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2014

For Immediate Release

# Chevron

## Receives The First Raiffa-Howard Award

FOR ORGANIZATIONAL DECISION QUALITY



Congratulations



# Chevron

## Chevron Receives the First Raiffa-Howard Award for Organizational Decision Quality.

The year 2014 is the 50th anniversary of Decision Analysis (DA—the discipline for achieving clarity in complex and uncertain decision situations) founded by Professors Howard Raiffa and Ronald Howard. The Society of Decision Professionals created the Raiffa-Howard Organizational Decision Quality Award to recognize this anniversary of DA, to honor the founders, and to advance the appreciation of DA and Decision Quality (DQ – the extension of DA to include facilitation for gaining organizational commitment).

The Society of Decision Professionals (SDP) awards the first Raiffa-Howard Award to Chevron Corporation for achieving excellence in applying the principles of Decision Quality (DQ) throughout the organization. The award is given based on a careful evaluation by an independent panel of experienced decision professionals. The examining panel determined that Chevron deserves the award based on a review of Chevron's adoption in six categories.

### 1. The Culture makes DQ an organizational competency.

The Chevron culture is infused with DQ and reinforces DQ. DQ is pervasive at Chevron—widely applied across businesses, functions and geographies. It is deeply ingrained and embedded in the expected Capital Stewardship behaviors (with over 25,000 employees trained), and is integrated into corporate processes and standards. It is part of the language and Chevron executives say, “DA is in our DNA.” Chevron is committed to a set of values and behaviors termed The Chevron Way. DQ fits well with The Chevron Way.

### 2. Decision makers have the knowledge, clear roles, and behaviors to use DQ constructively.

Decision makers are trained in DQ, understand DQ and expect DQ evidence in their decision recommendations. Many thousands of Chevron executives, managers and staff members have been trained in DQ. Executives now expect DQ and they value what it does for them. They have defined clear decision-making roles and frequently use decision boards for major decisions.



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### **3. Professional Decision Support staff members have the appropriate capabilities and the trust and respect of the decision makers.**

Over 250 decision professionals have Decision Analyst in their job title. About 600 professionals are active members in the internal Chevron Decision Analysis community. Chevron is decentralized; therefore most of the decision professionals are embedded in major projects, operating companies, and business units. They have a few core groups with highly experienced decision professionals who lead training, provide mentoring and contribute special expertise when needed. They are committed to learning and to sustaining their professional excellence.

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### **4. Effective fit-for-purpose Decision Processes engage the right people and have the rigor to achieve DQ.**

The major processes—The Chevron Way, Capital Stewardship, and Project Management System – sustain the culture and further embed DQ in the fabric of the organization. Chevron’s assurance activities include review of DQ. In addition, Chevron’s systematic look-back process identifies learning opportunities.

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### **5. Tools fit the decision needs, are theoretically sound, and are adequate to meet many decision needs.**

Chevron uses a broad array of tools and is exploring new ones.

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### **6. Demonstrated Benefits are apparent from Organizational Decision Quality.**

Chevron has outperformed its peer group in total shareholder return for both the last five- and 10-year periods. Chevron executives state that DQ is an important contributor to this performance. The upstream business of Chevron (about 90% of all capital expenditures) requires big investments (often many billions) that need to be productive for decades. These decisions require facing huge uncertainties. Chevron meets this challenge with DQ.

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The Society of Decision Professionals supports decision professionals to become the trusted advisors of choice for decision makers facing important and complex decisions. The Society fosters collaboration, continual learning, and networking amongst its members and other professional societies and organizations, so that as a growing community we can bring clarity and insight to Decision-Makers.

On occasion of the golden anniversary, the SDP thanks professors Raiffa and Howard for their roles in founding this profession and congratulates Chevron on its remarkable achievement in the adoption of organizational DQ. We hope that this award will inspire many organizations to follow Chevron in adopting organizational DQ.



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For more information on the Society, visit:  
[www.decisionprofessionals.com](http://www.decisionprofessionals.com)