SOCIETY OF DECISION PROFESSIONALS
Clarity & Insight for Decisive Action

NEWSLETTER

President's Message
by Ellen Coopersmith

A Heartfelt Season's Greeting SDP Community!

May you enjoy your families and friends this holiday season and come back refreshed for a new and prosperous year! I speak personally when I say that many of us have a lot to be thankful for after a record year of natural disasters – California fires, hurricanes Harvey, Irma and Maria, to name a few. If anything, this year strengthened SDP's commitment to clarity of action, through clarity of thought and utilizing our DQ skills to reach out beyond our businesses to our communities to help important decisions when emotions and stakes are high. It was touching to witness the emails, texts and phone calls of so many SDP members as you reached out and supported others in our SDP community going through amazing personal challenges. What great colleagues and friends you are!

Our First SDP Town Hall

Larry Neal, Jim Driscoll and I held SDP's first fire side chat - town hall webinar on December 5th to discuss SDP's first strategic plan, which was approved by the board in June 2017, and the actions underway to continue to move the society forward. For those who missed it, you may access the discussion via the SDP website. We began with Larry discussing the process he used to facilitate the plan development. He then described a future state target and the high-level strategy to get us there. I discussed this year's plan implementation activities and Jim closed with his approach to operationalizing our strategy during his upcoming term. All in all, the town hall is a means to communicate and align our society as it grows wings around the globe, and I hope that our first one accomplished that goal. The following details some of the key elements of our strategic plan and this year's implementation in hopes that we can bring you along the journey and keep you apprised of its progress.

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SDP's Future State…Our North Star

Our strategic plan is guiding us toward a future state in which awareness and utilization of DQ and SDP are established and growing. We've grown to 394 members this year and target an annual growth rate of 10% - 20%. Within the next three years, our goal is to have financial reserves adequate to fund new activities and expand staff to support our growth. In the future, SDP will have strong partnerships with other aligned organizations to jointly promote DA/DQ in a broad range of areas. The society will actively support DA/DQ in academic curricula at all education levels, to all walks of life, from elementary to university, and to everyday folk. The future will see more and different SDP awards and certificates which are recognized and valued. There will be multiple conferences and local events held around the globe, in addition to DAAG.

Nikes, Pilots and Strategy Build-outs, Oh My!

Many elements of the strategic plan are in varying degrees of readiness to implement; so, we've bucketed them. Some are Nikes – we can just do them. Some are Pilots – the concepts are baked, but need testing. Others are Strategy Build-outs – they truly need fleshing out to decide if and how best to implement them. As a result, my term began with "strategy mapping" and deciding which councils, or strategy sub-teams are needed to execute the elements appropriately. We've set a target of May and June 2018 for initial recommendations to the SDP board from the pilot and strategy build-out efforts.

Nikes

There are many Nike strategic elements in motion. At a high-level, some are more noteworthy. First and foremost, we are shifting the role of the board and councils from operational to strategic alignment. We are laying the foundation for more distinct types of revenue streams into SDP and concurrently building a financial plan, with targets, to achieve sustainability and growth. Equally important, we are strengthening the sense of community within SDP's service provider and operator members.

Pilots

There are many pilots which, depending on their outcome, will guide future direction. The Membership council is leading a Mentoring Program pilot which is about to complete its first year, while the Knowledge Sharing council is piloting TIGs – technical interest groups. The first TIG being tested is focused on scenario planning.

This year's SDP annual conference in Vancouver will pilot four concepts: multiple days of courses prior to the conference, parallel sessions (only one to be tested this year), sponsor organization displays and/or tables being present throughout the conference, and actively inviting a broader group of people, such as leaders and project managers, to the conference. To find out more about the annual conference and courses, and or to register, please go to: http://www.decisionprofessionals.com/event/daag2018/

Another important ongoing pilot is how to run a joint event with other organizations. The Shared Decision Making (in health care) 2018 summit is the second for SDP and SMDM (the Society of Medical Decision Making) and is scheduled for February 5 - 8 at Mohonk Mountain House in New York. For information and registration, go to: http://www.decisionprofessionals.com/event/sdmsummit2/home.

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Strategy Build-outs

The strategy build-outs have taken two forms: those which clearly fall under the remit of one existing council and others which require multi-council involvement.

