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Decision-making has never been easy. Every day, business leaders have to make decisions that impact all areas of their organisation, and can have devastating consequences if the wrong choice is made – just look at Blockbuster's decision not to buy Netflix, or Motorola's resistance to the smart phone...

...That being said, the world's corporate decisionmakers have never faced a more challenging time than the one we're living through right now.

With the technology available today, it makes little sense that board level decision-makers can't react at the speed their business needs. Implementing a digital, data-driven boardroom can empower enterprise leaders to plan effectively and take the big decisions which can often mean the difference between success and failure.

Organisations need to be able to plan, adapt, and react with speed. The importance of breaking down data silos to gain a complete view of performance, connecting financial and operational planning and enabling the accurate simulation and testing of scenarios has never been greater.

Leaders need to think beyond survival and concentrate on how they can thrive in the "next normal", and have the tools in place to enable better decision-making for a better, more profitable tomorrow.



**Gavin Fallon**General Manager, Board UK, Ireland, IMEA



2020 has seen an unprecedented level of economic, social and political turbulence – and business leaders are having to adapt and respond quicker than ever before. In a changing market, making fast and effective decisions is even more critical for businesses to both compete and survive, yet this is a risky position to be in; decisions made today can make or break a business tomorrow – so it's more important than ever to get it right.

In a fast-paced, data rich environment, making effective decisions is even more critical for businesses to both compete and survive against the backdrop of a marketplace that is more volatile than ever. They need to be able to flex products and services, forecasts, plans and teams in response to competitive actions and new demands.

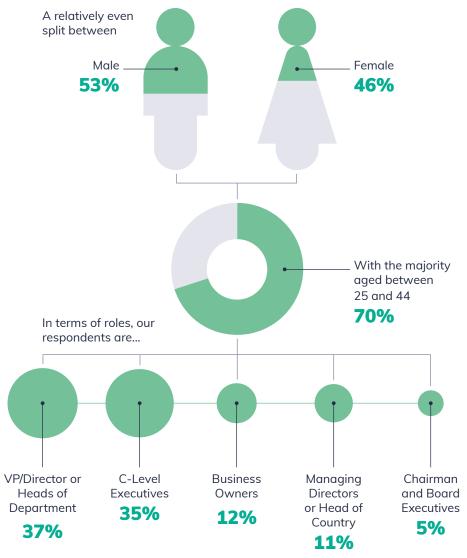
However, across the world, business decisions are still being made across multiple functions of a business, and all too often the process is disconnected, modular or fragmented. Business critical information sits in silos, processes are disjointed and compounded by over-reliance on error prone, outdated tools such as spreadsheets – causing a disconnect between departments, a misalignment of people and resources and a lack of a single version of the truth.

No business can afford to waste time and talent on bets that may or may not come off. Effective decision-making requires integrated, real-time reporting, planning, forecasting, scenario-modelling and predictive analytics – yet this is far from easy to achieve.

In this report, we spoke to 500 senior decision-makers to uncover the challenges business leaders are facing today; to discover why, more than ever, decisions matter; and what the state of decision-making really looks like in 2020 – and beyond.



In order to understand how the UK's businesses are making decisions, we asked 500 senior decision-makers including C-Level execs, board directors, managing directors and department heads about the decision-making process in their organisation, including the tools they use and the greatest challenges they face.





It comes as little surprise that...



of respondents believe that making good decisions is important to the success of their business.

But it was important to delve into exactly how those decisions are being made. The survey asked respondents who were involved in making decisions in three categories:

**Strategic decisions** – decisions that have a long-term or material impact on a company (i.e. annual budgets, acquisitions, sale of company assets, opening new lines of business etc)

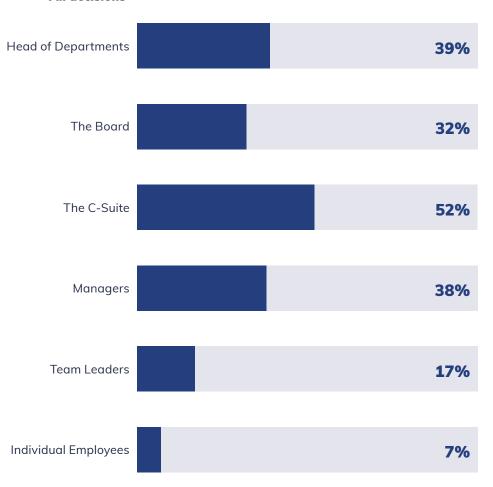
**Tactical decisions** – decisions that impact the implementation of the business strategy with a medium to long term impact on the business (i.e. sales and marketing strategy, workforce size and structure, large purchasing decisions etc)

