

DECISION MANAGEMENT SOLUTIONS

Why Decisions Matter

Ensuring excellence in decision making to drive efficiency and effectiveness

Dedicated to DecisionsFirst™

www.decisionmanagementsolutions.com

info@decisionmanagementsolutions.com

1+ 650 -400-3029

Ver. 1.0 | February 2020

By James Taylor

CONTENTS

A New Approach—Digital Decisioning

Focus on Decisions

Decision Automation

The Benefits of Becoming Decision-Centric

Decisions Matter

How to Get Started - Decision Discovery

Decision Management Solutions

Organizational success or failure is determined by the decisions organizations make but they are handicapped by systems that are centered on business processes or functions.

Companies face many challenges in today's business climate. Companies whose success or failure is determined by the decisions they make are handicapped by systems that are centered on processes or functions. These companies struggle to improve business productivity while managing costs and find it hard to make changes in their systems quickly, despite a pressing need to do so.

A New Approach—Digital Decisioning

Meeting these challenges requires a new approach -- Digital Decisioning. Digital Decision requires an organization to become decision-centric. It means a move away from a focus on processes and the functional applications that support them to decisions and to systems that automate them.

Decisions have always been at the core of an organization's behavior but for too long they have been buried, considered only as part of an organizational function or a business process. Such buried decisions are rarely automated effectively and are hard to improve. It can be especially challenging to effectively incorporate AI and machine learning. The lack of explicit management of these decisions leaves companies at a loss to know how to maximize their effectiveness.

Focus on Decisions

The first critical characteristic of a Digital Decisioning and a decision-centric organization is a focus on the decisions themselves, instead of processes or functions. The decisions an organization makes, the actions it selects from the possible alternatives are critical. Decisions are what make strategy real and drive results and performance against metrics. Implementing a strategy defined at the highest level of the organization comes down, in the end, to the decisions made about how to interact with partners, suppliers, customers, employees. It is these decisions that make a strategy real. Business metrics and Key Performance Indicators.

KPIs are affected by the decisions made throughout the organization—for example, the offers made to retain customers, the prices offered, the suppliers selected, the approvals given, or the claims paid.

© 2020 Decision Management Solutions

Decision Automation

Once decisions are at the forefront, companies also need to change their thinking about automation. Instead of regarding information systems as simple stores of information that people use, they need to regard them as action-oriented partners in running the business. This means automating decisions as much as possible so that decisions are executed quickly, consistently, and accurately by information systems whenever and wherever they are needed. Encapsulating business knowledge, the regulations and policies that must be followed, and more in their information systems, companies can reduce costs, improve consistency and put people to work on higher value activities.

Few if any companies are going to be able to automate 100% of their operational decisions. Most, in fact, will not want to do so. They want to provide some option for manual intervention and the flexibility that people can bring. However, the system cannot simply hand-over to a person and return to a passive state. Instead the system should support those making the decision so that it can be made quickly and accurately. As soon as it is made, the system should respond to the decision being made and immediately see if the rest of the actions can be completed automatically. Can the system run to completion? If not, it should run as far as it can before asking, once again, for a person to participate.

This turns the decision support model on its head. Instead of the system passively supporting human decision-makers with Digital Decisioning the system is explicitly reaching out to people to help when it cannot decide automatically. People are supporting the system by making the decisions it cannot, participating as and when the system needs them.

The Benefits of Becoming Decision-Centric

Adopting a decision-centric approach has a number of benefits. A decision-centric organization maximizes straight-through processing, delivers consumer- and information-driven processes that are infinitely customizable and that flow easily from straight-through processing to human intervention and back again. The approach delivers increased agility by decoupling the IT and business lifecycles and it dramatically reduces the complexity and cost of IT.

© 2020 Decision Management Solutions

Maximize Straight-Through Processing

With standard processes and explicit decision making, companies increase the rate of straight-through processing (STP) in their operations. The number of times a process must wait while items are put on work-lists or in work queues is dramatically reduced. This marriage of explicit decisions and simple processes keeps transactions moving with only exceptions requiring human intervention. Human intervention is streamlined too, with the decisions required to continue the process clearly identified for the staff involved in the process, so control can be returned to the system as soon as it is appropriate. Minimizing the time spent on making these decisions with effective decision support further reduces the labor required overall. Staff can then focus on higher value activities.

