DIGITALISATION AND DATA DRIVEN DECISION MAKING
IN PUBLIC AND PRIVATE SECTORS

BDO BRITISH VIRGIN ISLANDS

BDO

EXECUTIVE SUMMARY

What does it mean for your business to be **"Data-driven?"** This term describes a decision-making process which involves collecting data, extracting patterns and facts, and utilising those facts to make inferences that influence decision-making.

There is a notion, that businesses must continually **change** in order to stay **viable**. In the current digitalised world, organisations don't have any choice but follow the digital transformation journey. Digitalisation took the business world by storm due to its capacity to cause **substantial changes** by improving internal business processes.

One of the most demanding aims of a data-driven company is to accomplish **data-driven decision-making** and **digital transformation**. Whether it's private or public sectors, using objective data rather than predictions to drive decision-making is something businesses showed and increasing demand in.

If the company wants to **automate its business**, **minimise costs** or **establish efficient processes**, it is not enough just to follow the digitalisation trends alone. Companies are embracing the digital world in greater numbers than ever before due to technology rise and invention of the internet. However, progress towards modernity must be carefully planned, and the use of technology systems must be deeply considered.

Digitalisation, data governance and information management work hand in hand. As information is analysed, it transforms into knowledge, and knowledge leads to better decisions. **Therefore data-driven decision-making and decision journey planning make such an influence on business.**

In this report you will learn more about the **most crucial statements** to determine the primary steps of digitalisation of the business, **the implementation of data-driving decision-making** and its journey, and key issues that the private or public sectors should perform to have **a competitive advantage in the current high-pace era** of all things tech.

OVERVIEW

High technologies, automation and digitalisation have become part of our everyday life that we now strongly depend on. The current rhythm of customers' lives makes the company become ahead of its time. In this day and age, if the business is offline and not available within one smartphone click and the information isn't available with half a scroll, then it could quickly seem that one has ceased to exist.

Digitalisation strategy is the gradual penetration of digital technologies into all spheres of business, as well as social life. Social digitalisation corresponds to a change in the process and organisation of work in connection with the integration of new Information Technologies. In terms of global business perspective, digitalisation erases the boundaries between professional and personal life, as well as between private and public. It may be described as a true boom in app development and online life from the user's standpoint, above all others.

As of January 2022, there were 23.7 thousand internet users in the British Virgin Islands. The number of online users in the BVI increased by 143 (+0.6 precent) between 2021 and 2022. Furthermore, 85.2 percent of the total population uses social media in the British Virgin Islands. Meanwhile, social media users in this region increased by 1,000 (+4.0 precent) between 2021 and 2022.

Internet users in the British Virgin Islands
23.7 K

85.2 %
Of BVI population uses Social Media

Global Internet Users
5 Bn

Global Social Media Users
4.65 Bn

Average time users spent on the internet daily
**7 hrs**

THE IMPACT OF DIGITALISATION ON BUSINESS

One of the main goals of digitalisation is to help businesses stay visible and exposed to potential customers. A carefully crafted digitalisation strategy ensures that the most is achieved with minimal funding and resources.

Many businesses are increasingly transitioning online to streamline the management and day-to-day run of operations. This transformation is powered by a new wave of technology that allows companies of all shapes and sizes to be more strategic and efficient.

Research has shown that globally, **39%** of companies have improved the process of real-time transaction making, **32%** upgraded operational efficiency and **28%** were able to get new customers, thanks to the digitalisation of their business.

Therefore, the possibilities of digitalisation are endless: from storing documents, workflow and document management to online backups and remote work. The process makes a new technological breakthrough in the world economy, while significantly reducing costs and optimising production processes to preserve the environment, human resources, money, and time.

With Digitalisation companies worldwide were able to achieve

28%

39%

32%
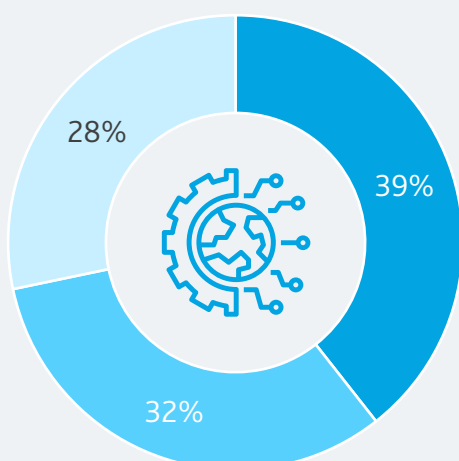
- ● Real-time transaction making improvement
- ● Operational efficiency upgrade
- ● New customer attraction

DATA-DRIVEN DECISION MAKING

Data-driven decision making **(DDDM)** is the process of collecting data based on a company's Key Performance Indicators and transforming that data into actionable insights. This process is a crucial element of modern business strategy.

The amount of information available has never been greater and this makes it difficult for organisations to manage and analyse the data. In fact, **98.6%** of Executives indicate that their organisation strives for a data-driven culture, while only **32.4%** report successful implementation of one.