Individual Council Strategy Build-outs

The individual council strategy build-outs include: 1) The Certification council looking into broadening the types of certifications; 2) The Membership council strategizing on growth and benefit enhancement; 3) The Awards council launching a breadth of awards and rolling out the Raiffa-Howard ODQ assessment tool; and 4) The Outreach and Communication council developing a social media strategy, putting policies and procedures in place for joint organization events and launching the Speaker's Bureau.

Multi-council Strategy Sub-team Build-outs

Three strategy sub-teams, comprising members from multiple councils, will tackle important new initiatives. These strategy sub-teams will be led by a member of SDP's BD (Business Development) council and include other council and non-council SDP members who have a lot of content knowledge to share and or will inherit the implementation of some aspects of the strategy, once it is approved. The three strategy sub-teams will address: 1) Chapter strategy, 2) Community involvement strategy: a) DQ facilitation for non-profits and b) DQ community education; and 3) Broader Swath strategy – addressing if and how SDP should bring non-decision professionals into the organization.

Exciting Times to Get Involved

Your input drives the future direction of SDP. Soon you will receive a poll to guide modifications to SDP's mission and vision to better reflect our future state and strategic direction. Please answer the poll so that we can direct any changes with the wisdom of the crowd. In the meantime, look over the upcoming strategic work and volunteer to assist the council(s) that most resonate with you.

Happy holidays dear friends, and warm regards!

Your colleague, Ellen M. Coopersmith

Upcoming Events

SOCIETY OF DECISION PROFESSIONALS
Clarity & Insight for Decisive Action
SDP

- Webinar: Creating Value From Uncertainty And Flexibility
Wednesday, January 17, 2018,
8 am PT | 11 am ET

- DAAG 2018 – Register HERE
Coast Coal Harbour Hotel
Vancouver Canada
April 11 - 13, 2018

- Shared Decision Making Summit
Mohonk Mountain House
New Paltz, NY
February 5 - 8, 2018

SMDM
Society for Medical Decision Making
Better Health through Better Decisions.

40th Annual North American Meeting
October 14-17, 2018
Montreal, QC, Canada

Do you know of upcoming professional events that might be of interest to other SDP members? If so, please email the SDP newsletter at newsletter@decisionprofessionals.com

SDP

SDP Council in Focus: Certification Council
by Bill Klimack and Paul Wicker

The mission of the Certification Council is to:

- Develop and maintain the qualifications descriptions of the profession embodied in the career ladder
- Develop and oversee the certification process of decision analysis practitioners

Credentialing is valuable for the individual and for the profession as a means of validating and documenting capability and experience. As SDP grows, our hope is that Certification becomes even more valuable and recognized throughout the industry. The certification career ladder establishes the qualification for each level in these areas:

1. Process and Facilitative Leadership
2. Decision Analysis and Modeling
3. Creativity and Problem Solving
4. Information Gathering and Value Assessment
5. Education and Training
6. Project Management
7. Experience

The Certification Council, chaired by a Fellow of the Society, consists of at least five SDP members who have achieved a minimum of Lead Practitioner level of certification. The majority of Certification Council members must be Fellows. Certification Council members recuse themselves from voting on applications of employees from the same company, although they may serve as references.

The Certification Council members are:

- Paul Wicker, Chair, Senior Consultant, Decision Frameworks
- Greg Parnell, Col USAF (Retired), Research Professor, University of Arkansas
- Hannah Winter, Managing Director, Strategic Decisions Group
- David Skinner, CEO, K Carpenter Associates
- Terry Bresnick, President, Innovative DecisionScapes
- Pam Uitti, Decision Analysis Consultant, Chevron
- Andrea Dickens, Decision Analysis Lead, Nexen

SDP currently has almost 180 members at one of the three levels of Certification – Practitioner, Lead Practitioner, Fellow. Over half of those certified are at the Fellow certification level. If you are not certified, we encourage you to take advantage of this benefit of your membership. There is no cost to apply. The requirements for each level are outlined on the SDP website. Simply contact Paul Wicker at paulwicker@decisionframeworks.com to start the process.

Many thanks to Bill Klimack for his work and service as Chair of the Certification Council.
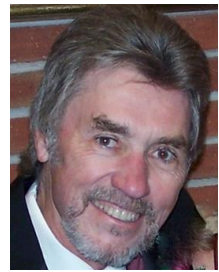
Spotlight on SDP Member Dan Owen

In every issue of this newsletter, we turn the spotlight on a randomly-selected member of the SDP to learn more about that member's life as a decision professional.

