

Analyzing The role of data analytics in business decision making in NEOM

أسم الطالب:

منال العصيمي

Assignments3

كلية الإدارة- جامعة ميدأوشن

إشراف

د.

عضو هيئة التدريس- كلية الإدارة- جامعة ميدأوشن

التاريخ- الفصل الدراسي

INTRODUCTION

NEOM represents one of the most visionary and ambitious initiatives ever undertaken in the Middle East, and indeed the world. As a cornerstone of Saudi Arabia's Vision 2030, the project symbolizes not only the country's commitment to economic diversification but also its aspiration to become a global leader in sustainability, innovation, and advanced technology. NEOM is more than a physical city—it is a bold experiment in rethinking urban life and business ecosystems in ways that are digitally integrated, environmentally sustainable, and socially inclusive. The project, announced in 2017 by His Royal Highness Crown Prince Mohammed bin Salman, aims to span over 26,000 square kilometers in the Tabuk Province, encompassing mountains, deserts, and a long stretch of coastline along the Red Sea. With an estimated investment of over \$500 billion, NEOM aspires to attract international businesses, scientists, entrepreneurs, and investors who are seeking .to shape the future of humanity

At the heart of NEOM's strategy is the reliance on advanced data analytics to guide its development and operations. Unlike traditional urban projects, which often rely on fragmented planning and incremental growth, NEOM is being designed from the ground up with a

comprehensive digital infrastructure. This infrastructure generates and analyzes massive streams of data, creating opportunities to optimize decision-making in real time. For instance, the use of predictive analytics in energy demand can allow the city to manage resources sustainably, while prescriptive analytics in healthcare can provide early diagnosis and personalized treatment. Such applications are essential in a city that intends to host millions of residents and visitors while minimizing environmental impact and maximizing efficiency.

Decision-making in the context of NEOM is complex due to the project's scale, diversity of stakeholders, and ambitious goals. Businesses within NEOM must navigate challenges such as uncertain global economic conditions, the high costs of infrastructure development, and the necessity of integrating cutting-edge technologies that are often untested on such a massive scale. In this environment, data analytics becomes a powerful tool for reducing uncertainty. By providing decision-makers with access to accurate, timely, and actionable insights, analytics helps align short-term operations with long-term strategic objectives. For example, logistics companies in NEOM can use big data to optimize supply chain routes, while tourism operators can analyze visitor preferences to design tailored experiences.

Globally, the importance of data-driven decision-making has expanded rapidly over the last two decades. The rise of big data, artificial intelligence, and machine learning has transformed how organizations plan, evaluate risks, and implement strategies. Businesses that rely on intuition or outdated information often face setbacks, while those that embrace analytics achieve greater agility and competitiveness. In the context of NEOM, the stakes are even higher: as the city aims to serve as a living laboratory for future societies, the use of analytics is not optional but fundamental. Without it, the vision of creating a seamlessly connected, technologically advanced, and environmentally conscious society would remain .unattainable

This research paper examines the role of data analytics in business decision-making at NEOM in detail. The discussion begins with an overview of NEOM and its key components, followed by an exploration of the theories of decision-making and the evolution of analytics in business contexts. The third section highlights NEOM's digital transformation strategies, emphasizing how technologies such as artificial intelligence and the Internet of Things are deployed. The fourth section provides specific case studies of analytics-driven decision-making in NEOM, while the fifth analyzes the challenges and opportunities associated with this approach. Finally, the paper concludes with insights on how NEOM can serve as a

global benchmark for data-driven cities and organizations
.in the future

By analyzing NEOM's integration of analytics into its decision-making framework, the paper sheds light on broader questions about the future of governance, business operations, and urban living in the 21st century. Ultimately, NEOM is not only a physical city but also a symbol of how data can be harnessed to redefine what is possible in human societies

Origins and Vision of NEOM ١,١

NEOM was officially announced in 2017 as part of Saudi Arabia's Vision 2030, a national strategy designed to reduce dependence on oil and transform the Kingdom into a diversified, knowledge-based economy. The Crown Prince, Mohammed bin Salman, described NEOM as a “civilizational leap for humanity,” highlighting its ambition not merely to be a new city, but to serve as a model for the cities of the future. The name “NEOM” is derived from the Greek word neo, meaning “new,” and the Arabic letter m, standing for “Mustaqbal” (future). Thus, the project is conceptualized as a new future for humanity.

