

# Collaborative Decision-Making Platforms: A New Way to Make Decisions

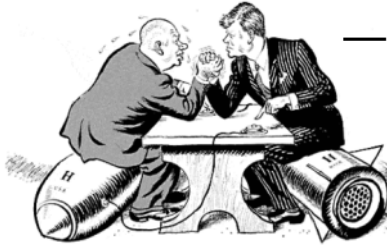
Ian Bertram

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# What Is the Cost of Bad Decisions? Do You Even Know?

**Cuban Missile Crisis**  
— Bay of Pigs



"There is no reason anyone would want a computer in their home."

— Ken Olsen, president, chairman and founder of Digital Equipment, 1977



**Decca Records**  
— Turned Down the Beatles



**WorldSpace — Burning \$1.5 Billion on a Failed India Strategy — Bankruptcy**



**Excite — Declined to Buy Google for \$1 Million in 1999**

**Google Buzz Auto Circle of Friends**



**Enron — Mark to Market, SPEs — Implosion**

**Blockbuster — Failing to Embrace Internet — Netflix**

Netflix

VS.

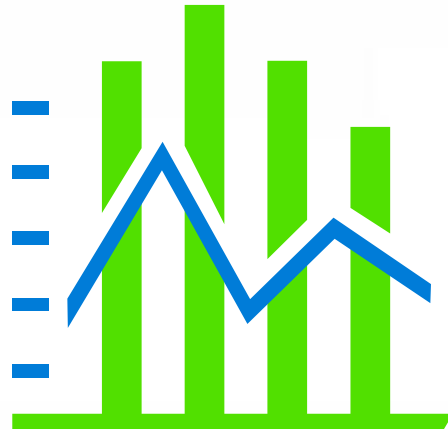


Blockbuster



# The Great Divide: BI and Decision Making

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We have lots of data,  
but ...



... are we making better decisions?

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# Executives on Decision Making

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12%

Good  
Decisions  
Infrequent

60%

Bad  
Decisions as  
Frequent as  
Good  
Decisions

28%

Quality of  
Decisions  
Good

Source: "Flaws in Strategic Decision Making: McKinsey Global Survey Results,"  
January 2009; Survey of 2,207 Executives; see  
[www.mckinseyquarterly.com/Flaws\\_in\\_strategic\\_decision\\_making\\_McKinsey\\_Global\\_Survey\\_Results\\_2284](http://www.mckinseyquarterly.com/Flaws_in_strategic_decision_making_McKinsey_Global_Survey_Results_2284)

# Key Issues

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1. What types of decisions need new collaborative decision environments?
2. What are the key requirements for enabling collaborative decision making?
3. How will the market evolve?
4. What are the best practices for deploying collaborative decision making?

