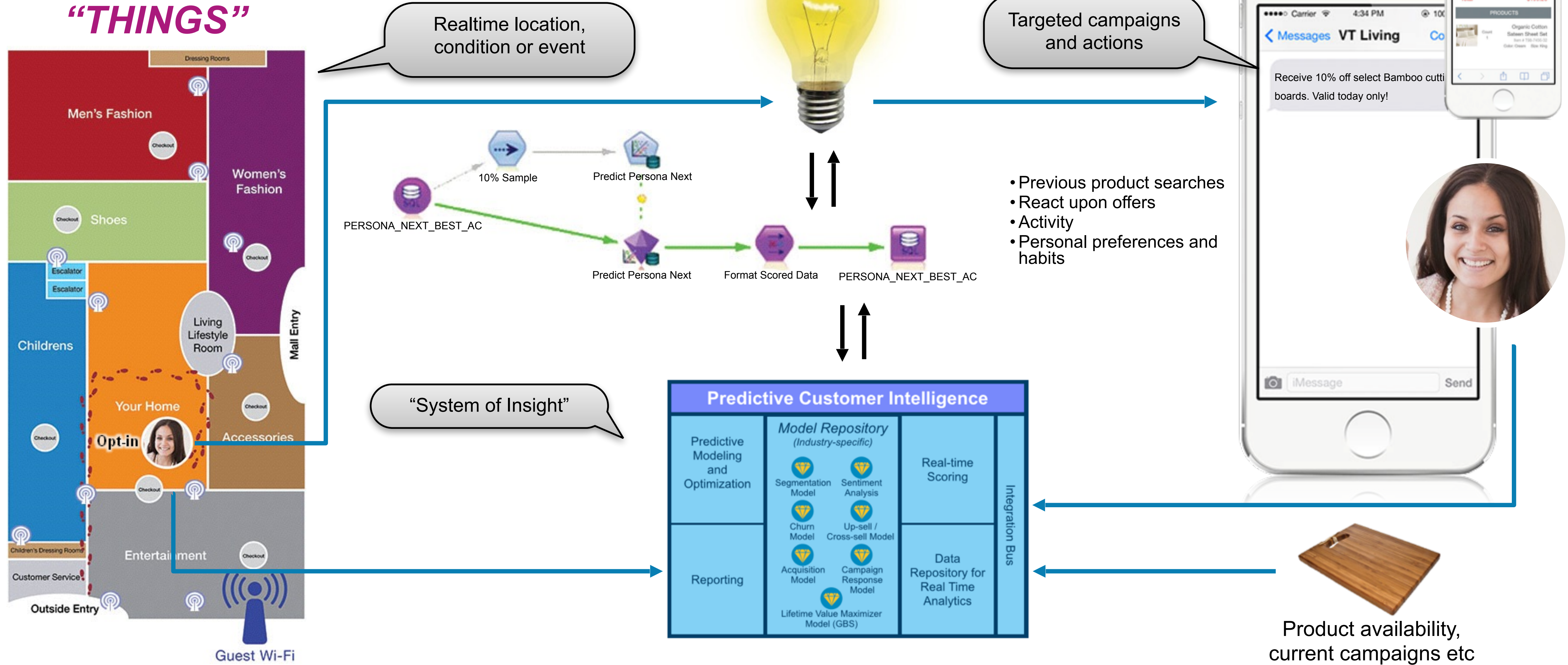
# Questions to You

- How can you analyze big data? What kinds of data?
- Why can't traditional business information systems handle big data very well?
- What kind of architectural changes (or technologies) are needed in business information systems in order to start leveraging big data?

# Two examples of business solutions, leveraging big data

# Predictive Customer Intelligence (PCI)

- Analyze customer footprints – purchase history, in-store browsing, clickstream data, social media posts and other digital exhaust – to create a three dimensional customer view.



# Predictive Customer Intelligence (PCI)

## Big Data Sources

### WHAT?

#### Behavioral data

- Orders
- Transactions
- Payment history
- Usage history

### WHO?

#### Descriptive data

- Attributes
- Characteristics
- Self-declared information
- Geographic demographics

### HOW?

#### Interaction data

- Email & chat transcripts
- Call center notes
- Web clickstreams
- In-person dialogues

### WHY?

#### Attitudinal data

- Opinions
- Preferences
- Needs and desires

## Predictive Customer Intelligence



Acquisition models  
 Campaign response models  
 Churn models  
 Customer lifetime value  
 Market basket analysis  
 Price sensitivity  
 Product affinity models  
 Segmentation models  
 Sentiment models  
 Up-sell / Cross-sell models  
 Predictive Customer Intelligence available both inbound (real-time) and outbound (batch)

## Enterprise Marketing

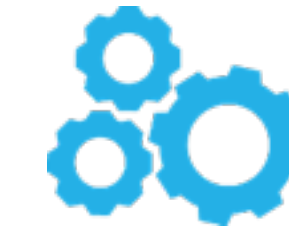


Campaigns  
 Offers  
 Messaging  
 Lead Management  
 Cross-channel Campaign Mgmt  
 Real-time Marketing  
 Marketing Event Detection  
 Digital Marketing