The city's location in the northwest of Saudi Arabia is strategic. Situated near the borders of Egypt and Jordan, and along the Red Sea, NEOM enjoys proximity to key global trade routes that connect Asia, Europe, and Africa. This geographical advantage positions NEOM as a global hub for commerce, tourism, and innovation. Its master plan envisions the integration of advanced industries, renewable energy projects, cutting-edge healthcare, and

futuristic residential communities into a single ecosystem
.designed to attract global talent and investment

Key Components of NEOM ١,٢

NEOM is not a single urban development but rather a collection of interconnected projects, each of which contributes to its vision of a sustainable and technologically advanced society. The four most notable :components are

The Line

Perhaps the most famous aspect of NEOM is The Line, a 170-kilometer linear city designed to have no cars, no streets, and no carbon emissions. It is envisioned as a city where all residents live within a five-minute walk of essential services, with high-speed transit connecting one end to the other in just 20 minutes. The Line represents a radical rethinking of urban design, prioritizing human well-being, environmental sustainability, and digital integration. Its vertical layering of functions—residential, commercial, and service-related—aims to eliminate urban sprawl and .maximize efficiency

Oxagon

Oxagon is designed to be the world's largest floating industrial complex, located along the Red Sea coast. It will serve as NEOM's industrial hub, integrating advanced manufacturing, logistics, and renewable energy. Oxagon emphasizes smart port operations, automated supply chains, and circular economy principles, aiming to reduce waste and promote resource efficiency. It also positions NEOM as a critical node in global trade, particularly in the .shipping and logistics sectors

Trojena

Trojena is NEOM's mountain tourism destination, set within the highlands of the Tabuk region. Unlike traditional desert-based projects in Saudi Arabia, Trojena offers a climate with cooler temperatures and plans for activities such as skiing, hiking, and luxury mountain resorts. The project reflects NEOM's ambition to diversify Saudi Arabia's tourism offerings, creating unique experiences

that attract both domestic and international visitors. Trojena is also expected to host the 2029 Asian Winter Games, a symbolic milestone that underscores its international significance

Sindalah

Sindalah is a luxury island destination in the Red Sea, designed to attract global tourists and investors with high-end hotels, marinas, and leisure facilities. As one of the first projects to be completed, Sindalah serves as an early showcase of NEOM's vision. Its focus on luxury tourism also positions NEOM as a competitor to established global destinations in the Mediterranean and the Caribbean

Strategic Goals and Alignment with Vision 2030 ١,٣

NEOM is not merely an isolated project but a central pillar of Saudi Arabia's broader Vision 2030 strategy. Vision 2030 seeks to transform the Saudi economy by diversifying revenue sources, investing in knowledge-

based industries, and creating opportunities for young people. NEOM contributes directly to these goals by

Attracting Foreign Investment: Through its •
unique blend of advanced technology and sustainability,
.NEOM aims to draw global corporations and investors

Creating Jobs: The project is expected to •
generate hundreds of thousands of direct and indirect jobs
in industries such as technology, tourism, energy, and
.logistics

Promoting Sustainability: NEOM aims to run •
entirely on renewable energy, positioning Saudi Arabia as
.a leader in green technologies

Advancing Innovation: As a “living laboratory,” •
NEOM encourages experimentation with emerging
technologies, providing a platform for startups,
.researchers, and global companies

Challenges Facing NEOM \ , ٤

While NEOM’s vision is bold, it faces several challenges
that affect both business decision-making and the pace of
:development