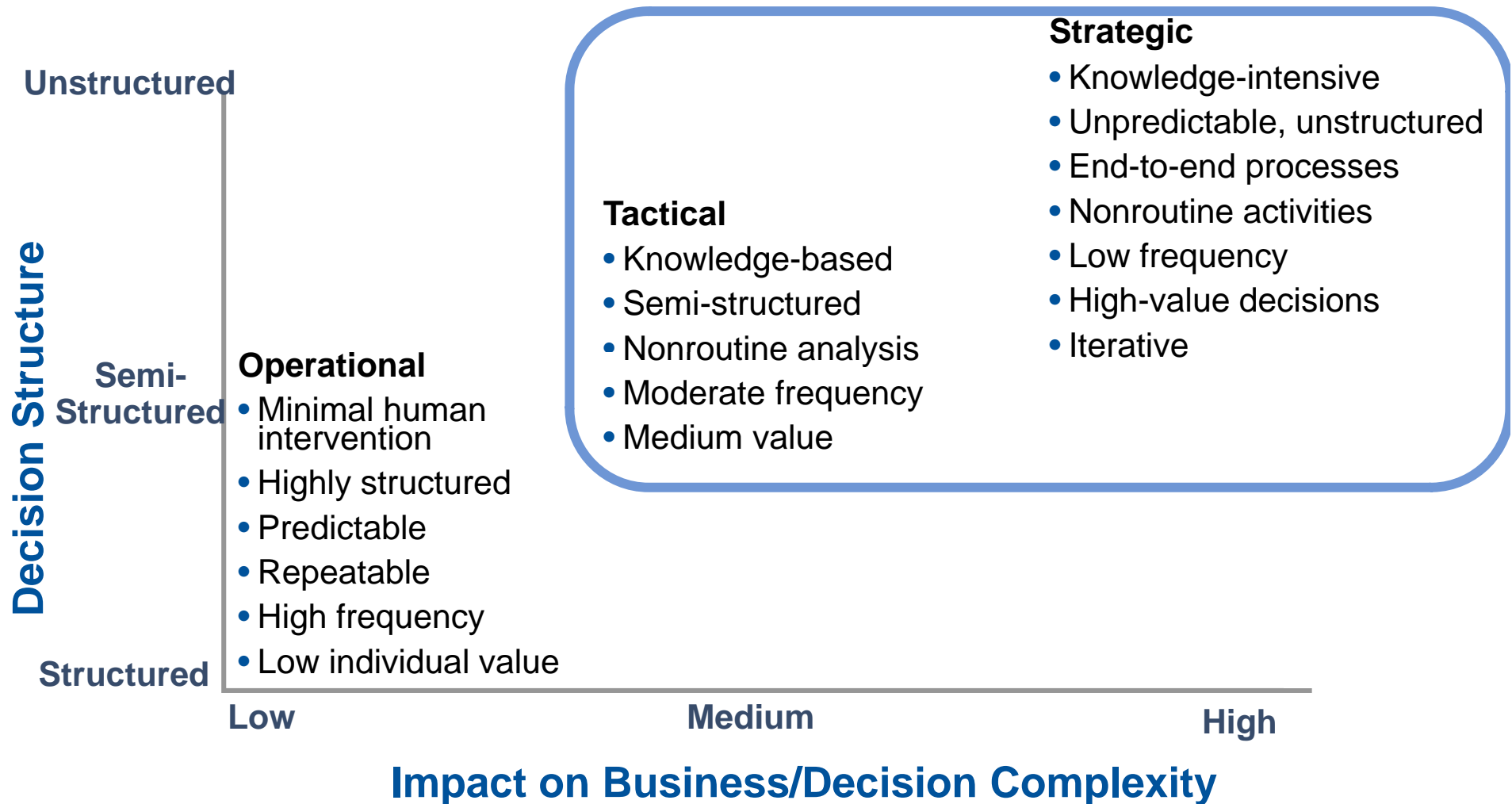
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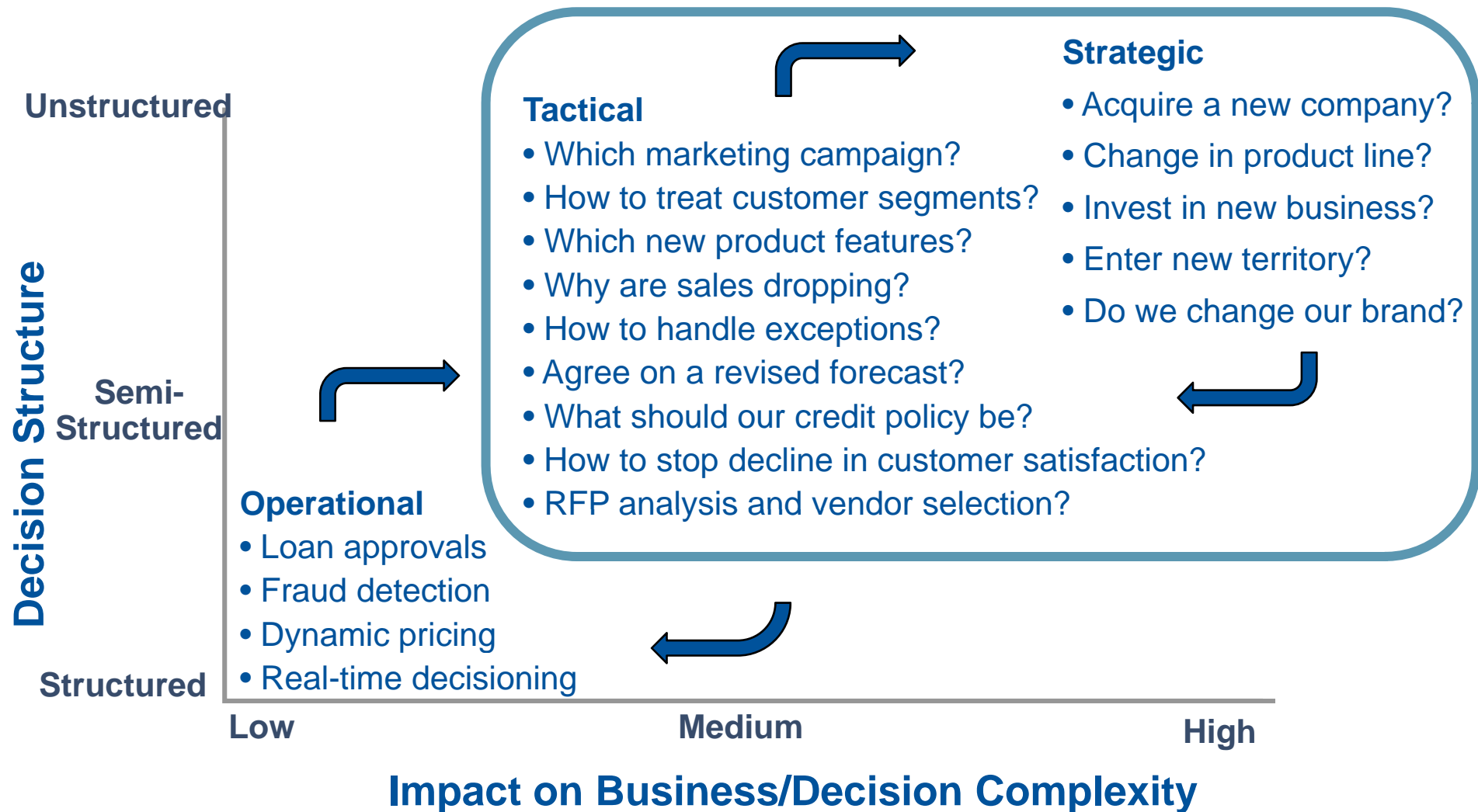
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# Decisions Range From Operational to Strategic



