

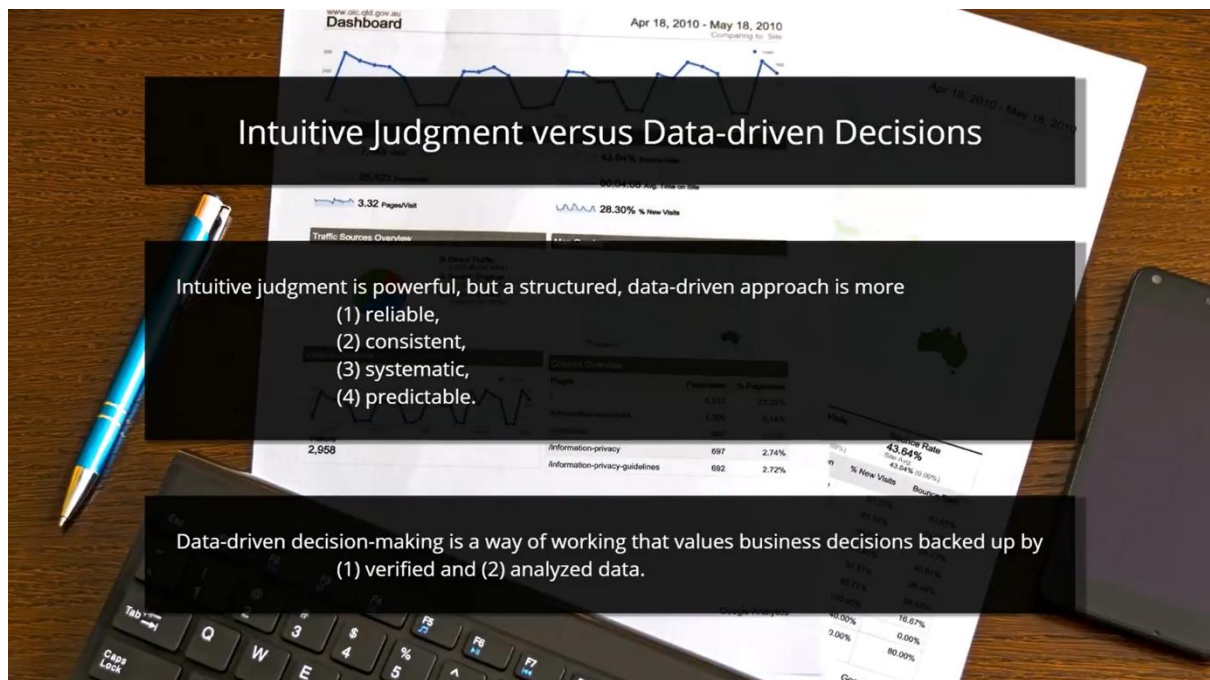
# M4L1. The 4 Steps in Data-Driven Decision-Making

## Slide #1



In this topic, we will discuss the four steps in data-driven decision-making.

