One of the most powerful ways you can put data to work is with data-driven decision-making.

* **Data-driven decision-making** is defined as using facts to guide business strategy.

Organizations in many different industries are empowered to make better, data-driven decisions by data analysts all the time.

**The first step in data-driven decision-making is figuring out the business need**.

Usually, this is a problem that needs to be solved.

For example, a problem could be a new company needing to establish better brand recognition, so it can compete with bigger, more well-known competitors.

Or maybe an organization wants to improve a product and needs to figure out how to source parts from a more sustainable or ethically responsible supplier.

Or, it could be a business trying to solve the problem of unhappy employees, low levels of engagement, satisfaction and retention.

Whatever the problem is, once it's defined, a data analyst finds data, analyzes it and uses it to uncover trends, patterns and relationships.

Sometimes the data-driven strategy will build on what's worked in the past.

Other times, it can guide a business to branch out in a whole new direction.

Let's look at a real-world example.

Think about a music or movie streaming service.

How do these companies know what people want to watch or listen to, and how do they provide it?

Well using data-driven decision-making, they gather information about what their customers are currently listening to, analyze it, then use the insights they've gained to make suggestions for things people will most likely enjoy in the future.

This keeps customers happy and coming back for more, which in turn means more revenue for the company.

Another example of data-driven decision-making can be seen in the rise of e-commerce.

It wasn't long ago that most purchases were made in a physical store, but the data showed people's preferences were changing. So a lot of companies created entirely new business models that remove the physical store, and let people shop right from their computers or

mobile phones with products delivered right to their doorstep.

In fact, data-driven decision-making can be so powerful, it can make entire business methods obsolete.

For example, data helped companies completely move away from corded phones and replace them with mobile phones.

By ensuring that data is built into every business strategy, data analysts play a critical role in their companies' success, but it's important to note that no matter how valuable data-driven decision-making is**, data alone will never be as powerful as data combined with human experience, observation, and sometimes even intuition**.

To get the most out of data-driven decision-making, it's important to include

insights from people who are familiar with the business problem.

These people are called **subject matter experts**, and they have the ability to look at the results of data analysis and identify any inconsistencies, make sense of gray areas, and eventually validate choices being made.

**Organizations that work this way put data at the heart of every business strategy, but also benefit from the insights of their people.**

**It's a win-win.**