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# CDM Environment

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## Target Audience

Knowledge Worker



Decision making is a significant part of work.

Decisions are increasingly collaborative.

Decisions are increasingly connected.

## Solution

CDM Environment



## Business Need

Disconnect Among Information, Collaboration and Decisions



Decision best practices.

Decision transparency.

Capture tacit knowledge.

Build consensus.

# Key Issues

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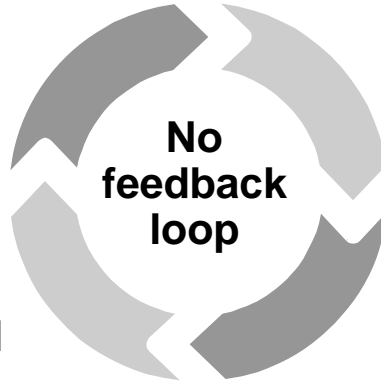
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4. What are the best practices for deploying collaborative decision making to support a performance-driven culture?

# Challenges of a Typical Decision-Making Process

## 1. Decide to Decide

- Detect events.
- Seek market cues and patterns.

Alerts, dashboards, social analytics, social media analysis, leading indicators

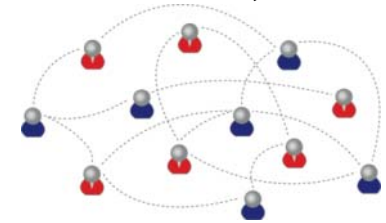


## 2. Diagnosis Decision

- ID root cause.
- Assess situation.
- Analyze input.

Ad hoc analysis, visualization, descriptive analytics, predictive models

Right people, information, bias?