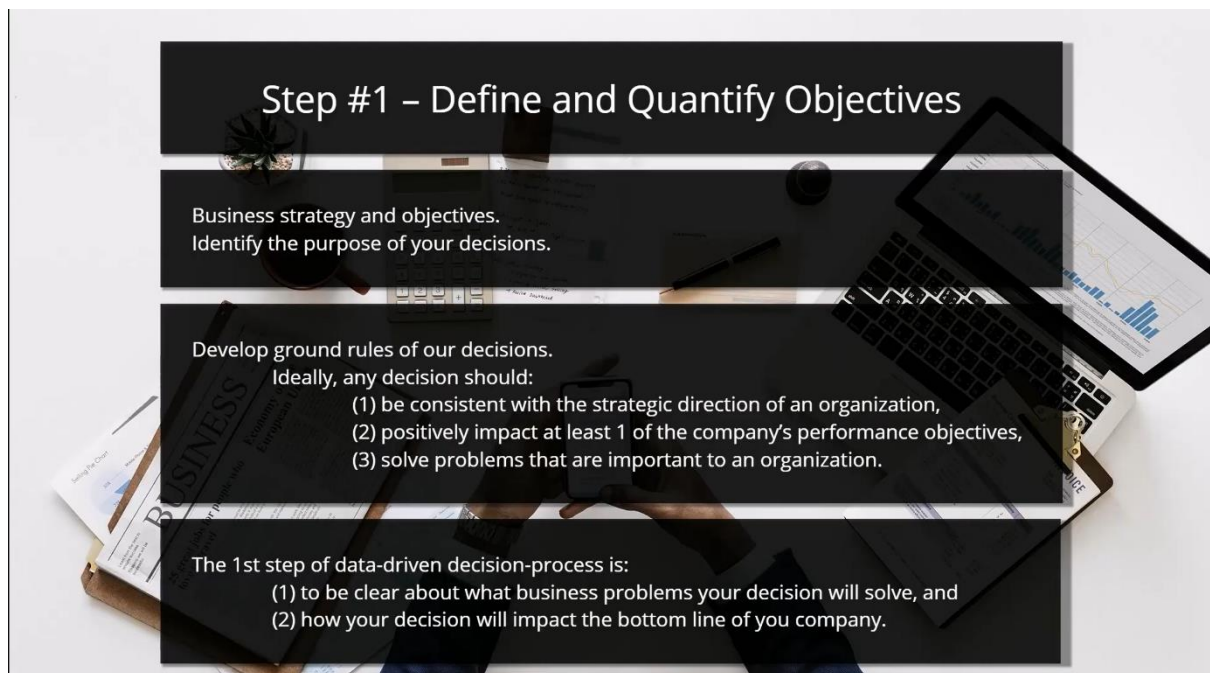
## Slide #2



Intuitive judgment is powerful, but a structured, data-driven approach is more reliable, consistent, systematic, and predictable.

Data-driven decision making is a way of working that values the business decisions backed up by verified and analyzed data.

### Slide #3



Data-driven decision-making starts with the all important business strategy and objectives.

First, identify the purpose of your decisions.

Managers are constantly called upon to make decisions in order to solve problems.

We need to develop some ground rules for our decisions.

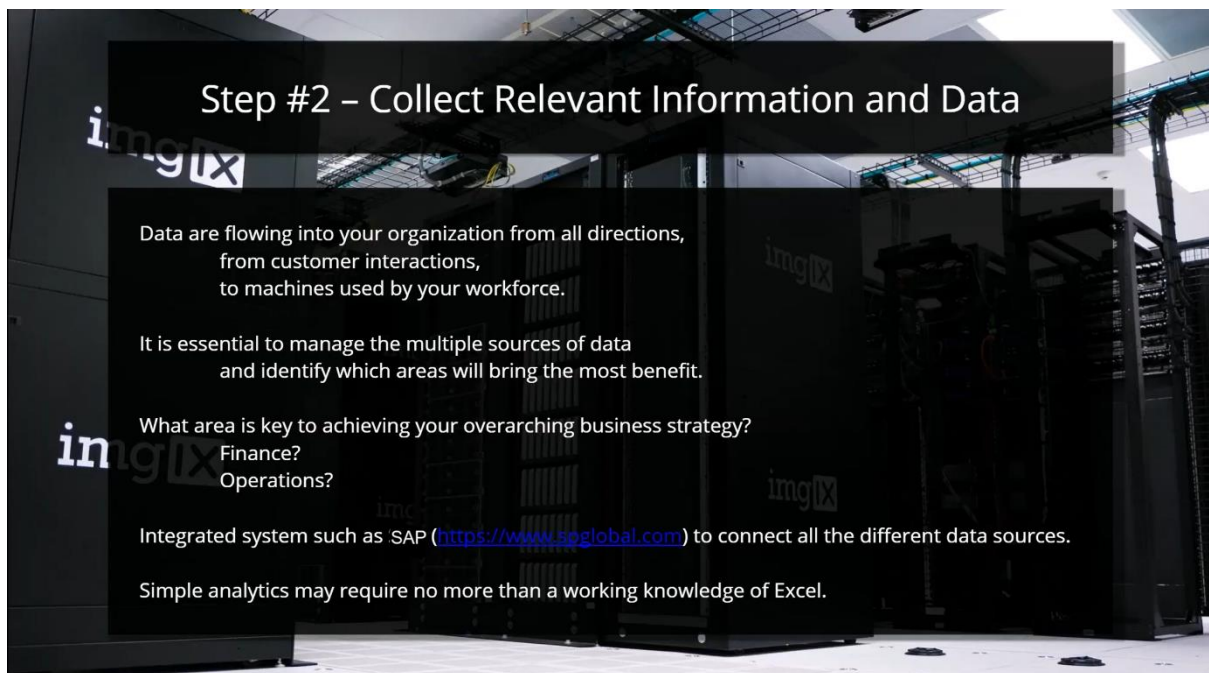
Ideally, any decision should be consistent with the strategic direction of an organization.

