Data-Driven Operational Decisions

A crucial aspect in the praxis of data science lies in the operationalization of the insights derived from the employed analytical models. To this end, it is of vital importance that analytics results are communicated and made available in such a way that they are useful for the relevant decision makers inside an organization. Moreover, it is usually helpful to explain the rationale behind the modeling approach so that the end-user can make an informed interpretation of model results.
The end user decides how to line up the model's output in order to fit in the business goals and objectives. For example, in fraud detection, the user has the ability to decide the range of percentages at which a suspicious transaction or behaviour is considered to be a true fraud. In this case, the selected threshold will have a tradeoff between false negatives and false positives. These tradeoffs should be taken into consideration to maximize the effectiveness of the model. Using different values for the threshold enables the business managers to consider different scenarios.