



SOCIETY OF DECISION
PROFESSIONALS
Clarity & Insight for Decisive Action

NEWSLETTER

Issue 26

September 2022

President's Message by Jennifer Harrington

Hello SDP Members,

Being that this is my first official SDP Newsletter message, I wanted to convey my gratitude for your support in trusting me to be the SDP President for the upcoming year. I have enjoyed my time on the Board thus far and look forward to another term where I get to work with the Officers, Directors, and Hilda. - many of whom have been and still are mentors to me. They make up this amazing team that provides leadership and governance to our organization.

As we turn the corner from the last couple of years and start transitioning out of "pandemic mode," we may be asking "what now?" when it comes to what the future holds. And while there's still lots of uncertainty and turmoil (as there always will be), I'm of the mind that we should be decision-focused and take actions that help drive positive impact where possible.

Many of these actions are happening right here within SDP, which makes for exciting times as we continue to grow and be impactful in all realms of decision making. There has been much progress with the visioning efforts that began last year under the leadership of Eyas to adopt the new vision - "SDP will be the recognized world forum for decision making." Since then, we've planned and executed on numerous experiments:

→ two newly-formed interest groups for Environmental, Social, & Governance (ESG) and Innovation ("iggy"),

→ a Digital Transformation summit that focused on the intersection of decision analysis and data science, *Continued on next page*

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President's Message, continued

→ other regional/topical events such as the Energy Transition conference in Houston and the recent DQ conference in Norway, and

→ an alliance with the Product Development and Management Association (PDMA) that resulted in a co-hosted Design Thinking workshop at our last SDP annual conference and an invite to present at their upcoming PDMA conference this fall.

→ insightful discussions at the Board on how to up-level our efforts by continuing this agile approach to help us shape a strategy that moves us towards this new vision.

Speaking of the SDP annual conference, planning for the 2023 event in Houston is well underway and I am very excited with the program that our fabulous co-chairs - Ellen Coopersmith, Matthieu Distel, and Christa Roemkens – have put together with the support from the Production Committee. The conference itself is somewhat of an experiment as it will be a different format than previous years AND will be a 3-day event!

Finally, I want to recognize all the great work that is happening across our Councils - from vibrant chapter gatherings and interesting webinars to many applicants for practitioner and fellow certification, and of course the SDP newsletter. Thank you all who play leadership roles in these important areas of our society.

As you can see, we have many exciting initiatives happening across our society. Please reach out to me, other Board members, Hilda, and/or other leaders if you find these new initiatives interesting and want to get involved.

Until next time, enjoy this issue of the SDP newsletter!

Jennifer Harrington

The poster features a background image of a rocky cliffside with a wooden staircase leading up to a cave entrance. The PDMA logo is in the top left. The text 'INSPIRE INNOVATION CONFERENCE' is prominently displayed in the center. Below it is a 'REGISTER TODAY!' button, followed by the text 'Explore a New World of New Product Development'. At the bottom, it says 'NOVEMBER 12 - 15 | HILTON ORLANDO BONNET CREEK | ORLANDO, FL, USA'.

pdma
**INSPIRE INNOVATION
CONFERENCE**
REGISTER TODAY!
Explore a New World of
New Product Development
NOVEMBER 12 - 15 | HILTON ORLANDO BONNET CREEK | ORLANDO, FL, USA

SPECIAL SDP MEMBER PRICE- Use code PDMAPMI15

REGISTER AT

<https://www.pdma.org/event/2022-annual-conference>

Up your innovation

game! Join SDP at one of the premier innovation conferences. SDP is proud to announce an alliance with the [Product Development and Management Association](#) (PDMA). Continue the collaboration that resulted in a co-hosted *Design Thinking* workshop at our last SDP annual conference in 2022, and the organization of the SDP Interest Group on Innovation. SDP will have a major presence at the conference, and you are invited to be an ambassador for SDP.

