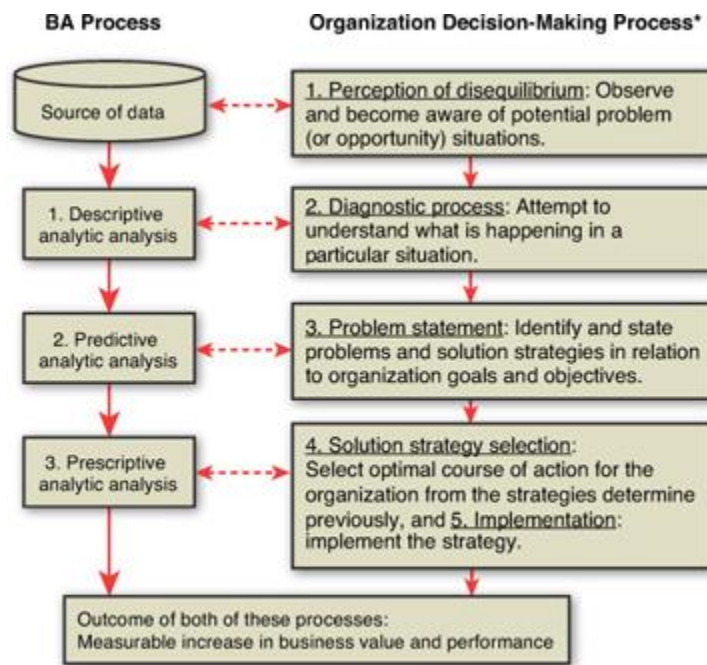


Relationship with Organisational Decision Making

Relationship of BA Process and Organization Decision-Making Process

The BA process can solve problems and identify opportunities to improve business performance. In the process, organizations may also determine strategies to guide operations and help achieve competitive advantages. Typically, solving problems and identifying strategic opportunities to follow are organization decision-making tasks. The latter, identifying opportunities, can be viewed as a problem of strategy choice requiring a solution. It should come as no surprise that the BA process described in Section 1.2 closely parallels classic organization decision-making processes. As depicted in Figure 1.2, the business analytic process has an inherent relationship to the steps in typical organization decision-making processes.



*Source: Adapted from Figure 1 in Elbing (1970), pp. 12-13.

Figure 1.2 Comparison of business analytics and organization decision-making processes

The organization decision-making process (ODMP) developed by Elbing (1970) and presented in Figure 1.2 is focused on decision making to solve problems but could also be applied to finding opportunities in data and deciding what is the best course of action to take advantage of

them. The five-step ODMP begins with the perception of disequilibrium, or the awareness that a problem exists that needs a decision. Similarly, in the BA process, the first step is to recognize that databases may contain information that could both solve problems and find opportunities to improve business performance. Then in Step 2 of the ODMP, an exploration of the problem to determine its size, impact, and other factors is undertaken to diagnose what the problem is. Likewise, the BA descriptive analytic analysis explores factors that might prove useful in solving problems and offering opportunities. The ODMP problem statement step is similarly structured to the BA predictive analysis to find strategies, paths, or trends that clearly define a problem or opportunity for an organization to solve problems. Finally, the ODMP's last steps of strategy selection and implementation involve the same kinds of tasks that the BA process requires in the final prescriptive step (make an optimal selection of resource allocations that can be implemented for the betterment of the organization).

The decision-making foundation that has served ODMP for many decades parallels the BA process. The same logic serves both processes and supports organization decision-making skills and capacities.

