

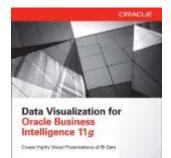
#### Starting Smart with Oracle Advanced Analytics

#### Heartland OUG Fall 2014

Dan Vlamis Tim Vlamis Vlamis Software Solutions 816-781-2880 http://www.vlamis.com

### **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
  - Data Mining and Predictive Analytics
  - Data Visualization
- 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



Tie Nam





#### **Tim and Dan Vlamis**

- Tim (business analyst and academic guy)
- 25+ years in business modeling, valuation, and scenario analysis
- Professional Certified Marketer (PCM) from AMA
- Active Member of NICO (Northwestern Institute on Complex Systems)
- Adjunct Professor of Business, Benedictine College
- MBA Kellogg School of Management (Northwestern University)
- BA Economics, Yale University
- Dan (OLAP expert and career IT guy)
- 25+ Years in business intelligence/executive information systems
- Led development team at IRI
- Founded Vlamis Software Solutions 20 years ago in 1993
- Author, speaker, Oracle ACE Director
- BA Computer Science, Brown University



#### **Presentation Agenda**

- Background on Analytic Options to the Oracle DB
- Oracle Advanced Analytics
  - Oracle Data Mining
  - Oracle R Enterprise
- How to start with OAA comparison of options
- Demo of OAA with Oracle BI Front end SampleApp
- Bonus info on Oracle In Memory



#### **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 & Graph
  - 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

**Predictive Modeling** 

**Forecasting/Extrapolation** 

**Statistical Analysis** 

Alerts

**Query/drill down** 

Ad hoc reports

Standard Reports

What's the best th t car t appen?

What will nappen next?

What if these trends continue?

Why is this happening?

What actions are needed?

Where exactly is the problem?

How many, how often, where?

What happened?

