For online version: http://rh-odqassessment.sdg.com/

Decision Staff
★★★★★

Decision Makers
★★★★★

Process & Roles
★★★★★

Leadership Processes & Decision Agenda
★★★★★

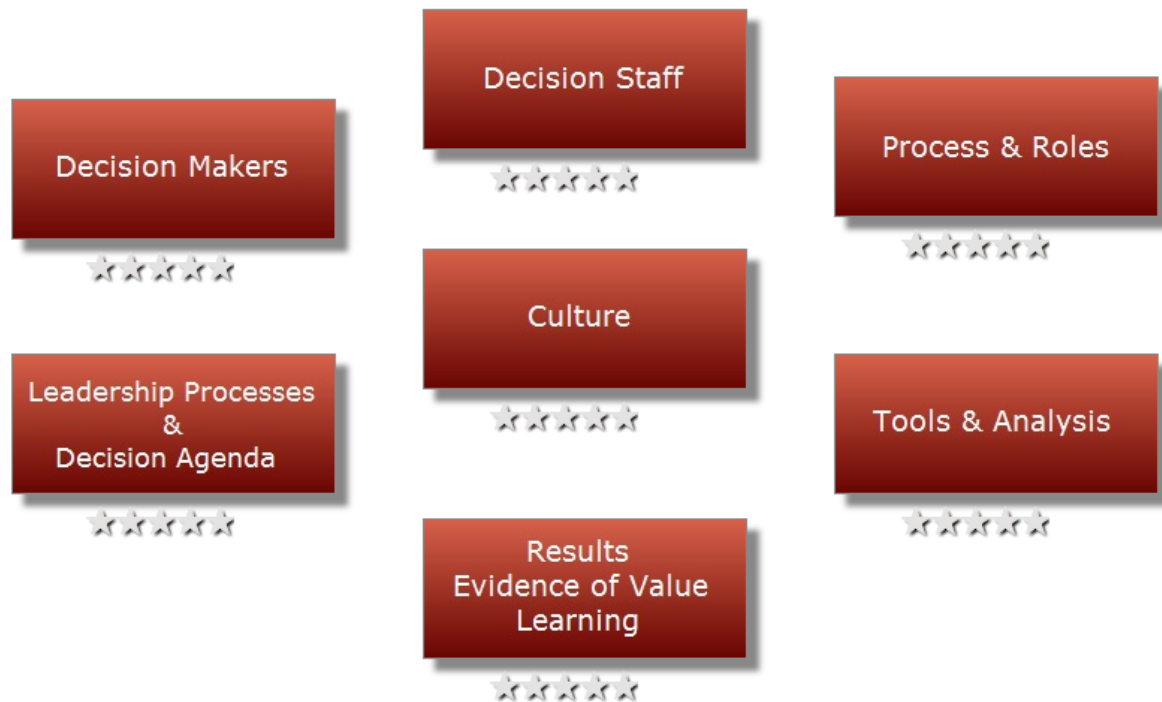Culture
★★★★★

Tools & Analysis
★★★★★

Results Evidence of Value Learning
★★★★★

This assessment instrument was prepared by the Board of Examiners for the Raiffa-Howard Award of the SDP.

It has two purposes. It will be used as a guide by the Panels of Examiners for evaluating the state of ODQ in organizations that are nominated for the Raiffa-Howard Award. It is also intended to be useful to the organizations that are on the journey to ODQ to assess their current state, identify gaps, and develop plans for achieving ODQ.

We gratefully acknowledge the contributions of the many contributors to this effort.

The Raiffa-Howard Board of Examiners.

Decision Makers

1. How well do decision-makers understand and utilize Decision Quality?

Low: Our decision-makers are placed in their jobs because of the results of their good decision-making. We assume that their performance reflects an understanding of decision quality.

High: Our decision-makers routinely use their working knowledge of DQ framework, tools, and processes when making decisions. They ask appropriate and insightful questions to judge and improve the quality of a strategic or significant decision before it is made. They understand how to use the concepts of decision quality to avoid decision traps, and help their subordinates make better decisions.

