

# Decision Making and Data Analysis

Making the right choices for you and your business

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What are we going to talk about?

- What does decision making entail?
- What areas does it cover?



# The Captain of your own ship

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**Being more autonomous:**  
The important role that  
effective decision-making has  
on your business

Be the Captain  
of your own ship





➤ **Improve your decision-making capabilities and the level of success you can expect to have**

➤ **Steps and techniques to effective decision-making**

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- **Types of decisions**

- Important ones that need to be taken quickly

- Less important ones that can be put off

### URGENT

- Requires immediate attention
- Time sensitive usually small duration
- Involves short term thinking and sub-optimal decision making
- Less significant compared to long term goals

### IMPORTANT

- Requires initiative and proactiveness
- Dedicated focussed hours to do quality work
- Long term strategic thinking aligned with company's mission and goals
- Large impact on success

# Here we go!



# What is Decision Making and Data Analysis?

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# The importance of decision making

- One of the key aspects of running a successful business is the skill of making effective decisions.
- These decisions impact on many different areas of a business, including employees, policy, strategy, customers and so on.
- Without this ability, the company is merely drifting and is open to losing its way as there is no one to give it the strong leadership that it needs.





# A skill that can be learned!

Decision making is tough and often people are afraid or ill-equipped to make decisions – particularly ones that could backfire or do harm to their business if they get it wrong.

....So often what ends up happening is that no decision is made, and the best is hoped for. But this giving up on control can be far more damaging than making an informed and educated decision.

....There are numerous outside resources that we will look at that can help the decision-making process become less painful!

# What is Data Analysis?

"It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts," Sherlock Holme's proclaims in Sir Arthur Conan Doyle's *A Scandal in Bohemia*.

We explore and integrate data to help us to make informed choices and keep us one step ahead of ignorance – and the competition!



# Birds of a feather...

- ❑ Data analysis and good decision making go hand in hand to give the business owner the best possible chance of future success.
- ❑ It is using the relevant numbers to apply to real world business operations and trends.
- ❑ Understand the numbers and you can understand the game.

# Steps for effective decision making

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There are a number of steps that an entrepreneur can take in order to make his or her decision making more effective.

By following these, it can give a new business owner the confidence to make more incisive and spontaneous decisions.



# The 5 main steps

- **Identify your goal.** This may sound obvious, but setting achievable business goals is crucial to continued success.
- **Gather relevant information.** This includes identifying and researching courses of action and alternatives.
- **Evaluate your options.** At this point, decision-makers must weigh all the evidence.



# 5 steps cont.

- **Make your choice.** Be confident with your choice and with your action. You have already done all the hard work in weighing up your options.
- **Evaluate your decision.** This includes both short-term and long-term evaluations and can help you learn and grow as you consider what it is you did correctly and what actions in hindsight you should have done differently.

# Ultimately...

When decisions can be made spontaneously and with purpose, more chances and opportunities can be exploited by a businessperson looking to succeed.

They can make the most of spur of the moment chances that may present themselves in the everyday world of business.

- It is often what separates the haves from the have nots!



# Data Analysis

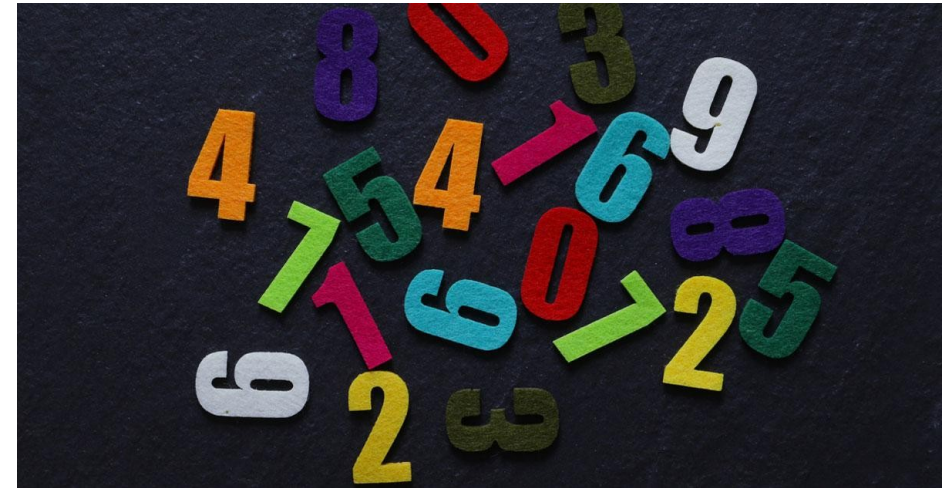
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# The importance of data analysis

Data – numbers – can tell us so much about what is happening in the world around us and in our own business and business sector.

‘Crunching the numbers’ is a popular moniker in the corporate world, and for good reason. The numbers in this case relate to profit and loss and the projection of any future profit and losses. By knowing the health and state your ‘numbers’, you can better gauge what type of risks are appropriate for you to take.



# Benefit of decision-making tools and strategies

## *1. Making sense of the data*

- As discussed earlier, understanding data is vital in being able to guide your business and keep it on a sure and stable trajectory. Being able to make informed decisions by using all relevant data will put you on the road to better and more profitable decision-making in your own business.

