



DECISION QUALITY

SMART, TIMELY DECISION-MAKING AND ALL THE GOES INTO IT—COLLABORATION, CREATIVITY, FRAMING, ALTERNATIVES, INFORMATION, ANALYTICS—IS A DISCIPLINE THAT CAN BE LEARNED AND APPLIED FOR FAR-REACHING BENEFITS.

This workshop introduces three cornerstones guiding you to higher value decisions:

- **Decision Quality** – the foundational elements of any good decision
- **Dialogue Decision Process** – an efficient, collaborative approach to decision-making
- **Decision Analysis** – the tools to identify the best choice in risky, complex decisions.

This course is a blend of presentations, whole-class discussions, and interactive exercises designed to show the complexities of decision-making and the benefits of a process focused on decision quality.

Participants learn how to:

- Use the six requirements to determine decision quality at the time the decision is made
- Leverage an effective decision process to address complex situations
- Set an appropriate frame before diving into solution mode
- Develop a compelling set of alternatives
- Identify value metrics that align with organizational values
- Use probability as a quantitative language to communicate about risk/uncertainty
- Gather probabilities and expert judgments mitigating cognitive and motivational biases
- Pinpoint value drivers and key risk factors
- Determine the value of “better information” before deciding
- Use tools of decision analysis to gain insight and share results with decision makers.

COURSE OVERVIEW

DAY 1

Decision Quality & Process, Framing, Alternatives

- Decision-making demonstration
- Decision quality
- Dialogue decision process
- Appropriate frame
- Clear values
- Generating creative alternatives

DAY 2

Information, Analysis, Insight, Communicating Results

- Base case and sensitivity analysis
- Creating high quality forecasts using probabilities and ranges
- Base case and sensitivity analysis
- Probabilistic analysis
- Drawing insight from analysis
- Communicating evaluation results

COURSE SYLLABUS

Participants work in teams on a consulting assignment, with coaching from an experienced decision consultant. To ensure participants focus on learning the tools, we intentionally chose and expanded a Harvard Business School case outside of the industry in which participants work. Participants earn course credit as part of the Strategic Decision and Risk Management program at the University of Texas.

Decision Quality

We describe how to judge whether we are making a high-quality decision even though the consequences of the decision will not be known for several years. Using the six elements of high-quality decisions, participants learn how to ask the right questions to drive better decision making.

Dialogue Decision Process

Many organizations use a decision-making process based on advocacy. We present the more powerful collaborative dialogue decision process (DDP), in which decision-makers, staff, and content experts work together to make decisions that will shape the future. The DDP charts a path from an opaque situation to a clear choice and efficient implementation and allows different parts of the organization develop an understanding of their varied roles and perspectives.

Setting the Appropriate Frame/Clear Values

Framing is the most important yet often neglected step in working on a decision. When done properly, it sets the stage for the remaining steps toward a decision: identifying the purpose, the perspective that will be taken, and setting the scope. Also critical is a clear identification of the value measures of importance to the decision-makers and what trade-offs may emerge.

Generating Creative Alternatives

Value is created by the choices we make. It is important to identify a set of alternatives that are creative, comprehensive, significantly different, and compelling. In this session, we explain how we can leverage creative methods and clear thinking to identify possible winning strategies.

Evaluating Alternatives and Conducting Sensitivity Analysis

We discuss the benefits of various types of quantitative analysis, including understanding the drivers of value and key risk factors.

Assessing Probabilities and Ranges

When future variables are uncertain, an assessment of probabilities and ranges is needed. We identify the common biases encountered and lay out a systematic and reliable method for assessments, based on techniques developed in collaboration with Nobel Prize-winning psychologists and economists.

Structuring and Analyzing Decision Trees

Probabilistic analysis produces the essential insights that decision-makers need when confronting high-stakes, high-risk decisions. In this session, we describe how to conduct a probabilistic analysis using decision trees, how to determine the value of information that reduces or eliminates uncertainty, how to draw insights from the analysis, and how to communicate results of the analysis to decision-makers.

Organizational Decision Competency

We conclude the course by discussing what it takes to build the decision-making capabilities in an organization and how organizations can transform their decision-making into a core competence.



Strategic Decisions Group