

5 Top Critical Business Analysis Errors to Avoid

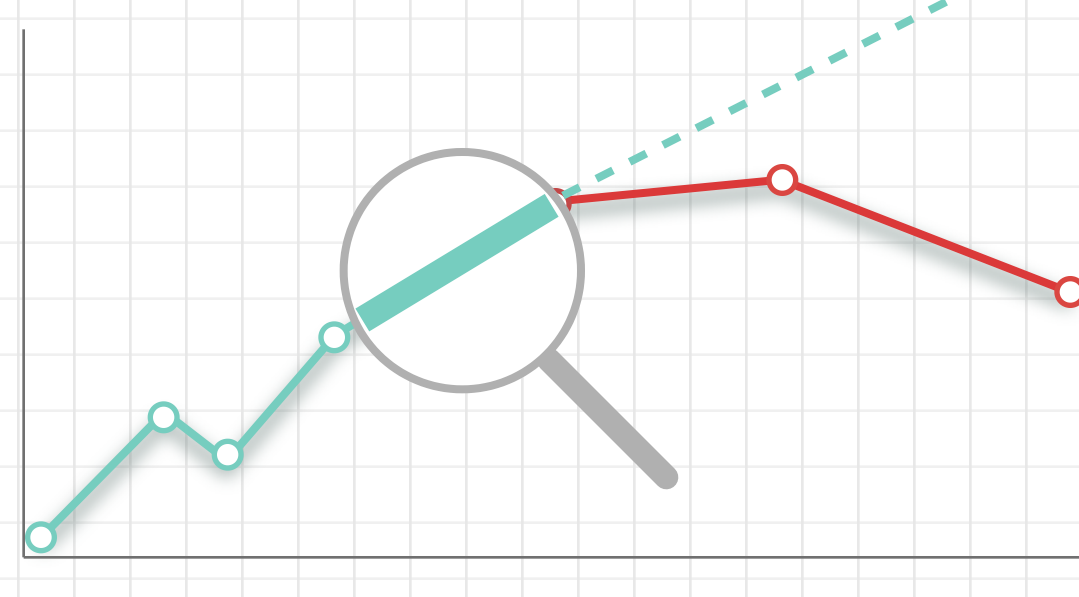
For as long as dashboards have been around, business users have been unwittingly (or creatively!) introduced biases into their analysis. From half-baked hypotheses to weak statistical analysis, dashboards can hide plenty of statistical and logical errors. Here are **five** you must be careful about:

