Exam Submission Report

Student Name: DBA1 one

Course Name: Award in Decision Making Frameworks and Data Analysis

Exam Title: Assignment Exam

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Que: 1) Data-Driven Evaluation: Assess the reliability, accuracy, and relevance of available market data, consumer behaviour trends, and financial forecasts. 2) Decision Analysis Models: Use decision trees, sensitivity analysis, and utility theory to compare the risks and benefits of each option. 3) Strategic Considerations: Apply frameworks such as SWOT analysis, OKRs (Objectives and Key Results), and Porter's Five Forces to assess the long-term impact of each decision on EAscencia Corp's market position. 4) Risk and Uncertainty Management: Evaluate the risks associated with each option, considering external factors such as economic volatility, regulatory changes, and evolving technology trends. Provide recommendations for mitigating these risks. 5) Ethical Implications: Discuss the ethical considerations of each decision, particularly in relation to AI's impact on employment, responsible expansion into emerging markets, and corporate social responsibility in operational restructuring.

Ans: 1. Introduction

EAscencia Corp faces a pivotal moment in its strategic trajectory. This report critically evaluates three strategic options using data-driven decision-making techniques, quantitative analysis, and ethical considerations. The analysis draws on robust frameworks and models to provide a comprehensive recommendation for the most effective decision.

2. Data-Driven Evaluation

Reliability, Accuracy, and Relevance of Data

EAscencia Corp must rely on high-quality data to inform its strategic decisions. Key data sources include:

Market Data: Reports on market trends, industry benchmarks, and consumer preferences.

Consumer Behavior Trends: Insights from social media analytics, surveys, and purchasing patterns.

Financial Forecasts: Predictive models based on historical performance and current economic conditions.

Analysis

Reliability: Market reports from trusted organizations (e.g., Gartner, McKinsey) provide verified data. However, real-time insights from social media platforms may lack consistency.

Accuracy: Predictive financial models must account for economic volatility and use Monte Carlo simulations for validation.

Relevance: Align data with strategic goals, such as expanding market share or enhancing operational efficiency.

3. Decision Analysis Models

Decision Trees

A decision tree is used to evaluate the potential outcomes, costs, and benefits of each strategic option. Probabilities are assigned to each scenario to calculate expected values.

Sensitivity Analysis

Sensitivity analysis tests how changes in key variables (e.g., market growth rate, operational costs) affect outcomes. This ensures robust decision-making under uncertainty.

Utility Theory

Utility theory evaluates the alignment of each option with EAscencia Corp’s risk tolerance and strategic objectives. Assigning utilities to outcomes quantifies their desirability.

Quantitative Comparison

Option

Expected Value (€M)

Sensitivity (Range, €M)

Utility Score

Option A

40-50

0.8

Option B

60

50-70

0.9

Option C

30

25-35

0.6

4. Strategic Considerations

SWOT Analysis

Strengths

Weaknesses

Opportunities

Threats

Strong brand

High operational cost

Emerging markets

Economic volatility

Skilled workforce

Dependency on legacy tech

Tech advancements

Regulatory changes

OKRs

Objective: Enhance market leadership.

Key Result 1: Achieve 20% revenue growth in 3 years.

Key Result 2: Reduce operational costs by 15% within 2 years.

Porter’s Five Forces

Competitive Rivalry: Moderate to high; major competitors are innovating rapidly.

Supplier Power: Low; diversified supply chain.

Buyer Power: High; informed consumers demand value.

Threat of New Entrants: Moderate; technological barriers exist.

Threat of Substitutes: High; alternative solutions are emerging.

5. Risk and Uncertainty Management

Identified Risks

Economic Volatility: Currency fluctuations and inflation.

Regulatory Changes: New compliance requirements in emerging markets.

Technology Trends: Rapid innovation cycles.

Mitigation Strategies

Hedging: Protect against currency risks using financial instruments.

Regulatory Monitoring: Establish a compliance team to anticipate and adapt to changes.

R&D Investment: Maintain competitiveness through innovation.

6. Ethical Implications

AI’s Impact on Employment

Challenge: Job displacement due to automation.

Mitigation: Reskilling programs for employees.

Expansion into Emerging Markets

Challenge: Ethical labor practices and environmental concerns.

Mitigation: Adopting sustainable and socially responsible practices.

Corporate Social Responsibility (CSR)

Challenge: Balancing profitability with community impact.

Mitigation: Transparent reporting and stakeholder engagement.

7. Recommendation

Based on the analysis, Option B is the most effective strategic decision for EAscencia Corp. It offers the highest expected value (€60M), aligns well with the company’s objectives, and provides a balanced approach to managing risks and ethical considerations.

Justification

Data-Driven Insight: High revenue potential and strong market alignment.

Quantitative Analysis: Superior utility score and favorable sensitivity range.

Strategic Fit: Aligns with SWOT and OKR frameworks.

Risk Mitigation: Comprehensive plans to manage identified risks.

Ethical Commitment: Demonstrates responsibility in AI adoption and market expansion.

References

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