The Role of Decision Models in Analytic Excellence

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James Taylor
Decision Management Solutions

▶ We work with clients to improve their business by applying business rules & analytic technology to automate & improve decisions.

▶ I have spent the last 14 years focused on the development of analytic applications using Decision Management

  ▶ Original DMN submitter

  ▶ Using decision modeling since 2011

  ▶ Dozens of decision modeling projects and nearly 1,000 trained

Agenda

- Framing Analytic Requirements
- Operationalizing Analytics
- Orchestrating Operational Analytics
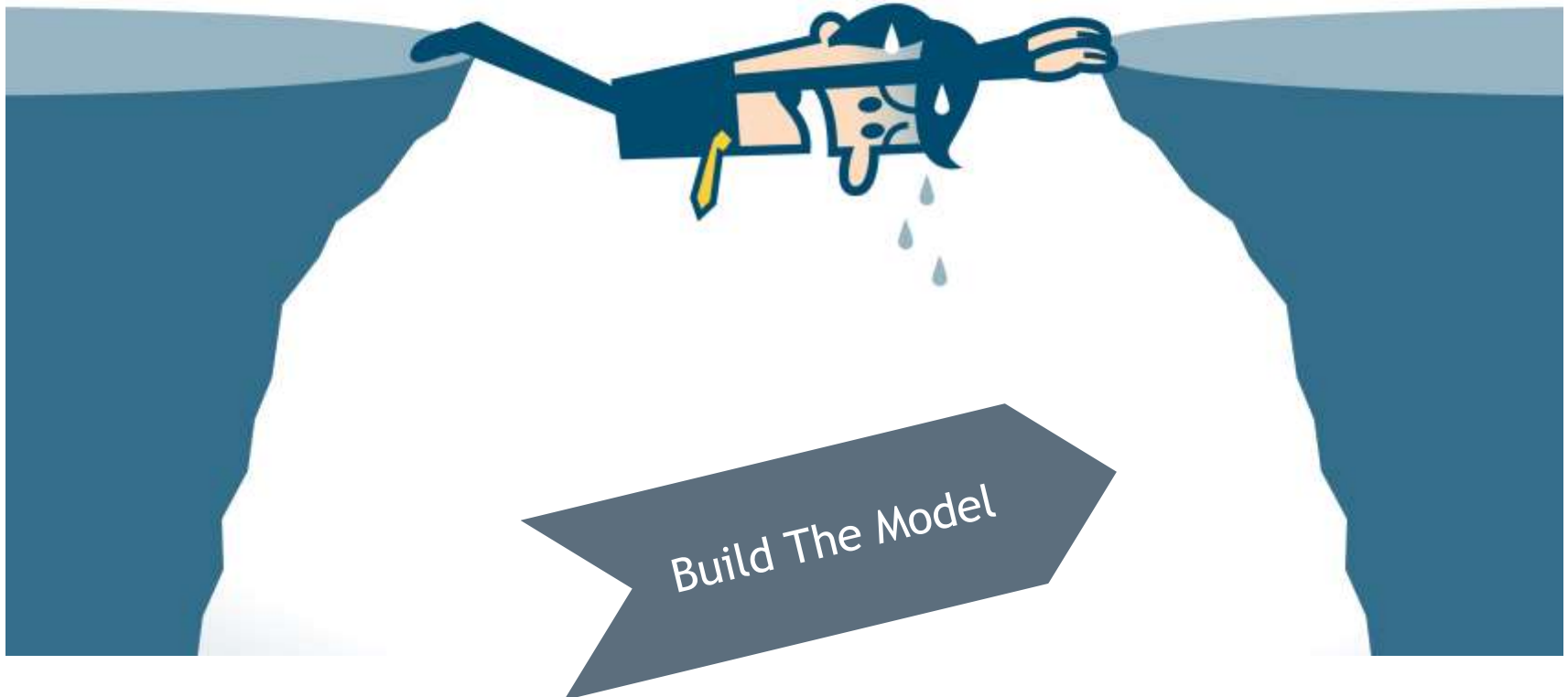- Tracking Decision Performance

