Significant Business Development

Eyal Benjamin

Business development is a powerful managerial tool enabling non-conventional business growth. In an ever-growing business world, saturated with products and services aggressively competing for the customer's attention, the business development (BD) vector is becoming ever more significant in the growth and development of every company. That being said, in practice we still lack clarity on the issue of BD strategies and their impact on the managerial challenges in terms of resource allocation, decision making and organizational structure. Discussions with BD executives reflect a fluid job description. While in some organizations BD focuses mostly on new customer acquisition, in others it will focus on in scouting for merger and acquisition opportunities, while, in some cases, BD executives will be busy bidding on tenders. Such a broad variety of business tasks will require a particular personal skill set, competences and allocation of specific organizational resources. In this article we will review the world of BD from the BD executive's view as well as from the top management team's perspective, with the aim of improving the effectiveness of corporate BD activity.

Survey of Pitfalls in Building and Implementing Predictive Analytic Models

Jacob Zahavi

In this article we survey several pitfalls in building and implementing predictive analytics models with emphasis on regression-based models in the area of direct marketing. We divide the discussion into three categories: pitfalls emanating from misspecified models, pitfalls emanating from data bias and pitfalls emanating from implementing the models for decision making. These pitfalls may result in a big variance in the business outcomes of predictive models that we demonstrate by means of a real case study – the 1998 KDD CUP competition, which exhibits large differences in the business outcomes of various predictive models even though they were all based on the same database. The main conclusion from this discussion is that building predictive models is not just a process of automatically using a prediction software, but it requires coping with the pitfalls involved in building predictive models, which is more than rewarding, as it yields not just better financial results but also many other qualitative benefits.