Keep an eye out for these five errors

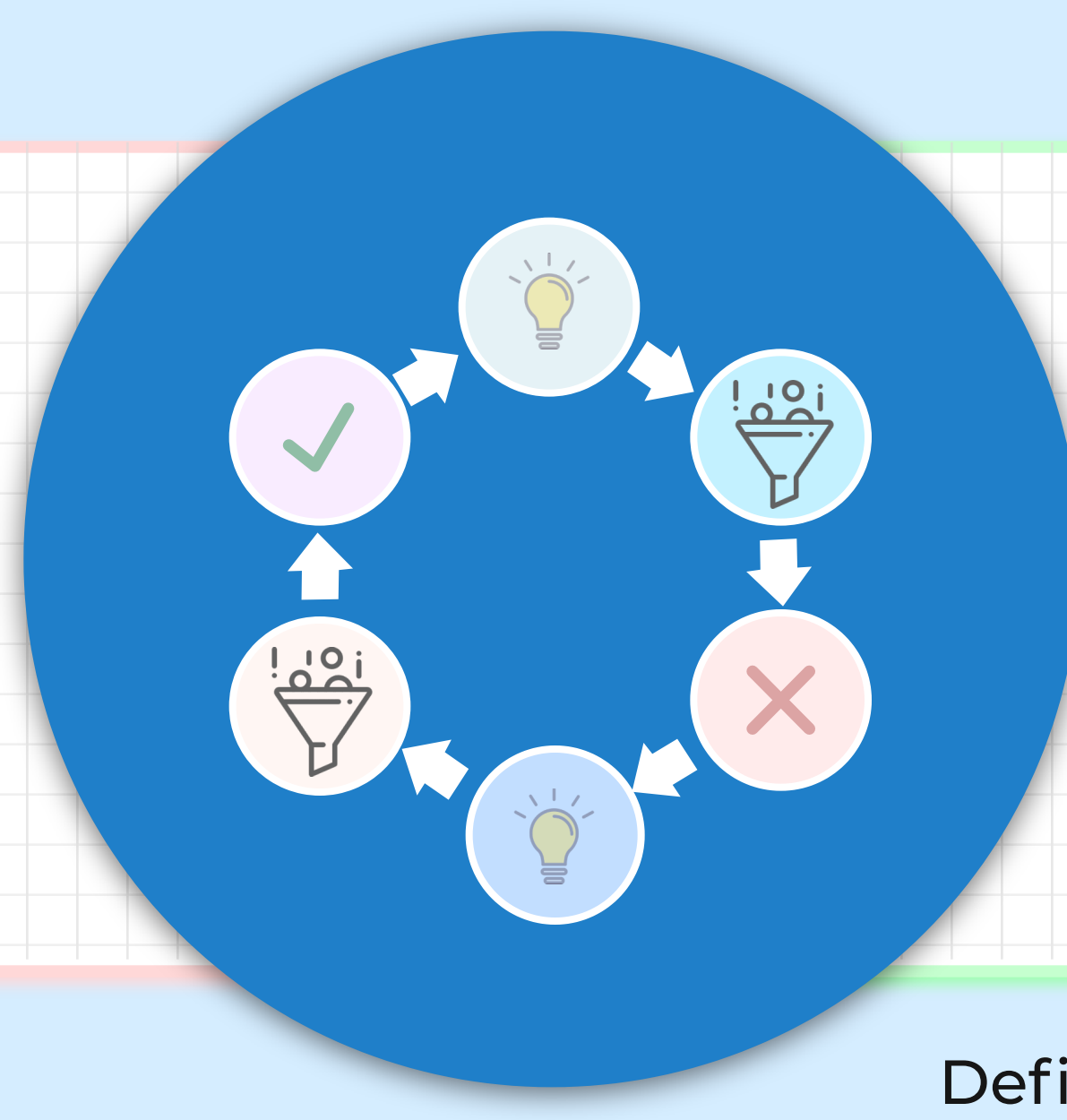
① Circular Analysis

Retrospectively using filters to 'obtain' a specific outcome

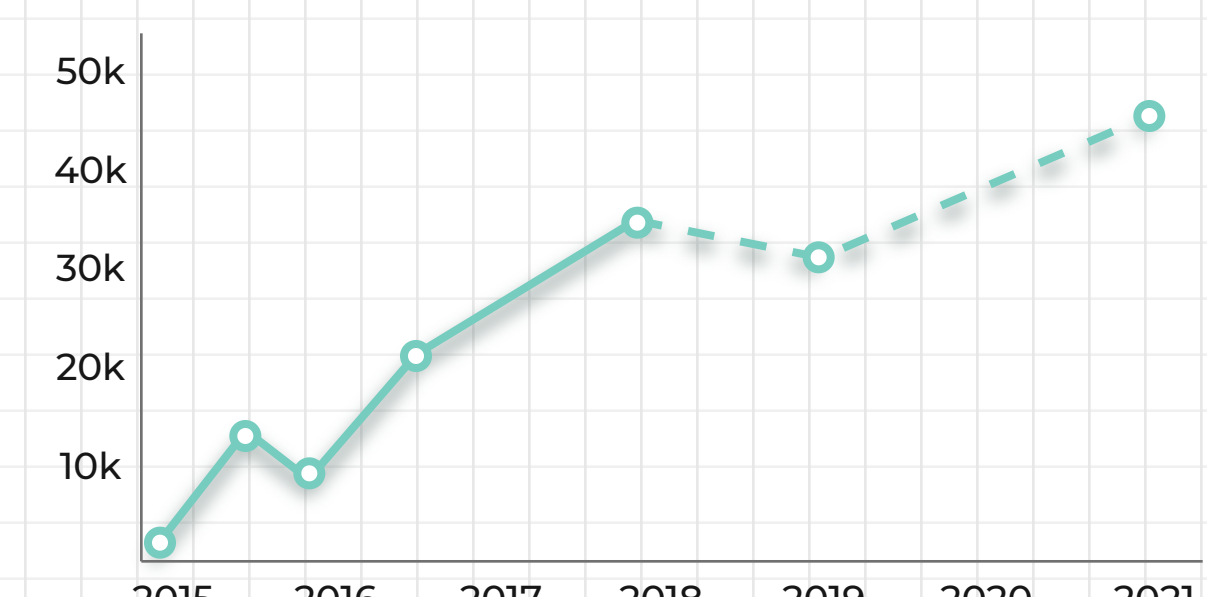
❌ DON'T



Cherry-pick data points



✅ DO's

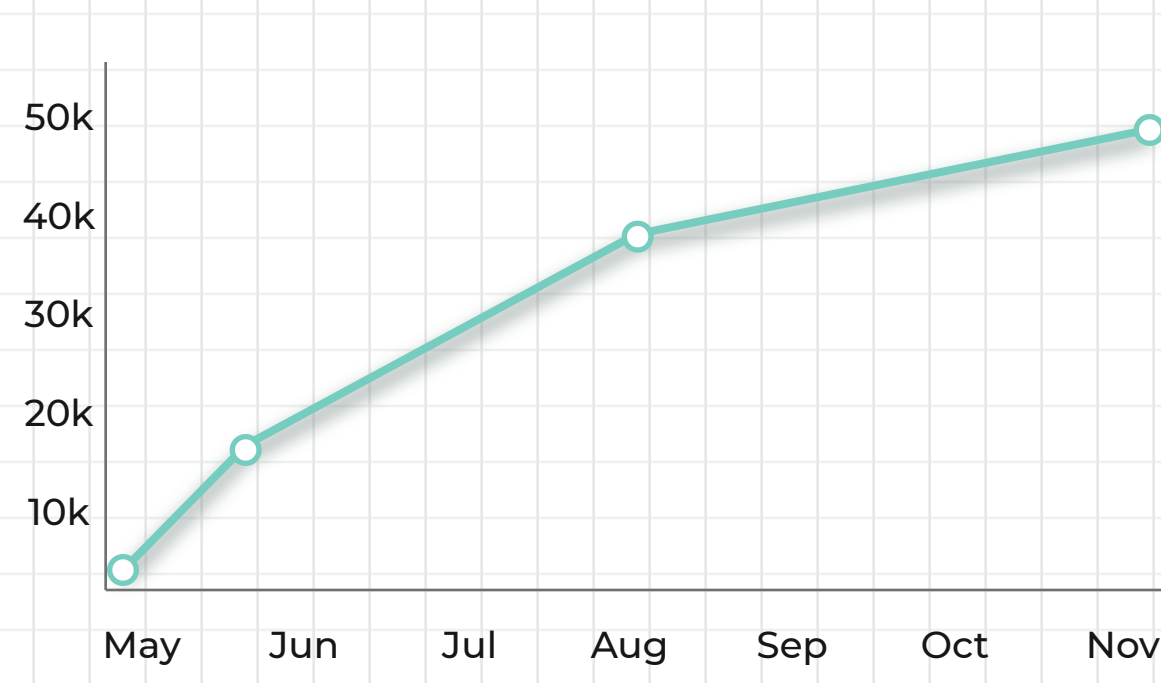


Define your hypothesis in advance and then use statistical tools to prove or disprove your hypothesis

