Are you prepared to make the decisions that matter most?
Decision making in manufacturing
Raw material supply constraints. Declining prices of 3D printers, sensors, and robots. Skilled labor shortages. Today’s manufacturing executives face a new landscape, with broad implications for profitability. Are your analytics set up to help you quickly spot and evaluate new possibilities and impacts?

Source: PwC’s Global Data & Analytics Survey 2014
Big decisions in manufacturing

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

Should we...

- Decentralise innovation and get closer to local markets?
- Divest a low-performing business unit?
- Choose a different location for our next production facility?

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 manufacturing executives

Top goals for big decisions, next 12 months

Corporate restructuring 41%
Shrink an existing business 39%
Corporate financing 36%
Collaborate with competitors 34%
Enter a new industry or start a new business 33%
Grow an existing business 32%
Brand positioning 31%
A major investment in the business 28%

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

53% expect to make a big decision at least once per month

29% say their most important decision will be based on a new opportunity they simply can’t ignore

52% plan to revisit their most important big decision within 3-6 months to adjust for new information

14% 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 manufacturing executives

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

- My own experience and intuition: 34%
- Relevant experience of others: 26%
- Data and analytics inputs: 41%

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.

33%

There is a limited direct benefit to my kind of role

Why it matters: Too much information can hurt decision making if it distracts you, takes too long, or is not needed.

26%

It’s difficult to assess which data is truly useful

Why it matters: Too much information can hurt decision making if it distracts you, takes too long, or is not needed.

30%

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

Deciphering data: Until there’s a practical and affordable breakthrough in data collection, existing, imperfect data will be the rule, not the exception.

32%

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:

- Employed a dedicated data insights team to inform strategic decisions (57%)
- Relied on enhanced data analytics such as simulation, optimisation, or predictive analytics (27%)
- Trained executives on interpreting data/data analysis techniques (16%)

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