The editors

SDP Fellow Dan Owen's career as a decision professional has deep roots. In the 1970's, he earned his PhD in Decision Analysis under Professor Ron Howard at Stanford University and joined the Decision Analysis Group at Stanford Research Institute (SRI), at that time the first and only consulting service conducting decision analyses for client organizations. When Strategic Decisions Group (SDG) was spun out of SRI in 1981, he was one of its founding partners.

Dan's career changed direction somewhat when the VP of Technology for Alcoa Aluminum attended a week-long decision analysis seminar that Dan led. At the end of the week, the VP told Dan that he should "stop talking about it and start doing it!" He hired Dan and promised that when he became president of the company, which was imminent, Dan would become the Chief Strategy Officer. In the meantime, as Division Manager for Strategy and Ventures, Dan led analyses of important technological investments that the company was considering. Unfortunately, Dan says, the first two major investments that he analyzed (a new smelting process and an aluminum-powered battery) turned out to be financially unattractive and both projects were subsequently cancelled. He got a bit of a reputation as project killer.

After someone else became president of Alcoa, Dan left the company and returned to consulting. He has had extensive engagements with clients such as General Motors and IBM.

Over time, Dan has become deeply interested in the collaborative nature of decision-making – how can good decisions be made by groups of people? His interest was initially sparked while working on a project at SRI. He was the fourth (and most junior) member of a team that included Ron Howard, Jim Matheson, and Amos Tversky. They were engaged to do a *post-mortem* on the Three Mile Island nuclear power plant accident in 1979 – what went wrong with the decision making? On that project, Dan came to realize that it was important to study not only <u>what</u> group decisions were made but <u>how</u> the group made the decisions. He remembers Amos Tversky's pointing out that the engineers at the plant were acting like (operational) auto mechanics: ". . . fixing first the things that were easiest and least costly to fix, but had not focused on what might be the underlying systemic (strategic) cause of the problems."

Working on the Three Mile Island project provided Dan with one of the greatest satisfactions in his career as a decision professional. He came to appreciate the importance of avoiding errors in judgement and biases when applying decision analysis in both group and individual decision-making. (See his recent paper: *Owen D (2015) Collaborative Decision Making. Decision Anal. 12(1):29-45.) He has also derived much satisfaction in teaching others about making collaborative decisions, most recently at the Florida Institute of Technology.

The biggest challenge he has encountered in his role as decision professional has been, when working with groups, to get people to move from System 1 (Daniel Kahneman's term for the fast, automatic, reactive, intuitive approach) to System 2 (the slower, analytic mode). Dan says the challenge is to get people to listen for what is right in what others say instead of what is wrong in what they say. "You are thoughtful, well-meaning and have different experiences than I do. What do you know about what I am saying that you disagree with? I want that knowledge for my own!!"

Dan highly values his membership in the SDP because it provides him many opportunities to keep in touch with long-standing colleagues.

Dear SDP Fellows: The employees of a client with whom we work seem to vary greatly in the adoption of, and readiness for, DA. The upper echelon continues to financially support the development of DA tools. However, that enthusiasm does not always trickle down to the folks for whom the DA tools are developed. This can adversely impact the benefits case for DA. My question: What are some proven ways to help slow adopters see for themselves the value of DA? What are some effective ways to spark intrinsic motivation?

My hunch is that the questioner has worked very hard to convince people of the value of DA for decision-making. It's perfectly logical, and almost as perfectly ineffective. As Kahneman, Tversky and Thaler have shown, people are subject to cognitive biases that can trump even the most rational arguments.

When presented with the positive value of a choice, the majority will fall subject to the "status quo bias" and not change their approach.

When they become aware of the negative possibilities of a situation, the majority will fall subject to the "loss avoidance bias" and choose a pathway that can help them avoid a loss.

It may not be "proven", but the "FUD" approach does increase the likelihood that people will be open to a new approach. There is nothing like a bit of fear, uncertainty or doubt (FUD) to create awareness of a potential loss to be avoided. A good way to create some "FUD" is by asking users about the worst possible outcome of the status quo and their current approach, about how they plan to identify and deal with critical uncertainties, about whether all the stakeholders are aligned, etc. It's selling insurance. It's what lawyers do to sell their services. It actually works quite well.