Analytic\$

ORACLE

Access & Reporting

#### **Degree of Intelligence**

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



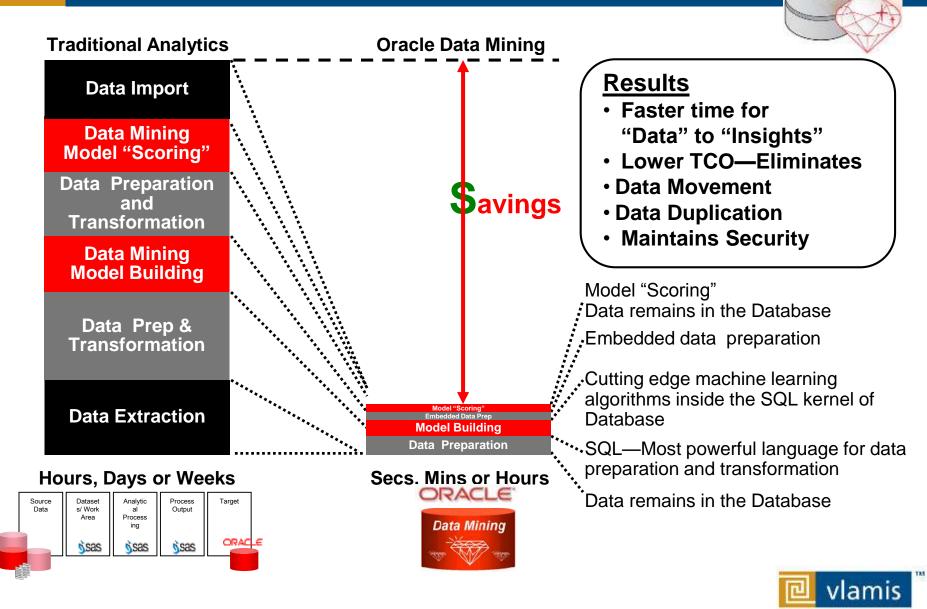
**Competitive Advantage** 

#### What is Data Mining?

- 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



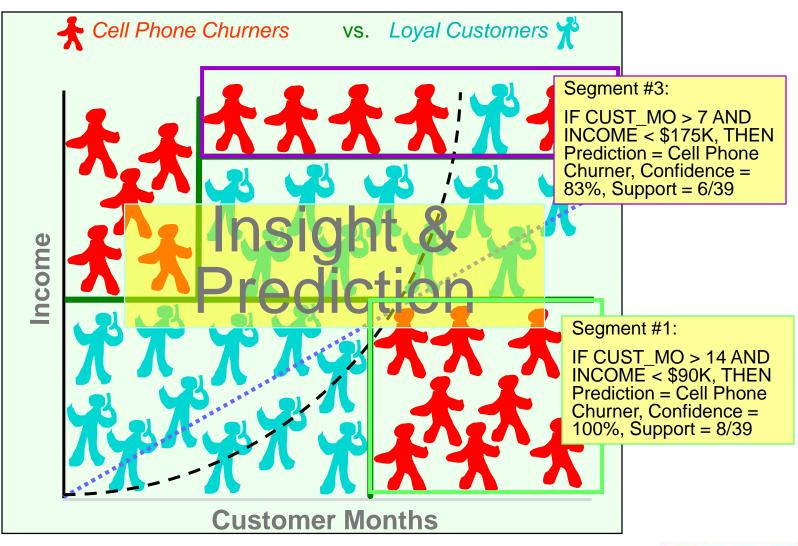
SOFTWARE SOLUTIONS



- 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	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 Extraction	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**

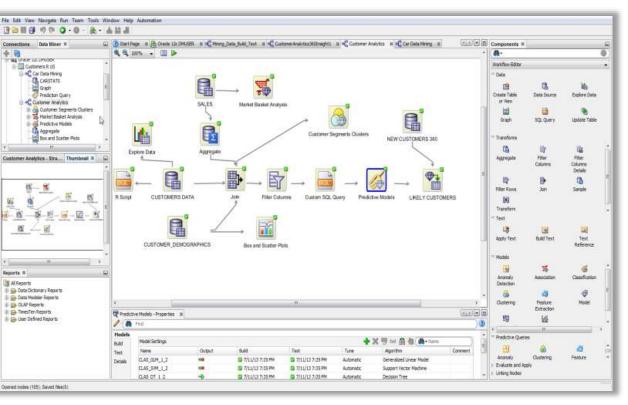
- DBMS\_STAT\_FUNCS: summarizes numerical columns of a table and returns count, min, max, range, mean, median, stats\_mode, variance, standard deviation, quantile values, +/- n sigma values, top/bottom 5 values
- Correlations
  - Pearson's correlation coefficients, Spearman's and Kendall's (both nonparametric).
- 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



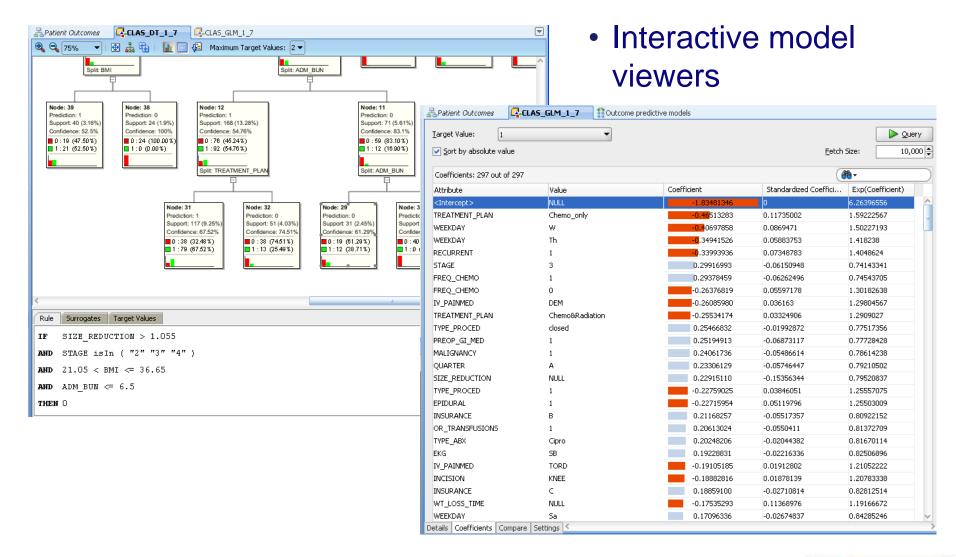
#### **Oracle Data Miner**



- 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**

#### 8.4 Oracle Datamining

LTV Prediction LTV Details Classification Tree LTV Probabilities What If Scoring Geo LTV P

