Are you prepared to make the decisions that matter most?
Decision making in the energy industry

Results from PwC’s Global Data & Analytics Survey 2014
Global LNG demand. Unconventionals. Evolving financial reporting standards. Energy execs face broad new challenges, from extraction through distribution. Are your analytics set up to help you quickly spot and evaluate new possibilities and impacts?
Big decisions in the energy industry

Big decisions change strategy and long-term course. Few feel fully prepared to make big decisions.

Should we...

- Change our trading strategy in light of supply risks and price volatility?
- Make bigger investments in digital oilfields?
- Turn to foreign investors for capital?

Few see their senior management as fully prepared to make the most important decision they need to make in the next 12 months.

Source: PwC’s Global Data & Analytics Survey 2014
Where speed and sophistication count

The bigger the stakes, the bigger the difference that sophisticated analytical capabilities can make.

Among energy executives

Top goals for big decisions, next 12 months

- Corporate restructuring: 47%
- Collaborate with competitors: 45%
- Shrink an existing business: 41%
- Negotiating major contract(s): 33%
- Grow an existing business: 31%
- Enter a new industry or start a new business: 29%
- Corporate financing: 29%
- A major investment in the business: 27%

Source: PwC’s Global Data & Analytics Survey 2014
No time for indecisiveness
Among energy executives, next 12 months

45% expect to make a big decision at least once per month

32% say their most important decision will be based on a new opportunity they simply can’t ignore

56% plan to revisit their most important big decision within 3-6 months to adjust for new information

36% estimate the value of their most important big decision as US$1 billion or more in future profitability

Source: PwC’s Global Data & Analytics Survey 2014
Both intuition and analytics matter
It's no longer good enough to make decisions based on intuition alone.

Among energy executives

Which did you rely on most for the last big decision you made?

- My own experience and intuition: 33%
- Relevant experience of others: 27%
- Data and analytics inputs: 37%

Source: PwC's Global Data & Analytics Survey 2014
What prevents you from making greater use of data and data analysis when making big decisions?

**Senior management lacks the necessary skills or expertise**

**Why the lack of skills:** Big decisions are often made under extreme time pressures and under uncertain conditions. Executives aren’t always sure how to trigger the analytical support they need.

**27%**

**There is a limited direct benefit to my kind of role**

**Why it matters:** In a world of overwhelming inputs, it’s a skill to learn what not to react to.

**Think instead:** Imperfection isn’t always bad. You can gain unique insights from incomplete or imperfect data sets, provided they are triangulated with other information.

**39%**

**It’s difficult to assess which data is truly useful**

**Why it matters:**

**33%**

**The quality, accuracy or completeness of the data isn’t high enough**

**Source:** PwC’s Global Data & Analytics Survey 2014
We’ve changed the way we approach big decision making as a result of big data or analytics

Top three changes, last 24 months

- 67% Yes
- 20% No, but plan to do so
- 14% No, or don’t know

Source: PwC’s Global Data & Analytics Survey 2014
Some decisions you need to make are big enough to change the course for your business. And decision making ‘as usual’ may not be right for the task. More data are within your reach to understand what was previously unknown. Sophisticated analytical tools are available to you to ‘see’ a wider range of possibilities and evaluate them quickly. Now is a good time for an upgrade in your decision making capabilities. Where should you start?

Source: PwC’s Global Data & Analytics Survey 2014
To explore the data and more: www.pwc.com/bigdecisions