

Starting Smart with Oracle Advanced Analytics

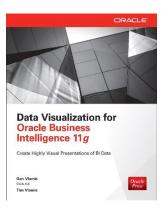
Kscope 2014

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Vlamis Software Solutions

- Vlamis Software founded in 1992 in Kansas City, Missouri
- Developed more than 200 Oracle BI systems
- Specializes in ORACLE-based:
 - Data Warehousing
 - Business Intelligence
 - Design and integrated BI and DW solutions
 - Training and mentoring
- Expert presenter at major Oracle conferences
- Authors of 2014 book "Data Visualization for Oracle BI 11g"
- Co-author of book "Oracle Essbase & Oracle OLAP"
- www.vlamis.com (blog, papers, newsletters, services)
- Developer for IRI (former owners of Oracle OLAP)
- Beta tester for OBIEE 11g
- Conference chair for BIWA Summit 2014, 2015







Presentation Agenda

- Background on Analytic Options to the Oracle DB
- Oracle Advanced Analytics
 - Oracle Data Mining
 - Oracle R Enterprise
- Oracle Spatial
- Impact on BI applications





Analytical Options to Oracle Database

Oracle OLAP

- Defines a multi-dimensional data structure that allows information for highly complex calculations to done quickly.
- Fast query performance and incremental update
- Simplified access to analytic calculations
- Oracle Advanced Analytics (Data Mining & R)
 - Refers to the process of automatically sifting through data to find hidden patterns and make predictions.
 - Series of highly advanced algorithms and procedures.
 - Extends the "R" language to the Oracle Database

Oracle Spatial

- Provides the capability of relating data to geo positional coordinates, objects, and constructs.
- Allows the construction and analysis of network topologies.





Spectrum of Oracle DB BI & Analytics

OLAP

Data Mining & R

Spatial

Summaries, hierarchies and dimensional data

Knowledge discovery of hidden patterns

Spatial relationships between data

"Analysis"

"Insight & Prediction"

"Location"

What is the average income of mutual fund buyers, by region, by year?

Who is likely to purchase a mutual fund in the next 6 months and why?

Where were mutual funds purchased in the last 3 years?





Competitive Advantage of BI & Analytics

Optimization What's the best the t car tappen? **Predictive Modeling** What will nappen next? Forecasting/Extrapolation What if these trends continue? **Statistical Analysis** Why is this happening? **Alerts** What actions are needed? Query/drill down Where exactly is the problem? Ad hoc reports How many, how often, where? **Standard Reports** What happened?



Access & Reporting

Degree of Intelligence

Source: Competing on Analytics, by T. Davenport & J. Harris





How to Get Started

- Lots of internal experts and lots of people who would like to be involved and learn
- Lots of people intimidated by what they don't know
- Start by "level setting" and establishing a strong foundation with basic training (2 days)
 - Bring people along on the journey, establish culture
- Immediately conduct a workshop (JAD style session) investigation of possibilities
 - Evaluation of data sources and data sets
 - Recognition of major business issues
 - Review of basic algorithms
 - Identification of potential PoC projects (plusses and minuses)
- Decide on pilot projects and who works on it
- Start simple and return value quickly





Need Representatives from Across Organization

- Get different perspectives
- Data Mining requires synergistic insights
- Builds broad support
- Non-siloed
- Takes Data mining out of IT and into Line of Business
- Participants learn from each other
- Formal statistics background not required
- Only prerequisite: analytical mind set / love data





Methodology

- Implement a highly scalable infrastructure
- Establish a common foundational understanding of data mining
- Demonstrate the Value of Analytics by Completing a Market Basket Project Immediately





ODM Machine Bundle Overview

- Hardware
 - Oracle Database Appliance
- Software
 - Oracle Database 12c (with options)
 - Oracle Advanced Analytics Option including Oracle Data Mining
 - Oracle SQL Developer: Data Miner Add-in (free download)
- Services
 - Implementation and configuration from Vlamis Software Solutions (Oracle Gold Partner)
 - Oracle University Oracle Data Mining Techniques course (taught by Vlamis Software Solutions)
 - Market Basket Analysis Project performed on company data
- Time frame: 9 business days (less than 2 weeks)