#### Classification Tree

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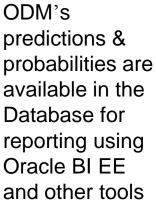
Classification Tree Time run: 12/9/2011 1:03:03 PM

#### 20 Actual Unit Price

		2008	2009	2010	Grand Total
🗆 0 - All Individuals	MEDIUM	9,302	9.302	9,382	9.331
1 - M_MARITAL_ST in 'DIVORCED', 'SINGLE'	MEDIUM	9.207	9.329	9.421	9.322
2 - M_CRDT_RATE <= 657.5	LOW	9.225	9.164	9.377	9.261
12 - M_INCOME_LVL in 'LEVEL 5', 'LEVEL 6', 'LEVEL 7', 'LEVEL 8', 'LEVEL 9'	MEDIUM	8,904	9.131	9.670	9.261
13 - M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4'	LOW	9.345	9.176	9.259	9.261
⊡ 3 - M_CRDT_RATE > 657.5	MEDIUM	9, 193	♥ 9,462	9.454	9.370
14 - M_MONTHS_CONTACT <= 12.5	VERY HIGH	8.815	9.418	8.690	8.951
I 4 - M_MONTHS_CONTACT > 12.5	MEDIUM	9.242	9,468	9,543	9.421
1 7 - M_MARITAL_ST in 'MARRIED', 'WIDOW'	HIGH	9.397	9.276	9.343	9.341

1-Revenue

		2008	2009	2010	Grand Total
🗄 0 - All Individuals	MEDIUM	16,500,000	15,000,000	18,500,000	50,000,000
1 - M_MARITAL_ST in 'DIVORCED', 'SINGLE'	MEDIUM	8,155,247	7,589,505	9,289,014	25,033,766
□ 2 - M_CRDT_RATE <= 657.5	LOW	3,560,875	3,340,550	4,015,646	10,917,071
12 - M_INCOME_LVL in 'LEVEL 5', 'LEVEL 6', 'LEVEL 7', 'LEVEL 8', 'LEVEL 9'	MEDIUM	938,983	889,059	1,189,016	3,017,058
13 - M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4'	LOW	2,621,892	2,451,491	2,826,630	7,900,013



	M23 Full Rule		Predicted LTV	# of Cust	1- Revenue	Trend
12	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE <= 657.5; AND M_INCOME_LVL in 'LEVEL 5', 'LEVEL 6',	4 4	MEDIUM	0		$\overline{\ }$
13	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE <= 657.5; AND M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2',	*	LOW	0		$\overline{\ }$
14	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE > 657.5; AND M_MONTHS_CONTACT <= 12.5	* +	VERY HIGH	o		$\sim$
15	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE > 657.5; AND M_MONTHS_CONTACT > 12.5;	* +	MEDIUM	0		$\overline{\ }$
16	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE > 657.5; AND M_MONTHS_CONTACT > 12.5;	*	LOW	0		
17	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_CRDT_RATE > 657.5; AND M_MONTHS_CONTACT > 12.5;	^ +	MEDIUM	0		
18	M_MARITAL_ST in 'DIVORCED', 'SINGLE' ; AND M_MONTHS_CONTACT > 12.5; AND M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2',	• •	A HIGH	18	48,866	$\sim$
19	M_MARITAL_ST in 'MARRIED', 'WIDOW' ; AND M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2', 'LEVEL 3', 'LEVEL 4' ;	*	MEDIUM	0		$\wedge$
20	M_MARITAL_ST in 'MARRIED', 'WIDOW' ; AND M_INCOME_LVL in 'LEVEL 1', 'LEVEL 2',	<u>^</u>	A HIGH	0		$\sim$