2. How is your Decision Quality culture reflected in leadership behavior and development?

Low: No formal training in decision-making exists in our organization nor is it encouraged by management. True leaders will learn on the job and are evaluated based on bottom-line performance.

High: Leaders and decision-makers at all levels of our organization have formal training in decision quality that is relevant to their decision-making roles. They are committed to continuously improving their decision-making skills as well as their organization's decision competency by seeking feedback on their decision-making and using that feedback to improve.

3. How well do decision-makers participate in decision-making processes?

Low: Our decision-makers evaluate the information and analysis they are given, ask appropriate questions, and decide based upon their confidence in individuals who are advocating the decision.

High: Our leaders and decision-makers are actively involved throughout the process and emphasize the value and the use of DQ. They participate willingly and effectively on decision boards and utilize decision staff appropriately, to balance inquiry and advocacy in a quest for clarity. They have made DQ the standard for which decisions are put forth and made.

4. How does your organization promote and ensure high quality decision-making?

Low: We believe that performance and outcomes are all that really matter in the end. If you perform well, you must be making good decisions; if not, then your decisions are faulty.

High: Our leaders ensure the use of decision quality concepts for all strategic decisions within their purview in order to create greater value for the organization, and proactively set appropriate decision agendas at each organizational level.

5. How does making high quality decisions fit into the evaluation and promotion of decision-makers?

Low: We reward bottom-line performance. If a decision-maker performs well, they must be making good decisions.

High: Correct application of Decision Quality processes and tools is an integral aspect to how we evaluate, reward and promote our decision-makers.

Leadership Processes & Decision Agenda

1. What are your primary decision processes?

Low: Each individual leader has their style. Most of them make decisions intuitively using their experience and business acumen.

High: We proactively set appropriate decision agendas at each organizational level. We have processes at two levels: A high-level "macroprocess" to set the organization's decision agenda around our portfolio of opportunities and a lower-level "microprocess" (e.g. a dialogue decision process, or stage-gate process) to make individual decisions. Our leadership is trained and expected to identify the appropriate approach.

2. How does your organization decide what to decide and when to decide?

Low: We have planning cycles, but they are more for building a budget and coordinating all the plans. Although some strategic decisions are reached in the planning cycle; most decisions are made reactively when a decision or opportunity arises.

High: Although we have planning cycles and some strategic decisions occur within the context of that cycle; we decide what and when to decide based on the organization's decision agenda. We diagnose the nature of each decision and choose the appropriate processes for ensuring decision quality (e.g. choosing portfolio content versus one-off decisions).

3. How does your organization determine who participates, and to what degree, in the decision process?

Low: Our leaders decide who should be engaged and to what degree. It generally follows line authority.

High: We make conscious choices about who to involve in the decision-making process based on the complexity of the decision and the needs for subject matter expertise and implementers. We have well-defined roles. Technical staff and the appropriate people from other organizational functions participate willingly and well in the decision process.

Decision Staff

1. How well-versed is your organization's decision staff in the principles and concepts of quality decision making?

Low: We do not have a specific decision staff; our decision analysis is done by the technical and business analysis staff and they do not have or need specific decision skills; that is the role of the decision-maker.

High: Our decision staff has mastered (or has a career path toward mastery of) decision quality concepts, processes, and tools, including complex decision modeling & analysis and assessment and elicitation techniques to ensure quality input and avoid biases.

2. How well does your decision staff demonstrate the leadership skills necessary to lead high quality decision analysis?

Low: Our analytic staff is not expected to provide leadership. Their roles are to provide data, technical & economic analysis and to summarize the analysis for the decision-makers.

High: Our decision staff demonstrates strong decision leadership skills, including effective and efficient facilitation for framing and alternative generation, and fit-for-purpose application of analytical tools for uncertainty and dynamics. They leverage the processes and analytical tools of DQ to generate insights that effectively inform decision making.

3. How well has your decision staff earned the confidence of decision-makers?

Low: We do not have an identified decision staff. Decision-makers are confident that the information and analysis provided is reliable.

