

The Decision Dynamic

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In today's business environment, companies face tremendous challenges as critical factors such as opportunity, risk, time, talent and capital constraints weigh down on their decisions. What have companies learned over the past year's roller coaster of problems and conflicts, downturns, and disasters? Poor decisions can destroy multibillion dollar corporate giants virtually overnight.

And yet, decisions must be made — and they must be made on an increasingly collaborative basis. Some of the most important capital spending decisions in the coming years will involve the intersection of strategic business objectives and IT strategy. Management decision makers and IT leaders must ultimately work together in order to survive — and succeed.

Most Fortune 1000 companies face the problems inherent in the expenditure and loss of political capital, time, and money that has to be addressed when there's a failure to complete a strategic IT project on time and within budget. These failures often result from inadequate communication.

For example, in 2000, Nike Inc.'s Q3 earnings dropped \$100 million because of a miscommunication between management and its supply chain management solution vendor, i2 Technologies Inc. Nike claimed the software system caused the problem; i2 said that Nike implemented the solution poorly. The result? Not only a whopping loss of revenue, but bad press, bad blood, distrust, a tumbling stock price, and harmed shareholders. The cost was steep. The problem: inadequate communication between the Nike IT department, Nike business management, and the vendor.

What was missing? What prevented creative, flexible, and collaborative communication between business and IT management — the kind of communication that enables creative business models, customer satisfaction, and problem solving? In this article, I'll provide those answers, as well describe how an important new role — that of decision facilitator — is now required for IT leaders to avoid these problems.

What is Communication?

Bringing the problem down to its most basic level, there is a failure to communicate. In business today, there are no repeatable communication models that work across contexts.

What is communication? It's a relationship of behaviors that exist between a sender and a receiver arriving at a shared understanding. That not only includes spoken communication, but nonverbal cues as well. That means each member of the interaction understands what every other member understands in the same way the other understands it. Unfortunately, most businesses perpetuate a translation problem that hinders successful interaction, with no universally accepted decisioning models to find common ground to work from.

It is taken for granted that management is organizationally responsible for "soft" skills —

including communication. Technology people design, create, and update platforms that will report, measure, assess, implement, and blend the company's vision into supporting procedures that can be used across contexts and departments for consistency throughout the organization.

In practice, it's very difficult to create the ability for business and IT managers to not only communicate, but to reach decisions that can be agreed upon by both parties. (Witness the high failure rate of data warehousing and customer relationship management projects.) On paper, it seems like an impossible feat to communicate given all the risk of missteps and disconnects: They are on different teams with different outcomes; they speak different languages and hear each other through different filters; they do different jobs with different skills sets; they work from different assumptions and use similar ideas to achieve different ends.

Whose Responsibility is it?

Part of the communication problem between IT and management derives from the goals of each job. Management is oriented around policies directed toward a vision: encouraging people to promote product design, sale, production, and distribution. IT is oriented around engineering and computer-based systems that serve as the foundation of business processes. Indeed, these two groups have an inherent conflict of interest.

An important first step in mitigating this problem is to create a shared vision and a shared language between groups. But one of the core problems has been one of responsibility: Who carries the burden of ensuring that complete communication is in progress? Before I get to the skills necessary to create a collaborative decision making dialog, let's first agree on who will take on the responsibility of creating one.

In the best of all worlds, a hired gun — a negotiator or consultant would stand between two groups speaking different languages and translate. (Maybe the job title "organizational architect," as described by Chris Sauer and Leslie P. Willcocks in the Spring 2002 issue of Sloan Management Review, is the answer.) But in the absence of an intermediary, how can you create an effective communication dynamic?

Management's job is to translate the company vision into daily practice, so the manager appears to be the one who should embody that vision in IT systems. But management doesn't know what's technologically possible. Rather, because the IT group is responsible for and understands the parameters of possibility, it's clear that it must hold the full measure of responsibility for the interaction: IT professionals need to be the change agents and take control of the communication; the management function just doesn't have the tools or skills.

The IT Team as Change Agent

The IT team needs to translate the management vision into models that generate suitable technology; the cultural norms and biases must be addressed so all important management, user, customer, or stakeholder concerns are included. This is the piece that's been missing until now: IT has been using information — gathering, exchange, and use — as the end-all and be-all of communication. Until or unless you recognize the need, and learn the skills, to create the ability to collect and utilize the idiosyncratic systems of beliefs and values that underlie all group efforts, many of your projects will fail.

Consider the example of a new CRM system. All CRM systems work with customer data in some way and operate as a link between the customer, the sales agent, and the company. But each job function has unique needs in relation to the system: The sales agent needs to have whatever data is necessary to help the customer; management wants enough data to enable the sales agent to sell the products the company needs to sell to bring in revenue.

The sales agents have daily experiences with the customer and know the most about what's required from the solution, yet CRM systems are often purchased and designed to meet the needs of management. The role of IT must be to walk the road between the needs of each party. After all, the IT leader is the expert in making what is necessary possible.