## *2. Encourage brainstorming and creativity*

- Expanding your capacity to think outside the box, making use of decision-making tools and strategies can inspire creative thought and potentially lead to more inspired and profitable decisions.

# Benefit of decision-making tools and strategies cont.

## *3. Helping to prioritise goals*

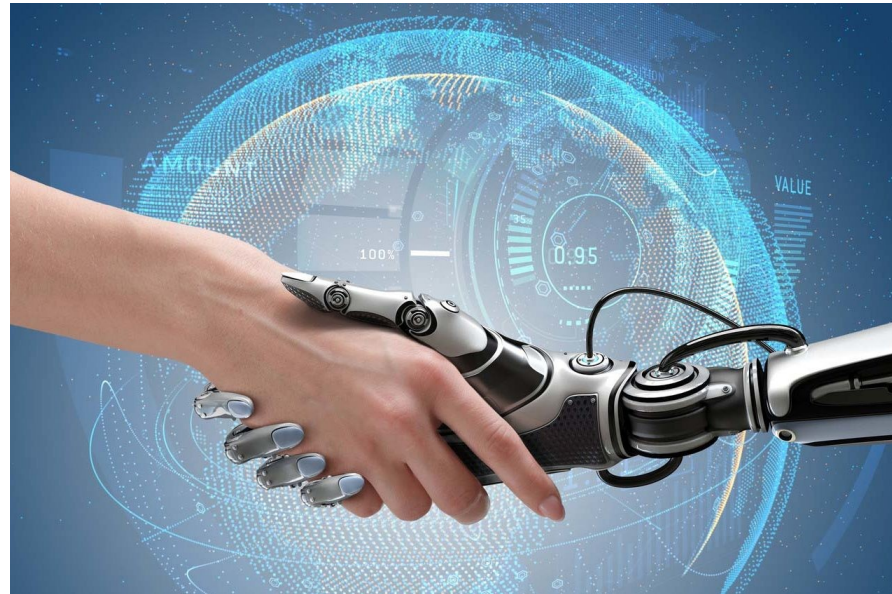
- In business, there are often many competing goals that an entrepreneur has to juggle, and many orders which these goals can be worked on or completed. With good decision-making, it can help to choose the more important or urgent ones so the rest can be taken care of easily and effectively.

## *4. Removing personal bias*

- It is normal as humans to have biases, but when we let them control our business decisions it's a recipe for disaster – or bankruptcy! With a tool or having improved decision-making knowhow, we can take emotion out of it and make decisions objectively and purely on their merits.

# Feeding into decision making

By understanding the data, it compliments your ability to make effective decision making. Along with this, you can accurately forecast future trends that could benefit your business.



# Tools for decision making

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# What can help with decision making?

If we aren't comfortable with making important decisions that could affect the health or future of our business, we need to adapt an approach that can make it easier for us.

This is where tools come into play. They can take some of the weight off our shoulders and let us decide things more effectively and quickly.



# List of tools

- Pros and Cons list: Very basic but listing out the advantages and disadvantages of a particular option or goal can help to give just enough distance to make an informed decision.
- Decision Matrix: This is a tool that helps you to weigh up all the different options concerning a particular decision or path you're looking to take. You will use a table and allocate a score to all the factors that affect your decision. The one with the highest score is seen to be the best choice.
- Cost-benefit analysis: This is used to determine the cost of each viable alternative, and which one makes the most sense from a financial or economic standpoint.



# List of tools cont.

- SWOT Analysis: An old favourite in the business world, this can also be used when trying to make a decision that might have varied options. With each possible choice, use this analysis and write down the Strengths, Weaknesses, Opportunities and Threats for each one. By the end, you should have a better picture of what each alternative is likely to bring and how much sense each makes to pursue.
- Multiple Voices: If you are in business with other partners, a vote is taken multiple times to whittle down the options to leave only the strongest possibilities.
- Decision Tree: This is a graph that contemplates each option and its possible outcomes.



# Trust the strategy (and the plan)

These tools can be extremely powerful and can help turn you from someone who procrastinates too long on important business decisions, into someone who can take charge and believe in what they have decided to do.



# Advice for decision making

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# Becoming more empowered

- Tools like the ones we've covered can be very beneficial to a new entrepreneur and can help guide their decisions while they find their feet.
- However, as a long-term strategy, it's better that the businessperson integrates the spirit of these tools until they are eventually able to make decisions on the go and on the spur of the moment – or at least quicker and more competently than they would have done at the start.



# Moving on from tools....

- It's time-consuming drawing out graphs or writing lists and can eventually bog you down if you rely on them as a crutch to absolve you of the pressure of making a decision.
- Use them to enhance and develop your decision-making skills and you will stand you in good stead as your business progresses and grows.

# Advice for making decisions

- If you really are struggling to come up with the correct answer or strategy, seek *outside help*. Sometimes we are too close to the matter and objective eyes can help us see correctly.
- Break choices down to their *basic components*. It can be hard to make a decision if it is seen as ‘too big’.
- Use decision-making *tools* if you need to.



# Advice for making decisions cont.

- Study how *successful people* go about making decisions.
- Too much thinking can be detrimental, less thought and *more action*.
- As with anything, *practice* makes perfect!