Compressed Schedule

- Day 1:
 - Two consultants meet with client team to review project plan, review data sources, identification
 of best data to start with, set technical objectives for project (basic market basket analysis
 deliverable)
- Day 2:
 - Consultant One: Install ODA and configure to network (need support from client tech staff)
 - Consultant Two: Conduct first day of ODM class with client team
- Day 3:
 - Consultant One: Install new pluggable Database, SQL Developer
 - Consultant Two: Conduct second day of ODM class with client team
- Day 4:
 - · Two consultants establish data plan for project with client and import data
- Day 5:
 - Consultant One: Prepare tables for mining (add keys, new tables, transforms, etc.)
 - Consultant Two: Document data plan
- Day 6:
 - Consultant Two: Build market basket workflow
- Day 7:
 - Consultant Two: Conduct market basket analyses
- Day 8:
 - Consultant Two: Prepare presentation of findings from market basket analyses
- Day 9:
 - Consultant Two: Deliver presentation with client





Oracle Data Mining Training (2 days)

- Introduction
- Data Mining Concepts and Terminology
- The Data Mining Process
- Introducing Oracle Data Miner 11g Release 2
- Using Classification Models
- Using Regression Models
- Using Clustering Models
- Performing Market Basket Analysis
- Performing Anomaly Detection
- Deploying Data Mining Results





Oracle R Enterprise Training (2 Days)

- Oracle R Enterprise technologies introduction
- Introduction to R hands-on
- ORE transparency layer with hands-on exercises
- ORE embedded R execution with hands-on exercises
- ORE predictive analytics with hands-on exercises
- Using ROracle
- Overview of ORE with OBIEE





Comparison of Training Courses

Oracle Data Mining

- Organized by algorithm
- Intro to data mining
- MBAs, BI Admin, DBAs
- Focused on business issues
- Uses GUI
- Approachable for new users

Oracle R Enterprise

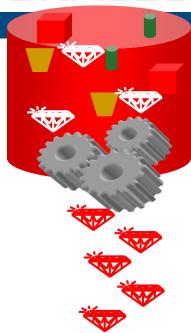
- Organized by process
- Intro to Oracle R Enterprise
- Data Scientists, Bl Admin, DBAs
- Focused on executing R in Oracle Database
- Uses R scripts
- Technical





What is Data Mining?

- ORACLE°
- Automatically sifts through data to find hidden patterns, discover new insights, and make predictions
- Data Mining can provide valuable results:
 - Predict customer behavior (Classification)
 - Predict or estimate a value (Regression)
 - Segment a population (Clustering)
 - Identify factors more associated with a business problem (Attribute Importance)
 - Find profiles of targeted people or items (Decision Trees)
 - Determine important relationships and "market baskets" within the population (Associations)
 - Find fraudulent or "rare events" (Anomaly Detection)







In Database Data Mining



Traditional Analytics Oracle Data Mining Data Import Data Mining Model "Scoring" **Data Preparation Davings** and **Transformation Data Mining Model Building** Data Prep & **Transformation Data Extraction Model Building Data Preparation**

Results

- Faster time for "Data" to "Insights"
- Lower TCO—Eliminates
- Data Movement
- Data Duplication
- Maintains Security