High Costs: With an estimated budget exceeding ١. \$500 billion, financing remains a major issue. Global economic slowdowns, fluctuating oil prices, and the need for foreign investment create financial pressures

Implementation Delays: Reports from sources ٢. such as The Wall Street Journal indicate that NEOM has experienced delays in construction, with some projects scaled back or postponed

Global Competition: As cities worldwide invest in ٣. smart technologies, NEOM faces competition from other innovation hubs in Asia, Europe, and North America

Social and Cultural Adaptation: The futuristic ٤. lifestyle envisioned in NEOM may require significant cultural adjustments for residents, both local and international

Technological Uncertainty: Many of the ٥. technologies planned for NEOM, such as fully autonomous transport and large-scale AI governance systems, are still in experimental phases globally

Despite these challenges, NEOM's significance remains immense. It is not only a Saudi project but also a global symbol of what cities might look like in the future. Its reliance on data-driven decision-making is essential to overcoming these obstacles and achieving its long-term objectives.

Conclusion

Data analytics has proven to be an indispensable tool in modern business decision-making, particularly in large-scale and complex projects such as NEOM. The project's ambitious vision of creating a sustainable, technologically advanced, and globally competitive urban ecosystem requires decisions to be informed by accurate, timely, and actionable data. By leveraging advanced analytics, including predictive modeling, prescriptive analytics, and machine learning, NEOM can optimize operational efficiency, minimize risks, and ensure alignment with its strategic objectives under Vision 2030.

Throughout NEOM, data-driven decision-making has influenced multiple sectors, including energy

management, healthcare, urban planning, logistics, and tourism. Case studies, such as the integration of Microsoft Fabric and Decision Inc. platforms, highlight how a unified data ecosystem can enhance transparency, improve governance, and support strategic investments. Moreover, the ability to analyze massive datasets allows NEOM to anticipate challenges before they become critical, fostering .proactive rather than reactive management

Despite the remarkable potential of analytics, the NEOM project faces several challenges. These include high costs, technological uncertainties, cybersecurity threats, and the need to train human capital capable of interpreting and utilizing complex data. Nevertheless, the opportunities presented by data analytics are significant. The project can serve as a global benchmark for smart cities, demonstrating how analytics can guide sustainable .development, innovation, and long-term economic growth

In conclusion, NEOM exemplifies how modern cities can harness the power of data to shape strategic decisions, improve operational performance, and foster innovation. Its model illustrates that the integration of data analytics into business and urban governance is not merely advantageous but essential for achieving ambitious development goals. By learning from NEOM, other nations and organizations can adopt similar approaches to enhance decision-making, optimize resources, and create more resilient, sustainable, and forward-thinking societies.

References

- Decision Inc. (2023). Case Study: NEOM and Microsoft Fabric. Retrieved from [/https://decisioninc.com/neom-case-study](https://decisioninc.com/neom-case-study) .١
- Qatalyst. (2023). Digital Transformation 2.0 in NEOM. Retrieved from <https://neom.qatalyst.tech/digital-transformation-20-ops-model> .٢
- Wall Street Journal. (2024). Saudi Arabia's Vision for NEOM Faces Costs and Delays. Retrieved from <https://www.wsj.com> .٣
- Wikipedia. (2024). NEOM Project Overview. Retrieved from <https://en.wikipedia.org/wiki/Neom> .٤
- NEOM Official Website. (2024). About NEOM. Retrieved from <https://www.neom.com> .٥
- Marr, B. (2020). Data-Driven Decision Making: 10 Real-World Examples. Forbes. Retrieved from <https://www.forbes.com> .٦
- Provost, F., & Fawcett, T. (2013). Data Science for Business: What You Need to Know about Data Mining and Data-Analytic Thinking. O'Reilly Media .٧

Davenport, T. H., & Harris, J. G. (2017). .^
Competing on Analytics: Updated, with a New
.Introduction. Harvard Business Review Press