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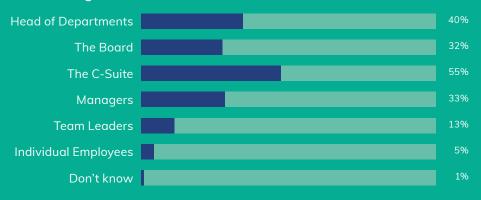
Operational decisions – decisions about the dayto-day delivery of the business's products and services (i.e. hiring within teams, purchasing office supplies, assigning work to employees / teams)

The decision-making process often involves a range of people, with the C-Suite being involved in 52 percent of strategic, tactical and operational decision-making. Operational decisions are more likely to involve a wider range of personnel with managers (44 percent) and heads of department (40 percent) often also responsible for making these day-to-day decisions. Tactical decisions, meanwhile, involve a much more even spread of individuals across the business.

#### Who is responsibile for making decisions in your organisation? **All decisions**



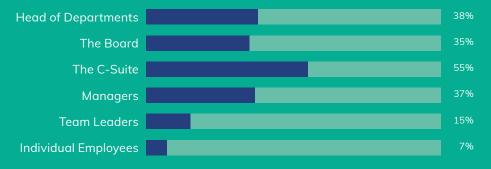
#### Who in your business is typically responsible for making strategic decisions?



#### Who in your business is typically responsible for making operational decisions?



#### Who in your business is typically responsible for making **tactical decisions**?

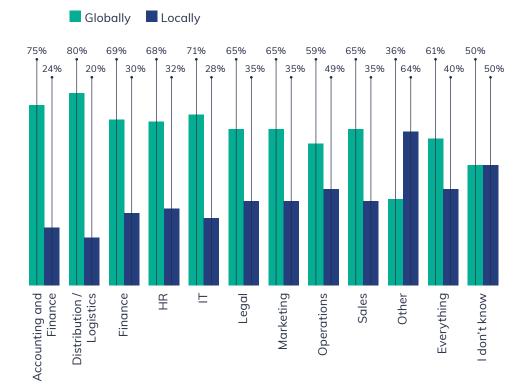


## 63%

of respondents say their decisions are implemented globally – although there is huge variation departmentally with operations, legal, finance and HR decision-makers more often making local decisions. This is most likely a consequence of differing regulations in each country, meaning many decisions made in these teams have to be locally relevant.

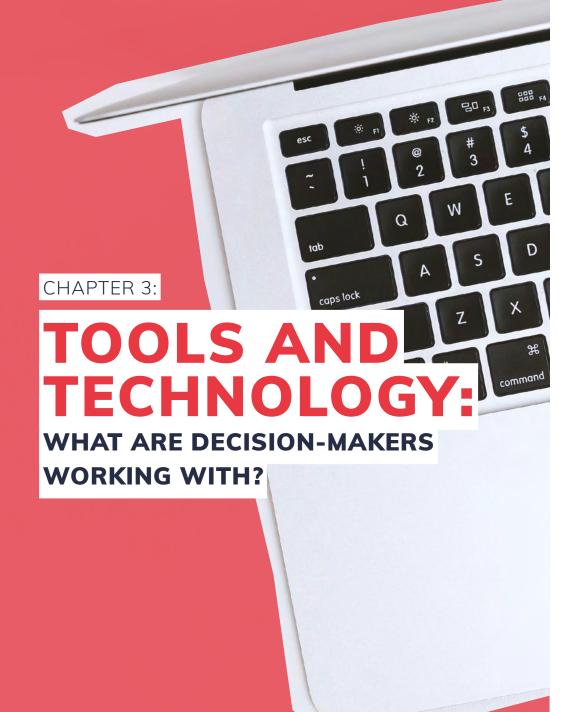


Typically, are the decisions you are responsible for making implemented globally or locally?