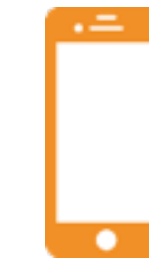
## Multi-channel Customer Interactions



Web



Interactive Voice Response



Mobile apps



Short Message Service



Social media



Chat

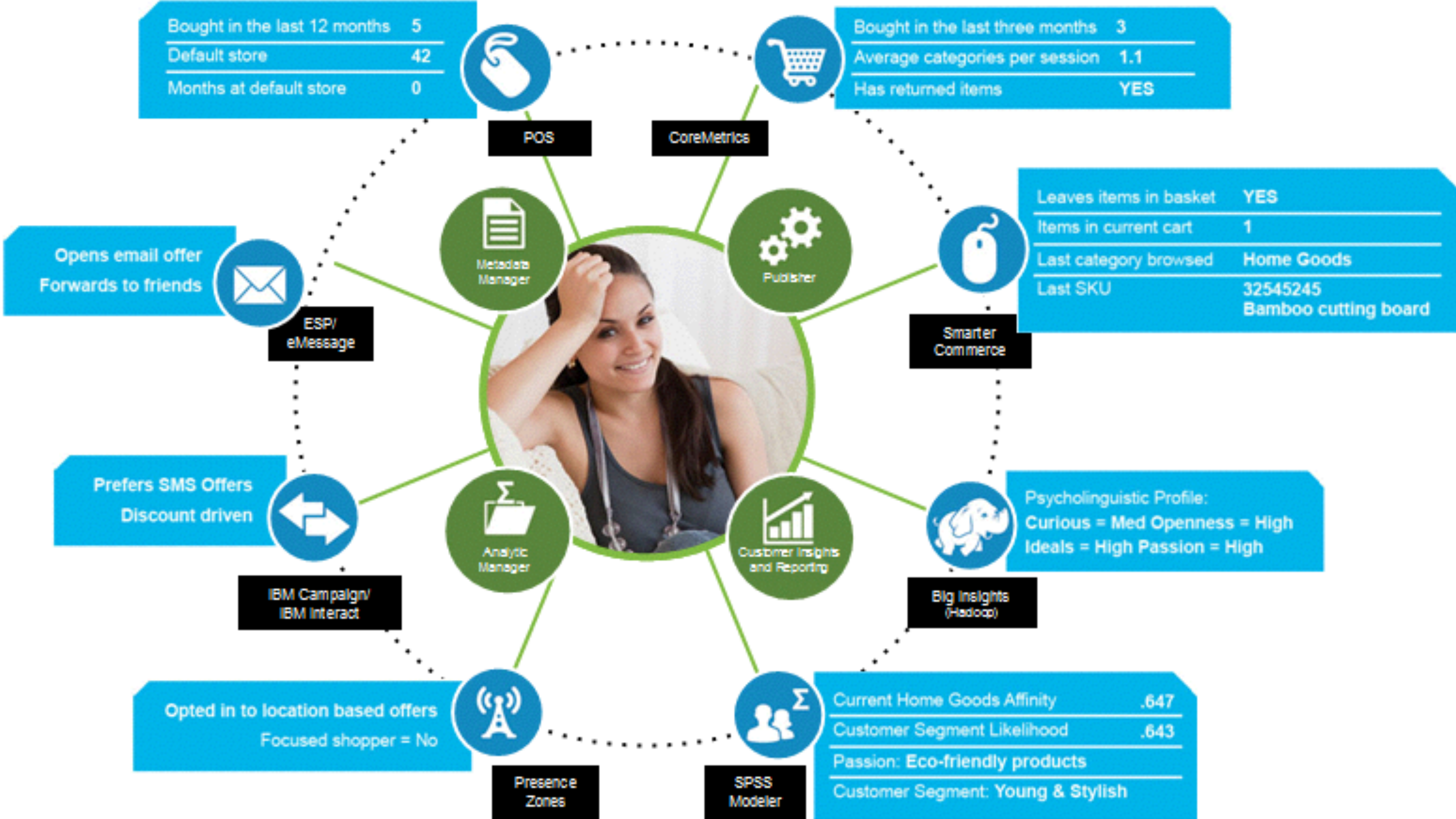


Voice



Email

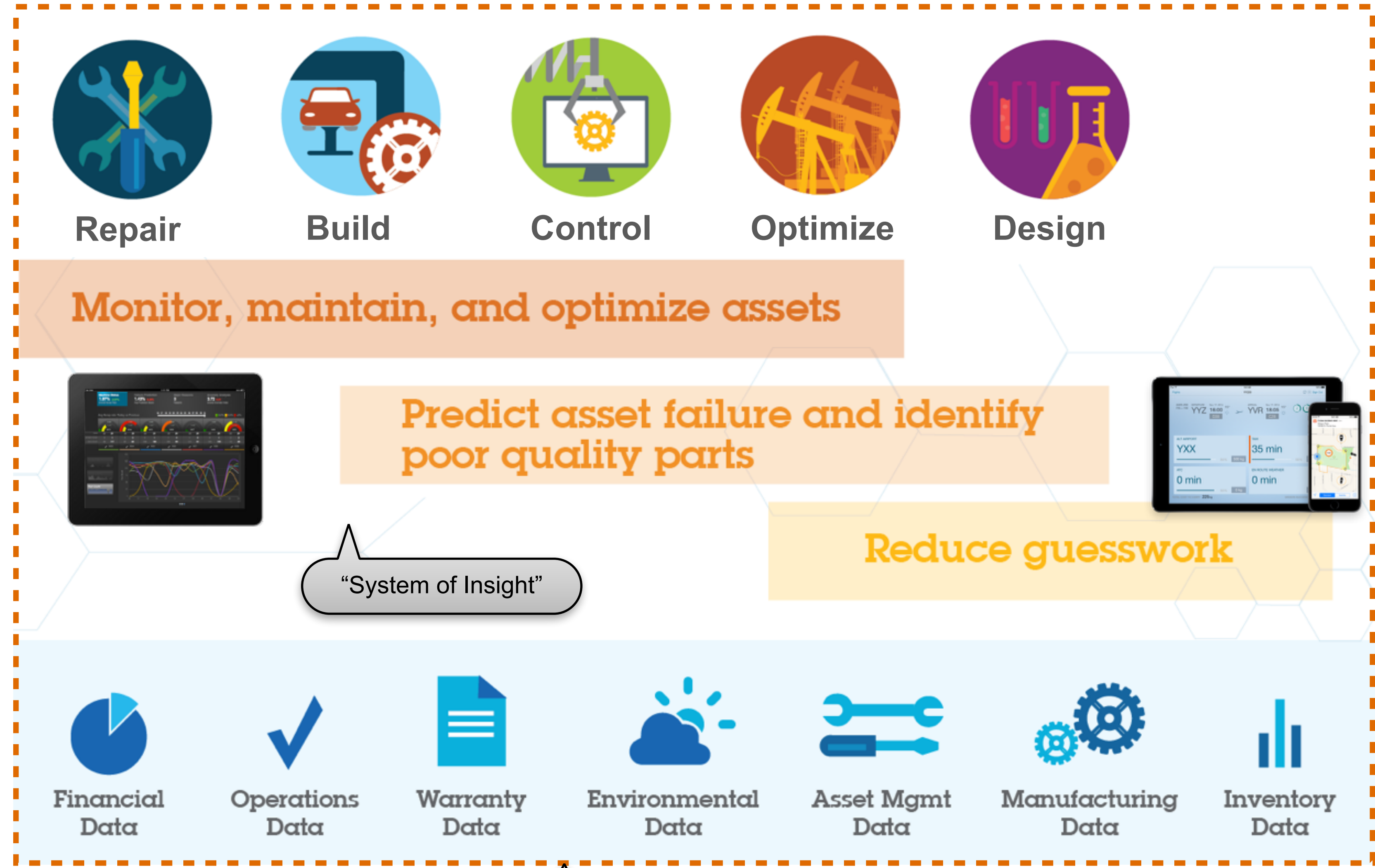
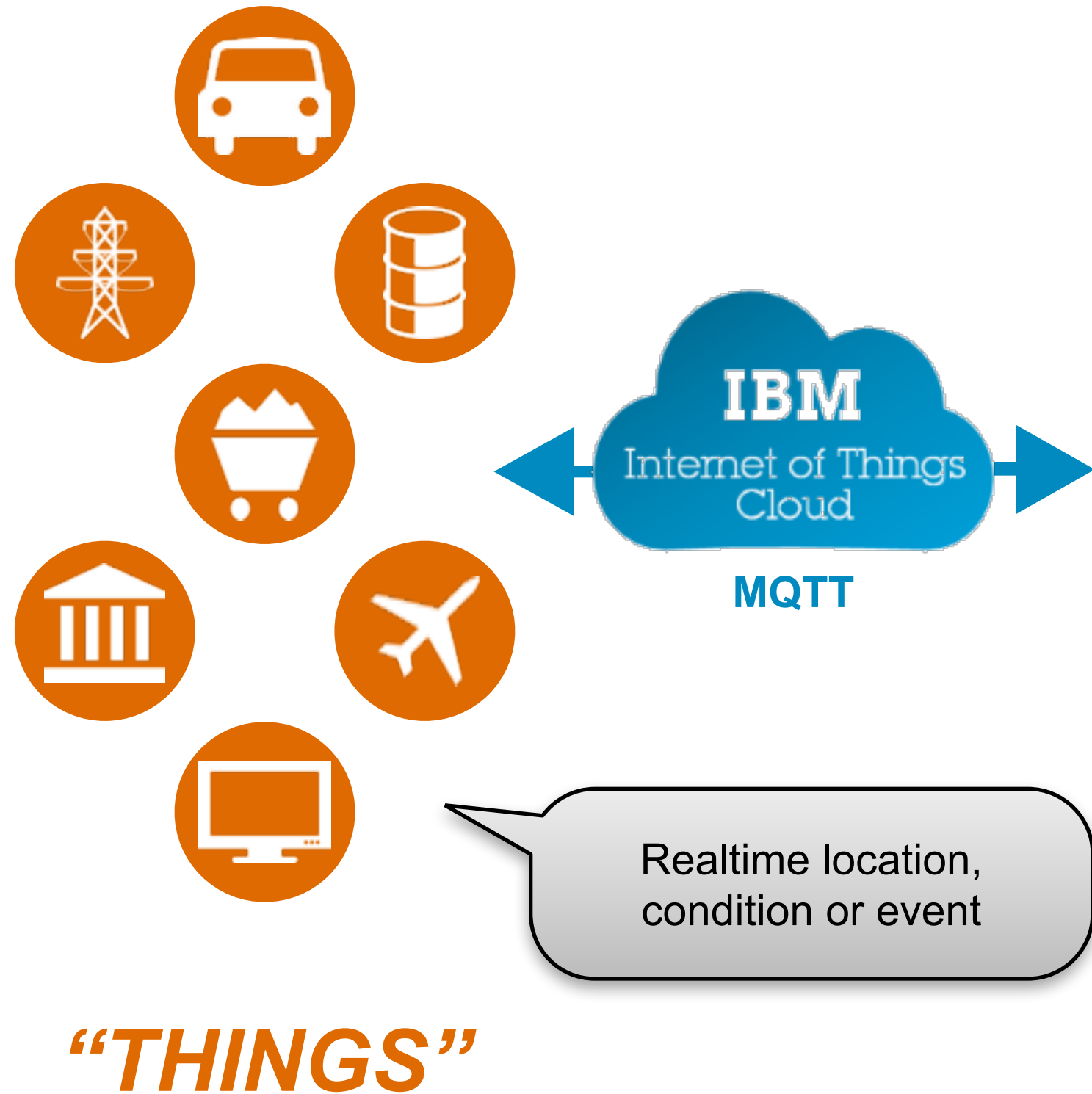
# The Value of Predictive Customer Insight (PCI)