## 4. Assess Results

- Determine effectiveness.
- Assess need for adjustment.

Reporting, disconnected collaboration

No link between decision and results.

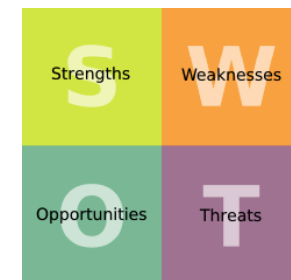


## 3. Action Decision

- Examine options.
- Decide how to implement.

Expert decision models, simulations

Right decision tools?



# Challenges of a Typical Decision-Making Process

## 1. Decide to Decide

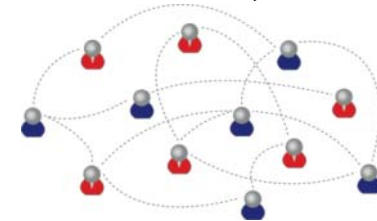
- Detect events.
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Alerts, dashboards, social analytics, social media analysis, leading indicators

## 2. Diagnosis Decision

- ID root cause.

Right people, information, bias?



Decision element silos  
 Manual connections  
 No formal feedback loop  
 Most of process and collaboration lost  
 Risk of biased decisions  
 No capture of best practices  
 No auditability

## 4. Assess Results

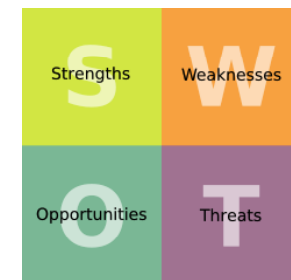
- Determine effectiveness.
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Reporting, disconnected collaboration

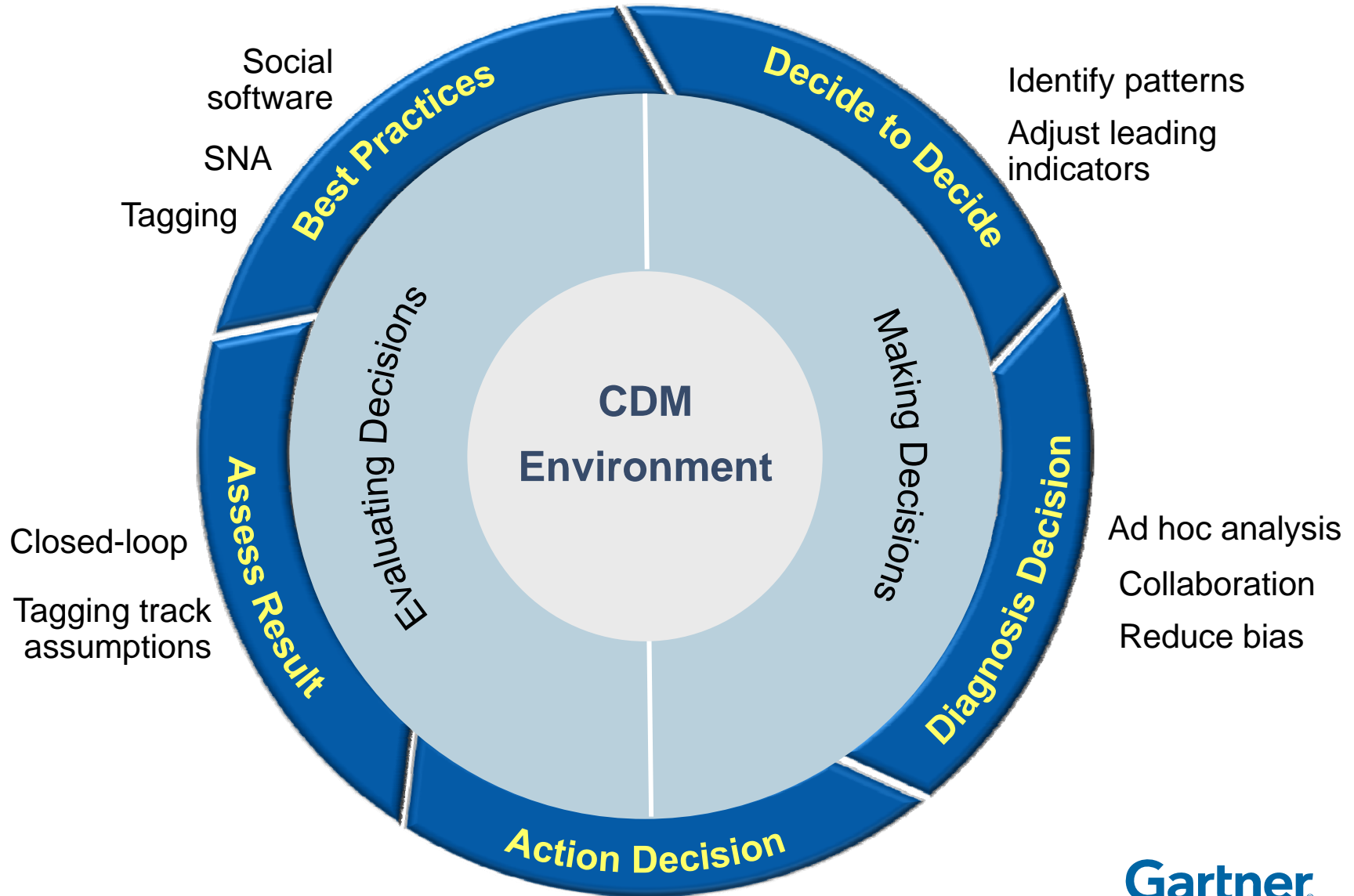
- ID root cause.
- Implement.