High: Our decision staff includes those who have earned the confidence of decision makers, and are sought out by decision makers to support the most difficult strategic decisions.

4. How well trained are members of your decision staff?

Low: There is no specific decision training provided other than on-the-job experience.

High: Our decision staff has sufficient training to effectively fill their roles and has ongoing access to coaching and mentoring support to expand their skills and realize their full potential. They show commitment to continued development and have an established career path that motivates professional growth.

5. How is your organization staffed for decision analysis and support?

Low: A specifically trained decision analysis staff does not exist in our organization. Whatever analysis is needed is performed by financial analysts or technical experts.

High: Our organization has the quality and quantity of staff resources needed to support the decision agenda work stream. External consultants are used if needed to fill in gaps rather than delay a decision or avoid using DQ principles.

Decision Quality Culture

1. How well does Decision Quality fit within your broader organizational culture?

Low: Decision Quality is not a separate aspect of our culture. Our culture assumes that we have good people who make good decisions.

High: Our decision culture has become an integral part of the larger organizational culture. It is reflected in how our organization manages its portfolio of decisions and opportunities.

2. How durable is your Decision Quality culture in the face of leadership transition and organizational change?

Low: There is no unifying Decision Quality culture in our organization. Quality decision-making is an individual skill and will endure only through individual commitment.

High: Decision Quality is well-embedded in our organization, with evidence that it will continue even in the face of leadership and organizational changes.
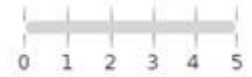
3. What drives decision-making in your organization?

Low: Our decision-making is driven by individual action. In some cases, we are a decisive organization and we move quickly, responding to the challenges we face and attribute our success to execution. In some cases we are reluctant to decide and wait for circumstances to cause us to act.

High: Our decision making and execution are focused on creating and delivering the value that is identified in decisions. Decisions are driven by timeliness, opportunity and readiness to carry out the decision rather than simply speed.

4. How do you judge the success of your decision-making?

Low: We judge our success solely by our outcomes. Delivering results is all that matters.

High: We judge our decision quality at the time a decision is made, not after the outcome is known; and we reward quality decisions accordingly.

5. How does Decision Quality manifest itself in organizational and individual behaviors?

Low: Our culture is based on individual achievement, delivering on promises and driving to success. Our "motto" is the ends justify the means, insofar as we don't care about the process or behaviors; we care about results.

High: DQ has become our common language for making decisions and for evaluating problems and opportunities throughout the organization. Dysfunctional decision behaviors receive corrective feedback and are no longer acceptable.

Processes & Roles

1. How do your decision processes support decision quality?

Low: Our approach to decisions is based on experience and business acumen, we don't explicitly focus on decision quality; but nevertheless believe that we make good decisions. Each decision-maker uses the decision-making style and process he or she prefers.

High: Our decision processes are comprehensive and flexible, with a complete suite of processes that fit the needs of each decision. They are designed and applied to achieve decision quality in an efficient and timely way for each decision. They are applied in a way that avoids analysis paralysis, instead focusing on creating insight and clarity on the best course of action.

2. How are your decision-makers engaged, and how do they participate, in your decision processes?

Low: Decision-maker engagement is variable from one decision-maker to the next. People are often unable to identify the true decision-maker(s) or they admit that the "real" decision process is at variance with the nominal process.

High: We engage decision makers in clarifying the decision frame and strategic alternatives early in the process, well before the team conducts extensive analytics. Our decision processes are accepted as credible approaches for reaching DQ, and are routinely and consistently applied to help drive the organization to alignment on high quality decisions. Decision-makers know when to "declare" a DQ process for important, but non-routine situations.

3. How widespread is the understanding of the DQ process, tools and concepts in your organization?

Low: We have a few analysts who build spreadsheets and do superficial analysis. Most others involved with the decision have little or no understanding of the process, tools or techniques.

High: Most of our decision-makers, subject matter experts and implementers have basic training in decision analysis. They know when to apply DA processes and how to be good participants in the processes. DA experts are embedded in key teams.