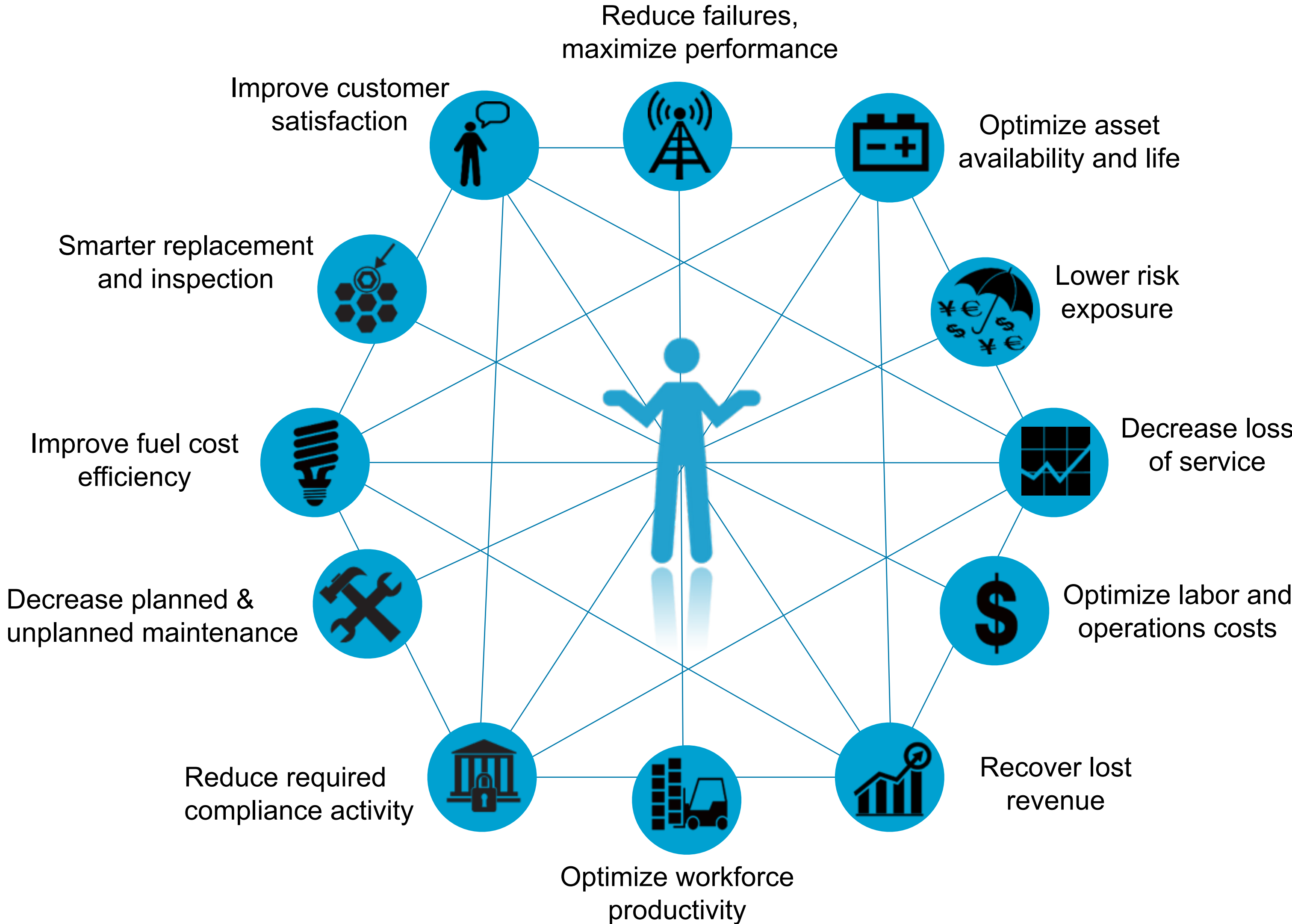


# Predictive Maintenance and Quality (PMQ)

- Analyzes asset & service data from multiple sources, predicts failures and events, and provides recommended (preventive) actions



# The Value of Predictive Maintenance & Quality



# Unplanned downtime

An aircraft engine manufacturer uses predictive analytics to prevent costly aircraft-on-ground engine events.

## Challenge:


Collect large amounts of data about company's engines through various methods, while fully analyzing all available information to proactively address issues.

## Solution:


An analytics platform automatically alerts the manufacturer to different types of impending engine events. The company then works proactively to arrange preventive maintenance, thanks to a 360-degree dashboard visualization of engine-fleet health and risk status. By averting possible engine issues, the manufacturer helps customers avoid millions in costs associated with grounded planes.

## Lesson:

Analytics solutions provide a quick answer to an important question: How is our business doing today?



**100% prediction**  
of aircraft-on-the-ground  
events for high-risk engines



**\$63 million**  
in estimated savings if  
prediction had been  
available previous year



**97% accuracy**  
in predicting engine events  
that lead to airline disruption

# Scrap reduction

Global automotive manufacturer uses advanced analytics to reduce scrap rates in manufacturing process.

## Challenge:

An auto manufacturer noticed reject and scrap rates for engine blocks were much higher than expected. Minute cracks were identified, but officials didn't know how they were caused.

## Solution:

The company used an advanced analytics platform to analyze various types of existing information. This analysis showed that high scrap and reject rates happened when liquid metal was poured into the mold during afternoon hours, because the temperature around the manufacturing line spiked several degrees during that time. The simple solution was to install blinds on a window, saving several million dollars for the organization.

## Lesson:

Big problems can sometimes have simple solutions. Root-cause analysis can accurately identify process anomalies.



**Multi-million dollar savings**  
in warranty, overtime, rework, and root-cause analysis costs

**80% reduction in scrap rates of engine blocks**  
in 12 weeks

# Yield on production

A Middle East electricity provider increases grid reliability.

## Challenge:

The power generator's research institute must improve safety and reliability of power generation and transmission while remaining innovative. Besides planning for disruptive events such as solar storms, the company has a duty to improve efficiency, incorporate new sources of renewable energy, and analyze volumes of data from an increasingly smart grid.

## Solution:

The energy provider uses powerful predictive analysis to understand when and why outages occur so it can take steps to prevent them.

## Lesson:

Predictive analytics evaluates possible problems to be resolved before they occur.

**\$80,000 savings**

on petrol combustion costs by preventing malfunction of a turbine component

**20% cost reduction**

by avoiding expensive process of reinitiating a power station after an outage

**increased efficiency**

of preventive maintenance schedules, costs and resources, resulting in fewer outages and higher customer satisfaction

# Questions to You

- What types of applications or opportunities you'd see with big data? What would be required to make it happen?
- What is the real value of big data? (for e.g people, society, business)
- What obligations or responsibilities do you see around big data? (concerning e.g individuals, organizations, business, legal, technology...)