Expert decision models, simulations

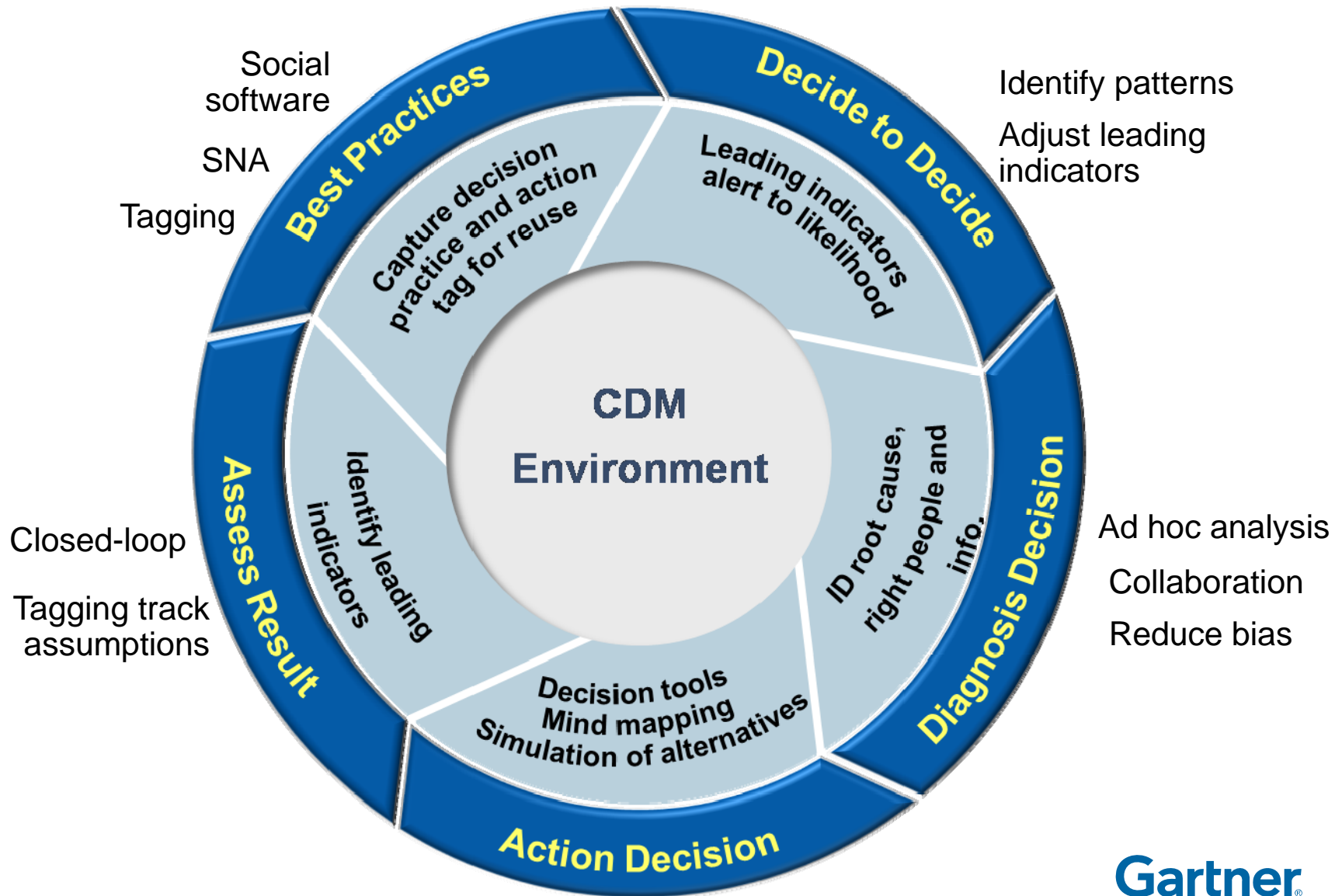
Right decision tools?