Model "Scoring"
Data remains in the Database
Embedded data preparation

Cutting edge machine learning algorithms inside the SQL kernel of Database

*••SQL—Most powerful language for data preparation and transformation

Data remains in the Database

Hours, Days or Weeks





Secs. Mins or Hours



Oracle Data Mining

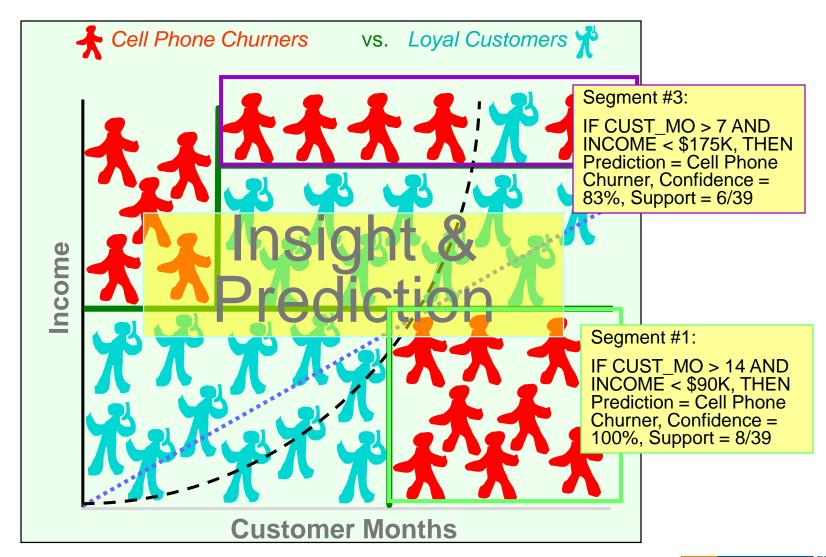
- Oracle Data Mining is an option for the Enterprise Edition of the Oracle Database.
- A collection of APIs and specialized SQL functions.
- Includes a large number of specialized algorithms and built-in procedures.
- Makes use of many built-in capabilities of the Oracle Database
- ODM typically refers to "Oracle Data Mining"





Data Mining Provides

Better Information, Valuable Insights and Predictions



Source: Inspired from Data Mining Techniques: For Marketing, Sales, and Customer Relationship Management by Michael J. A. Berry, Gordon S. Linoff





Oracle Data Mining Algorithms

Problem	Algorithm	Applicability	
Classification	Logistic Regression (GLM) Decision Trees Naïve Bayes Support Vector Machine	Classical statistical technique Popular / Rules / transparency Embedded app Wide / narrow data / text	
Regression	Linear Regression (GLM) Support Vector Machine	Classical statistical technique Wide / narrow data / text	
Anomaly Detection	One Class SVM	Unknown fraud cases or anomalies	
Attribute 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Minimum Description Length Principal Component Analysis	Attribute reduction Identify useful data Reduce data noise	
Association Rules	Apriori	Market basket analysis Next Best Offer	
Clustering	Hierarchical K-Means Hierarchical O-Cluster	Product grouping Text mining Gene and protein analysis	
Feature	Nonnegative Matrix Factorization (NMF) Singular Value Decomposition (SVD)	Text analysis Feature reduction	





11g Statistics & SQL Analytics (Free)

Ranking functions

 rank, dense_rank, cume_dist, percent_rank, ntile

Window Aggregate functions (moving and cumulative)

 Avg, sum, min, max, count, variance, stddev, first_value, last_value

LAG/LEAD functions

• Direct inter-row reference using offsets

Reporting Aggregate functions

 Sum, avg, min, max, variance, stddev, count, ratio to report

Statistical Aggregates

Correlation, linear regression family, covariance

Linear regression

- Fitting of an ordinary-least-squares regression line to a set of number pairs.
- Frequently combined with the COVAR_POP, COVAR_SAMP, and CORR functions

Descriptive Statistics

 DBMS_STAT_FUNCS: summarizes numerical columns of a table and returns count, min, max, range, mean, median, stats_mode, variance, standard deviation, quantile values, +/- n sigma values, top/bottom 5 values

Correlations

 Pearson's correlation coefficients, Spearman's and Kendall's (both nonparametric).

Cross Tabs

 Enhanced with % statistics: chi squared, phi coefficient, Cramer's V, contingency coefficient, Cohen's kappa

Hypothesis Testing

 Student t-test, F-test, Binomial test, Wilcoxon Signed Ranks test, Chi-square, Mann Whitney test, Kolmogorov-Smirnov test, One-way ANOVA