A decision should positively impact at least one of the company's performance objectives.

Decisions should also solve problems that are important to an organization.

So, the first step of data-driven decision process is to be clear about what business problems your decision will solve and how your decisions will impact the bottom line of your company.

#### Slide #4



### Step #2 – Collect Relevant Information and Data

Data are flowing into your organization from all directions, from customer interactions, to machines used by your workforce.

It is essential to manage the multiple sources of data and identify which areas will bring the most benefit.

What area is key to achieving your overarching business strategy?

- Finance?
- Operations?

Integrated system such as SAP (<https://www.sapglobal.com>) to connect all the different data sources.

Simple analytics may require no more than a working knowledge of Excel.

The second step is to collect key data.

Data is flowing into your organization from all directions, from customer interactions to machines used by your workforce.

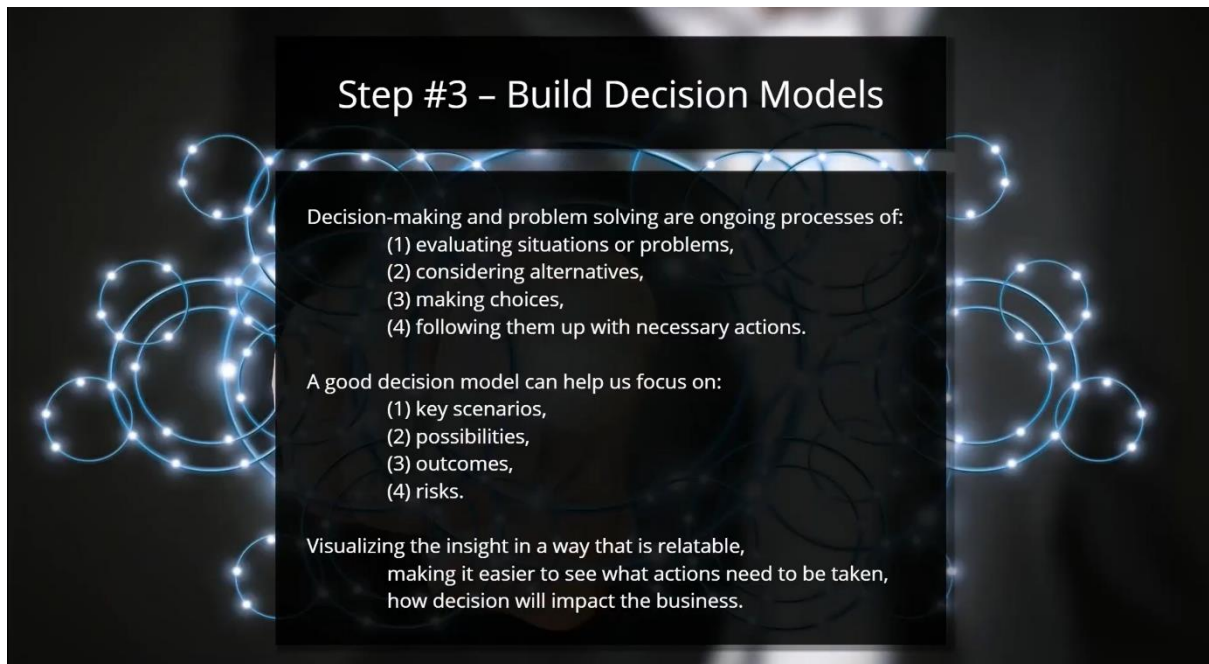
It is essential to manage the multiple sources of data and identify which areas will bring the most benefit.