# CDM Environment: Higher Decision Quality and Transparency



# CDM Environment: Higher Decision Quality and Transparency



# Key Requirements of a CDM Solution

## Social Networking

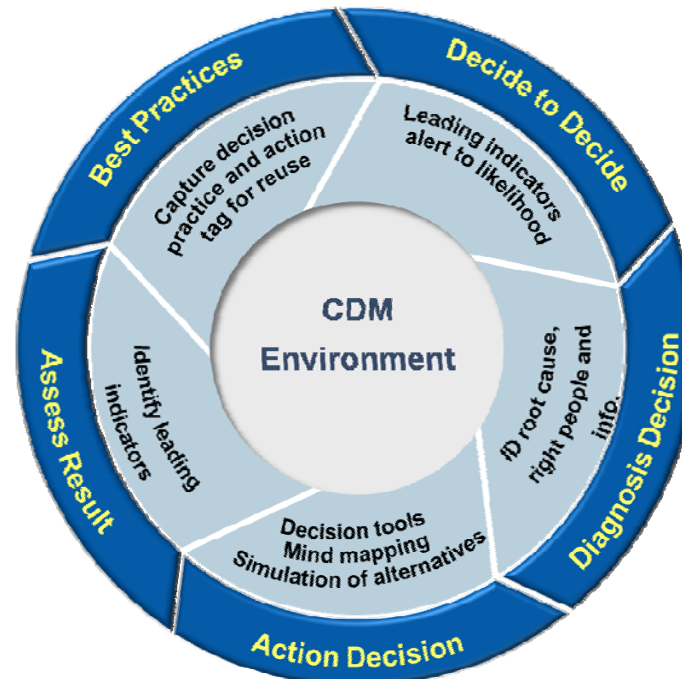
- Examine relationships of decision makers
- Intelligent social profiles

## Collaboration

- Shared work space
- Communication (e-mail, IM, phone, etc.)
- Web conferencing

## Decision Tools

- Simulations
- Optimization tools
- Scenario planning
- Mind mapping
- Brainstorming
- SWOT
- Predictive analytics
- Prediction markets



## CDM Environment

- Reliable and secure
- Integrated with systems of record
- Complex decision support (workflow/BPM)
- Capture best practices

## All Information

- Access to any data source and decision input
- Search
- Content analytics
- Visualization tools
- Business intelligence content
- Assumptions and pattern detection and monitoring

## People

- Involve the right people to inform the decision
- Incorporate expert and diverse opinions
- Minimize bias



# Key Issues

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# Other Examples of How Organizations Are Using CDM

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New Product  
Development

Forecasting and  
Budgeting

Capturing Decision  
Logic and Best  
Practices of  
Experienced  
Workers

Acquisition Due  
Diligence

Resource  
Optimization

RFP Analysis

Student Acceptance  
Process

Oil and Gas Lease  
Renewal

Risk Management

# Key Issues

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# Determine Your Decision-Making Maturity

1

Chaotic

2

Repeatable

3

Defined

4

Managed

5

Optimized

## If this describes your organization ...

Every decision-making event is handled differently.  
No feedback loop

Some consistency to the decision-making process within groups.  
Some feedback on decisions

Defined process for decision making in use throughout the organization.  
Feedback loop, but no connections between types of decisions.