# Internet of Things

# Internet of Things (IoT) connects Physical and Digital worlds



## Smart Scales

Track health in outpatients, remote measurements



## Connected Car

Track location and status



## Shipment Tracking

End to end container tracking, prevent tampering



## Health Care

Monitor patients at home



## Vending Machines

Conditions, shelf life, stock reporting



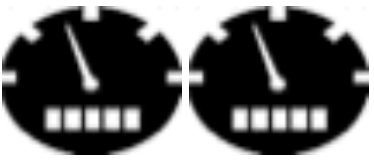
## Smart Deliveries

Track parcel, monitor and open door remotely on arrival



## Improved Security

Facial recognition, remote notification



## Smart Metering

Track and control usage



## Mobile Transactions

Mobile payments, signaling & controlling

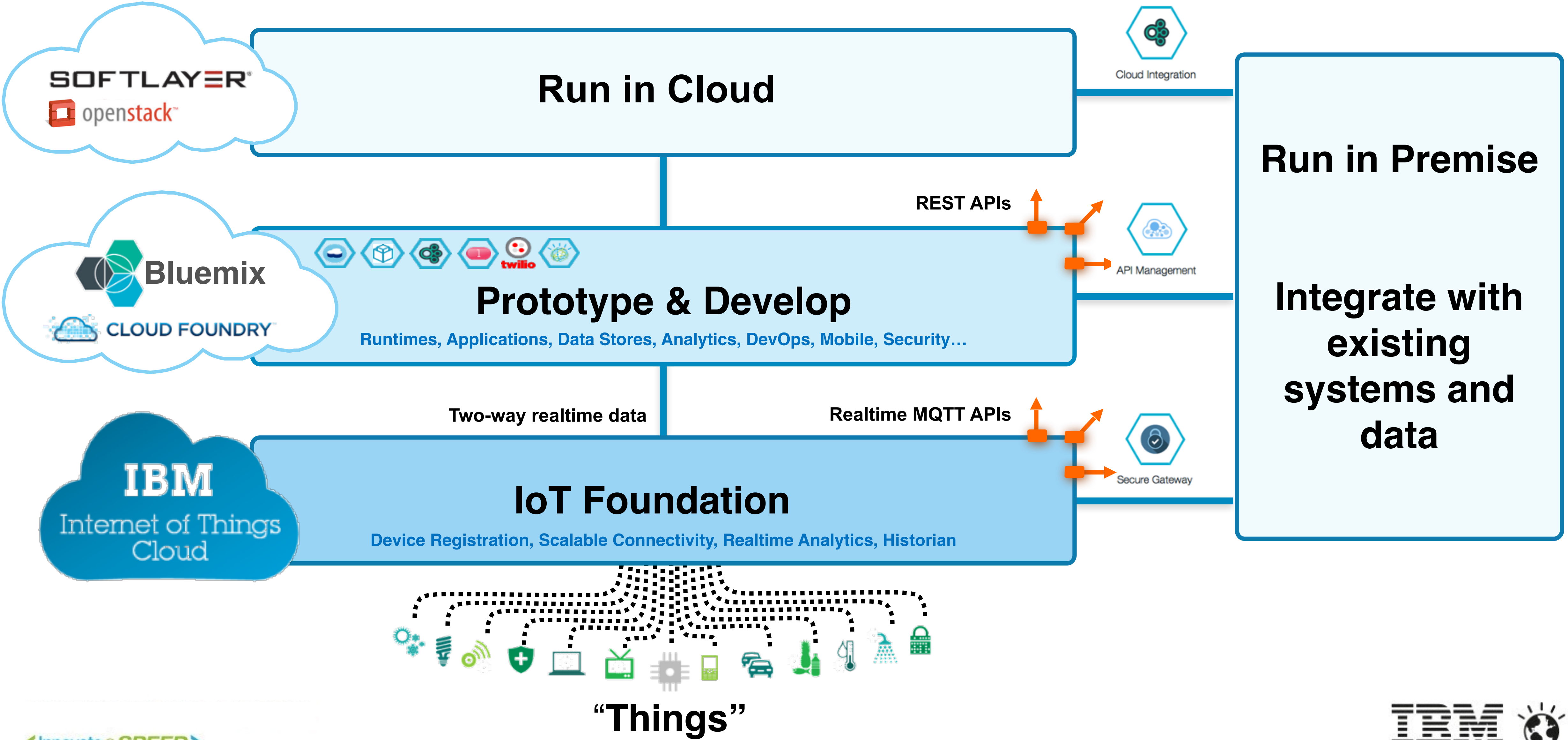


## Smart Buildings

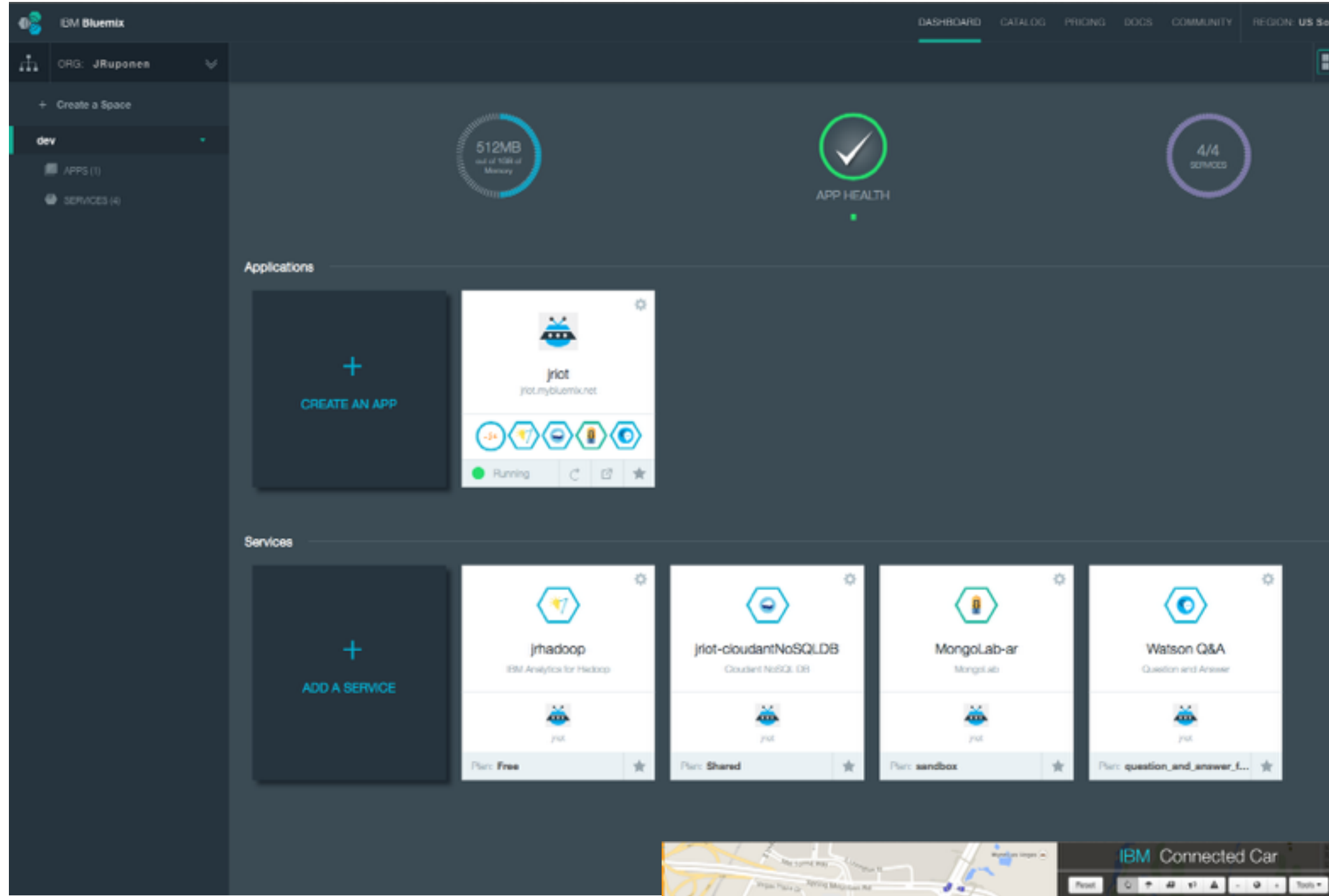
Maximum efficiency using presence detection, weather predictions and remote control



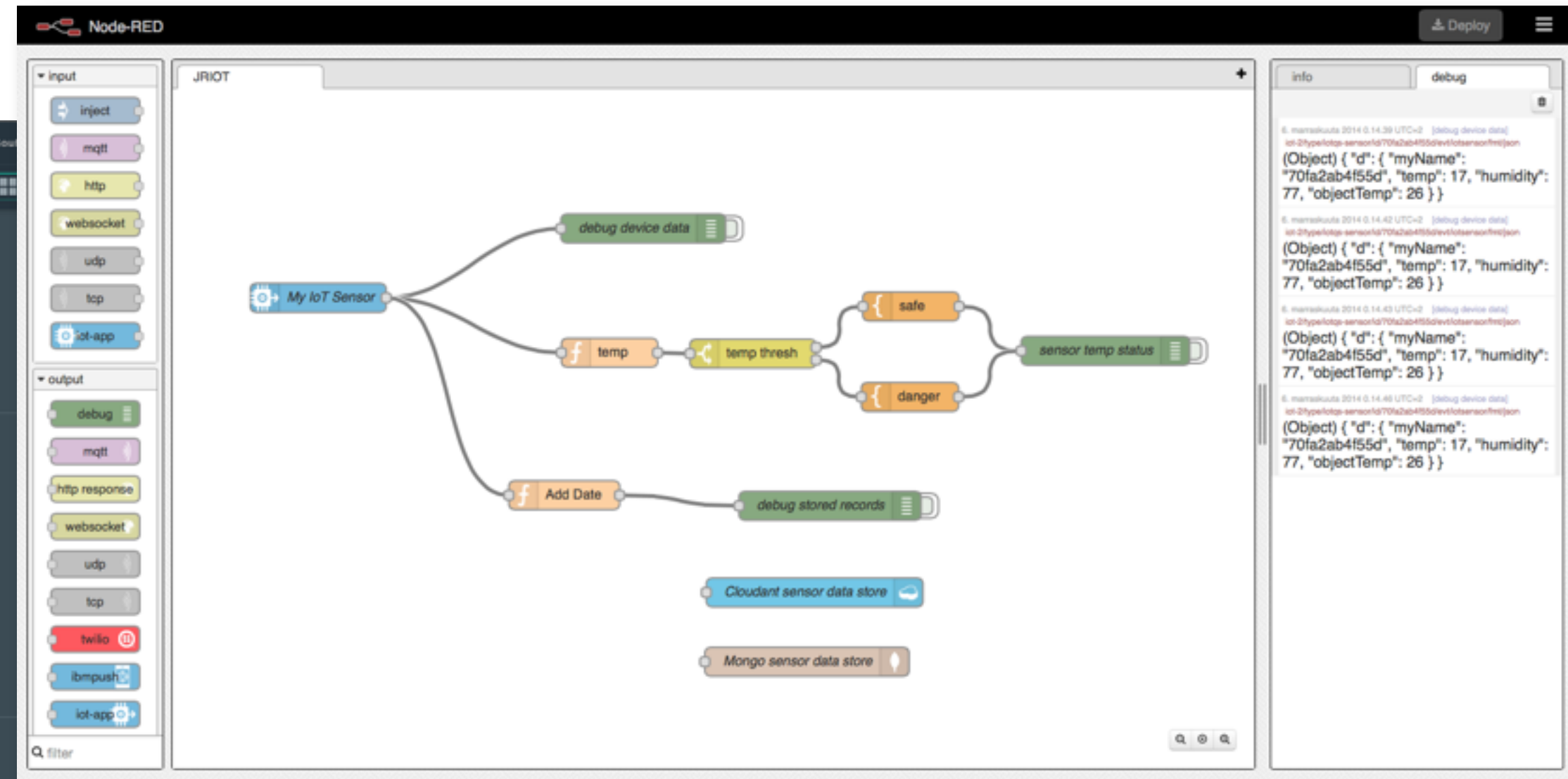
# IBM IoT Foundation, Bluemix and Softlayer