What area is key to achieving your overarching business strategy? That could be finance or operations.

To analyze data effectively, you may use integrated systems, such as SAP, to connect all the different data sources.

On the other hand, simple analytics may require no more than a working knowledge of Excel.

## Slide #5



### Step #3 – Build Decision Models

Decision-making and problem solving are ongoing processes of:

- (1) evaluating situations or problems,
- (2) considering alternatives,
- (3) making choices,
- (4) following them up with necessary actions.

A good decision model can help us focus on:

- (1) key scenarios,
- (2) possibilities,
- (3) outcomes,
- (4) risks.

Visualizing the insight in a way that is relatable, making it easier to see what actions need to be taken, how decision will impact the business.

The third step is to build decision models.


Decision-making and problem solving are ongoing processes of evaluating situations or problems, considering alternatives, making choices, and following them up with necessary actions.

A good decision model can help us focus on key scenarios, possibilities, outcomes, and risks.

When analyzing our options, it also should visualize these options and critical data to support your decisions.

Of course, it is not about presenting pretty pictures, but about visualizing the insights in a way that is relatable, making it easier to see what actions need to be taken and ultimately how the decision will impact the business.

## Slide #6

A person in a white shirt is pointing at a whiteboard covered with orange and blue sticky notes. The sticky notes contain various business-related terms like 'Strategy', 'Market', 'Value', 'Performance', 'Risk', 'Return', 'Cost', 'Revenue', 'Profit', 'Loss', 'Growth', 'Innovation', 'Disruption', 'Competition', 'Partnership', 'Investment', 'Financing', 'Operations', 'Logistics', 'Manufacturing', 'Distribution', 'Sales', 'Marketing', 'Customer', 'Employee', 'Management', 'Leadership', 'Culture', 'Values', 'Mission', 'Vision', 'Goals', 'Objectives', 'KPIs', 'Metrics', 'Data', 'Analytics', 'Insights', 'Trends', 'Forecast', 'Risk', 'Opportunity', 'Challenge', 'Solution', 'Action', 'Plan', 'Timeline', 'Budget', 'Resource', 'Team', 'Role', 'Responsibility', 'Accountability', 'Ownership', 'Commitment', 'Engagement', 'Motivation', 'Inspiration', 'Empowerment', 'Empathy', 'Respect', 'Inclusion', 'Diversity', 'Equity', 'Justice', 'Sustainability', 'Ethics', 'Integrity', 'Honesty', 'Transparency', 'Communication', 'Collaboration', 'Cooperation', 'Compassion', 'Kindness', 'Patience', 'Forgiveness', 'Gratitude', 'Optimism', 'Positivity', 'Resilience', 'Perseverance', 'Determination', 'Courage', 'Bravery', 'Strength', 'Power', 'Influence', 'Authority', 'Leadership', 'Vision', 'Inspiration', 'Motivation', 'Empowerment', 'Empathy', 'Respect', 'Inclusion', 'Diversity', 'Equity', 'Justice', 'Sustainability', 'Ethics', 'Integrity', 'Honesty', 'Transparency', 'Communication', 'Collaboration', 'Cooperation', 'Compassion', 'Kindness', 'Patience', 'Forgiveness', 'Gratitude', 'Optimism', 'Positivity', 'Resilience', 'Perseverance', 'Determination', 'Courage', 'Bravery', 'Strength', 'Power', 'Influence', 'Authority', 'Leadership'. A semi-transparent black box with white text is overlaid on the right side of the image.

### Step 4 – Make & Execute a Decision

Execution is also very important.

We need to consider how the decisions are executed in our organization, develop an execution plan as soon as a decision is made in order to create the most value out of the decision.

Markets keeps evolving, so should be our actions.

We need periodically

- (1) review the execution performance of our decisions,
- (2) adjust our actions,
- (3) revisit our decisions to cope with business dynamics.

Execution is also very important.

The value of a good decision could get lost if the decision cannot be implemented properly.

We need to consider how the decisions are executed in our organization and then develop an execution plan as soon as a decision is made in order to create the most value out of the decision.

Market keeps evolving, so should our actions.

We need to periodically review the execution performance of our decisions and adjust our actions or even revisit our decisions to cope with business dynamics.