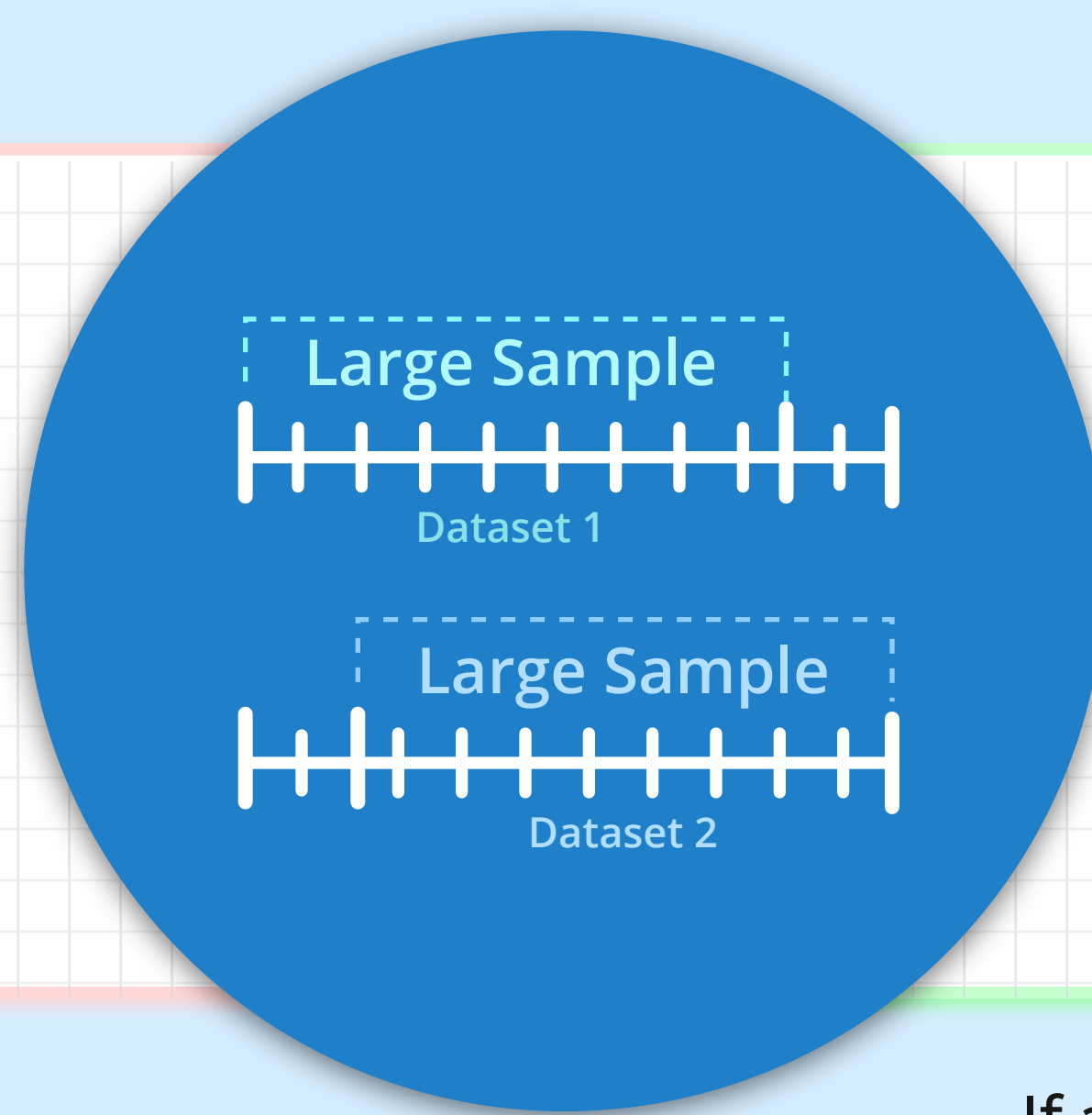
② A Small Sample Size

Using a small sample can overestimate the true effect size of the relationship

❌ DON'T



Use a small sample size



✅ DO's

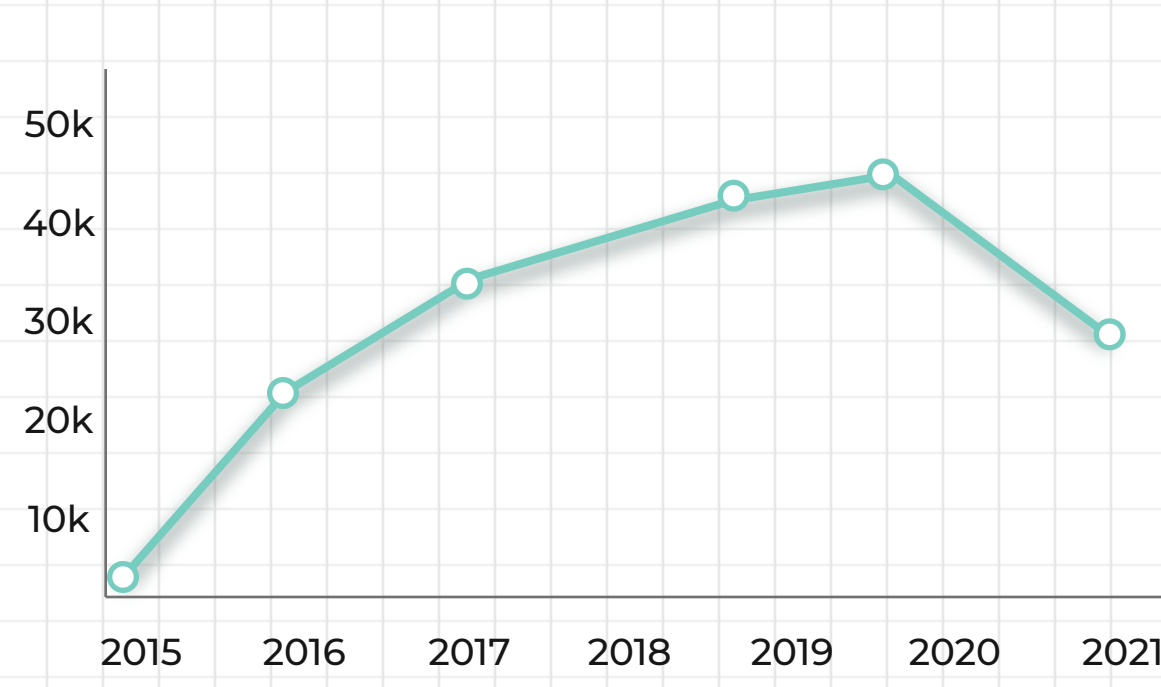


If available, use a large sample or repeat the analysis with another dataset for more robust analysis