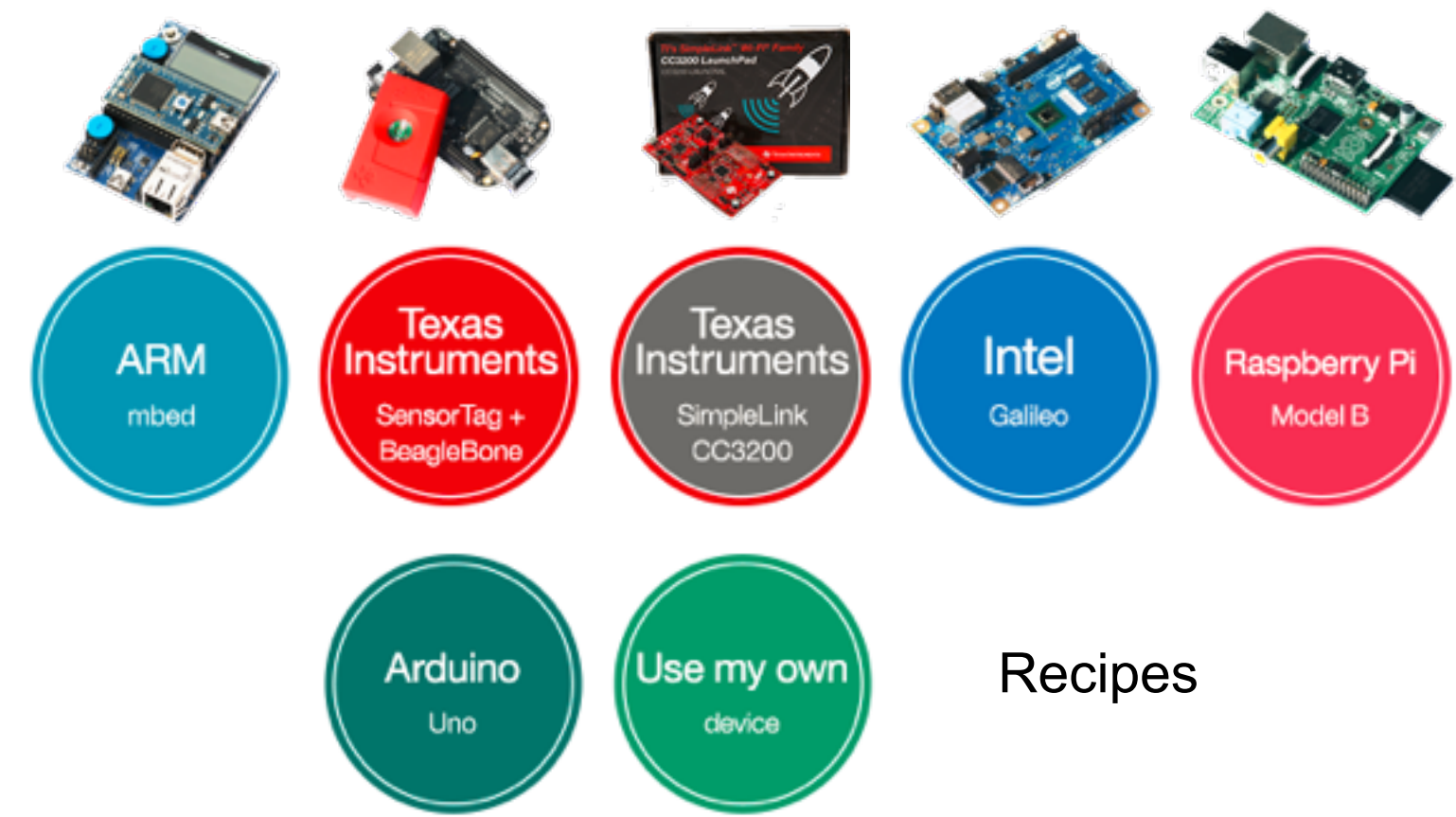
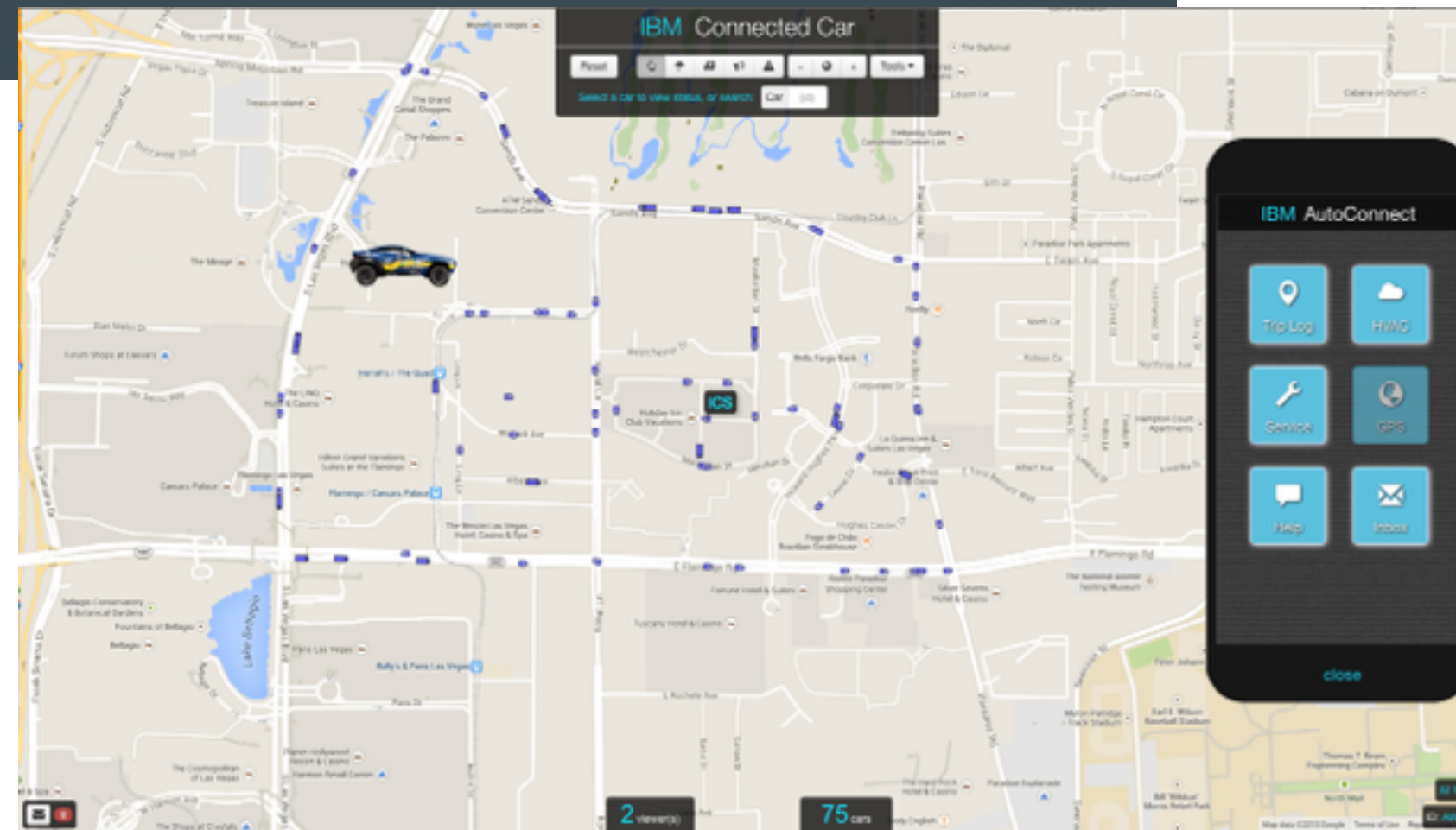
# Some demos



[bluemix.net](http://bluemix.net)

