

: *What is a decision-centric organization?*

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Good decisions are important to organization success, but *awareness* of many important decisions is very low. Decisions may be hidden in business processes or identified using camouflage words like "responding to customers", "negotiating with vendors", or "evaluating an employee". Additionally, people are biased in decision making situations, under stress and overloaded with information. Decision support systems are built to improve decisions, but implementing analytics and decision support capabilities does **not** mean that improving decisions is a central concern of managers. If making decisions better is important to organization success, then managers should create a decision-centric organization design and culture.

Decisions are made about many issues in organizations. The issue may be operational and frequently occurring or strategic, novel and non-routine. Decisions get made, realistically even if a conscious, explicit decision is **not** made. In many organizations, decisions should be made more explicitly. In a decision centered organization, managers are striving to improve decisions and decision processes, and consciously make decisions.

James Taylor, CEO of [Decision Management Solutions](#), is actively promoting the concept of a decision-centric organization. Taylor's focus has for many years been automating operational business decisions with business rules. Ideally, a decision centered organization will provide decision support in all decision situations that can economically or strategically justify the investment.

Herbert Simon spent his entire career studying decisions in organizations. He argued in a 1973 article that in a postindustrial society, the central problem is not how to organize to produce efficiently, but how to organize to make decisions — that is, to process information. Managers in a decision centered organization must identify and document decisions that are made and then investigate how they should be made.

Taylor (2012) argues "Becoming more decision-centric is critical if these organizations are going to take their business to the next level." He identifies four key characteristics of decision-centric organizations: 1. focus explicitly on decisions; 2. build decision management systems; 3. focus on processes and decisions; 4. focus on automating and systematizing decisions to react in real time.

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In *Smart (enough) Systems*, Taylor and Raden (2007) document the need and value of "focusing on decisions as distinct opportunities for improvement". The field of computerized decision support has had that focus for 35 years and enterprise decision management and decision automation has been a realistic possibility for operational decisions for 15 years. Managers have been building more decision-centric organizations. Based on anecdotal evidence, bad decisions are still made however at about the same frequency as 35 years ago. Why aren't we making better decisions? Certainly the explanation involves technology limitations, organization design mistakes and implementation problems, but more fundamentally the problem is cultural. Managers in too many organizations down play the importance of improving decision making processes and hence decisions. Why? because we have **process-centric organizations**. Decisions will receive more attention when we can clearly demonstrate that better decisions and improved decision processes mean better results in both the short and long term. The evidence is accumulating. We all need to remember that improving decision making and providing computerized decision support and analytics is a means to an end, not an end in itself.

So how can managers move toward a more decision centered organization? Organizing to make better decisions means that decisions and decision makers must be clearly identified and then results of decisions must be recorded. When technology is used to enhance a category of decisions, the technology solution must be evaluated and the change in decision quality and performance must be tracked. Decisions should be "owned" by someone. Overall it is important to identify who is responsible each major decision and for how the decision is made. This task is the required whether the "owner" has established business rules or identified training for the people making the decision. Most importantly, continuous improvement of decision making must be part of the culture.

Some decisions can be automated, but many decisions should still be made by people. Some key decisions made by managers will benefit from appropriate, well-designed decision support. Fit technology to appropriate decision tasks.

References

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: *What is a decision-centric organization?*

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