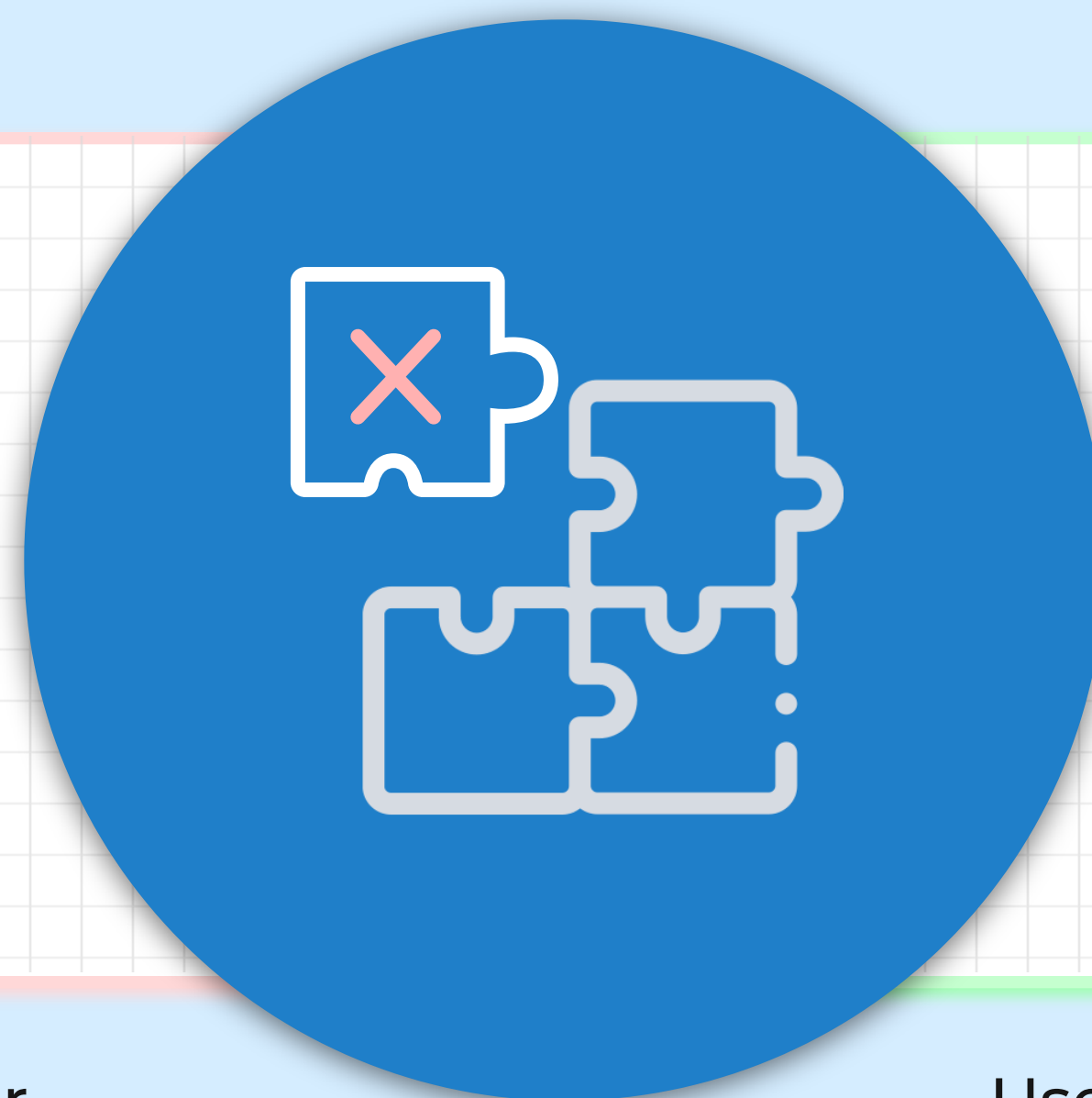
③ Spurious Correlations

Incorrectly including or excluding outliers without contextual analysis

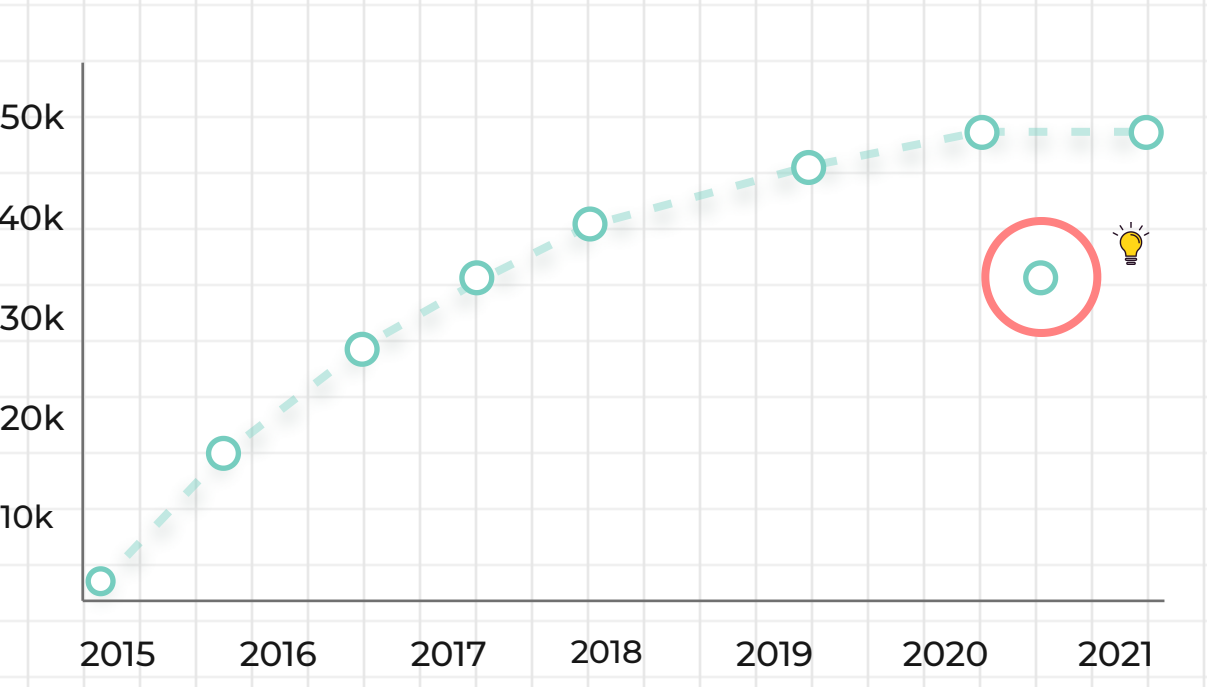
❌ DON'T