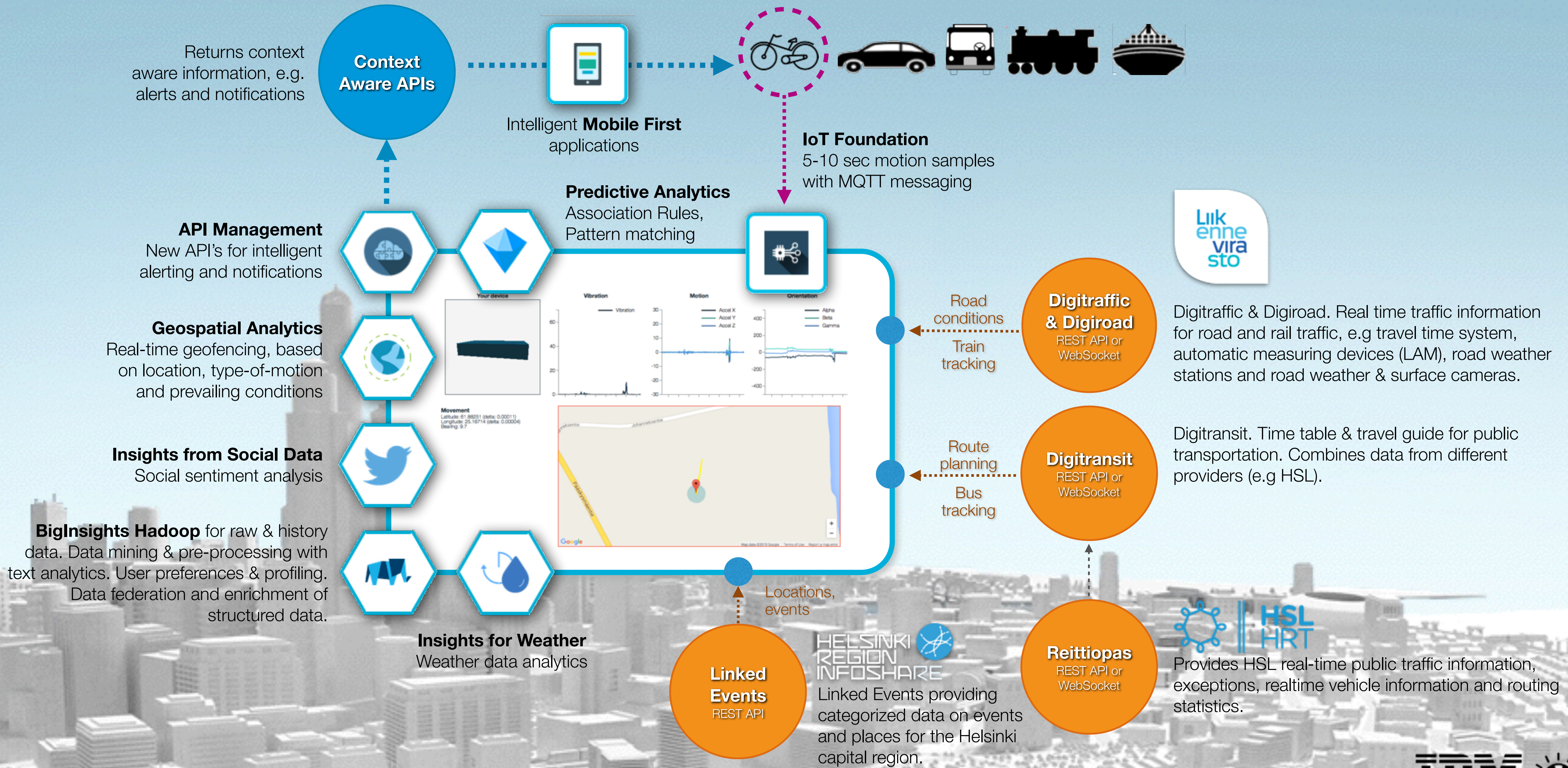


NodeRED

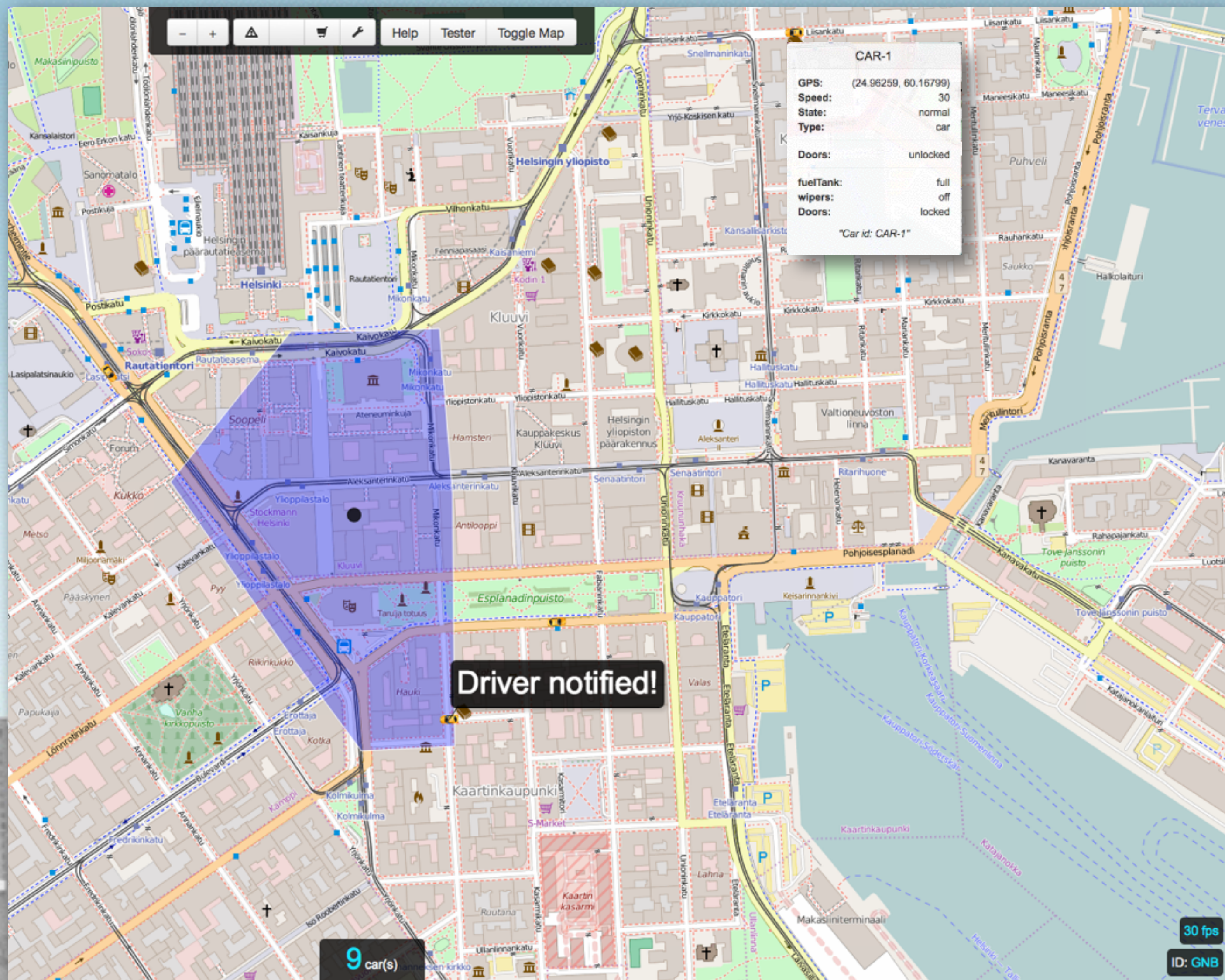


Recipes

# Use case example: Context-Aware Systems of Insight (prototypes)



# Use case example: Location & Condition aware Alerting & Notification



## Explanation:

Stream computing is used here with Geospatial Analysis to notify or alert people (or vehicles) as they enter (or leave) a region of interest under certain conditions. Location can be detected from GPS on a mobile device or in vehicle. Geospatial Regions can be created programmatically, based on events and conditions acquired from open API's, user preferences and/or user input.

## Example types of Geospatial Regions:

Road conditions, traffic conditions, service announcements, accidents, user alerts, help requests, business opportunities...

## Examples of Analytic services:



**Streaming Analytics.** Ingest, analyze, monitor, and correlate data streams as they arrive from real-time data sources. Analytic models for e.g. statistics, predictive, text, acoustic/sound and video.



**Geospatial Analytics.** Connect to data sources that support the MQTT protocol and monitor devices as they move into geographic regions of interest. Define geographic regions and control monitoring of regions using the geospatial application programming interface.



**Predictive Analytics.** SPSS analytics platform that developers and data scientists will use integrate predictive capabilities with applications (segmentation, scoring, classification, pattern detection, association rules, anomalies detection etc).



**API Management.** Using existing API's and creating new API's for intelligent alerting and notifications

## Connected Car platform

with MQTT messaging, Stream computing (Geospatial & Geofencing) and Mobile Apps for Predictive Maintenance etc.

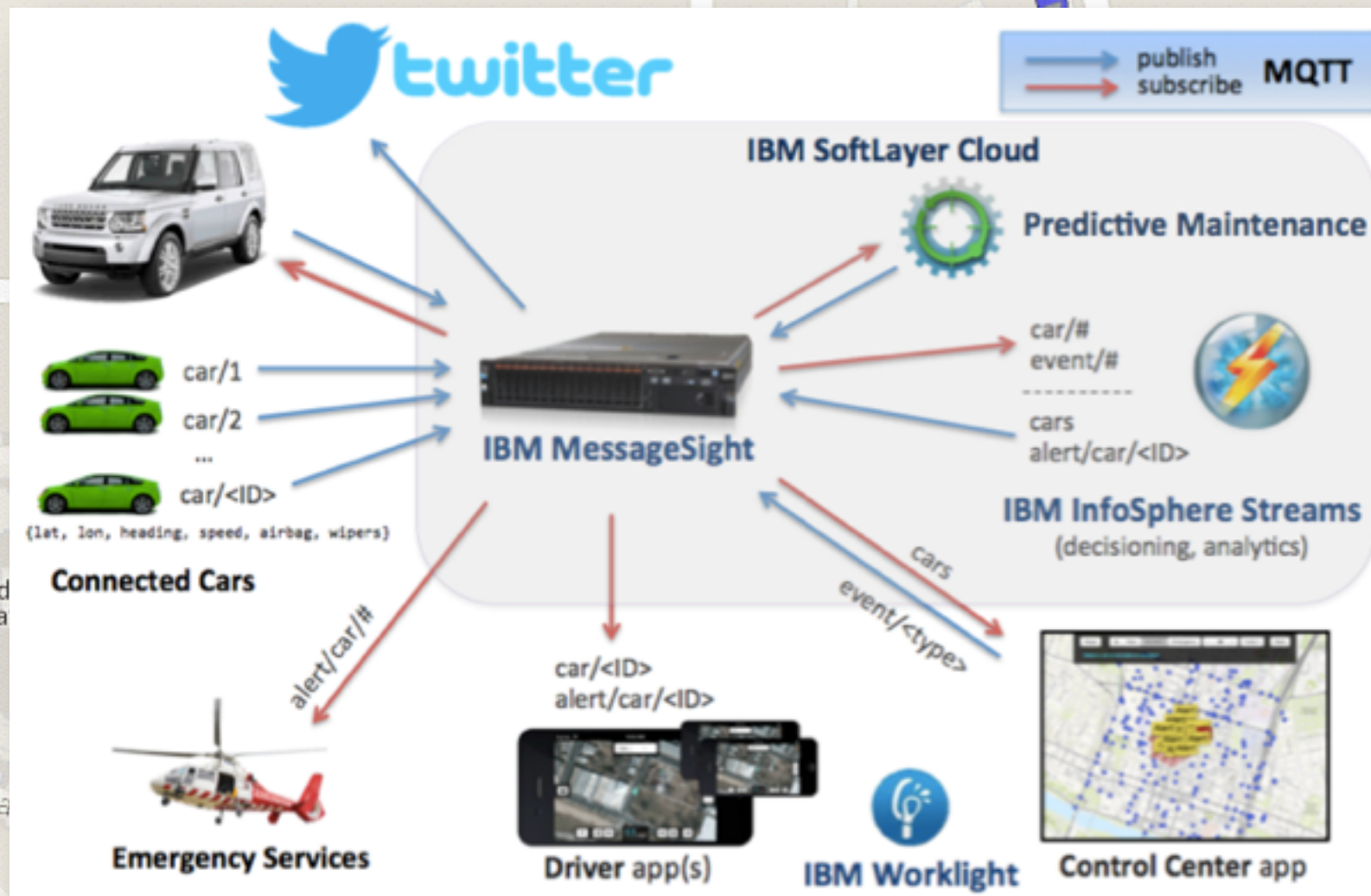
Reset | Black Ice | Accident | Emergency | Roadwork | - | + | Tools

Select a car to view status, or search:  (id)

**Car 66**

GPS: (-115.16249, 36.11857)  
 Heading: 271.5°  
 Speed: 11 mph  
 Airbags: Off  
 Wipers: Off  
 Emergency Vehicle: On / OFF

