

APRIL 2011

Nothing is more difficult, and therefore more precious, than to be able to decide.

Napoleon Bonaparte

Decisions, Decisions, Decisions

Don Creswell, Co-Founder, SmartOrg Inc.

In this issue, we revisit decision quality, drawing on the concepts set forth in David and Jim Matheson's best-selling Harvard Business School Press book *The Smart Organization: Creating Value through Strategic R&D*. In chapter two, David and Jim introduce the Six Dimensions of Decision Quality (DQ).

Appropriate frame: the correct background, setting, and context for a decision. "The right frame helps us avoid solving the wrong problem and often guides us to breakthrough thinking."

Creative, doable alternatives: the authors cite, "creative, doable alternatives are preconditions for any decision. If there are no alternatives, there is no decision."

Meaningful, reliable information: requires that the right information is brought to bear on the decision. "Companies are usually good at bringing what they know to bear. The key to quality ... is information about what is not known, that is, the limits of our knowledge."

Clear values and trade-offs: establishing criteria for measuring the value of alternatives and how the company will make rational trade-offs among them. Being explicit about each of these trade-offs helps ensure thoughtfulness and consistency.

Logically correct reasoning: this dimension requires bringing together the inputs of the previous dimensions to determine which alternatives will create the most value.

Commitment to action moves decisions to activities. The best decision is useless if the organization will not implement it.

To achieve real decision quality, each of the dimensions must link as in a chain. "The decision quality chain is only as strong as its weakest link."

Value-based management process and software help bring these dimensions together in a way that is visible to those who have a stake in successful outcomes. In new product development,

Portfolio Navigator is certified by



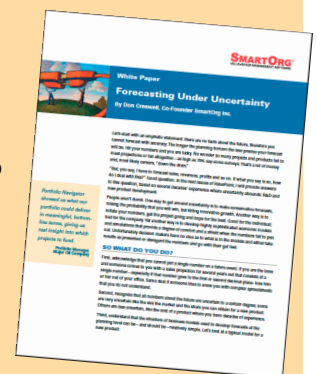
PPM Optimization Workbench is certified by

SAP® Certified
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FREE White Paper: *Forecasting under Uncertainty*

Originally published as a series of ValuePoint articles in early 2010, we have compiled *Forecasting under Uncertainty* into a single white paper. The series describes SmartOrg processes and tools that help you develop defensible projections around the value to be derived from new products and other business opportunities. This is especially important when there is a great deal of uncertainty about market size, pricing, market share, profit margins and other factors vital to producing profitable results.

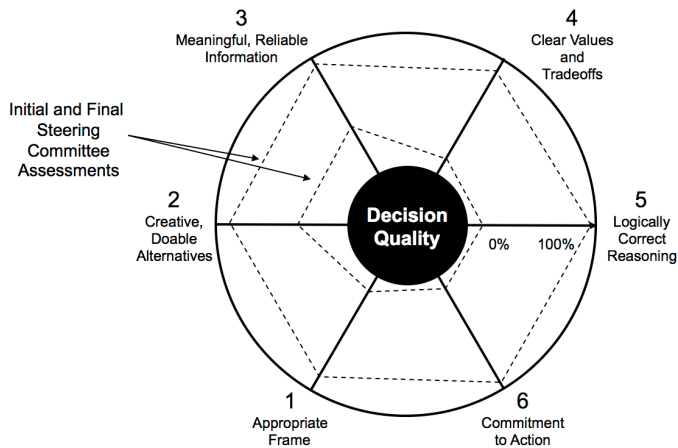
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for instance, this means involving marketing, sales, R&D, finance and others in determining the best products to select for development and commercialization.

Since the introduction of Portfolio Navigator® almost ten years ago, we have seen impressive improvements in growth and profits from companies that use value-based management processes and software. Two companies have reported such results in public webinars. Dow AgroSciences cites creation of a billion dollars in additional portfolio value. (See [webinar archive](#)). Chevron Technology, an early adopter of the process, reported 100% improvement in projects moving from technology to commercialization within one year and double the number of projects killed early. (See [webinar archive](#)).

How good are your decisions? The spider diagram enables you to assess the quality of your decisions. Pick a recent decision and place a dot that represents 0% to 100% along the line. Connect the dots to reveal strengths and areas for improvement.



To learn more about decision quality please see: *The Smart Organization: Creating Value through Strategic R&D*, Matheson and Matheson. ([Amazon](#))

**Survey Drawing Closes 30 April
WIN A ONE-YEAR NETFLIX SUBSCRIPTION!**



You still have a chance to win a one-year subscription to Netflix! We had a good response in March and will close the survey on 30 April. We'll report results in our May issue. To complete the survey [click here](#).

Visit us at these events:

Front End of Innovation

David Matheson, SmartOrg President and CEO will present *Innovations in Innovation Management: the World Has Changed* at the Annual Portfolio Management Summit session. SmartOrg account managers will also be available for meetings and product demonstrations.

15-18 May | Boston, MA | [More Information](#)



SAPPHIRE NOW/ASUG Annual Conference

We will introduce the PPM Optimization Workbench™ integrating SmartOrg Portfolio Navigator economic project/portfolio evaluation with SAP PPM 5.0 project/portfolio management software. Don Creswell, SmartOrg co-founder, will be available for meetings, product demos and will participate in an SAP project/portfolio management forum.

Booth 2244A | 15-18 May | Orlando, FL | [More Information](#)



Since 2000, SmartOrg Inc has helped companies create exceptional value from R&D, New Product Development and Innovation through a unique combination of Value-Based Management consulting and decision support software. Our flagship product, Portfolio Navigator®, identifies and tracks key value drivers and the risks and uncertainties that must be managed to optimize economic value. Our PPM Optimization Workbench™ combines Portfolio Navigator with SAP project/portfolio management software to support strategy and implementation from ideation to commercialization.

SmartOrg clients include large companies like Boeing Commercial Airplanes, Chevron Technology, Dow AgroSciences, Hewlett-Packard, and Cisco Systems. And smaller companies like Zimmer, Catalent and TEVA Neuroscience.