Magical Thinking About Analytics

A Miracle Occurs

A Focus Only On Building Analytic Models Results In A Dangerous Gap

Build The Model

Decision Modeling Closes The Gap

Frame The Problem — Build The Model — Operationalize The Solution

Decision Modeling:
Framing Analytic Problems

Challenges Framing Analytics Problems

Poor collaboration with business and IT partners
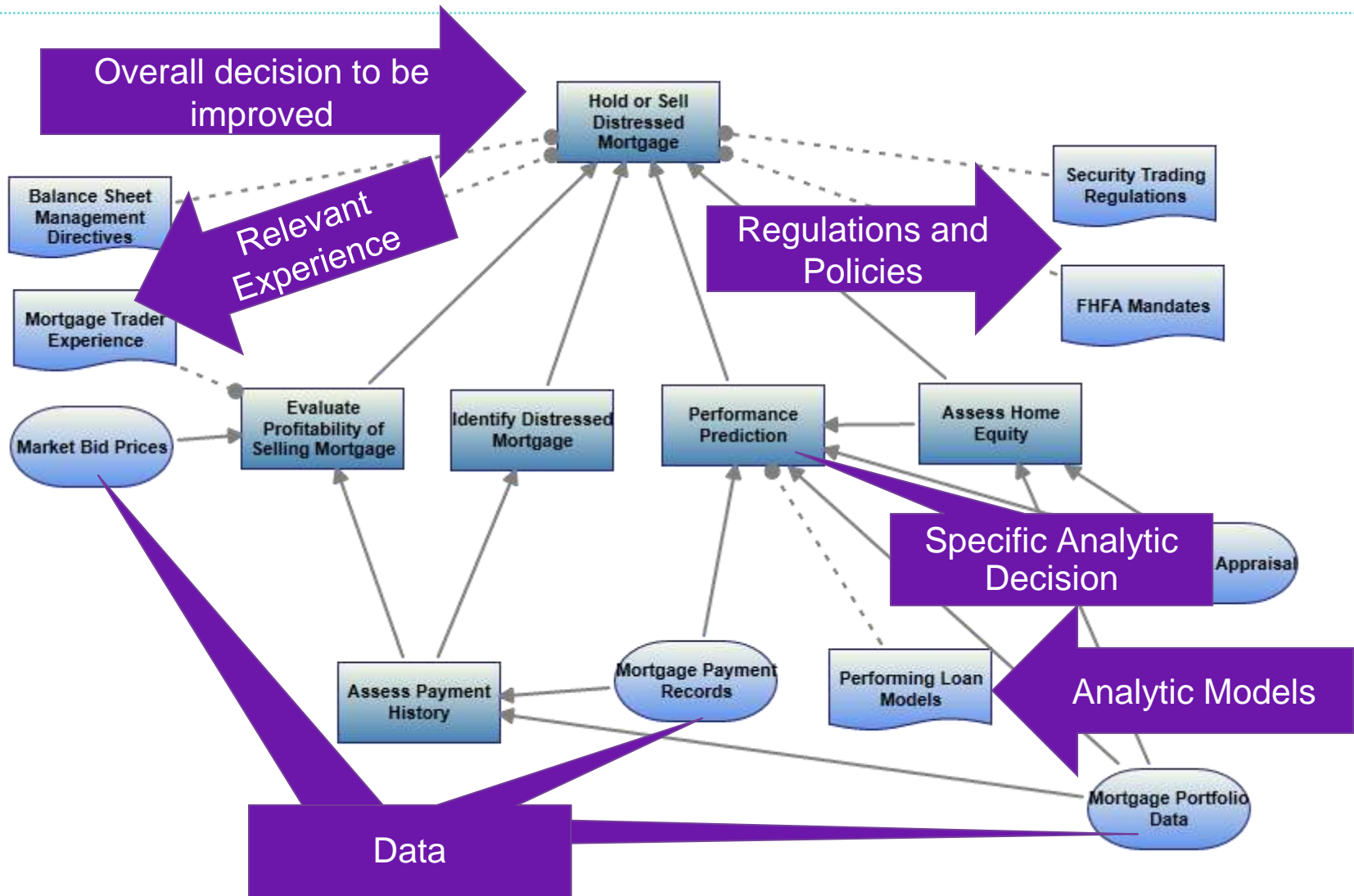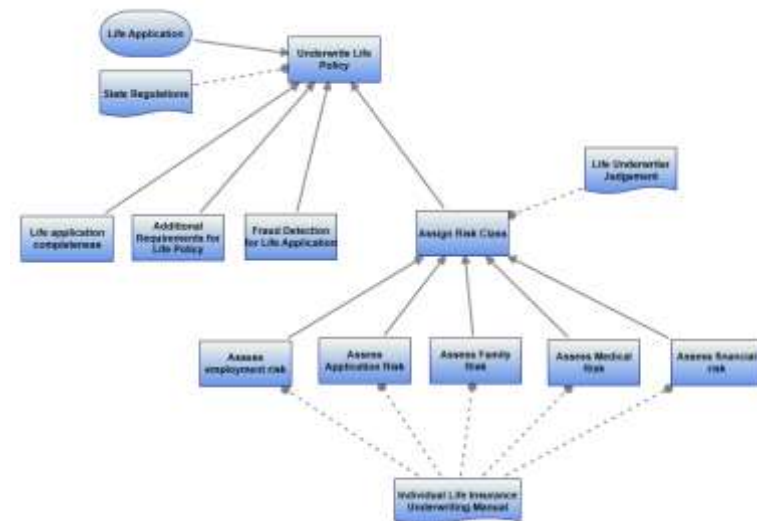
Too many distractions