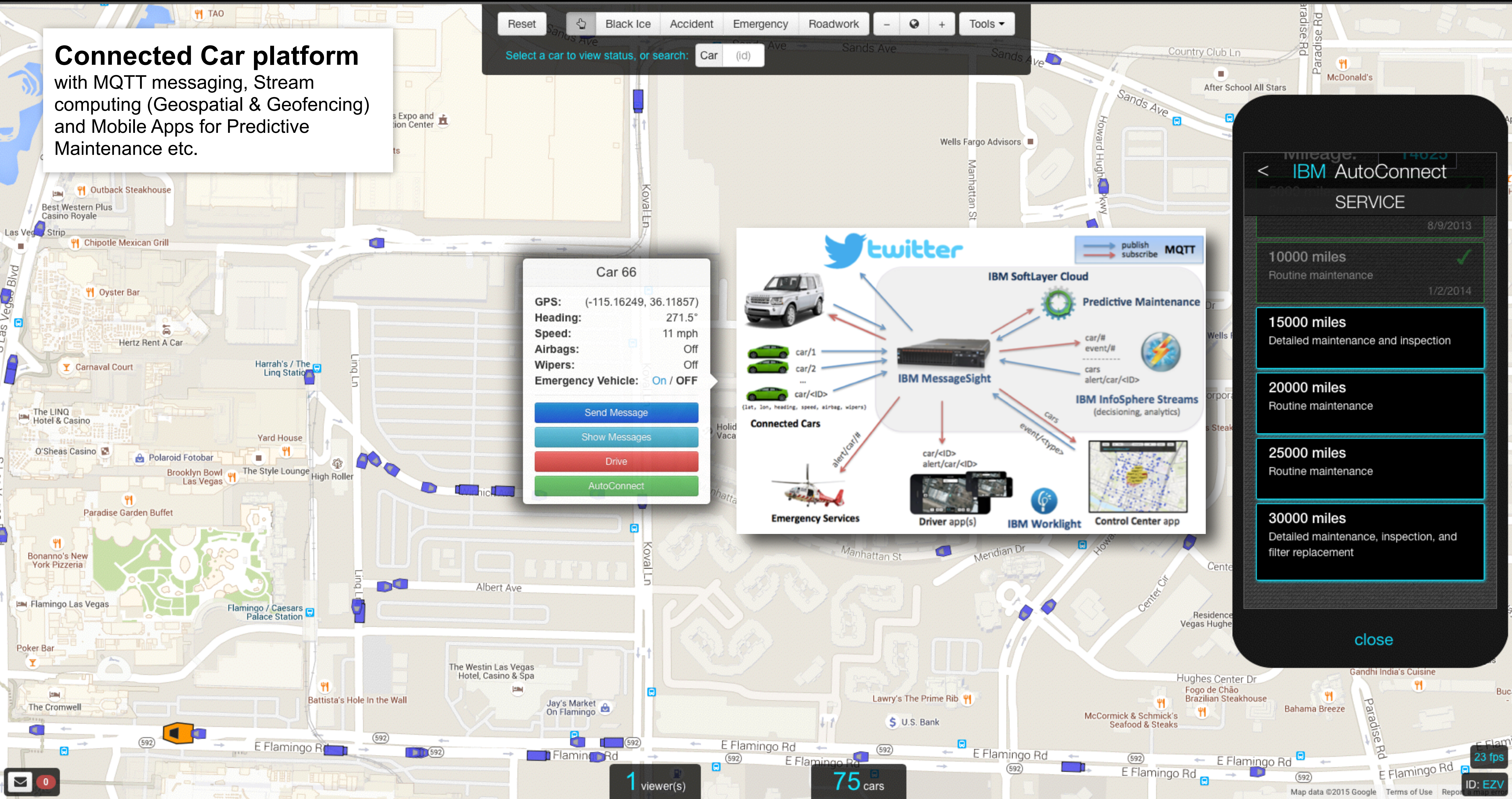
Send Message  
 Show Messages  
 Drive  
 AutoConnect



IBM AutoConnect SERVICE

- 10000 miles Routine maintenance (8/9/2013) ✓
- 15000 miles Detailed maintenance and inspection (1/2/2014)
- 20000 miles Routine maintenance
- 25000 miles Routine maintenance
- 30000 miles Detailed maintenance, inspection, and filter replacement

close



1 viewer(s)

75 cars

23 fps

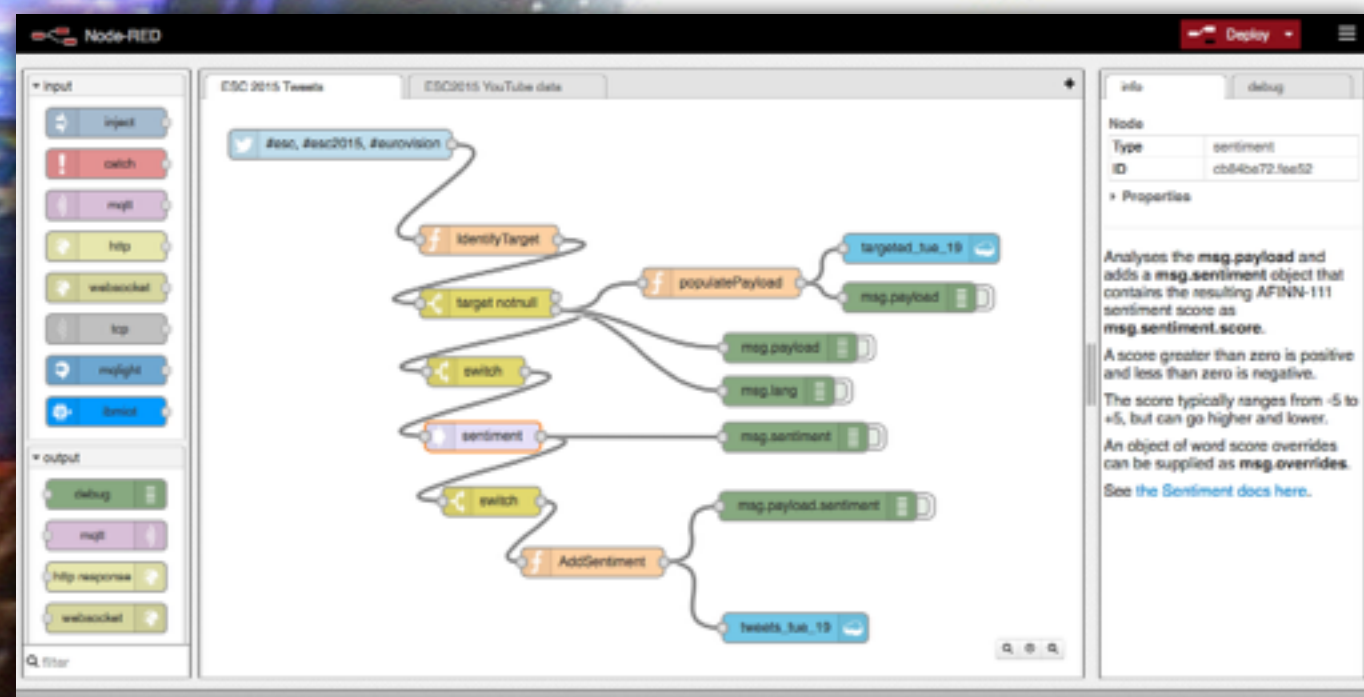
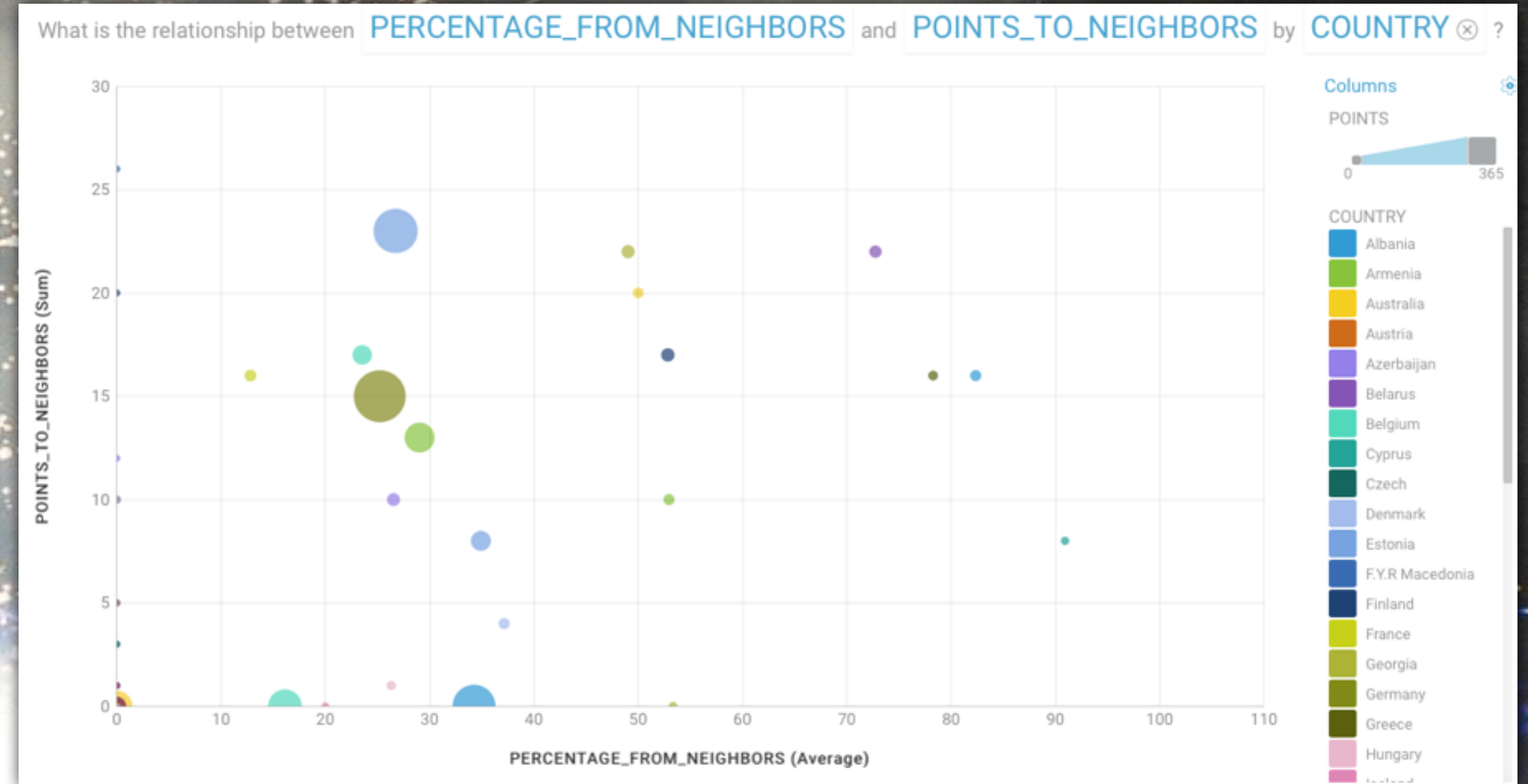
ID: EZV