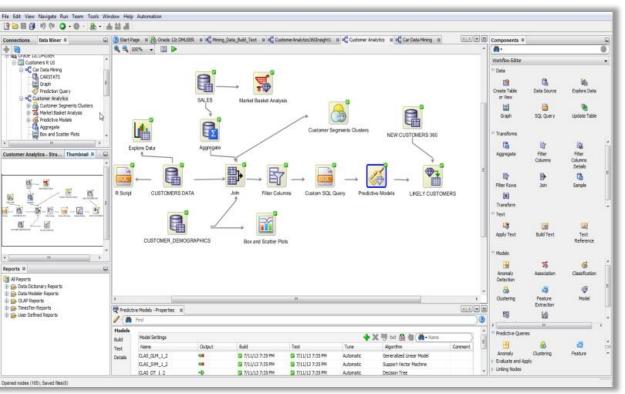
Distribution Fitting

 Kolmogorov-Smirnov Test, Anderson-Darling Test, Chi-Squared Test, Normal, Uniform, Weibull, Exponential





Oracle Data Miner

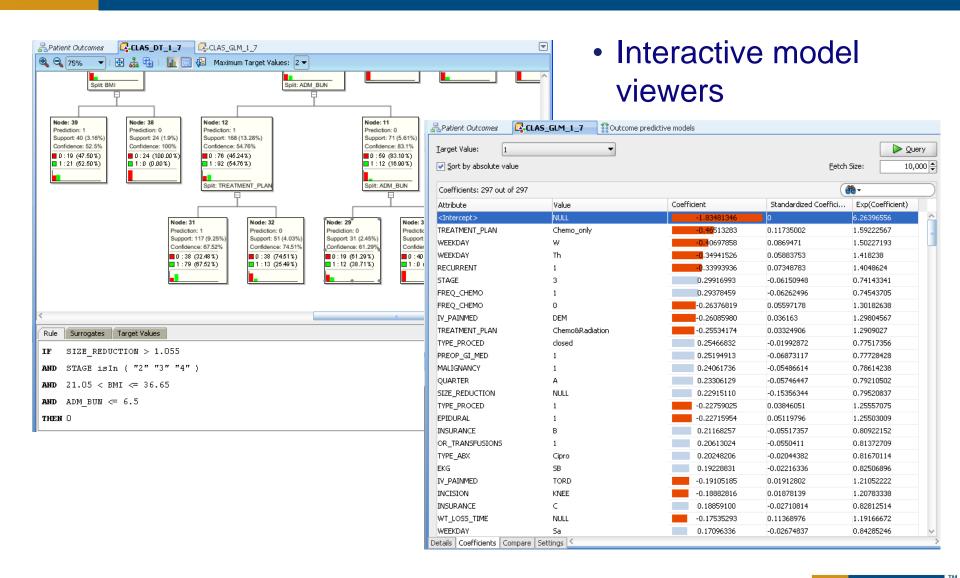


- Easy to Use
 - Oracle Data Miner GUI for data analysts
 - "Work flow" paradigm
- Powerful
 - Multiple algorithms & data transformations
 - Runs 100% in-DB
 - Build, evaluate and apply models
- Automate and Deploy
 - Save and share analytical workflows
 - Generate SQL scripts for deployment



