## Data Driven Decision Making: How not to throw the baby out with the bath water

[](https://www.google.co.uk/url?sa=i&url=https%3A%2F%2Fwordhistories.net%2F2018%2F11%2F23%2Fthrow-baby-bathwater%2F&psig=AOvVaw0r5IjzPi7og3bbLLRcvtG7&ust=1582988197516000&source=images&cd=vfe&ved=0CAIQjRxqFwoTCKjem-XA9OcCFQAAAAAdAAAAABAD)

All the talk about data driven decision making and its value in de-risking business strategy has always made me think about the whole concept of data driven decision making. Having experienced decision making in various organisations, my take on data driven decision making is somewhat different.

I think the difference between experience based (gut feel) decisions and data driven decisions are not as stark as it is made to believe. When a CEO of a company makes a business decision based on past experience and gut feel, it is still based on data points. Data, that lies in their head, data that they have been exposed to before, data that they have gathered over the years, data that has been tested for success / failure in the past and data that can be put into the context of current business conditions. They have just made decisions on these virtual datasets in their head. So, these so-called gut feel decisions are not that devoid of data as it has been portrayed as it is these virtual data points which culminate into experienced based decision making. So, the HiPPO (Highest Paid Person’s opinion) is not that data agnostic in my view. After all, there is a reason they are HiPPs as they have gathered and used data points to good avail in the past.

But, while I think the fundamentals and principles of gut feel and data driven decisions are still the same (both based on data points collected), the way we collect, analyse, interpret and use this data is what makes it different. It is almost impossible to connect all the dots with data points in your head and work out the right methodology to produce the insight to get to the right decision. This is where the analysts of the modern age come in and work their magic (or logic). So, I think the world is not as divided as it sounds. But, for data driven decision making to be most effective, it needs to be a collaborative approach between HiPPO and let’s call it, DAPPO, (Data Analyst Paid Person’s Opinion) approach. Below is the suggestion on their involvement at different stages of data driven decision making.

* Data Collection
  + **HiPPO** - Gives their views on what type of data is important from past experience
  + **DAPPO** - Decides the data collection plan, what data to collect, how best to collect this data and all the technicalities around data access, quality etc.
  + **Risks** - Ensure a balanced view is taken and that the HiPPs recommendation on type of data is not based on too much bias
* Data Analysis
  + **HiPPO -** To share their experience (not opinions) from the past on trends and form a hypothesis
  + **DAPPO –** Looking for patterns and trends and visualise the data to see if HiPPs hypothesis on which data to focus on is right. If it is, then focus on this dataset of maximum value to connect the dots rather than getting lost in the sea of data. Form their own hypothesis and test it with data
  + **Risks** - Again, not led too much by HiPPOs bias and past experience
* Producing Insights
  + **HiPPO –** Sit back and relax
  + **DAPPO -** To connect the dots, affirm or negate HiPP’s hypothesis. Come up with their own version of truth and clearly highlight the evidence with tangible actions (focusing on ‘So What…’)
  + **Risks -** Make sure evidence is strong and significant to negate HiPP’s hypothesis
* Taking Actions
  + **HiPPO –** Due to their seniority, HiPPs are best placed to absorb this insight and decide on the best and most commercially rewarding action to take (not forgetting their focus on the consumer)
  + **DAPPO -** Take note of the actions suggested by HiPPa for your own learning
  + **Risks -** DAPPs needs to ensure their insight is not mis-interpreted in any way and the actions are truly reflective of the insights produced

A truly data-driven organisation is where experience and data work together to produce evidence-based insight resulting in experienced based decision making.

**Speed Read**

* Consider experience and gut feel as a collection of data points
* DAPPO working their logic with data and HiPPO working their magic with decision making is the most rewarding combination
* A data-driven organisation is not just about the power of analysts and data but the strength of collaboration between HiPPO and DAPPO

I will probably earn some brownie points with HiPPs and a backlash from DAPPs with this article.

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