4. How well are your decision processes and tools linked to value creation?
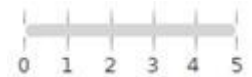
Low: Our people focus on their own jobs. They lack an understanding of how their decisions ultimately create and capture value for the organization.

High: Our people know who the customers of our organization are and how our organization captures value by serving them. Our organization decision processes and decision-making bodies are aligned and designed to deliver maximum value. We routinely identify alternatives for our decisions that significantly increase the value, and we see how the value from better decisions has improved our performance relative to our past performance and that of our competitors.

Assessing Your Decision Tools & Analysis

1. How good is your organization's analytic tool set?

Low: There are not really any analytic tools in our organization. Sometimes people will build a spreadsheet to do their analysis.

High: Our analytic tools are comprehensive and flexible, with a complete suite of tools that fit the needs of the decisions we routinely make.
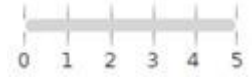
2. How does your organization determine the degree of rigor in your analysis?

Low: The degree of rigor of any analysis that is done in our organization is determined by the individual doing the analysis and is generally driven by the time available to do the analysis. When someone builds a spreadsheet, it often addresses only part of the problem.

High: We select which analytic tools and the degree of rigor based on the need of the decision at hand. We are decision focused, not tool focused. We have tools that allow us to evaluate complex decision problems rigorously if needed.
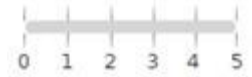
3. How does your organization assess uncertainty in its decision-making process?

Low: Our decisions are based on deterministic analysis focusing on our experts' best guesses. When there is a high degree of uncertainty, we have to come to agreement on what to assume.

High: We assess outcomes for uncertain events credibly. We use probabilities for discrete events and plausible ranges or named distributions for continuous ones. We have elicitation techniques in place to appropriately deal with biases. The decision-makers understand and take ownership of the assessments of key uncertainties.

4. How does your organization review and verify that your analysis has been done correctly?

Low: We are in a fast-paced environment. We do not have time to recheck analyses.

High: We have a thorough peer-review that reviews the analytic work, checks the models and verifies that the results are correct.

5. How well do your tools allow consideration of decisions in the context of other opportunities?

Low: In our organization each decision is made without regard to others.

High: We use tools to consider opportunities within a portfolio context as appropriate.

6. How well do your tools address all key aspects of the decisions problem?

Low: Our tools calculate only the cost of the proposed alternative.

High: Our tools call for and handle alternatives and uncertainty. Their results show the range of value outcomes of each alternative for the organization.
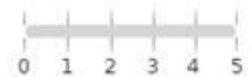
Results – Evidence of Value – Learning

1. What evidence do you collect that demonstrates the quality of your decisions?

Low: We do not have any systematic collection of evidence about our decision making. Of course we have stories of great successes and real screw-ups.

High: We have evidence - both anecdotal and statistically sound - of the benefits from DQ. We can cite examples of how the DQ process helped. We have technical reviews and collect evidence about how well DQ principles and processes have been applied.

2. How well do your decisions have a clear line of sight to value creation?

Low: We mostly use local performance indicators and balanced score cards. No one really knows how these KPI's map to overall value.

High: We understand the value potential that is created by our decisions and thus have a clear line of sight to value creation. We recognize uncertainty in the value contribution explicitly, and we compare the value difference among strategic alternatives.

3. How are your decision processes improving your organization's ability to achieve its objectives?

Low: Our decision-makers trust that the decision processes help achieve our objectives.

High: We see how the value from better decisions has improved our performance relative to our past performance and our competitors'. Our decision-makers can clearly cite specific examples of how the decision processes have helped create value and achieve the organization's objectives.

4. How do you incorporate the results of your decisions into future decisions?

Low: We have no formal learning and look-back process. We expect our decision-makers to learn from their mistakes.

High: We leverage learnings from each decision to improve the quality and value of our future decisions.

5. How do you build continuous improvement into your decision processes and tools?

Low: It is the responsibility of our analysts to suggest improvements whenever they see the opportunity.

High: The overall state of decision making in our organization, including tools, processes, and results, is regularly reviewed. We refine where needed in our continued quest for excellence.