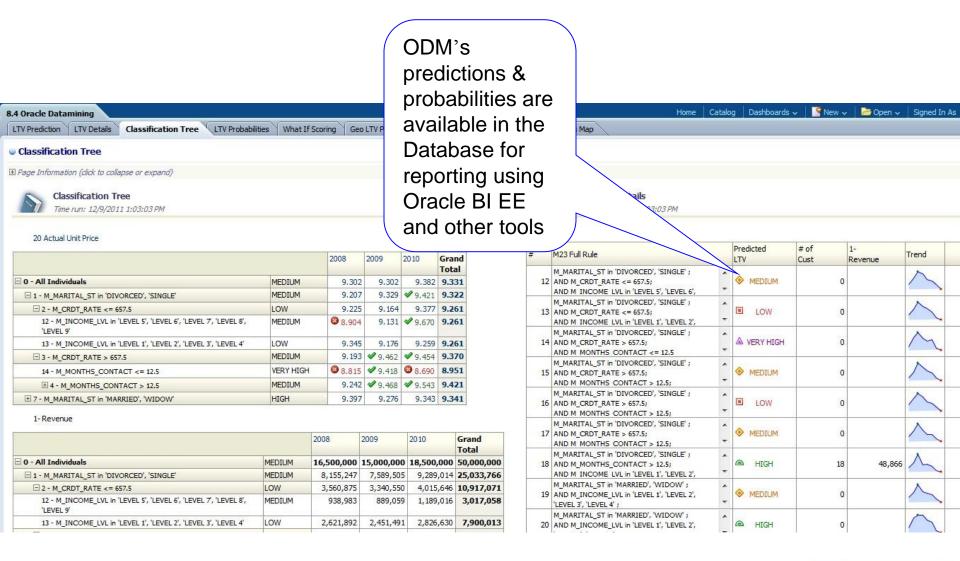


Understand Model Details





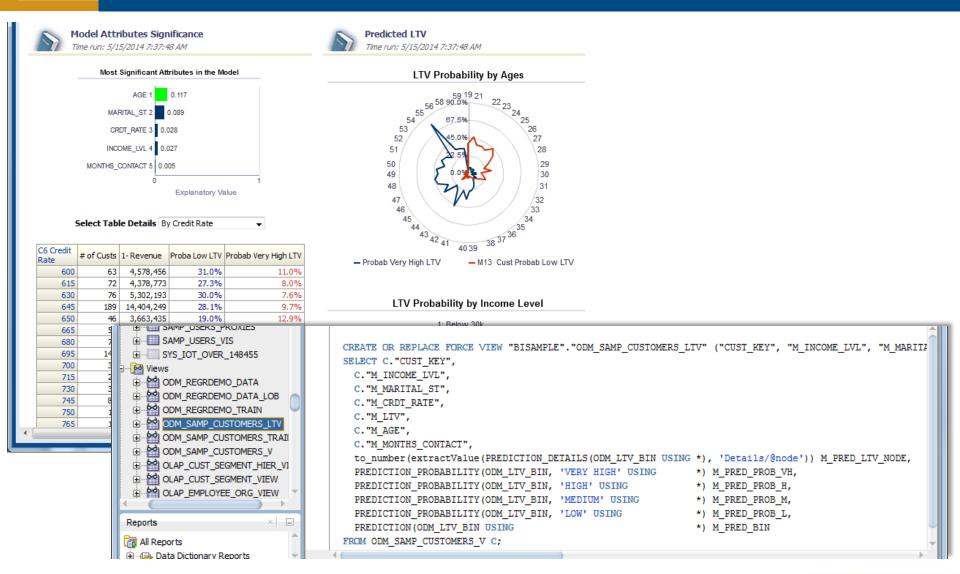
Oracle Data Mining & OBI 11g







Dynamically Using ODM From Oracle Bl





CRAN Task Views

- R is an Open Source scripting language and environment for statistical computing and graphics http://www.R-project.org/
- Popular alternative to SAS, SPSS
 & other proprietary statistical environments
- Around 2 million R users worldwide
- Thousands of R packages available

 Bayesian
 Bayesian Inference

 ChemPhys
 Chemometrics and Computational Physics

 Clinical Trials
 Clinical Trial Design. Monitoring, and Ana

Clinical Trial Design, Monitoring, and Analysis
Cluster Cluster Analysis & Finite Mixture Models

 Differential Equations
 Differential Equations

 Distributions
 Probability Distributions

 Econometrics
 Computational Econometrics

Environmetrics Analysis of Ecological and Environmental Data

Experimental Design of Experiments (DoE) & Analysis of Experimental Data

Finance Empirical Finance
Genetics Statistical Genetics

Graphic Oraphic Displays & Dynamic Graphics & Graphic Devices & Visualization

HighPerformanceComputing High-Performance and Parallel Computing with R

MachineLearning Machine Learning & Statistical Learning

 MedicalImaging
 Medical Image Analysis

 MetaAnalysis
 Meta-Analysis

 Multivariate
 Multivariate Statistics

 NaturalLanguageProcessing
 Natural Language Processing

Official Statistics & Survey Methodology

Optimization Optimization and Mathematical Programming

Discovery Statistics & Survey Methodology

Optimization and Mathematical Programming

<u>Pharmacokinetics</u> Analysis of Pharmacokinetic Data

<u>Phylogenetics</u> Phylogenetics, Especially Comparative Methods

Psychometrics Psychometric Models and Methods
ReproducibleResearch Reproducible Research

