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# Deciding Faster

**By Thomas H. Davenport**

Next week on Wednesday June 17<sup>th</sup> I am co-presenting in a [webinar for SAP](#) on “The Need for Faster Decision-Making.” SAP’s interest in the subject is obvious; the company is making a big push for its HANA in-memory database that speeds up queries and analyses.

Technology can certainly speed up information access and analysis, and that’s almost always a good thing. However, “the need for speed” in decisions is a more subtle topic than many people realize. I’ll explore some of these subtleties in this post, and more in the webinar. I’ll also be discussing some results from an excellent report on the topic done earlier this year by [Harvard Business Review Analytics](#).

People often assume that every different type of information can benefit from more speed, but some types get more benefit than others. I did a survey with SAP a few years ago, and then co-CEO Jim Hagemann Snabe and I wrote an MIT Sloan Management Review article about it called [“How Fast and Flexible Do You Want Your Information, Really?”](#) We found in the survey of over 300 U.S. managers that more speed in information delivery is required more for some types of information than others, and in some economic contexts more than others.

For example, the types of information that most managers wanted faster in the survey were employee satisfaction (70% wanted it faster) and customer satisfaction (60%). My interpretation is that it’s not only that knowing how satisfied employees are is important, but also that most companies only find that out once a year in the annual employee survey. For some organizations, customer satisfaction is sampled just as rarely. But both can be assessed more frequently; JetBlue, for example, samples employee satisfaction on each employee’s anniversary, so the happiness of roughly 1/12 of the company’s workers is known every month.

Market share, product quality, and employee productivity were the next three types needing acceleration in the survey. Most of these aren’t generally available in transactional information systems. It’s interesting that relatively few managers asked to speed up financial information. I think that’s because it already comes relatively quickly in most organizations.

The survey also revealed that the economy has a substantial effect on how quickly managers want certain types of information. In a growth economy, employee satisfaction was the information type where more speed was most desired. Of course, that’s when dissatisfied employees have the greatest opportunity to change jobs. In a recession, receivables and payables, spending against budgets, and cash flow were the information types most needing acceleration. In that kind of economy, you don’t want to run out of money.

In addition to faster technology and knowing what information really matters, there are a variety of ways to speed up information delivery and decision-making. One is to prioritize your decisions. One of life's great mysteries to me is why more organizations don't identify the 10 or so most important decisions for their success. With some clarity about which decisions really count, you could know where to apply technology and other interventions first.

Process analysis is another way to speed up information and decision flow. I have observed many decision-oriented processes in which the information for the decision was delivered relatively quickly, only to sit in a manager's paper or email inbox for weeks. In addition to identifying decision bottlenecks, process analysis can force discussion of how long a particular decision type should take, and can motivate organizations to put a clock on the decision cycle.

If the decision is going to be made frequently and is reducible to rules and algorithms, it should probably be automated. Decision automation through workflow, business rules, and complex event processing is happening all around us, but is not described as a trend very often. Another good reason to inventory and prioritize your decisions is to examine the potential for automation of the important and recurring ones.

In the consumer world, we have become conditioned to immediate information delivery through the Internet, and the need to help customers make good decisions through recommendations and behavioral nudges. But our decisions within companies are often much slower and less well-supported with rapid information and decision aids. There's a great opportunity for companies who can speed up not only their information and analytics, but also their entire decision cycles.

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