Information-Driven Processes

Digital Decisioning makes companies more responsive to events as they happen and eliminates the need for customers to conform to an organization's processes. When events occur, a decision-centric set of applications takes the information available and decides what actions are required in response. The available information and the events that have occurred drive the organization's behavior—not a set of pre-defined processes. This means that consumers do not need to understand the organization's internal processes; they can simply present the information they have and their desired outcome and the Decision Management Systems will take over, driving from the information available to the information required and the desired outcome.

Infinitely Customizable Processes

When decisions drive processes and it is easy to add new rules or options to the decisions involved, it becomes possible to create almost infinitely customizable processes. The decisions made can become more sophisticated, focusing on a particular customer segment or micro-segment. They can even allow consumer-specific logic and preferences to be included. The behavior of the organization changes based on the current customer or transaction and the standard process is transformed into one customized to the specific transaction or customer. Components are assembled dynamically to create a unique process.

© 2020 Decision Management Solutions

Operationalized AI and Machine Learning

Digital decisioning lets you put your data to work targeting marketing offers to specific customers, managing risk, crushing fraud and allocating resources. It lets you adapt and make changes to continuously improve and to transform AI and machine learning into business learning. It puts you in control to enable rapid change, effective compliance and process improvement.

Organizations use data, machine learning, advanced analytics and artificial intelligence to drive automated responses. Their success relies on the ability to do this. But machine learning models are only beneficial to an organization if they are fully integrated into the operational decision making. Bringing machine learning into the operational environment is where it has the most impact — delivering accurate, repeatable decisions. Digital decisioning helps organizations do just that.

Improved Case Management

Dynamic processes powered by Digital Decisioning are ideal for case management. Instead of trying to define a standard case management process, the possible actions are defined and dynamically assembled using decisions. Each activity increases the amount of information available and each knows what information it needs. As a case evolves, the next activities are identified by a decision-making component that uses the information available so far to see what should be done next. With a focus on automation, the next step is completed automatically if possible and, if not, the right person is brought into the picture. If additional information is required, the system can reach out and request it from the consumer directly or from an internal user. The case evolves as information is gathered and decisions are made at each step to ensure the right next step is taken.

Decoupled Business/IT Lifecycle

It is no longer acceptable, if it ever was, for the IT lifecycle to constrain the business lifecycle. Companies cannot defer making changes to the way they do business until the IT department can make a change. A decision-centric organization decouples the IT and business life cycles so that the business can evolve and adapt without requiring the IT department to make system changes at the same pace. Business changes require new behavior for decisions and these changes can be made without a full IT lifecycle because the decisions have been extracted from the rest of the software. Digital Decisioning empowers the business to make changes to its own systems without having to go through the full IT release cycle.

© 2020 Decision Management Solutions

Simplified IT

Finally, a decision-centric organization simplifies its information technology backbone and the management of this backbone. IT in a decision-centric organization focuses on managing standardized, simple processes and application or functional components. A business-focused environment for defining and managing decisions removes the major source of system complexity from the IT department. This complexity is not simply transferred to the business, either, as much of the complexity is business complexity that is already well understood by those on the business side.

Decisions Matter

To meet their business challenges, CEOs and CIOs must lead their companies to become decision-centric. Digital Decisioning delivers the agility, control, compliance, personalization and decision management that today's decision-centric organization counts on in a coherent, integrated way.

Agility

Digital Decisioning delivers agility because the organization can make rapid changes to the way they conduct business. Decisions are the changeable elements of most operations and rapidly changing policy or regulation and competitive pressures affect these decisions, not the processes or functions within which they are made.

Business Control

Digital Decisioning delivers the business control executives want over operations by giving them power over the decisions that drive day-to-day operations and implement business strategy. These decisions are compliant, and demonstrably so, because those who understand the regulations are driving the decision with no IT/business disconnect.

Personalization

Digital Decisioning also benefits customers and internal staff directly. To personalize a product or service for a customer means to make a unique decision about how to interact with them.