 ReproducibleResearch
 Reproducible Research

 Robust
 Robust Statistical Methods

 SocialSciences
 Statistics for the Social Sciences

 Spatial
 Analysis of Spatial Data

<u>SpatioTemporal</u> Handling and Analyzing Spatio-Temporal Data

 Survival
 Survival Analysis

 TimeSeries
 Time Series Analysis

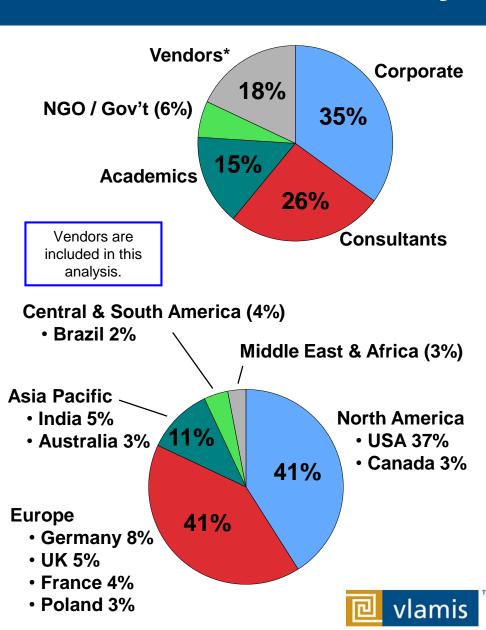
 gR
 gRaphical Models in R





2013 Rexer Analytics Data Miner Survey

- 6th survey since 2007
- 68 questions
- 10,000+ invitations emailed, plus promoted by newsgroups, vendors, and bloggers
- Respondents:1,259 data minersfrom 75 countries
- Data collected in first half of 2013



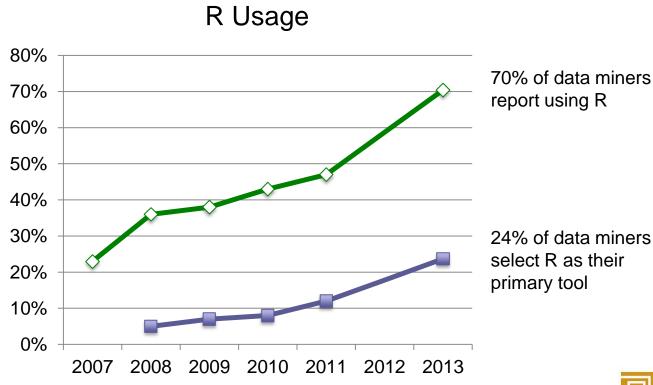
SOFTWARE SOLUTIONS

^{*}Data from software vendors is excluded from analyses in this presentation unless otherwise noted.



2013 Rexer Analytics Data Miner Survey (2)

The proportion of data miners using R is rapidly growing, and since 2010, R has been the most-used data mining tool. While R is frequently used along with other tools, an increasing number of data miners also select R as their primary tool. Among data miners who say they are likely to switch their primary package in the coming year, R is frequently identified as the tool they are plan to switch to – more than 2.5 times more often that any other tool.





Oracle R Enterprise

- Part of the Advanced Analytics Option to the Oracle Database Enterprise Edition
- Provides transparent access to database-resident data from R
- Embedded R script execution through database managed R engines with SQL language integration
- Provides data and task parallelism and full power of Oracle database for R
- Enables advanced statistics for in-database execution
- Integrates R into the IT software stack
- Extends and enhances open source R





Oracle R Distribution





ability to dynamically load:

Intel Math Kernel Library (MKL) AMD Core Math Library Solaris Sun Performance Library



Oracle Support

- Improved scalability at client and database for embedded R execution
- Enhanced linear algebra performance using Intel's MKL, AMD's ACML, and Solaris Sun Performance Library
- Enterprise support for customers of Oracle Advanced Analytics option, Big Data Appliance, and Oracle Linux
- Available as a free download from Oracle
- Oracle to contribute bug fixes and enhancements to open source R