Member Article – A Proposal for an ODQ Pivot: A Zoom Discussion Among the Board of Examiners of the Raiffa-Howard Award

by Barbara Metzler

Carl Spetzler convened a meeting between the Board of Examiners of the Raiffa-Howard Award and Fellows of the SDP on September 14, 2022, to discuss what he called a “pivot” of the basic positioning of Organizational Decision Quality (ODQ). About 30 people attended the meeting to hear Carl’s proposal and to hear from panelists who offered feedback and built on the ideas.

Carl’s proposal was for SDP to consider a shift to DQ becoming a core leadership competency that should be applied to all decisions. Decision professionals would become more than keepers of tools and processes for only the most important decisions. Instead, they should become drivers of a culture that stresses the application of DQ to a broader set of decisions. The role of decision professionals in such a vision would expand to guide decision-makers in how to apply DQ in all decisions and to be able to judge when to call a decision professional.

He drew the analogy of a driver: in most cases, the driver drives his or her own car; in some circumstances, a driver might engage a chauffeur, and a driver does not need to become a mechanic. Similarly, a decision maker knows enough about DQ to make most decisions without a decision professional; on occasion, though, one might be required.

To gain a deep adoption of organizational decision quality, Carl said, all the leaders/decision makers have to own DQ.

- DQ needs to be applied to all significant decisions.
- They need to build strong front-end skills.
- They need to speak the language.
- They need to rate decisions in real-time and insist on reaching their required state of DQ.
- They need to foster the appropriate behaviors before and after commitment.

“You can’t get there,” he said, “by focusing on only the strategic decisions that require a decision project with the key decision maker as the customer.” These are too infrequent to define the decision culture.

Tom Keelin moderated a panel discussion. In addition to Tom, panelists included Mike Benefiel, David Matheson, Mike Menke, and Marcy Conn. Panelists generally favored a pivot to change the emphasis from DQ on strategic decisions to DQ on all decisions.

The meeting, held on Zoom, continued with a Q&A via chat; in particular, there was a call for a devil’s advocate. After the discussion, a poll was held for all participants on the call. The results signaled a clear appetite for taking the next steps, so stay tuned as we look for a vehicle to continue the conversation.

A file with a copy of the presentation, poll results, and selected comments from the online chat is available on LinkedIn. Please also feel free to comment on this proposal on LinkedIn.
https://www.linkedin.com/feed/update/urn:li:activity:6980250632104407040?utm_source=share&utm_medium=member_desktop

Chapter & Council News

Houston Chapter:

The SDP Houston Chapter announces their 2022-23 Elected Board & a successful in-person event:

New committee:

Please welcome our new committee for the year:

- **President:** Colin Bower
- **Vice President:** Jack Neal
- **Secretary:** Diana Swift
- **Executive Committee:** Ray Spence, Jeremy Walker, Ellen Coopersmith, Ashley Corso, Alfred Idem, Jim Spanier, Lindsay Oyola, Matt Distel

A successful start:

After a long 2 years of keeping our distance, over 50 passionate decision practitioners from the #SDPHoustonChapter came together for an in person meeting at the The Ion Houston (A public innovation building designed to bring Houston's entrepreneurial, corporate, and academic communities together into collaborative spaces and programs). Experts Julie Kickham and Nazeer Bhore both from ExxonMobil shared insights through dual presentation entitled, "How Does DQ & Innovation Help or Hinder in the Energy Transition? Insights from ExxonMobil". After the meeting the group gathered at a local pub for networking and social interaction. A great start to the 22/23 year, thank you to everyone who attended and made the event possible.

Vancouver Chapter:

With schedules disrupted for the summer, activities for the Vancouver Chapter have been a bit quieter: an in-person social get-together near the end of June, a break in July and a hybrid get-together (which worked better than expected) in August where we discussed how to elicit calibrated estimates from teams and subject matter experts.

Membership and Communications Council

We continue to be the driving force behind the Newsletter, and we look forward to supporting the initiative around the Leaders of Internal DA Groups. See announcement on the last page.

Member Article

This month's member article is "A Proposal for an ODQ Pivot: A Zoom Discussion among the Board of Examiners of the Raiffa-Howard Award."

Every newsletter we will publish one- to two-pages of content from members of SDP or external sources of interest. It can be an essay, a case study, a tutorial, an editorial, or a war story. We welcome material from consultants and firms as well, but please no blatant commercialization.