Too many iterations

Business value not the focus

Decision Modeling Frames Analytic Requirements

Case: Framing The Problem Correctly

- Life insurance provider
- Decision model of life underwriting decision
- Identified that a planned medical risk prediction would not be usable
- Project was redirected
- No wasted effort

Decision Modeling:
Operationalizing Analytic Solutions

Challenges Deploying Analytics

Ineffective deployment leaves analytics on the shelf

Analytic results are prioritized, not business results

Timeliness and sustainability are not considered

Decision Models Ensure Analytic Deployment

Show how the analytic impacts a business decision

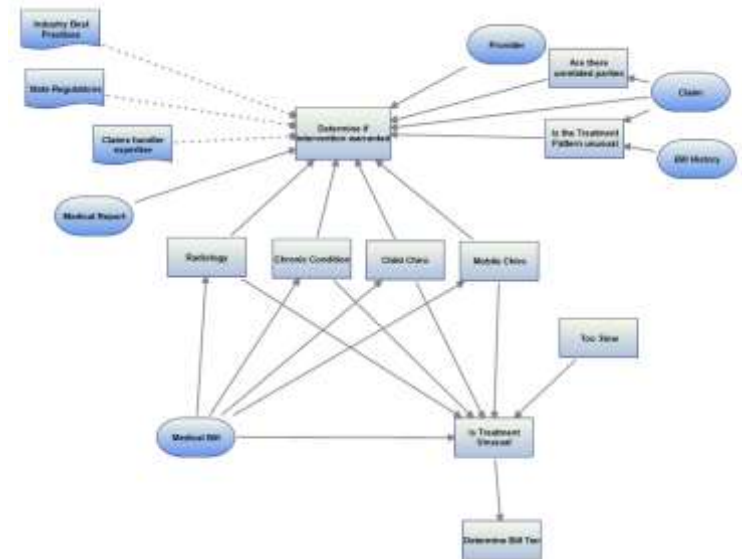Tie the analytic to the decision and to business results