Include (or wrongly ignore) an outlier



✅ DO's

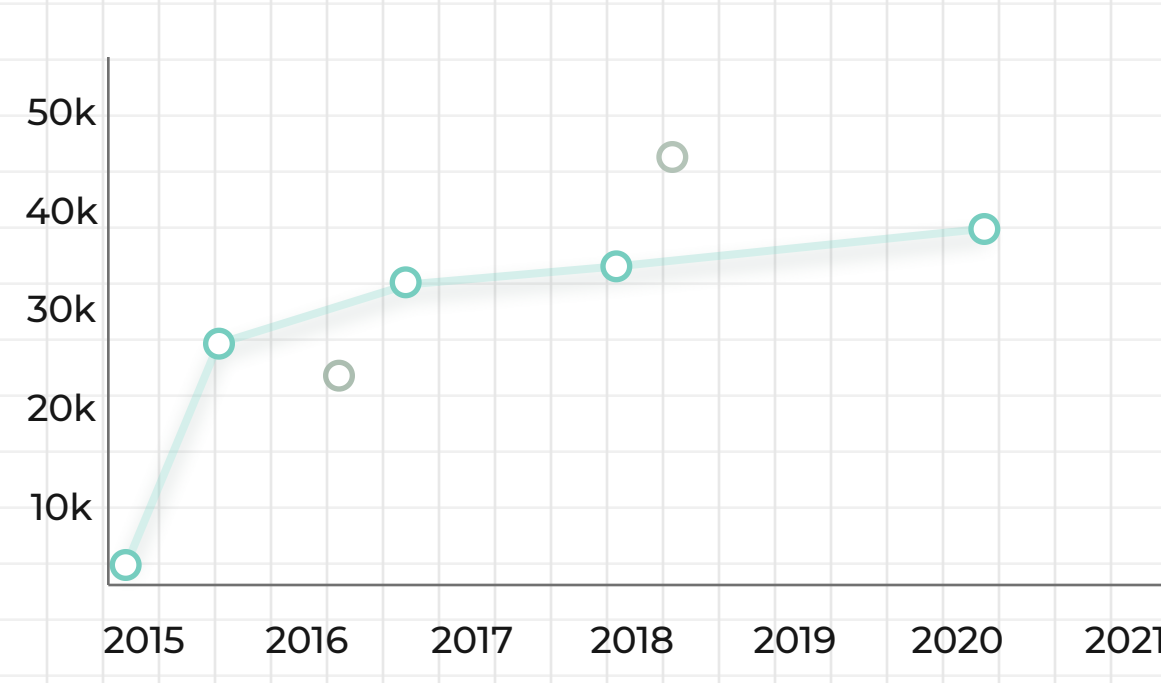


Use qualitative methods to develop context, analyze, and determine the usefulness of outliers