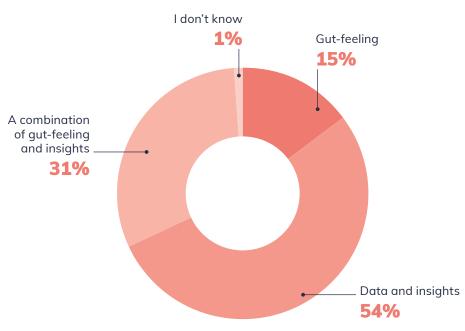
Despite many organisations making decisions that are implemented globally, the decision-making process is not joined up across the business, with 33 percent of businesses making decisions in departmental silos – potentially leading to a lack of cohesion between units and wasting of resources.

Decision-making in organisations today is getting increasingly complex, with various departments and seniority levels responsible for making these decisions. But this multilayered decision-making matrix structure is making it almost impossible for the C-Suite to maintain the visibility and control they need.



Almost every action within an organisation today will lead to the creation of new data – and yet it seems many businesses aren't using the insights this provides to make decisions. Just over half (54 percent) of respondents said they were making business decisions based on data and insights, while 'gut feeling' decisions are still made by up to 45 percent of companies – a concern in an unpredictable market.

When making decisions, what are you most likely to rely on?



When it comes to the tools businesses are using to inform their decision-making, 57 percent of companies rely on spreadsheets and 72 percent predominantly refer to internal company reports. Interestingly, the favoured tools differ depending on the level of decision being made. Those responsible for operational decisions are more likely to rely on spreadsheets (69 percent) than those making strategic (60 percent) or tactical (59 percent) decisions.



# Research shows that up to 90% of spreadsheets could contain a critical error

Departmentally, internal reports are the most favoured tool in decision-making, closely followed by spreadsheets – with the exception of the marketing department, which relies on spreadsheets more than alternative tools.

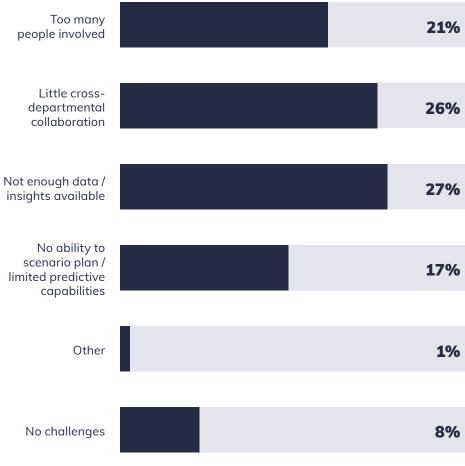
While these tools have been a staple in business decision-making for many years, they do not provide the agility businesses today require, nor is the accuracy of data gathered in spreadsheets guaranteed. 16 percent of respondents agreed, saying less reliance on spreadsheets would improve their decision-making process. Although this is only 1 in 5, it raises a question of awareness; are today's decision-makers even aware that there is technology available that can help them break away from spreadsheets for good? And with various research showing that up to 90% of spreadsheets could contain critical errors, is it time for decision-makers to look for better solutions?



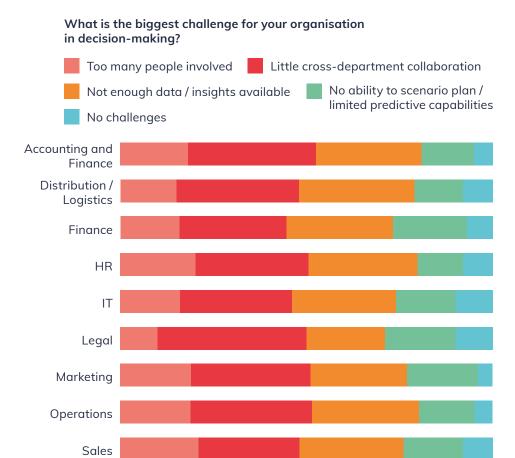


Making decisions for a business comes with a number of risks and challenges, and no business can afford the time, cost or resources taken up by choices that fail. Our research discovered that there are various every day challenges that prevent the UK's senior decision-makers from being able to make the best decisions – mainly, little collaboration within their company (26 percent) and a lack of data and insights available to them (27 percent).