Decisions are linked to performance metrics, processes and systems of record.

Decision making is continuously reviewed and deliberately improved.  
Proactive feedback between types of decisions.

## ... then this is the step you should take.

Teach decision-making best practices.  
Audit decisions to determine impact.  
Socialize value of better decisions.

Look for opportunities to tie BI data to business outcomes and assumptions.

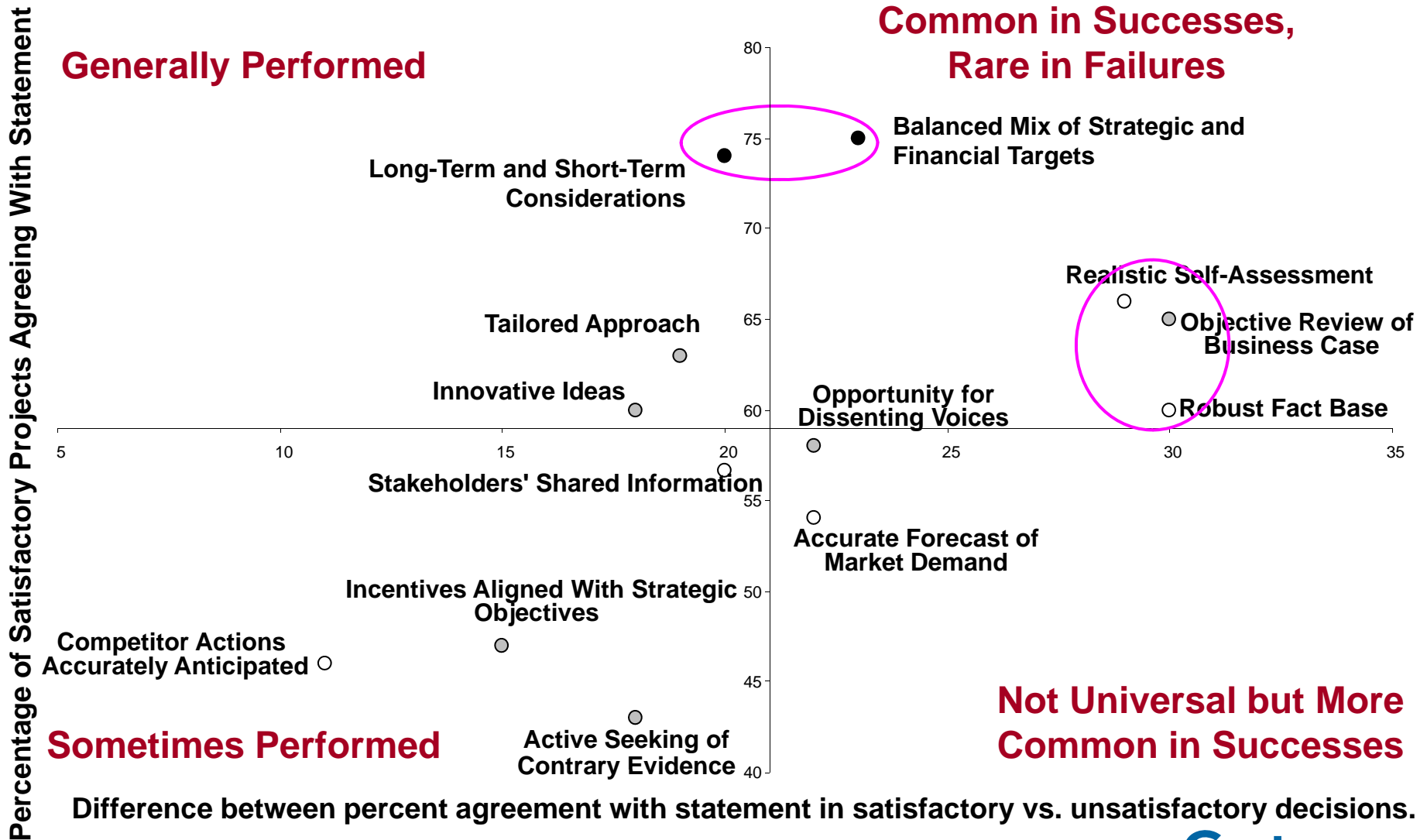
Use tools to improve detection, collaboration and process transparency.  
Link decisions to metrics.