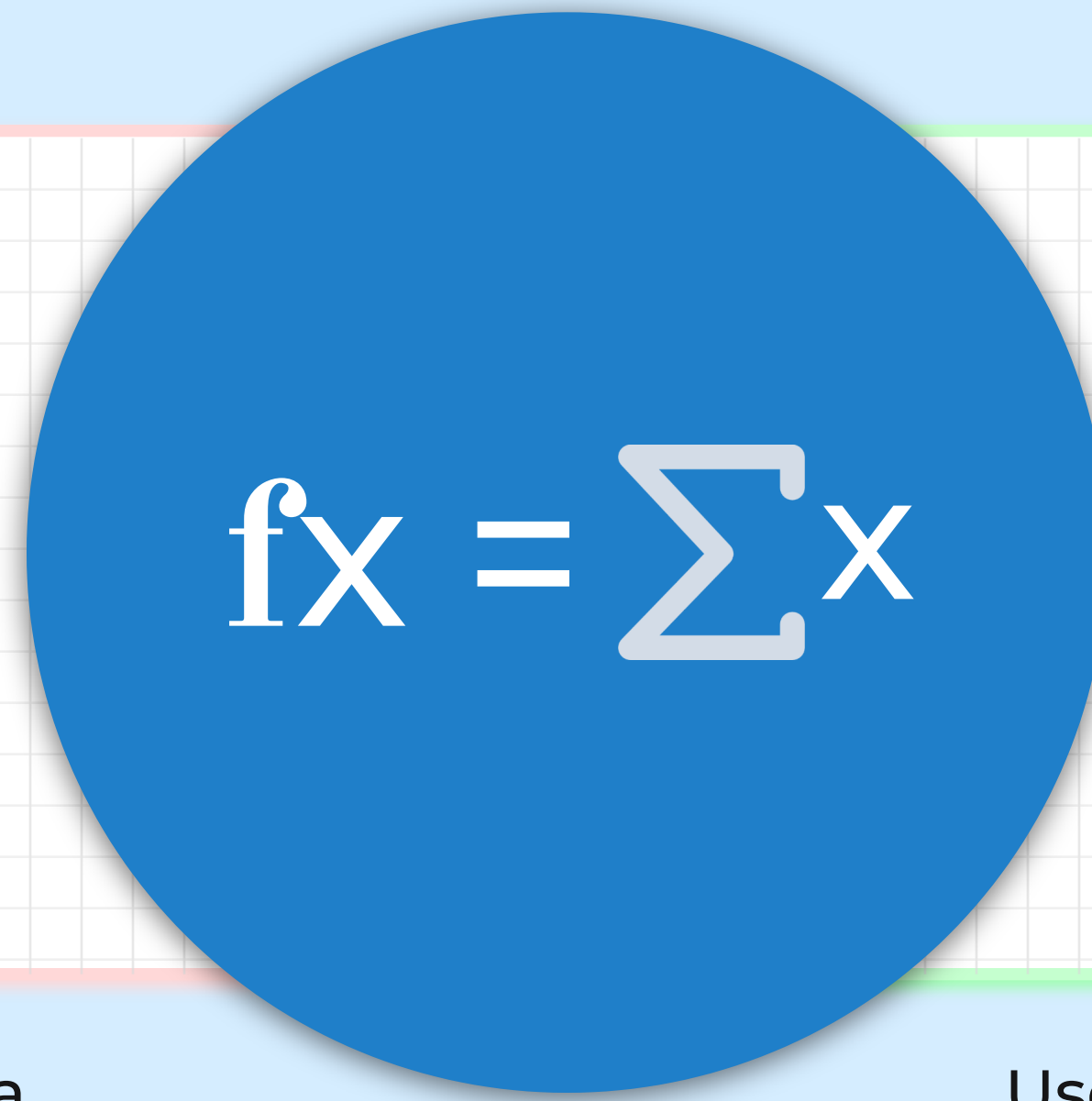
④ Eyeballing Patterns

Mistaking noise for patterns because the graph 'looks' a certain way

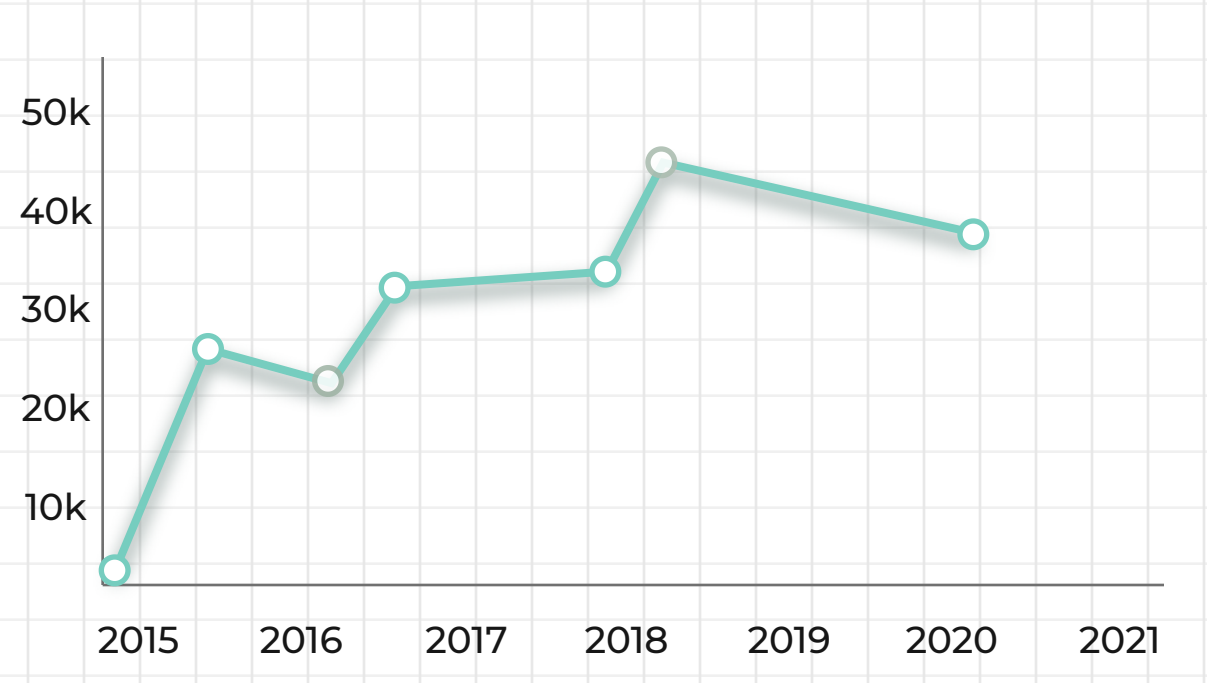
❌ DON'T