Use the decision context to frame deployment and sustainability needs

Case: Decision Models Improve Manual Deployment

▶ Healthcare insurance provider

▶ Developed a decision model for healthcare claims adjudication

▶ The model showed where and how to use a fraud analytic
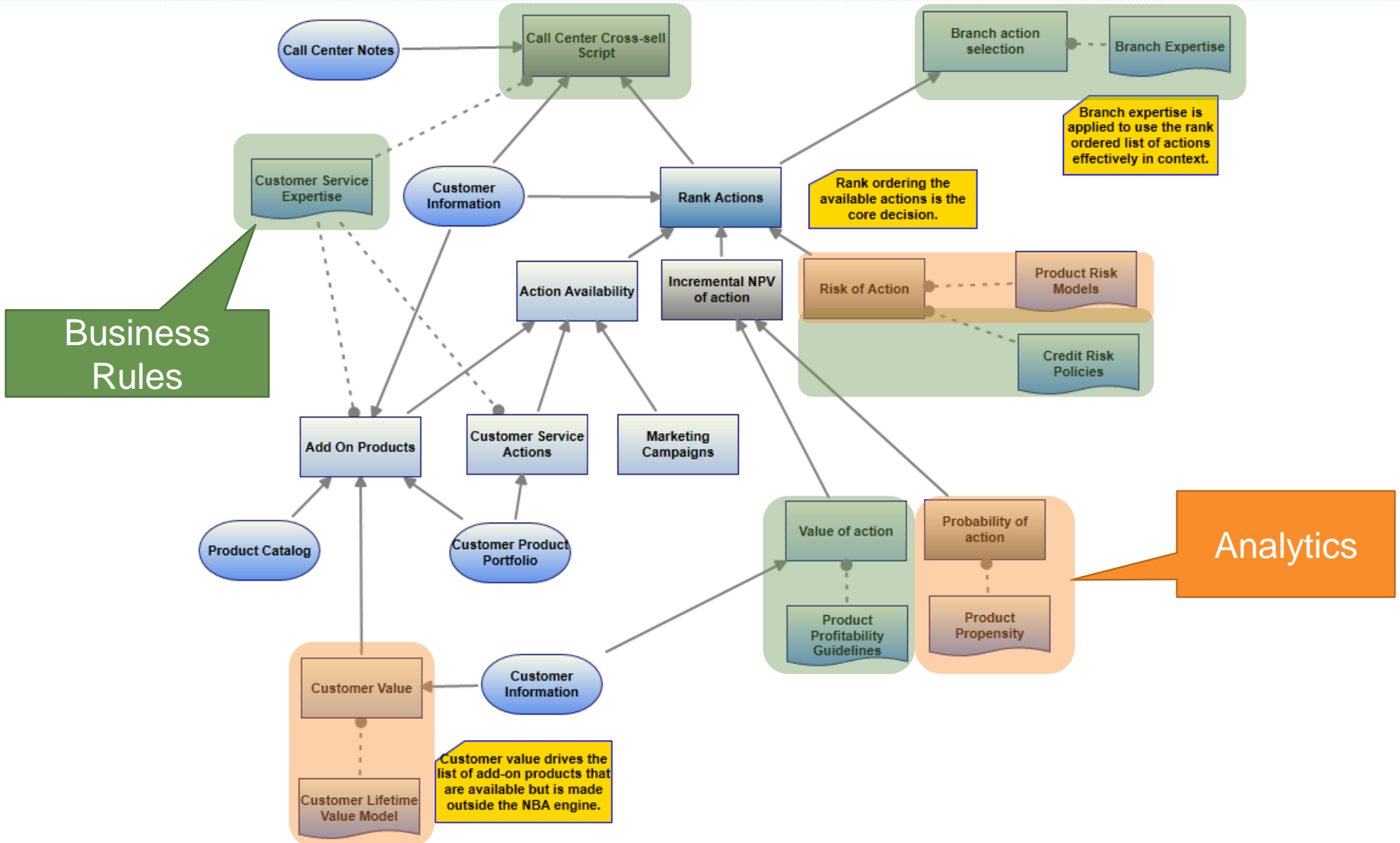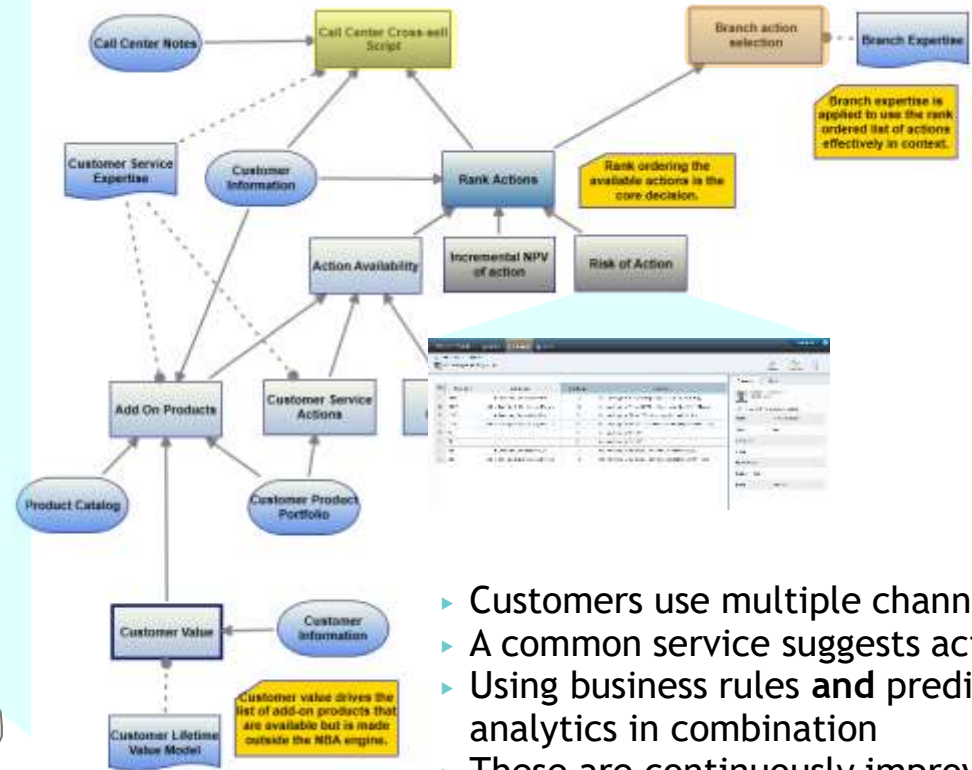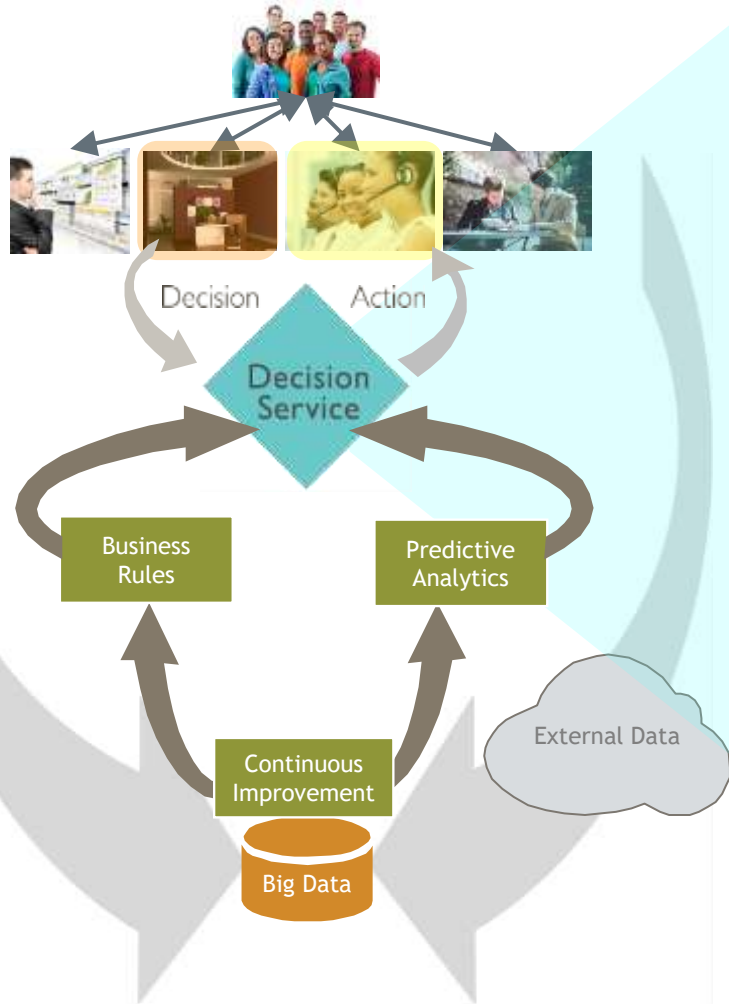
▶ Increased usage

