

Business Decision Analysis

- Why Business Decision Analysis?
 - Success Criteria
 - Work Streams
 - BDA Process

Why Business Decision Analysis?

There is never a time more important than now that organizations need to focus on high quality decisions. Furthermore, we are in the times that the outcomes of our decisions need not be determined by chance or luck that we have no control over. Thus, Business Decision Analysis helps us make informed and quality decisions that are not based on chance or luck.

Business Decision Analysis (BDA) is a systematic and structured approach for developing, analysing and comparing alternatives in the face of risk and uncertainty. It facilitates the understanding of investment uncertainty and risk so that we can incorporate the risk and uncertainty into our decision making in order to achieve a predetermined outcome. Thus, improving the quality of decisions made.

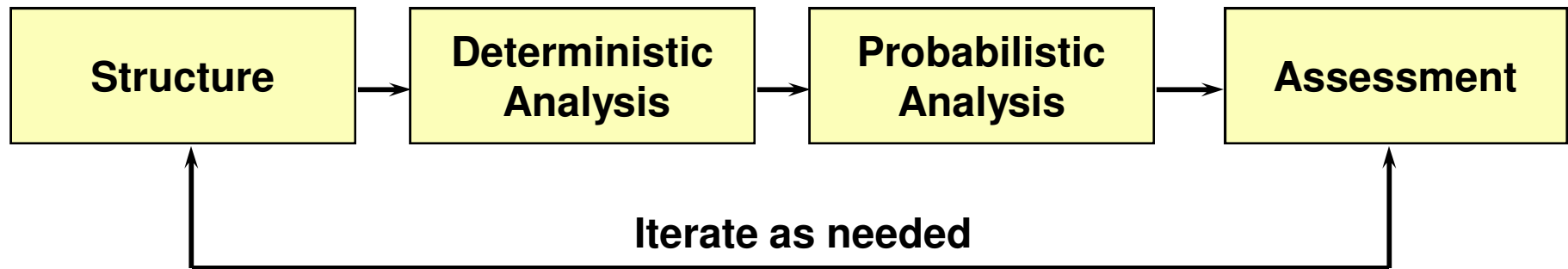
Success Criteria

- What should you be investing in today; how much and why?
- Are these investments either increasing your return opportunities or decreasing risk? How?
- How do individual investments optimize your long term strategy, portfolio holdings, risk and return?
- How do you allocate resources in the presence of significant uncertainties?
- What is the value of new information in reducing the risk in making your decision?

Work Streams

- Coach Business Managers on the practical application and implementation of decision making under uncertainty into their daily work. Also support Business Managers on the more complex problems by helping them embed these techniques in their businesses.
- Lead the development and rollout of training courses for Business Managers in financial decision making and provide follow-up coaching and support to multidisciplinary teams.
- Develop tools and techniques that can be incorporated into the business decision making process and programme. This includes piloting new techniques and applications into a wider range of problems and establishing a library of best practices.
- Ensure you have the appropriate software infrastructure (including testing of new versions, licensing & maintenance contracts) depending on the extent and depth you want to utilise/implement BDA process.

BDA Process



Define the Problem

TOOLS:

- Decision Hierarchy
- Influence Diagram
- Force Field
- Strategy Table

Determine What is Important

- Deterministic Model
- Tornado Diagram

Incorporate Uncertainties & Probabilities

- Decision Trees
- Cumulative Probability Distributions

Gain insights, evaluate new alternatives, determine if decision ready.

- Value of Information
- Sensitivity to Probability
- Decision Quality Spider