'See' a pattern when you look at data



✅ DO's

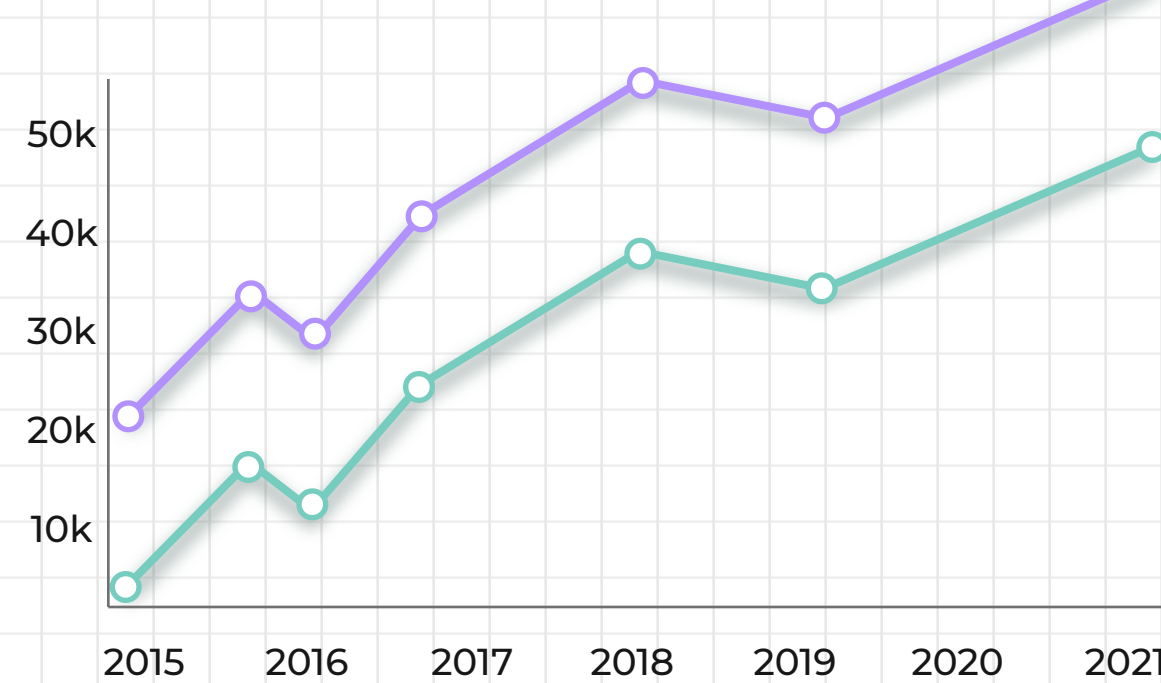


Use appropriate statistical computations to analyze the data and identify any correlations