© 2020 Decision Management Solutions

Operational Effectiveness

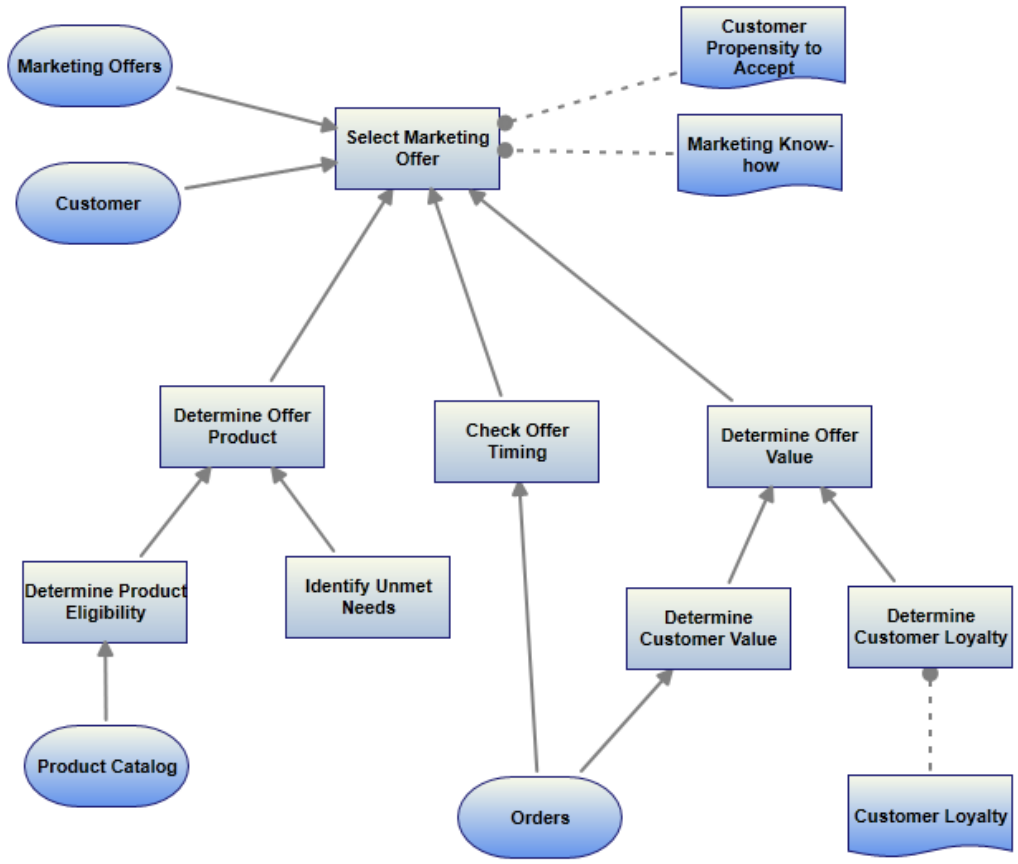
Digital Decisioning enables companies to better support their staff by ensuring they work effectively on the highest value tasks they have. It also enables companies to gain operational advantages and a competitive edge through a systematic focus on decision making throughout the organization.

How to Get Started — Decision Discovery

Start by determining which operational and tactical decisions matter most to your organization. Which are most relevant to the strategies your executive team has put at the top of its agenda? Which could have the strongest impact on the drivers and measures being used to chart progress toward those goals? These are the decisions where Digital Decisioning will deliver the biggest pay-off for your organization. Identifying these decisions shows you where to focus your efforts and will be essential to showing a strong ROI that aligns with executive strategy.

© 2020 Decision Management Solutions

Figure 1: Example Decision Model



Source: DecisionsFirst Modeler

The next step in Decision Discovery is to isolate these critical operational decisions from your business processes and IT systems. Modeling decision requirements using the graphical Decision Model Notation (DMN) standard helps business stakeholders understand and take ownership of how decisions are currently being made. It also enables decision-making to be explicitly linked to key performance indicators and other metrics.

Decision Discovery supported by decision requirements modeling is the first and most important step in becoming a decision-centric organization and is the foundation for building decision management systems.

© 2020 Decision Management Solutions

Use a standards-based decision modeling technique

Building a Decision Requirements Model using the DMN standard captures decision requirements and improves business analysis and the overall requirements gathering and validating process.

DecisionsFirst Modeler Decision Modeling Software

Get started quickly with our collaborative decision modeling software, DecisionsFirst Modeler.

Decision Management Solutions

We've been helping companies like yours adopt Digital Decisioning and its decision-centric approach since 2009. We have a proven, comprehensive set of best practices and techniques designed to get you started quickly with Decision Discovery and decision modeling to develop internal skills cost effectively.

CONTACT US

Decision Management Solutions specializes in helping organizations transform the operational decision-making that impacts businesses every day. We do this through Digital Decisioning, a unique approach that maximizes the value delivered by investments in AI and machine learning.

© 2020 Decision Management Solutions


DECISION
MANAGEMENT
SOLUTIONS