Other R Offerings

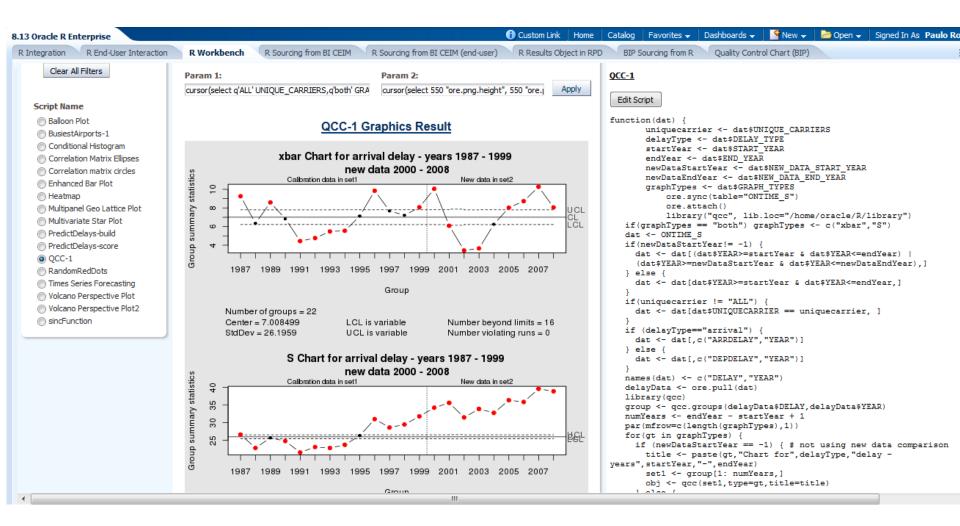
ROracle

- Open source Oracle database interface driver for R based on OCI
- Maintained by Oracle, optimizations and bug fixes released to open source community
- Oracle R Connector for Hadoop
 - R interface to Oracle Hadoop Cluster on Big Data Appliance
 - Access and manipulate data in HDFS, database, and file system
 - Write MapReduce functions using R and execute through R
- Rstudio
 - Popular open source user interface for R
 - Integrated Development Environment
- Rcommander
 - Extended GUI for R
 - Used for plugins (e.g. text mining)
 - Often used with Rstudio