▶ Improved results

Decision Modeling:
Orchestrating Operational Analytics

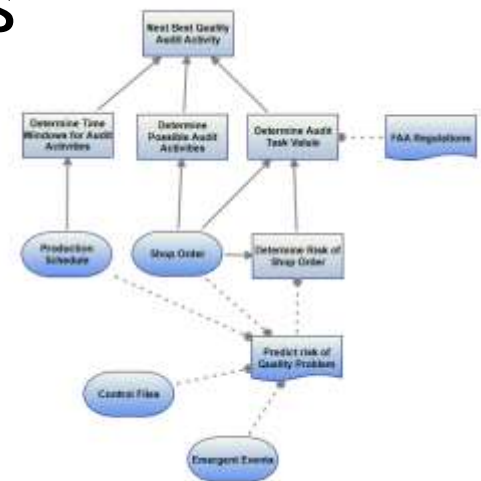# Decision Models Show The Balance Between Analytics and Business Rules

Case: Decision Models Operationalize Next Best Action

- ▸ Customers use multiple channels
- ▸ A common service suggests actions
- ▸ Using business rules **and** predictive analytics in combination
- ▸ These are continuously improved
- ▸ And managed by a decision model
- ▸ That contains channel-specific decisions that reuse common ones
- ▸ Automated with business rules and analytics