# Use case example: Predicting contest results based on Social Sentiment

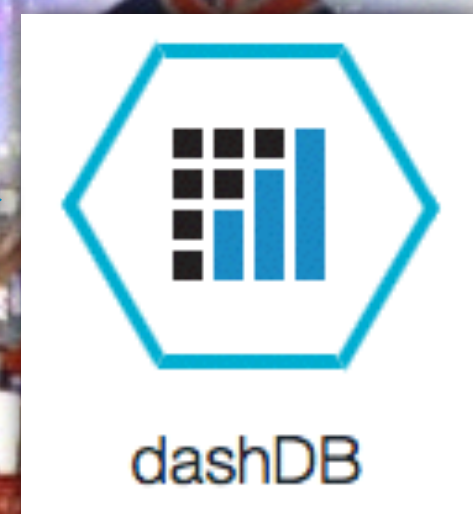
IBM Watson Analytics

# EUROVISION

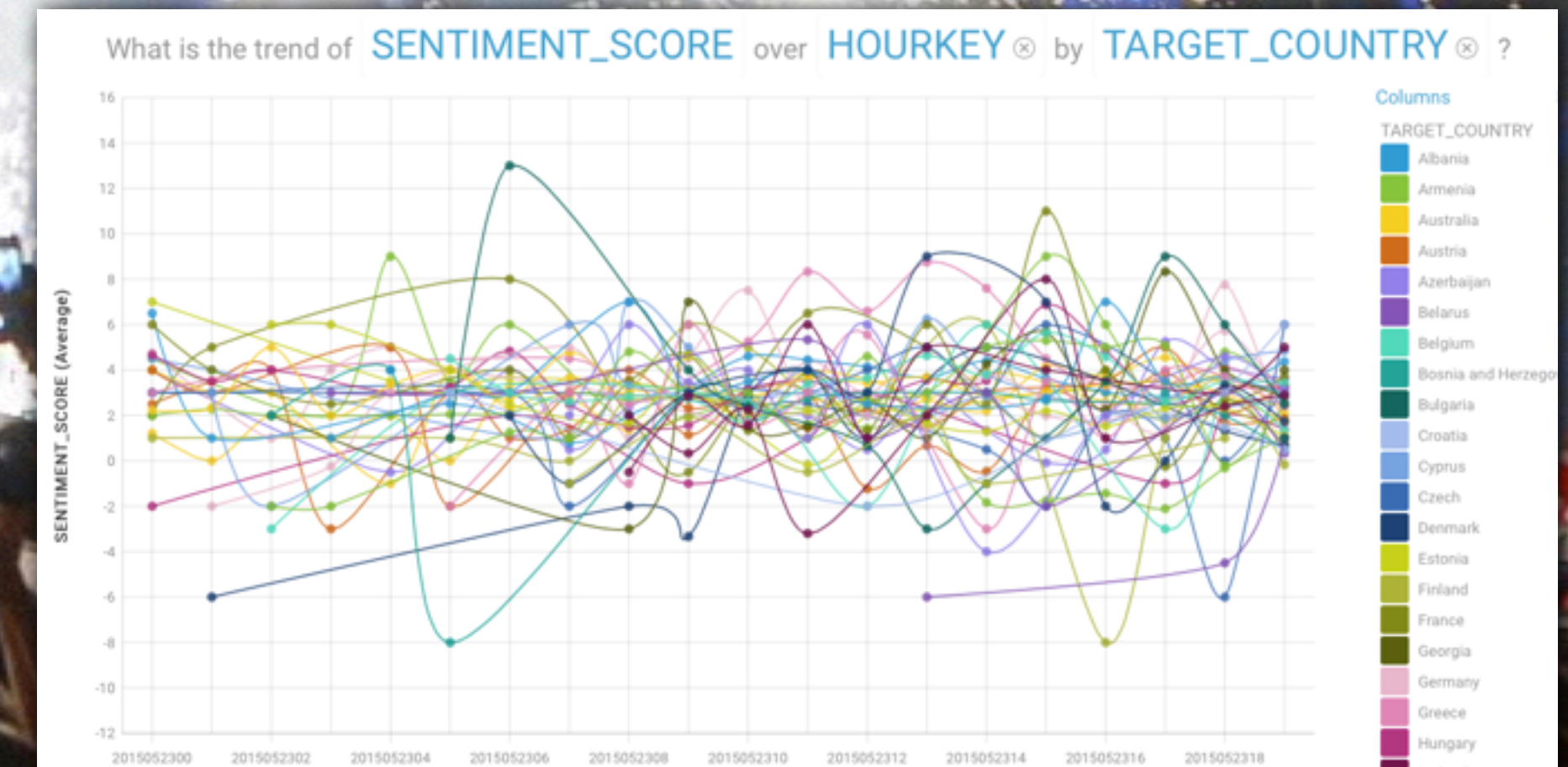
SONG CONTEST



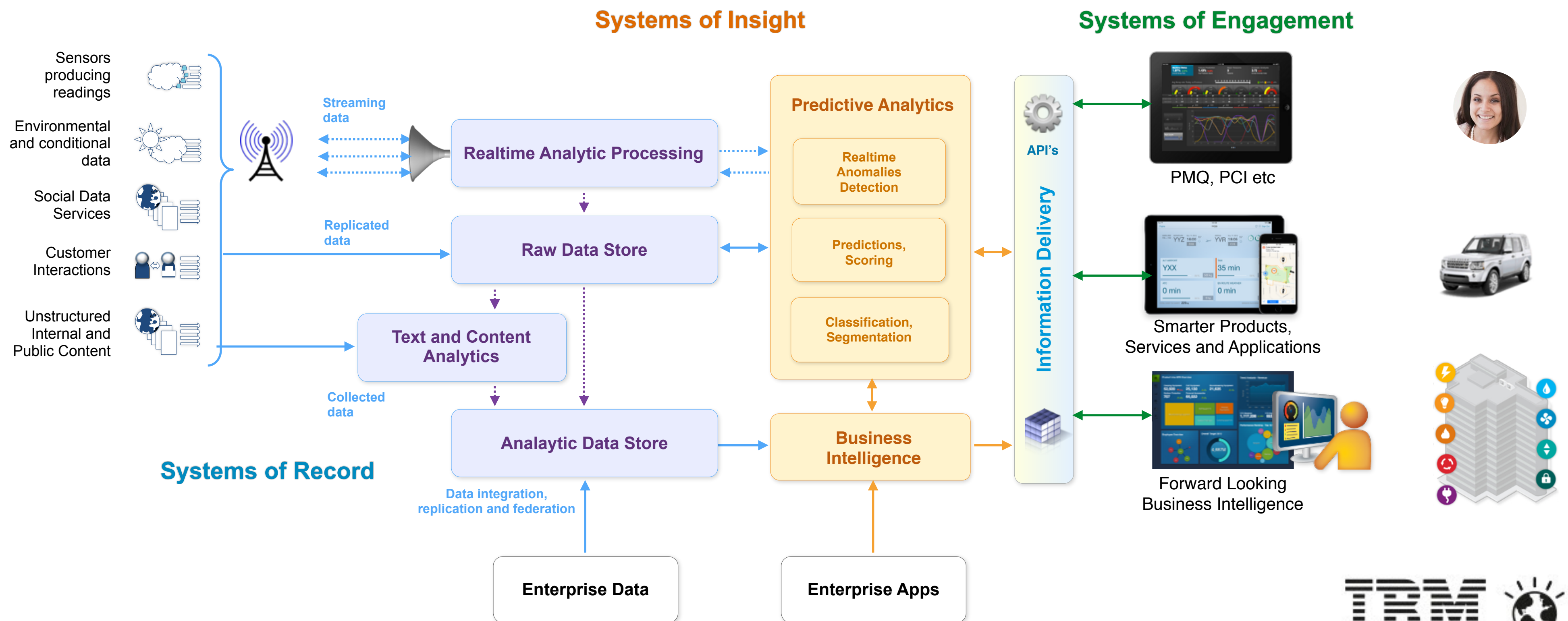
IBM Bluemix & Node-RED



IBM Bluemix Cloudant + dashDB



# Using IBM cloud platforms from Fast Prototyping to Production



# Big Data & Internet of Things

<Innovate@**SPEED**>

# Thank You

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Business Analytics Architect

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+358-40-725-6086