The key point is to stop trying to convince slow adopters of the value of changing their ways. Instead, start asking them about what they are doing now and what problems they could be facing if they stay on their current path. Use their loss avoidance cognitive bias to your advantage, and end up helping them too.

I would add one approach I have used when dealing with project team members who are unreceptive to DA, despite the fact that senior executives have expressed support. On at least two occasions I can think of, a key team member was openly hostile to the let's-get-creative, what-is-the-range-of-possible-outcomes approach we were using while framing the problem. In both cases I told that person, "I'm sorry you think this is a waste of time, but we've been told to use this approach. You don't have to be an active participant, but you have key expertise that we need, so we will have to ask you for input sometimes." I then let them sit, arms folded, in their chair and only addressed them if we needed information in their area of expertise.

*If you have a question for the SDP Fellows about good practice among decision professionals, please send it to us at **SDP Newsletter: Ask The Fellows**.*

In both cases, the framing and/or the evaluation revealed the importance of some aspect of the project – an aspect that these guys had intuitively known was important, but hadn't been able to convince others of. We ended up giving them the ammunition they needed to raise the profiles of their concerns, and got the project managers to devote more time and resources to solving those problems. Both of these skeptics went on to become evangelists, and brought us back in years later on additional projects.

I realize that a random sampling of two does not constitute a statistically valid study, but the point is, don't force it on someone. Let them fume, emphasize the importance of their input, and go from there.

However, with a successful FUD approach, you can often avoid the conflict in the first place.

Lastly, I would like to expand the focus to the issue of superficial senior executive support. I have worked with clients where there is a lot of financial and process support for DA from the senior leadership, but the senior leaders don't focus what they reinforce in terms of behavior. For example, asking teams to use DA but still rewarding and reinforcing speed in decision making, rather than quality. This creates a resistance "to going up the learning curve" with DA which will be invariably slower at first as people learn new tools and techniques. Teams can see what senior management "really values" and what they just give "lip service" to. Even when teams are convinced that DA is a better way, they can be reluctant to change. To avoid this one must find a way to change management behavior around how they reward and punish behaviors in their organizations.

The following SDP Fellows contributed to answering this question: Gerald Bush, Frank Koch, and Patrick Leach.

The Calgary Chapter of the SDP is Inaugurated
by Laura Keating

The SDP has recently launched a new local chapter in Calgary, Canada! Rumblings of interest turned into reality this fall when a handful of SDP members in Calgary got together to make it happen. The vision of the SDP Calgary Chapter (SDPC) is to 'Bring together like-minded professionals to share knowledge, improve capacity, and grow awareness and implementation of decision analysis in the local industry and community.'

The SDPC held an inaugural event titled 'Getting to Know You' on Nov 20, 2017. The event, which was attended by almost 30 people, consisted of presentations from both industry professionals and academia followed by social time at a local pub. The SDPC will be holding additional events in Calgary on a regular basis in the future.

For more information or to join the SDPC e-mail list, please visit the Calgary Chapter page under the Membership tab on the [SDP website](#).

SDP Welcomes 72 New Members in 2017

We welcome the following new members of the Society of Decision Professionals this year.

Mudasir Ahmad	Troy Helm	Andrew Nimmo
Khurram Aleem	Gareth Ho	Aurian Norouzi
Dijo Alexander	John Hollenbach	Geoff Osler
Zoran Antonijevic	Timothy Hong	Semiu Salami
Otto Aristeguieta	Charles Hooper	Ankur Shah
Yazan Arouri	John Jacques	James Smith
Chris Beaudin	Candice Junge	Juan Carlos Sole Gimenez
Andrew Beck	Manthos Kallios	Raymond Spence
Trishal Boodhna	Jonathan Khneiger	Sam Steffen
Wayne Borchardt	Jay Knaebel	Andrew Strong
Samuel Bost	Ryan Koning	Gary Summers
Patrick Boyle	Raja Krishnan	Mike Swirsky
Ryan Dyck	Dharma Kwon	Timothy Torres
Riley Fackler	Ian Kyle	Josee Tremblay
Alison Ferrise	Chris Lang	Andrew Tweedie
Jonathon Findlay	Rob Lazenby	Quinton van Eeden
Heather Fraser	Cindy Liaw	Nikos Vosniakos
Jessica Galbraith	Chun-Yang Lien	Nikolas Weissmueller
Nicholas Griffith	Leslie Lippard	Laura Westover
Huybert Groenendaal	Carlos Matheus	Thomas Wetherup
Linda Grosjean	Jeremy McDougall	Michelle Whipple
Joshua Harrison	Geoff McKinley	Adejare Windokun
William Haskett	Cole McMath	Wisam Zalzala
Timothy Havranek*	Salman Mohammadi	Ainur Zhumagaleyeva