Case: Decision Models Improve Quality In Manufacturing

▶ Manufacturing company

▶ Identified predictions of quality risk

▶ Could change task assignments

▶ Developed decision models around product quality

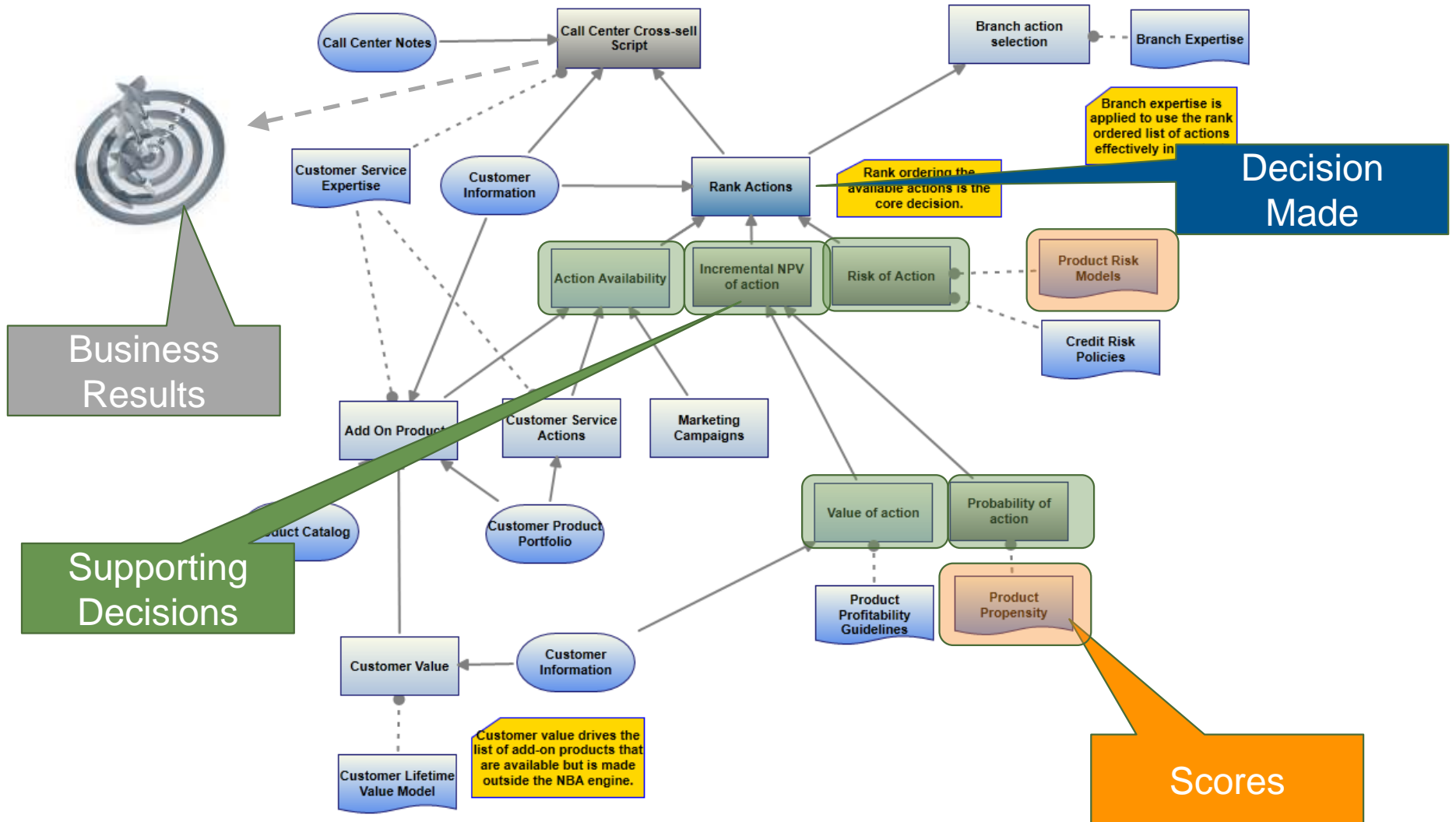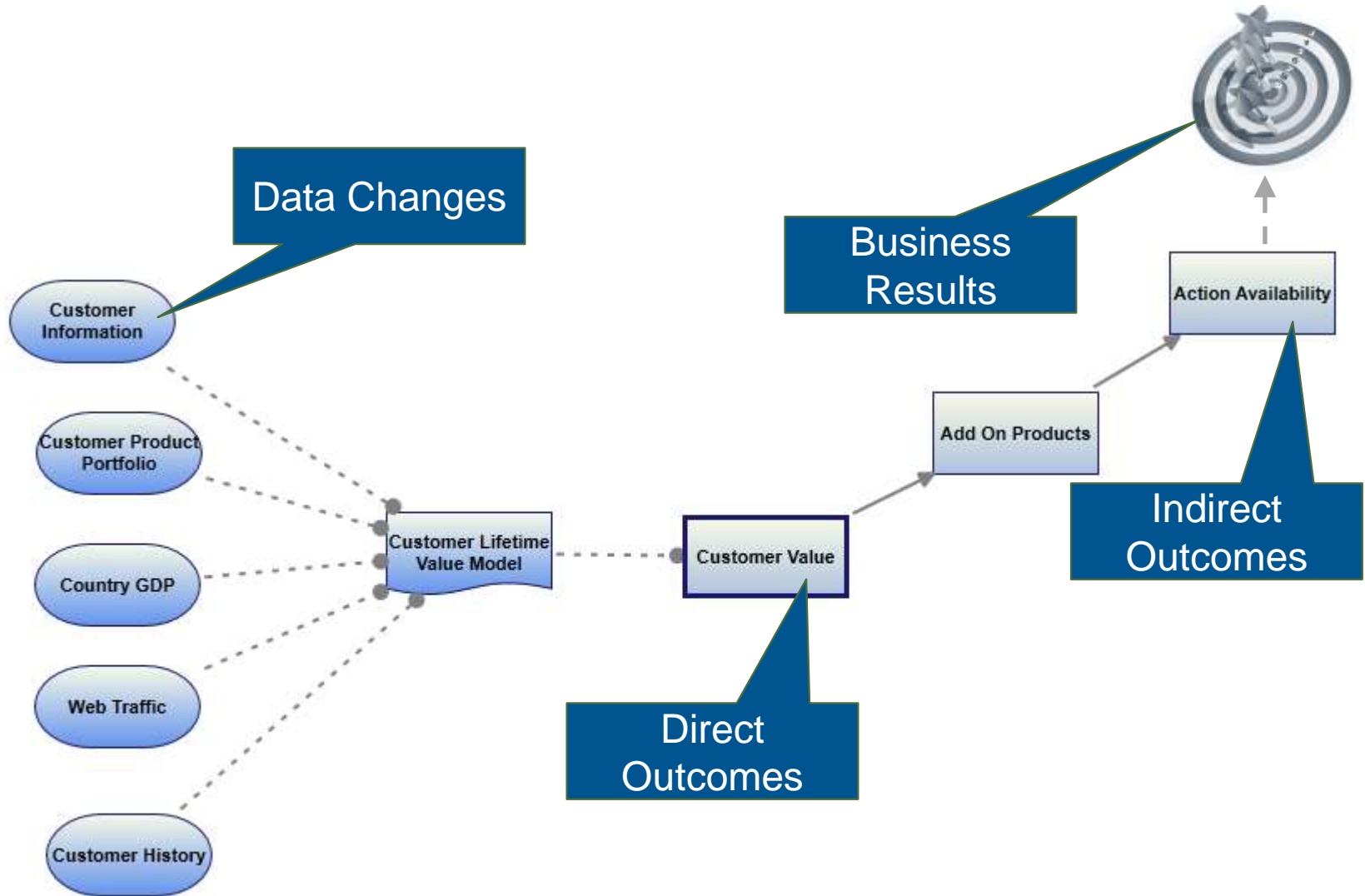▶ Found opportunity to analytically focus daily activities of quality team