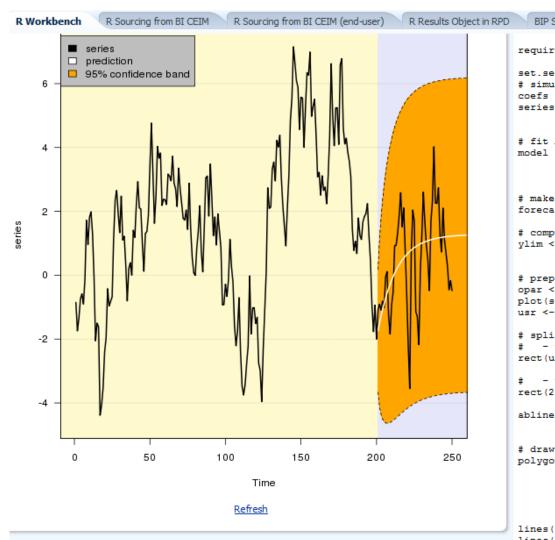
R now integrated into OBIEE 11.1.1.7







R now integrated into OBIEE 11.1.1.7

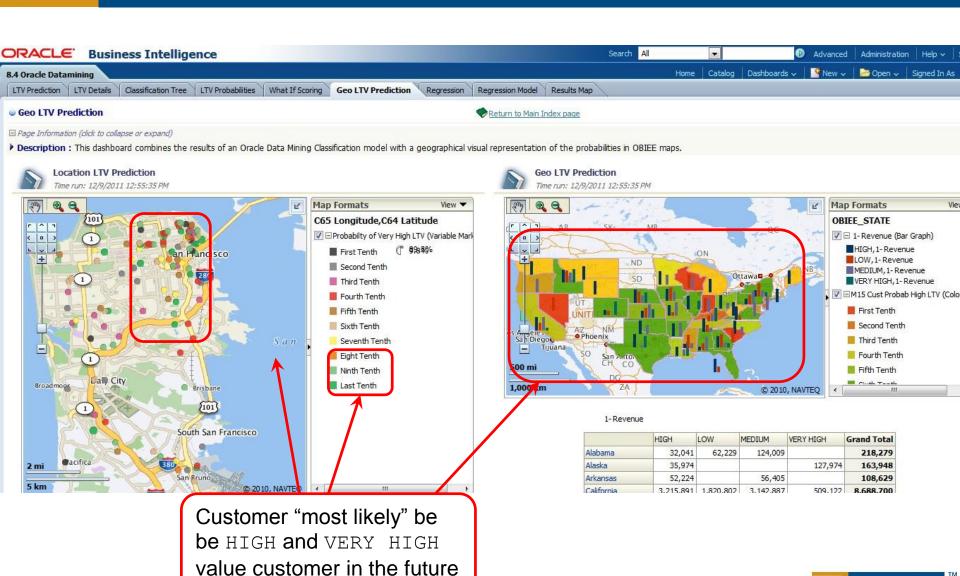


```
BIP Sourcing from R.
                                                         Ouality Control Chart (BIP)
require (gplots)
set.seed(120)
# simulate an AR(1) process
coefs <- 0.95
series <- arima.sim(list(ar=coefs).n=250)
# fit AR(1) with the 200 first data
model <- arima(series[1:200],c(1 ,
                                                                                                          # AR part
                                                                                                          # I order
                                                                                         0)) # MA part
# make forecast from the model
forecast <- predict(model, 80)
# compute the limits of the graph
ylim <- c( min(series[1:200], forecast$pred - 1.96 * forecast$se),</pre>
                              max(series[1:200],forecast$pred + 1.96 * forecast$se))
# prepare the space where to plot
opar \leftarrow par(mar=c(4,4,2,2),las=1)
plot(series, ylim=ylim, type="n", xlim=c(1, 250))
usr <- par("usr")
# split the figure in two parts
# - the part used to fit the model
rect(usr[1],usr[3],201 ,usr[4],border=NA,col="lemonchiffon")
# - the part used to make the forecast
rect(201 ,usr[3],usr[2],usr[4],border=NA,col="lavender")
abline(h= (-3:3)*2 , col ="gray" , lty =3)
# draw a 95% confidence band
polygon( c(201:280,280:201),
                         c(forecast$pred - 1.96*forecast$se,rev(forecast$pred + 1.96*forecast$pred + 1.96*forecast$pre
                         col = "orange",
                         ltv=2.border=NA)
lines( 201:280 , forecast$pred - 1.96*forecast$se , lty=2)
lines( 201:280 , forecast$pred + 1.96*forecast$se , lty=2)
```





Oracle Advanced Analytics & Spatial





What is Spatial Data?

- Business data that contains or describes location
 - Street and postal address (customers, stores, factory, etc.)
 - Sales data (sales territory, customer registration, etc.)
 - Assets (cell towers, pipe lines, electrical transformers, etc.)
 - Geographic features (roads, rivers, parks, etc.)
- Anything connected to a physical location
- Any data sets that contain "link and node" relationships between data objects. Can be directional or nondirectional.





Analytics in BI Applications

- ODM being bundled into BI Apps more and more
- OLAP, ODM in Oracle Industry Data Models
- Companies will capitalize on analytics when building their own applications
- BI Apps (Oracle product) continue to use Fusion Middleware componentry to avoid reliance on Oracle Database





Oracle Test Drive

- Free to try Oracle BI, Advanced Analytics and Big Data
- Go to www.vlamis.com/td
- Runs off of Amazon AWS
- Test Drives for:
 - Oracle BI
 - Oracle Advanced Analytics
 - Big Data
- Once sign up, you have private instance for 5 hours
- Available now









Mark Your Calendars Now!

BIWA Summit 2015, Jan 27-29 Oracle HQ Conference Center

Accepting Abstracts NOW!

Business Intelligence, Warehousing and Analytics IOUG Special Interest Group

www.biwasummit.com

Thank You for Attending Session Capitalizing on Analytics in the Oracle Database in BI Applications

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