* Returning member

Useful Links

The SDP Board has posted the Society's Bylaws and Policy and Procedure Manual, which can be found at: http://www.decisionprofessionals.com/about/governance

The SDP Knowledge Sharing Council maintains a Fellows Blog at:
http://www.decisionprofessionals.com/?scrollTo=blog-news#blog-news

A listing of courses in decision analysis available to SDP members is at:
http://www.decisionprofessionals.com/courses/training-program

SDP

A Word From an SDP Sponsor

In every issue of this newsletter, we include a message from one of the SDP sponsors, whose support contributes significantly to the on-going success of the Society.

KROMITE LLC, founded in 2003, is an award-winning Decision Analysis firm located north of Philadelphia, Pennsylvania. KROMITE employs a diverse professional staff with backgrounds in operations research, statistics, business management and strategy as well as a variety of engineering disciplines. KROMITE is well suited to help clients gain the needed insights to make a variety of tough decisions with confidence. KROMITE has provided rigorous and insightful solutions for firms large and small in several industries.

PHARMACEUTICALS

KROMITE's Pharmaceuticals Consulting services help you make tough investment decisions that involve High Value, High Risk and High Strategic Importance. Our engagements typically fall into four categories across drugs in development and life-cycle management:

- ❖ **Portfolio Management**
- ❖ **Asset Strategy**
- ❖ **L&A Valuation**
- ❖ **Analytics and Forecasting to support above investment decisions**

AGRICULTURE

In seeds R&D, plant breeders are faced with an incredibly large network of interdependent decisions ranging from timing, locations and selection rates based on phenotypic and genotypic characteristics. Constraints such as national and regional rules and regulations also affect decision making. Moreover, the quantity of decision points increases exponentially with each additional generation in the early phases of R&D. Further along in the process as things move towards commercialization, many other decisions are necessary, such as which lines to advance forward in the R&D pipeline as well as parent selection for new varieties and hybrids.

KROMITE has developed a suite of simulation and statistical tools that provide powerful insights and help breeders improve upon complex new product development strategies in seeds R&D.

- ❖ **Simulation of breeding programs accounting for logistics, timing and traits**
- ❖ **Yield optimization to find the most efficient field trial designs**
- ❖ **Bayesian statistics for better accuracy in assessing field results**

We utilize proven Decision Science methodologies that allow us to deliver more than just valuations and models, identifying key value drivers and turning these hidden insights into actionable recommendations.

To learn more, visit www.kromite.com call us at 267.983.6305 email us: info@Kromite.com

Brain Teaser

Congratulations to David Matheson

The correct answer to the brain teaser posed in the October issue is that the two rectangles must have equal areas. A full explanation of the answer can be found by clicking here. Congratulations go to David Matheson for being the first reader to submit the correct answer.

THE DECEMBER BRAIN TEASER

*Instructions: You can win "bragging rights" by being the first to submit the correct answer of this brain teaser to the newsletter editors (**SDP Newsletter: Brain Teaser**). We will announce the winner in the next issue.*

Making a Triangle

Two points are selected on a straight stick by taking independent samples from a uniform probability distribution on the length of the stick. If the stick is broken at those two points, what is the probability that the resulting three pieces can form a triangle?

Note From the Editors

With this, the sixth (and final of 2017) issue of the SDP Newsletter, your editors would like to thank you for the opportunity to bring to you news, developments and thought-provoking ideas in the world of Decision Professionals. Planning of the newsletter began to take shape towards the end of 2016. With the support of several members of SDP, we have enjoyed working together in collecting, organizing and publishing the SDP Newsletter.

We'd like to thank the Fellows who serve on the 'Ask the Fellows' panel. Your experience and insight has been immeasurably valuable. Also, we'd like to thank our Executive Director, Hilda Cherekdjian for her suggestions and assistance with publishing the newsletter.

We wish you, along with your families and friends, a wonderful holiday season and 2018 filled with good fortune and good decisions.

Matt Gorman and Steve Tani
SDP Newsletter Editors