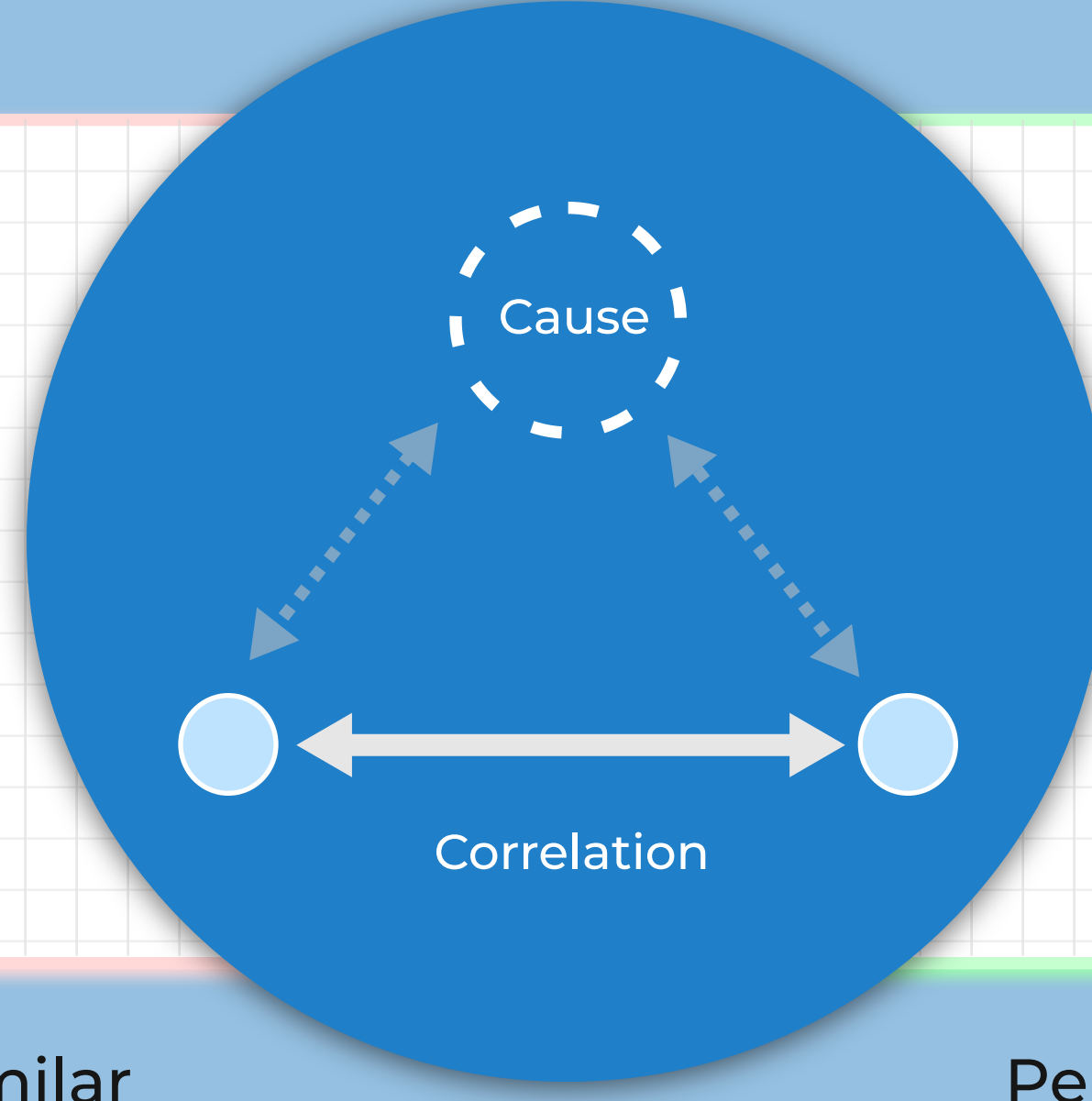
⑤ Correlation and Causation

Mistaking correlation for causation when values of two variables changes simultaneously

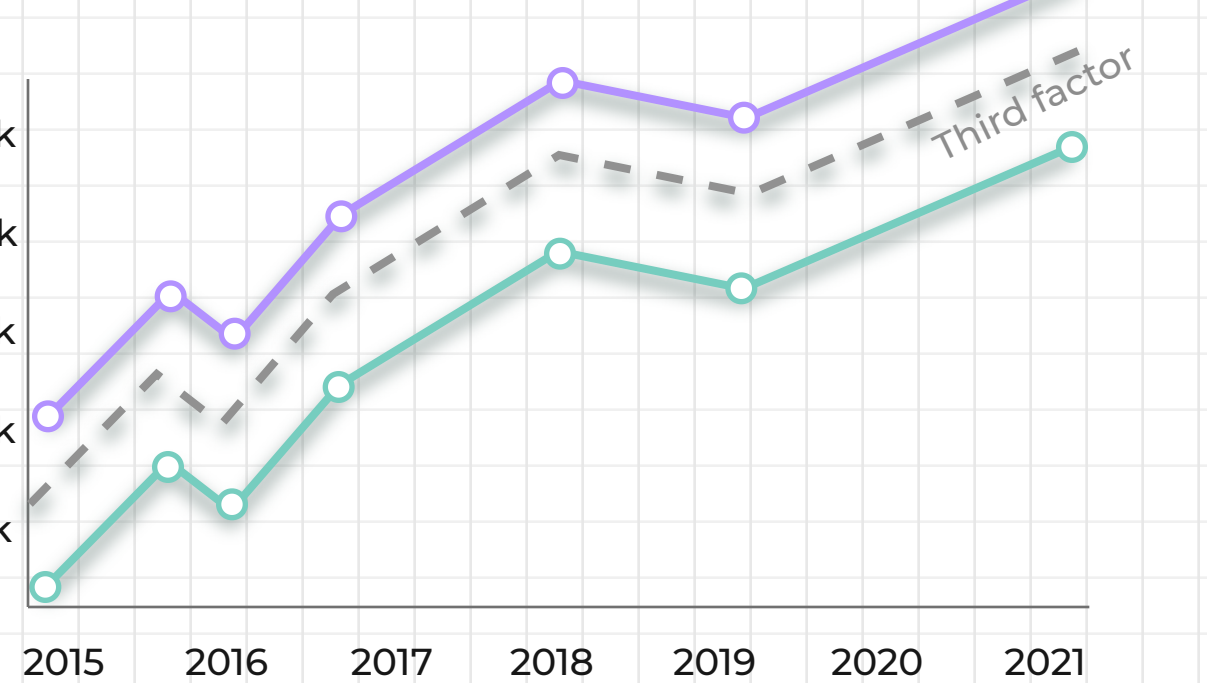
❌ DON'T



Assume causation if the graph looks similar



✅ DO's



Perform additional statistical analysis to see if the changes are correlated or causal

The surge in enterprise data has been massive - by 2022, enterprise data is expected to grow by **42%** to almost double the volume of data in 2020. Simplistic dashboards can no longer cope with the flux of data. Moreover, for users who are looking at powerful forecasting or easily accessible intelligence, dashboard-focused BI platforms are merely schematic.

Instead, organizations need BI and analytics platforms that can deliver accurate, easy-to-digest, and ready-to-use insights that positively impact decision-making.

I Want to Drive High-Impact Decisions