



Align Business Goal and Business Logic with Decision Table

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In any business, it is crucial to ensure that organizational goals are aligned with operational decisions. This necessitates that the business logic—the rules and policies governing decision-making—must directly support the organization's objectives. Decision tables offer a powerful means to achieve this alignment.

What is a Decision Table?

A decision table is a visual representation of a set of rules that can be used to make decisions. It's a grid that shows all the possible combinations of input conditions and the corresponding actions or outcomes. Decision tables are easy to read and understand, which makes them an ideal tool for aligning business goals and business logic.

Case Study - Loan Company

With the property market in recovery, HPYLoan, a loan company, aims to attract more customers interested in home purchases. To achieve this, they need to develop an effective loan policy that aligns with their overarching business goals.



HPYLoan has developed a decision table to illustrate their current loan approval policy and identify areas for enhancement. Examining the fourth business rule revealed that a manual review process for home purchasing loans could potentially deter applicants.

	Rules					
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
Actions	1	2	3	4	5	6
A1. Approve loan request immediately			X		X	
A2. Review loan request manually				X		X
A3. Reject loan request	X	X				

Upon studying the fourth business rule in the **decision table**, it became evident that loan applicants seeking home purchasing loans faced a manual review process, which could discourage applications.

To resolve this, HPYLoan revised its business rules. They now approve home purchasing loan requests from existing homeowners immediately, eliminating the need for further manual review.

This adjustment is anticipated to accelerate the loan approval process and make it more appealing to homeowners looking to purchase a new property.

	← Rules →					
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
C6. Home owner?				Y		
Actions	1	2	3	4	5	6
A1. Approve loan request immediately			X	X	X	
A2. Review loan request manually						X
A3. Reject loan request	X	X				

HPYLoan's final step involves announcing and promoting the revised policy. By aligning their business goals with their loan policy and leveraging decision tables, they have taken a significant step toward attracting more customers and fostering business growth.

Try it out

1. Download the [decision table sample project](#).
2. Start Visual Paradigm and open the downloaded project file.
3. Open the decision table.

	Rules					
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
Actions	1	2	3	4	5	6
A1. Approve loan request immediately			X		X	
A2. Review loan request manually				X		X
A3. Reject loan request	X	X				

4. Click the column header for rule 4.

Rules						
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
Actions	1	2	3	4	5	6
A1. Approve loan request immediately			X		X	
A2. Review loan request manually				X		X
A3. Reject loan request	X	X				

Observe the Actions compartment, which indicates that a manual review process is required for home purchasing loan applicants.

5. To streamline the process, we will modify the rule: if the loan purpose is for home purchasing and the applicant is a current homeowner, the request can be approved directly without further review. First, we need to add a condition to determine if the applicant is a homeowner. Move the mouse pointer over the compartment caption **Conditions**. Click the add button near the caption.

Rules						
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
				Home purchase	Pay tax	Other

6. Enter *Home Owner?* as the new condition. Enter 'Y' under the fourth rule.

Rules						
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
C6. Home owner?				Y		
Actions	1	2	3	4	5	6
A1. Approve loan request immediately			X		X	
A2. Review loan request manually				X		X
A3. Reject loan request	X	X				

- Update the actions accordingly: set 'Y' for the condition *Approve loan request immediately* and remove the 'X' from *Review loan request manually*. The updated decision table should then appear as follows:

	Rules					
Conditions	1	2	3	4	5	6
C1. Address proof provided	N		Y	Y	Y	Y
C2. Identity proof provided		N	Y	Y	Y	Y
C3. Loan amount < monthly salary			Y			
C4. Loan amount >= monthly salary					Y	Y
C5. Loan purpose				Home purchase	Pay tax	Other
C6. Home owner?				Y		
Actions +	1	2	3	4	5	6
A1. Approve loan request immediately			X	X	X	
A2. Review loan request manually						X
A3. Reject loan request	X	X				

Conclusion

Formulating policies that reconcile market needs with business goals can be a protracted and arduous process without the aid of decision tables. Fortunately, decision tables offer a straightforward and efficient method for analyzing and modifying business logic.

The tabular layout of a decision table enables a quick understanding of current rules and facilitates the easy incorporation of new ideas. This enables confident modifications to your business logic, mitigating the risk of unintentionally altering other rules or conditions. With decision tables, you can streamline the process of aligning your business goals with your policies and make adjustments quickly and accurately.

Resources

- [Loan-Approval.vpp](#)

Related Links

- [Tutorial - Business Logic Discovery with Decision Table](#)
- [Tutorial - Establish and Maintain Sensible Business with Decision Table](#)
- [Tutorial - Decision Table in Action](#)
- [Article - Decision Table Explained](#)



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