A New Job Description

Because IT defines the parameters of possibility, and management has no solid framework for unilaterally driving IT decisions, it's sensible for the technologist to assume responsibility for facilitating the decision-making process.

In recent years, IT has been held in high esteem by management leaders. There was plenty of money for technology investments and technologists were trusted to develop high-impact, high-return initiatives. Due to the current backlash against technology, budgets and headcounts have been cut, and the IT leader's stature has been diminished in the eyes of corporate management.

Strategic IT decisions aren't decisions you can make autocratically; they're collaborative by design. But no one is stepping into the vacuum of current decision processes and taking responsibility for a successful set of decisions and outcomes.

The most immediate way for IT to reestablish itself as a preeminent and respected force in management circles is to take charge of the current communication crisis and ensure collaborative and complex decisions are made as effectively as possible. However, IT leaders must use a different form of communication and decision-making to steer business leaders and their teams through their needs, values, beliefs, and idiosyncrasies, incorporate these human systems with data and information collection, and include them into the software solution both technically and interpersonally.

In effect, the technology leader must acquire the additional job of driving effective, collaborative decisions by incorporating the role of "decision facilitator" into the role of technology expert. With this additional role, the technologist uses a very defined, systematic set of structured "facilitative questions" that not only handle the necessary data, but also establish a clear and mutually agreeable set of objectives and expectations. (See below sidebar, Anatomy of a Decision)

In other words, the IT leader should perform the job of translator and lead communicator in order to:

- Teach the manager how to think about the decisions that will lead to creating a comprehensive solution
- Identify core criteria for all to agree with

- Encourage debate
- Create a continuous communication flow to monitor problems, changes, and reaction times
- Gather all relevant data — technological systems as well as cultural norms that need to be incorporated or represented
- Create a system aligned with the preferred styles of acceptance for users
- Manage time and technology expectations
- Head up regular discussions with stakeholders to catch problems, omissions, or inconsistencies
- Negotiate sticking points, conflicts, or dissatisfaction
- Navigate systems issues inherent in goal/design analysis
- Ensure smooth transition and acceptance
- Create ongoing communication and decisioning systems to maximize efficiency.

Based on these tasks, here are the functions the IT leader/decision facilitator will need to manage:

- The design and systems specifics that will translate need to deed
- Relationship management
- Communication problems that need to be solved and addressed immediately and collaboratively
- Agreement and negotiation
- Collaborative decisioning — to find the most effective answers to support the effort as a whole
- Unbiased view of the situation, with full understanding of how it needs to shift to accommodate change
- Ability to create and maintain an interdependent work environment
- Ability to know when to bring in experts from within the company, or seek external support when necessary
- Buy-in to accept and manage change and expectations
- Connectivity — ensure all technology is connected with business initiatives, core values, company vision, and current systems.

That's a tall order for anyone — especially someone who has a long-standing, traditional relationship with the company. However, the decision facilitation model can reduce all of these challenges to subsets.

Waste No Time

If companies are to win in the unforgiving, fast-paced, and highly competitive markets of the present and future, they must learn how to collaboratively make strategic IT decisions in a more productive fashion. In the shadow of the tech bust, you now know what doesn't work. It's time for all of us to mutually explore, discover and decide what will.

ANATOMY OF A DECISION

Although most models of decision-making work from an information processing basis, the decision facilitation process makes it possible to bring parties together and drive consensus across functional, organizational, and interorganizational boundaries.

How many times have you identified the information needed to make the "right" decision, and insist on what ends up to be a less effective decision because it fits comfortably into a vision of what a solution should look like? How often are you led by a gut feeling, only to realize afterward that your instincts might not fit into the team's goals? How often do you make a decision based on all the data available, only to discover the other side of the decision is working from a fact pattern different from yours?

These factors lead to poor decision-making. But using the following facilitative questions, a skilled change agent can help a group make collaborative decisions that disparate groups can buy into.

- What goals do you want to uphold? How do you prioritize them, incorporate them, and use them with your systems design? What would stop you from meeting your goals? What resources do you need to ensure success?
- What overarching goals do you need to agree upon? If they differ from those of your colleagues, how do you propose to close the gap to bring the two teams closer?
- What challenges do you face interdepartmentally, interpersonally, and technologically? Challenges in terms of long-term acceptance of your finished product? Challenges with data collection? With buy-in and support from essential information sources?
- What are your apparent constraints? What do you need to understand or do differently in order to manage or overcome these constraints?
- What organizational/cultural/systemic issues must you address to achieve the results you're seeking?
- How do you see the team working together in a way that supports continual communication and problem-solving? Where do you see that differing from your colleagues, and how do you propose to close the gap to bring the two teams closer?
- What interpersonal and cultural issues does your team need to address in order to ensure project success? How do you handle the fallout if both

teams have different or disparate systems issues?

- How will you know when you've achieved your mutually established criteria for success? When have you failed?
- How will you know when it's time to try something different if you find what you're doing isn't working effectively?

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