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Catalog

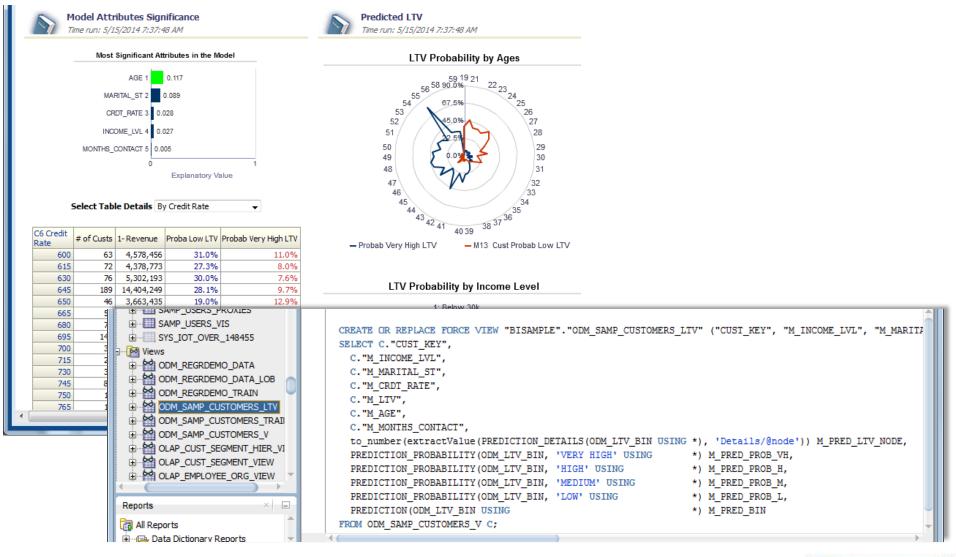
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### **Dynamically Using ODM From Oracle Bl**







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



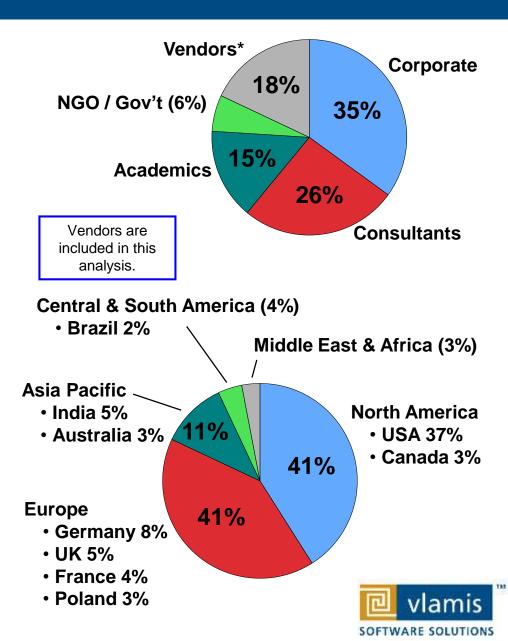
	CRAN Task Vie
Bayesian	Bayesian Inference
ChemPhys	Chemometrics and Computational Physics
ClinicalTrials	Clinical Trial Design, Monitoring, and Analysis
Cluster	Cluster Analysis & Finite Mixture Models
DifferentialEquations	Differential Equations
Distributions	Probability Distributions
Econometrics	Computational Econometrics
Environmetrics	Analysis of Ecological and Environmental Data
ExperimentalDesign	Design of Experiments (DoE) & Analysis of Experimental Data
Finance	Empirical Finance
Genetics	Statistical Genetics
Graphics	Graphic Displays & Dynamic Graphics & Graphic Devices & Visualization
	ing High-Performance and Parallel Computing with R
MachineLearning	Machine Learning & Statistical Learning
MedicalImaging	Medical Image Analysis
Meta Analysis	Meta-Analysis
Multivariate	Multivariate Statistics
NaturalLanguageProcessi	ng Natural Language Processing
OfficialStatistics	Official Statistics & Survey Methodology
Optimization	Optimization and Mathematical Programming
Pharmacokinetics	Analysis of Pharmacokinetic Data
Phylogenetics	Phylogenetics, Especially Comparative Methods
Psychometrics	Psychometric Models and Methods
ReproducibleResearch	Reproducible Research
Robust	Robust Statistical Methods
SocialSciences	Statistics for the Social Sciences
Spatial	Analysis of Spatial Data
Spatio Temporal	Handling and Analyzing Spatio-Temporal Data
Survival	Survival Analysis
TimeSeries	Time Series Analysis
gR	gRaphical Models in R



