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Lectures 9 & 10 : Business Intelligence, Decision Making & Organizational Competitiveness (BI & DM)

Introduction:

this lecture focuses on the role of BI in decision-making. The objective is to understand how BI contributes to improving decision quality, supporting strategic decisions, and enhancing organizational competitiveness.

2. Decision-Making Concept

Decision-making is defined as:

The process of selecting the best alternative among several possible options based on available information. It involves identifying a problem or opportunity, collecting relevant data, analyzing alternatives, and choosing the most appropriate solution.

Business Intelligence plays a fundamental role in this process by providing accurate, timely, and reliable information, thereby reducing uncertainty and improving decision quality.

3. Types of Decisions Operational Decisions:

Routine, short-term decisions related to daily activities.

Tactical Decisions: Medium-term decisions that support the implementation of strategies.

Strategic Decisions: Long-term decisions that determine the organization's direction and future positioning.

A strategic decision is a long-term decision that determines the direction, scope, and competitive positioning of an organization.

5. Decision-Making Process:

- Problem Identification
- Data Collection
- Analysis of Alternatives
- Decision
- Selection Implementation Evaluation and Feedback

6. **BI and Strategic Decision-Making:**

- **Data Collection** helps identify problems and opportunities.

- **Data Cleaning and Storage** ensure data quality.
- **Data Analysis** enables evaluation of alternatives.
- **Data Visualization** simplifies understanding.
- **Decision Support** assists managers.
- **Feedback Loop** ensures continuous improvement.

Importance of Business Intelligence (BI) in ~~Decision Making~~:

- Business Intelligence helps managers make accurate decisions based on real facts and data.
- It allows leaders to make faster decisions because they can see information in real-time.
- It helps the company identify market trends to predict what customers will need in the future.
- It plays a key role in reducing risks by spotting potential problems before they happen.
- It brings data from all departments together to give everyone one clear and unified view.

7. **BI and Strategic Competitiveness**:

Competitiveness:

- It is the ability of an organization to maintain and improve its market position and respond effectively to competition.
- The ability to stay in the market and keep up with other companies.

Competitive Advantage:

- It is the set of unique capabilities that allow an organization to outperform competitors.
- The unique strength that makes a company better than its competitors.

BI and Organizational Competitiveness

- Business Intelligence helps the company understand customer behavior to provide better and more personalized services.
- It increases the efficiency of operations by reducing waste and lowering overall costs.
- It allows the organization to respond quickly to market changes and stay ahead of competitors.
- It helps businesses discover new opportunities in the market by analyzing data gaps.

- It enables the company to monitor competitors' performance and improve its own market position.
- It supports the development of new products based on actual customer needs and feedback.

Importance of Business Intelligence in the organization:

- Instead of using personal feelings or old guesses, managers now make decisions based on real facts, numbers, and data analysis.
- You don't have to wait days for manual reports. With BI, you get instant results and live dashboards that show what is happening right now.
- Traditional management only looks at what happened in the past. BI helps companies understand the current situation and even predict what might happen in the future.
- Instead of just reacting to problems after they happen, businesses can be proactive. This means they can see changes early and take action before a problem starts.
- Using BI reduces human mistakes from manual work. It provides one clear source of truth, so all departments have the same correct information.