The principles of data-driven decision–making should be familiar to executives because they are already widely used in operational areas. However, getting business insights from domain experts who give advice based on their experience is too slow and expensive to use for every single decision. **Therefore, decision – making process is about using a mix of theory and data** to predict what will happen after an individual or organisation make a decision that changes the business environment.

Real-time visibility is a **crucial** component to the success in the modern landscape and can be easily achieved through the usage of cloud services. The cloud enables not only real-time visibility but more immediate access to high volumes of information, increasing operational efficiency.

Benefits of DDDM

Reduce Costs	Increase Speed	Continuous Improvement	Collaborative Decisions	Planning

CONVERTING DATA INTO A DECISION

Data is useless unless you **convert** it into a **decision**. Meanwhile, decision science democratises the ability to take advantage of **real-time data**. That means giving people the authority to make decisions with the information. According to research, organisations have invested trillions of dollars to modernise their business, but **70%** of these initiatives fail because companies prioritised technology investments without building a data culture to support it.

At the same time, keeping track of the effects of those data-driven decisions allows companies to learn from failure and grow the company. After the decision making the data science journey continues and measures the impact of what the team have been working on and what have learned from it.

One of the best examples of decision science in practice is an **A/B experiment**, where organisations systematically try out two different approaches and conclude which performs better with their customers. Providing an A/B experiment forces teams to clarify what success looks like, what might be a good alternative to what they're doing right now and put in place a process for continually updating their policies.

The decision-making process is a continuous and crucial component of managing any organisation or business process. Decisions are made at every level of management to maintain the activities of all business functions and persuade goals are achieved.

How to follow a high-quality data-driven decision-making process? Seven simple but crucial steps to be followed in order to achieve the decision.

7 STEPS OF DATA-DRIVEN DECISION MAKING

1 **Define Objectives**
- ▶ Clear goals must be set about what the business wants to achieve
- ▶ Will it be about reducing financial risks or making market segmentation more efficient?

2 **Establish Hypothesis**
- ▶ Consider primary and secondary data channels
- ▶ Check the data you already have and establish whether it is consistent or efficient enough

3 **Identify Data Need**
- ▶ Setting and evaluating the right key metrics that apply to your goals
- ▶ Define the metrics that have the most meaning and make the most impact

4 **Build Process Data**
- ▶ Making sure the data is available to team members involved in the project
- ▶ Making the data accessible on any device for better evaluation

5 **Collect Data**
- ▶ Make clear dashboard of your key metrics so it is understandable
- ▶ The dashboard must cover the BI dashboard best practices

6 **Analyse Data**
- ▶ Getting the key people that all play a part in data analysis
- ▶ Including IT/Digital professionals in the team
- ▶ Choose the right software

7 **Make a Decision**
- ▶ You are now able to make a Data-driven Decision

DDDM IN PUBLIC AND PRIVATE SECTORS

Research and data about data-based journeys are used to inform and estimate the impact of selecting for each decision an alternative consideration. Producing data in the public and private - sectors means using a decision-making strategy by providing insights about potential outcomes and clarifying what the implications of any decision could be.

Organisations with **public** features are restricted in their possibilities when making strategic choices. Legislative mandates constrain budgets, which limits or even prohibits public sector leaders from spending money to collect information for decision making. Consequently, it restricts sectors to have independent planning, which includes unique ideas. This influence shows the main difference between decision making in public organisations and private.

Decision-making by the public sector drives programs and policies and has an increasing impact on the lives of citizens. From local decisions to federal, the impact of public sector decision-making on the lives of everyday people is significant. In contrast, **private** sector decision-making is likely to have an impact only on a relatively narrow group of people: those who work at the company, who have invested in the company, and who buy the company's products. Due to the increased impact in the public sector, the accuracy and timeliness of information is critical within this sector. The volume and complexity of data for the public sector is significantly greater as public sector organisations and governments must consider a wide range of macro and micro economic and social data which is gathered from a significant number of workflow.

When considering financial information for governments, decisions must be made with accurate data. This is why special attention and investment must be made in a financial and management information system which is capable of providing data almost in a real-time basis. Systems must be able to configure in the limitations to spending and decision makers to ensure that constraints are not circumvented.

Implementing data-driven decision-making and decision science process increase awareness among stakeholders, or at least evaluate where the disagreements are based. These decision-making tools can also provide communication among people outside the process and select the alternative connection between sectors.

BDO BRITISH VIRGIN ISLANDS

RYAN GELUK
Managing Director
BDO Limited

📱 +1 284 541 0746 (mobile)

📞 +1 284 852 6204 (direct)

✉️ ryan.geluk@bdo.vg

in follow on LinkedIn

Contact address:
BDO Limited
PO Box 34
Sea Meadow House, Tobacco Wharf
Road Town
Tortola   VG1110
BRITISH VIRGIN ISLANDS
📞 +1 284 852 6200 / +1 284 494 3783

BDO