## **2013 Rexer Analytics Data Miner Survey**

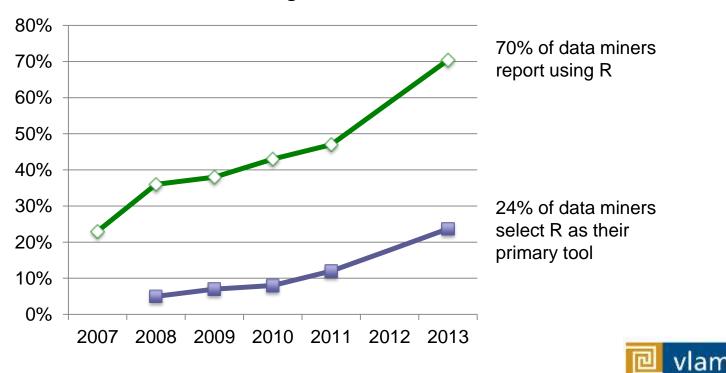
- 6<sup>th</sup> survey since 2007
- 68 questions
- 10,000+ invitations emailed, plus promoted by newsgroups, vendors, and bloggers
- Respondents: 1,259 data miners from 75 countries
- Data collected in first half of 2013

\*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.



SOFTWARE SOLUTIONS

R Usage

## 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



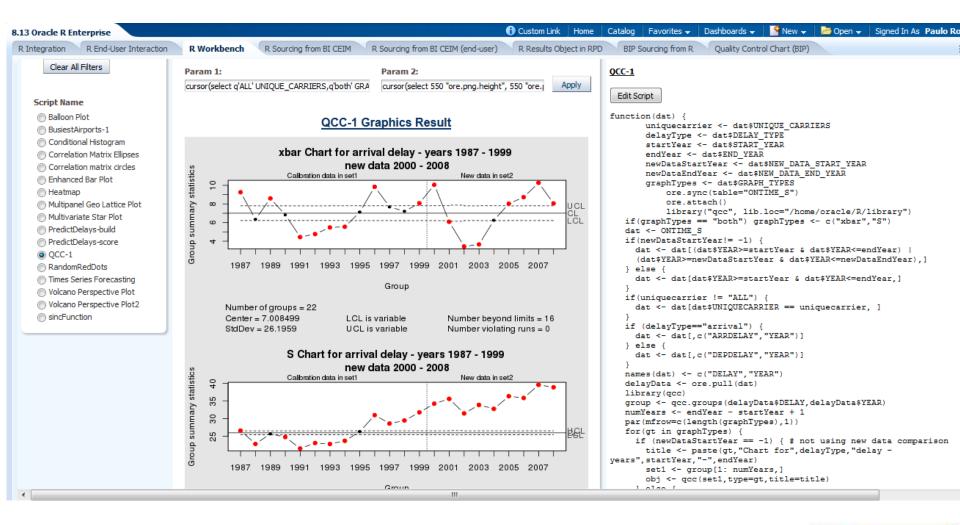
- Improved scalability at client and database for embedded R execution
- Enhanced linear algebra performance using Intel's MKL, AMD's ACML, and Solaris Sun Performance Library
- Enterprise support for customers of Oracle Advanced Analytics option, Big Data Appliance, and Oracle Linux
- Available as a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