Decision Modeling:
Tracking Decision Performance

Decision Models Show How To Analyze Analytic Effectiveness
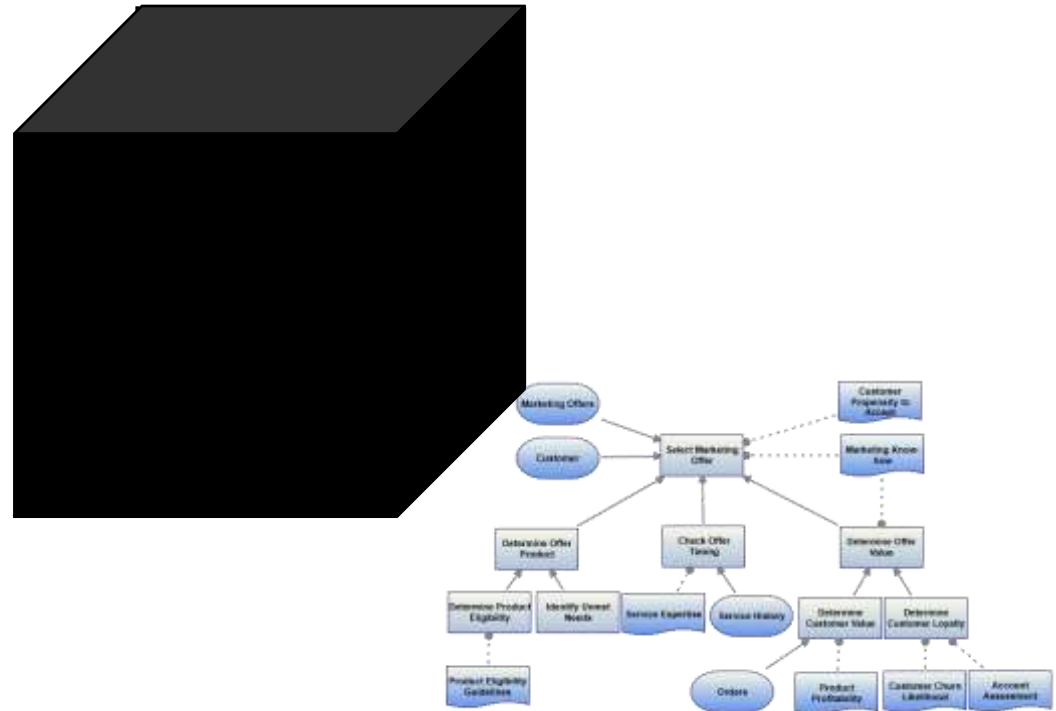
Decision Models Reveal Tracking Needs

Data Changes

Business Results

Action Availability

Customer Information

Customer Product Portfolio

Country GDP

Web Traffic

Customer History

Customer Lifetime Value Model

Customer Value

Add On Products

Direct Outcomes

Indirect Outcomes

Wrap Up

Don't Leave Analytic Projects In The Dark

- ## Model Decisions
  - Frame Analytic Requirements
  - Operationalize Analytics
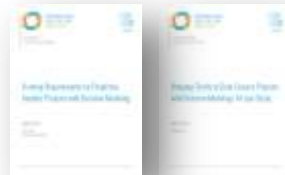 - Orchestrate Analytic Components
  - Track Analytic Results

Next Steps / Q&A

- Any Questions?
- Contact Me
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