



TenStep Supplemental Paper

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Decisions-Just a Click Away!

The speed of corporate decision-making has changed dramatically since the advent of the Internet. Today, it is possible to instantaneously access a virtually unlimited amount of data. However, these new capabilities come with a price - the need to make decisions more rapidly.

Kepner-Tregoe Inc., a managing consulting firm in the US, undertook a national survey on "Speed and Quality in Decision-Making." A total of 818 employees - 339 workers and 479 managers - participated in this survey.

The survey explored the dynamic tension between speed and quality in decision-making.

1. During the past three years, the number of decisions made during a typical workday increased. However, the time taken to make each decision either decreased or remained the same.
2. Most of the respondents said they missed opportunities because they did not make decisions quickly enough. As to the frequency with which organizations promptly capitalize on opportunities, very few answered in the affirmative.
3. Only a quarter of the workers and less than a third of the managers admitted that their decision-making matches the competitive environment. Quality suffers when speed takes precedence in decision-making, and this is usually in the areas of budgeting/financing, organizational restructuring, HR, customer service and quality/productivity. This is caused by poor information sharing and failure to involve the right people.
4. The reasons for delays in decision-making are:
 - Multiple approvals
 - Organizational politics
 - Changing priorities
 - Consensus on the outcome of the decision
5. The areas where decision-making is driven by Information technology (IT) are:
 - Budgeting/finance
 - Purchasing
 - Customer service
 - Daily production management
 - Quality/productivity
 - HR



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- Process improvement
6. Today's decision makers get information from virtual sources like e-mail, the Internet, the World Wide Web and databases either developed in-house or customized by their organizations. The amount of information available for decision-makers has been on the rise, and both the quantity and quality of information are commendable. This has led to increased confidence among decision makers.
 7. The shift from real to virtual sources has had a significant impact on the speed and quality of decision-making. However, approximately $\frac{1}{4}$ of the respondents also believed that there has been no effect. Only one-third of respondents use artificial intelligence in decision-making, and 12% to 13% believe it has increased the speed and quality of their decisions.
 8. Organizations do not have good decision-making memory. Most of them do not maintain a database of information about past decision-making.
 9. Organizations underwent significant technological changes to facilitate decision-making, especially across geographical borders. Workers and managers make decisions with people from different locations or shifts on a regular basis. Management provided them with e-mail, teleconferencing and videoconferencing to enable teams from various geographical locations to work together effectively.

In today's digital world, conducting business "at the speed of thought" is not just a catchphrase but also an unconditional imperative. However, there are limits to speed, even with the aid of technology. This is most evident in business organizations where decisions have affected the bottom line.