## Other R Offerings

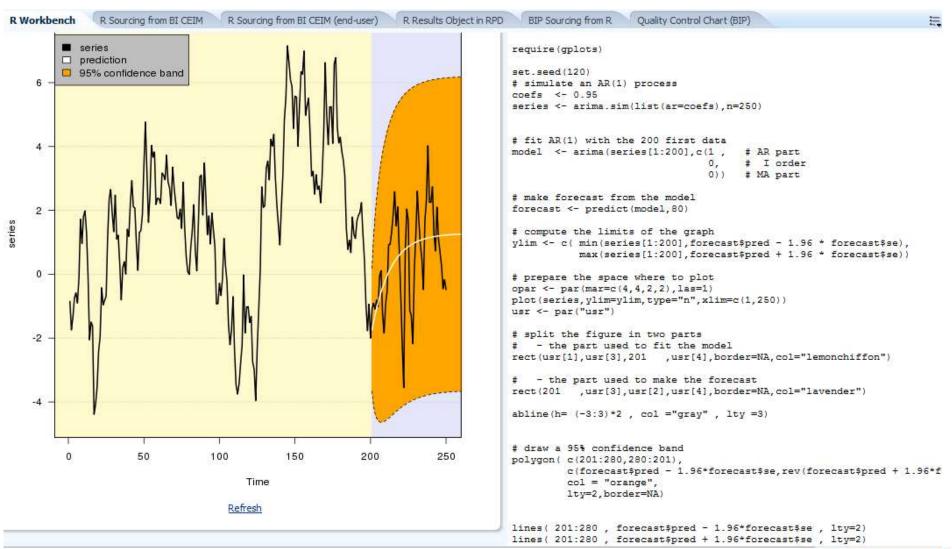
- ROracle
  - Open source Oracle database interface driver for R based on OCI
  - Maintained by Oracle, optimizations and bug fixes released to open source community
- Oracle R Connector for Hadoop
  - R interface to Oracle Hadoop Cluster on Big Data Appliance
  - · Access and manipulate data in HDFS, 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



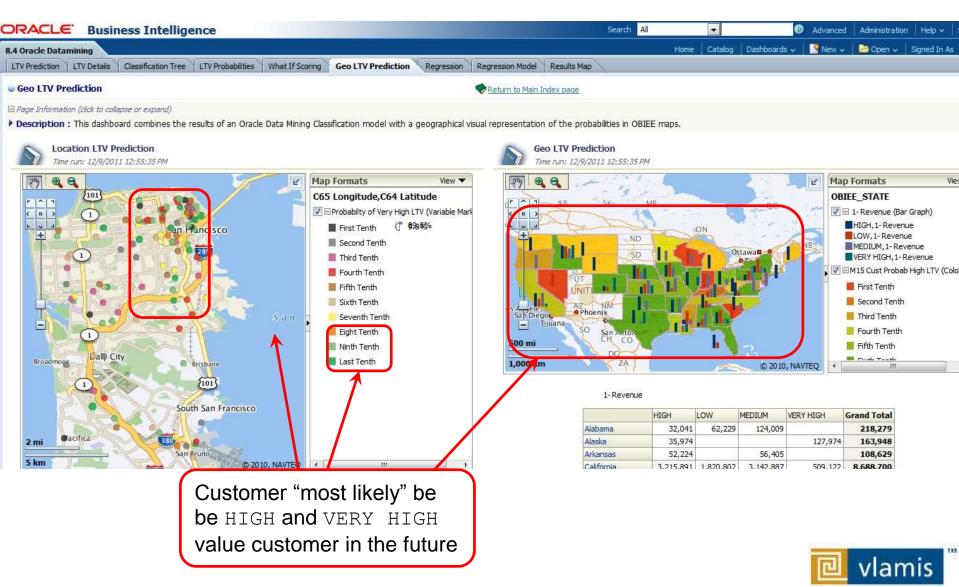




#### R now integrated into OBIEE 11.1.1.7







SOFTWARE SOLUTIONS

#### 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 non-directional.



## 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





- 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, BI Admin, DBAs
- Focused on executing R in Oracle Database
- Uses R scripts
- Technical



# **D** Oracle In Memory

- Announced at Oracle OpenWorld 2013
- Launched by Larry Ellison June 2014
- Not released yet, so packaging not final Option? (likely) Exadata only? (likely not)
- Allows Oracle tables to be loaded into memory
- Super-fast scans of data using SIMD and vector instruction sets
- Works with OLTP
- First release likely limited in scope
- Allows for more flexible aggregation



## **Oracle In Memory Predictions**

- In Memory capabilities will start overlapping with Oracle OLAP capabilities
- Allows for more flexible deployments
- No need to pre-define hierarchies
- Does not have metadata for pre-defined hierarchies yet
- Does not have capabilities for OLAP calculations yet
- Does not involve misunderstood cube technology simple for DBAs to understand





#### **Oracle Test Drive**

- Free to try Oracle BI, Advanced Analytics and Big Data
- Go to <u>www.vlamis.com/td</u>
- 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 <u>Now</u>!

## 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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For more information go to <u>www.vlamis.com</u>