Uncover social network dynamics.  
Link operational, tactical and strategic decisions.

Employ decision optimization techniques across decision types.  
Evolve based on results.

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# Address Decision Bias; Create a Culture of Auditing Decisions



Note: Figure is adapted from "Flaws in Strategic Decision Making: McKinsey Global Survey Results," January 2009.

# CDM Adoption and Evolution

2009 → 2010 → 2011 and Beyond



- Little technology convergence
- Early pilots
- Manual, cobbled together POCs
- Small vendors offering parts of the solution
- Megavendors have many of the pieces, but no focused integration

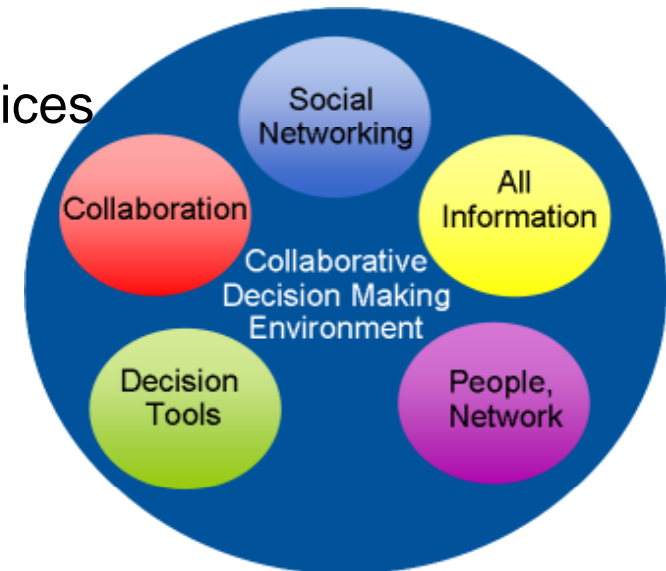
- Emergence of integrated tools and partnerships for building CDM solutions
- Focus on workgroup and departmental solutions with basic decision use cases
- Some megavendors focus on space
- Vendors recruiting solution providers to offer templates and repeatable solutions

- Emergence of CDM platforms
- Expand to enterprise solutions and complex decision use cases
- Solution providers offering templates and repeatable solutions
- Integration with application systems

# Recommendations

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- ✓ Address cultural and change management barriers to adoption by demonstrating the value of CDM
  - ✓ Evolve decision-making maturity and practices
  - ✓ Use training and incentives
  - ✓ Link decisions to performance metrics
  - ✓ Decision audits and simulations
- ✓ Find the leaders/champions of decision collaboration in your organization and start building those workgroups
  - ✓ CDM pilot
  - ✓ Build/buy in incrementally





## Related Gartner Research

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- **Tutorial for Collaborative Decision Making**  
Rita Sallam, Carol Rozwell (G00200278)
- **Predicts 2011: New Relationships Will Change BI and Analytics**  
Bill Gassman and others (G00209225)
- **Collaborative Decision Making Enables the Disciplines of Pattern-Based Strategy**  
Carol Rozwell, Rita Sallam (G00200677)
- **Hype Cycle for Business Intelligence, 2010**  
Andreas Bitterer (G00205777)
- **The Rise of Collaborative Decision Making**  
Kurt Schlegel, Rita Sallam and others (G00164718)

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