



Align Business Goal and Business Logic with Decision Table

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Thriving in today's ever-changing world requires the adoption of business model that is flexible enough to react to the latest challenges. [Decision table](#), as a reliable companion of business model, works in an agile manner, endowing business analysts with easy and quick methods to refine the existing business logic.

Case Study - Loan Company

HPYLoan, a loan company, is aware of the recovery of the property market and is deciding to implement new policy to attract people who want to get a loan for home purchasing.



In order to have a policy that is effective, it must be well thought through and considered. HPYLoan has developed a **decision table** that depicts the current business logic which helps them to analyze the current loan approval policy and to look for possible changes.

Conditions	Rules					
	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				

By studying the fourth business rule in the **decision table**, you can see that if a loan applicant wants to get a loan for home purchasing, it requires a manual review process, which may discourage him/her from applying a loan. Therefore, HPYLoan is going to update this policy. They reviewed the conditions listed in the **decision table** and modified the business rules to represent that if the loan purpose is for

home purchasing and if the loan applicant is currently a home owner, the request can be approved directly without further reviewing.

	← 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				

This change will, hopefully, speed up the loan approval process for home owners who want to purchase a new home. The next and final step V&P will take is to announce and promote the new policy.

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. Press on the column header of 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				

By studying the Actions compartment, you can see that if a loan applicant wants to get a loan for home purchasing, it requires a manual review process.

- Let's modify the rule to that if the loan purpose is for home purchasing and if the loan applicant is currently a home owner, the request can be approved directly without further reviewing. To do this, we need to add a condition to determine if the applicant is a home owner. Move the mouse pointer over the compartment caption **Conditions**. Click on the add button near the caption.

Conditions	Rules					
	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

- Enter *Home Owner?* as action. Put Y under the fourth rule.

Conditions	Rules					
	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 action accordingly. Put Y for the condition *Approve loan request immediately* and remove the X in *Review loan request manually*. Finally, the decision table should look like this:

Conditions	Rules					
	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

Without **decision table**, one may need to go through a long and tedious process in order to draft a policy that matches with both the market needs and the business goal. But with **decision table**, you can make quick changes to the business confidently because the tabular layout provides you with everything you need to know in order to understand the current business logic or to incorporate with new ideas, in the simplest and easy-to-read manner.

Resources

1. [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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