University of Washington Tacoma

NEWS & INFORMATION



Demirkan turns data into wisdom

New head of Center for Information-Based Management

You probably have one in your wallet.

You use it at the grocery store checkout, the gas station, online. A quick scan and you get reduced prices on everyday items, earn points toward fuel savings and special discounts. In return, you're sharing information with your favorite retailers - what days you like to shop, what you buy most, what brands you prefer. It's just one little card that puts a few extra pennies in your pocket each month—but for businesses, it's big data. And that's a big deal.

Most businesses, from giant national grocery chains to mom-and-pop shops, have at least some access to databases of information about their customers, derived from loyalty cards, web surfing and online transaction data, surveys and more. Using that data to drive their business decisions is called information-based management. Now, UW Tacoma's new Center for Information-Based Management[2], part of the Milgard School of Business, is developing ways to help local businesses step up their innovation by applying business analytics to the data they have.

"The idea is to foster inquiry and conduct research on data-driven decision making in the management process," says Haluk Demirkan, an associate professor at the Milgard School and the new executive director of the CIBM. "We want to help students become leaders in information-driven organizations and offer professional development and education to the community and local organizations."

The Center was included in an endowment gift from Gary and Jim Milgard, founders of Milgard Manufacturing. As a result of this generous gift, UW Tacoma's Business Program was named the Milgard School of Business in 2003. The endowment required the

school eventually to set up two centers to benefit students and the local business community, including the Center for Information-Based Management.

Shahrokh Saudagaran, dean of the Milgard School of Business, said the Milgards' idea was visionary for the time. In 2003, unlike 2013, information-based management wasn't a priority for most businesses.

"Gary Milgard said, this is not about computers, this is about using information to make good business decisions," Saudagaran says. "Based on their success (at Milgard Manufacturing) using data, he wanted the business community at large to benefit from these processes."

Internal planning for the Center for Information-Based Management began in 2012, when Saudagaran and other leaders at the Milgard School began researching similar centers at universities across the country. They found that while several such centers exist, there were few on the West Coast. With need clearly established in Washington State, they launched a national search for a very specific type of leader.

"The Center was not going to be just an academic research center or just a business development center, it was going to be both and we needed someone with experience in both areas," Saudagaran said. "Somebody who was equally conversant in both worlds would be most successful."

The search led them to Demirkan, who was then a professor of information systems and a research fellow for the Center for Services Leadership at Arizona State University's WP Carey School of Business. Before launching his academic career, he had more than 15 years of experience in process innovation, cost management and business analytics at a number of Fortune 500 companies.

With a research and teaching background that includes business analytics, big data analysis and service science, Demirkan was the perfect fit for the position, Saudagaran says. He has earned a number of awards for his professional and academic work, and in 2013 was ranked 6th in the Association for Information Systems' Top 100 World-Wide Information System Researchers.

"We want to bring in the best faculty and researchers for this Center, and that starts with having a leader like Haluk Demirkan," Saudagaran says. "Quality attracts quality."

Demirkan hopes to establish the center as a strong presence in the community. Especially among small- and medium-sized local businesses, non-profits and public organizations, the use of data is a gaping hole in many organizations' processes. Reams of data are available, but many lack the knowledge or experience to use it wisely.

"It's all about better decision-making," Demirkan says. "How can organizations use data and intuitive thinking to make much more effective and efficient decisions for their business? I would like the Center to be available to help people learn how to collect the data they need, package the information and use it to make better decisions."

Saudagaran says one business owner who serves on the Milgard School's advisory board demonstrated just how much local businesses need quality consultants and staff who are knowledgeable in information-based management.

"He said he has a lot of data about his customers that he could use in order to tailor his advertising program, but he doesn't have the staff or the knowledge to make sense of it," Saudagaran says. "He has a huge advertising budget, but doesn't know which media he should target to find the most customers – so he's spending money to advertise everywhere and is not sure what's working. If he had employees trained in information-based management, that would really help him out."

Details about the Center's strategy and goals are still being discussed, but in general, it will serve three main roles: educating students to become experts in business analytics and information-based management; providing services to local and global organizations in need of help; and supporting research in the field. Demirkan will begin teaching senior-level courses in project management, business intelligence and analytics, and innovation over the next few academic quarters.

Similar centers across the country have offered certificates or full degree programs for students, as well as internship placements. In addition, some provide professional development opportunities for local businesspeople and offer consulting services. Demirkan is exploring these options and more for the Center, and is beginning to work with local businesses to find out what is needed in the community. He hopes to develop partnerships with local for-profit and nonprofit organizations.

This is the second center established at the Milgard School. The first, the <u>Center for Leadership and Social Responsibility[3]</u>, was established in 2007 and has since developed a national reputation as a center for research and education around issues of social responsibility in the corporate world.

"I have a tremendous sense of excitement about our new Center," Saudagaran says. "We are adding to the menu of services we can provide to this community, and by moving early we have an opportunity to become one of the leaders on the West Coast in the area of information-based management. We can never thank the Milgards enough for their generosity and vision."

Story by Jill Danseco

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