What is the biggest challenge for your organisation in decision-making?



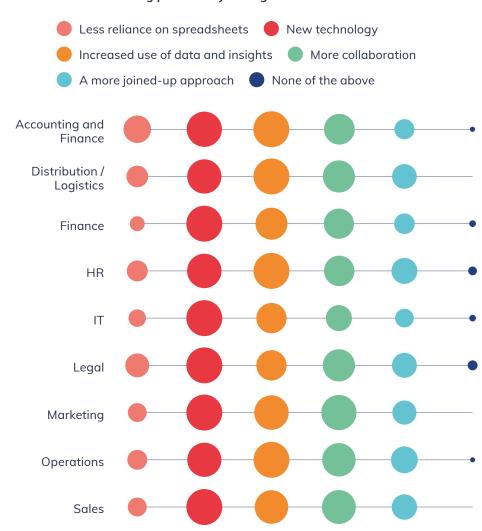
Collaboration seems to be a particular challenge for the legal department, with almost half (40 percent) stating it was a problem, while for the sales team the greatest barrier is a lack of data and insights (27 percent).



Today's decision-makers believe that the process can be improved with the introduction of new technology, with 51 percent of respondents saying this would make their decision-making better, while 42 percent also felt increased use of data and insights would help.

There is a difference of opinion between departments with distribution and logistics, HR and operations teams believing it is data and insights that would most improve decision-making, while finance, IT, legal, marketing, and sales decision-makers want new technology.

#### Which of the following do you think would improve the decision-making process in your organisation?



When it comes to the general challenges facing business over the next five years, the technological skills gap comes out on top (40 percent), followed by a general skills shortage (38 percent). In fact, decision-makers in the UK rate these as a greater challenge than political changes (36 percent), revenue generation (32 percent) and achieving or maintaining growth (36 percent), making it clear that organisations have a need for talent, not just to deal with technological shifts but in order to meet their business goals.

#### What are the biggest challenges facing your business over the next five years?



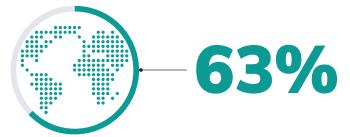
Over the past 30 years, other challenges and business needs have often been prioritised over the adoption of new technology. But, as this survey is showing, this is no longer the case; decision-makers are aware that technology can provide answer to many of the challenges they are facing.

66 ...decision-makers are aware that technology can provide the answer to many of the challenges they are facing.

CHAPTER 5:

# **IMPROVING DECISION-MAKING** WHEN IT **MATTERS MOST**

In a world where...



of decisions made have a global impact on an organisation, it's never been more important to get it right. And our research shows that decision-makers know this. Yet, there are many issues facing the decision-maker of today; from decisions being made in departmental silos to an over-reliance on error-prone and static tools. However, decision-makers know where their weaknesses are, and they responded that technology and an increase of data visibility are the key areas they can improve.

The same tools have been used by businesses to make global decisions for decades and, while spreadsheets and company reports may remain useful for reviewing historical performance, they lack insight into what may happen in the future and leave little room for collaboration. As the business environment increases in complexity, the ability to not just react, but predict, in real-time becomes more important than ever.

Effective decision-making requires businesses to take control with a true integration of interactive reporting, planning, forecasting and predictive analytics. New, disruptive technology is the key to providing businesses with full visibility of the entire company's performance, enabling business leaders to take into account everything from KPIs to operations, providing instant insights and enabling real-time decision making.

In a world where decisions-matter more than ever, it's critical that business leaders get it right.



### Board is the world's #1 decision-making platform.

Founded in 1994, Board enables people to have a transformative impact on their business, helping them to intuitively play and create with data in a flexible, all-in-one decision-making platform. By unifying Business Intelligence, Corporate Performance Management, and Predictive Analytics, the Board platform allows companies to produce a single, accurate, and complete view of business information, gain actionable insights, and achieve full control of performance across the entire organization.

Thanks to Board, global enterprises such as Coca-Cola, Ricoh, KPMG, Puma, Siemens, and ZF Group have deployed end-to end decision-making applications at a fraction of the time and cost associated with traditional solutions.

#### Want to know more?

Get in touch at **infouk@board.com** or for further information visit **www.board.com**.

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