The idea is to learn or teach a technique or perspective. This would be the length of a blog post. The plan is to simultaneously publish the article in the newsletter and a link to a blog or other interactive platform to facilitate discussion and feedback.

If you have the writing bug and have something you want to say, if you are an author and have an excerpt or summary you would like to share, or if you just want to share a professional insight, please consider a contribution to the newsletter.

Please contact Tony Kenck tony@practicalportfoliomanagement.com for submittals or suggestions. We would like to have articles ready to go by October 31.





Society of Decision Professionals

INTEREST GROUP IN INNOVATION

Surveying Problematic Innovation Decisions (Part 1 of 2)
Friday, Oct 14 | 8am-9am PT

[CLICK HERE TO REGISTER](#)

Surveying Problematic Innovation Decisions

Please RSVP for the 60 minute session (Part 1 of 2)
Friday, Oct 14 | *8am-9am PT

*Set up to accommodate multiple time zones

Society of Decision Professionals (SDP) invites you to participate
IIGY (Innovation Interest Group)

- A forum for doing innovation and supporting each other as innovators.
- Exploring the Venn diagram of Decision Making and Innovation to the benefit of both.
- Nurturing Decision Innovators:
 - Always moving the ball and adding value to decision makers everywhere.
 - Building our individual and collective abilities.
- Values: Problem-centric, Learn by doing, Curious

[Click here to register](#)

"SURVEYING PROBLEMATIC INNOVATION DECISIONS" with Wayne Fisher

AGENDA (Part 1 of 2)

1. Learn about Design Thinking
2. The Empathy Map method of interviews
3. Create a specific interview guide for our situation
4. Coordinate interviews.

[CLICK HERE TO REGISTER](#)

SDP-IG Innovation Organizing Committee

David Matheson, *SmartOrg*, SDP Incoming President
 Eyas Raddad, *Eli Lilly*, SDP Past President
 Wayne Fisher, *Product Development and Management Association*
 Julie Kickham, *Exxon Mobil*
 Sheldon Bernard, *A440 Management*

ABOUT SDP-IG

An SDP Interest Group (SDP-IG) is a moderated group of SDP members who share an interest in a specific topic. The scope of the activities of an SDP-IG can range from occasional teleconferences sharing ideas between a few members to face to face conferences attracting a broader audience.

The insights developed by an SDP-IG will be made available to the broader SDP community in a suitable way. The SDP Knowledge Sharing Council helps support these SDP-IGs and participation is free. The only requirement is that you are a member of SDP.



Brain Teaser

THE SEPTEMBER BRAIN TEASER

Instructions: You can win “bragging rights” by being the first to submit the correct answer of this brain teaser to the newsletter editors ([SDP Newsletter: Brain Teaser](#)). We will announce the winner in the next issue. Our new Brain Teaser Editor is Tony Fernandez.

TITLE: What is Going to Happen to Europe this Winter?

Europe has a natural gas shortage due to reduced supply of Russian gas, potentially facing an energy crisis this winter. However, some analysts say Europe has done a good job building natural gas storage levels to the comfort zone, fears are overblown, and Europe should be fine this winter. There is a lot of confusion and fear about potential scenarios and a humanitarian crisis. You have been called in to assess plausible scenarios and determine potential mitigation actions. The problem is extremely complex, but you have quickly gathered some realistic estimates for a first pass simple overview. European natural gas storage has a capacity of 3,500 BCF and is projected to be 85% full by the start of winter. Normal winter gas demand is 55 BCFD (50 for a mild winter; 60 for a cold winter). Gas supply is constant at 45 BCFD, of which Russian gas is 15 BCFD.

In winter natural gas is drawn from storage to meet demand in excess of supply. Storage levels typically drop to as low as 20% winter end. Levels below 10% are historic and would trigger a crisis. Your plausible scenarios are outlined in the table below. Your job is to populate the table to determine the ending storage level in BCF and percent fill, and the timing of when storage runs out, if applicable.

Notes:

- This first exercise is for a simplistic overview: for now, keep it simple without adding complexity
- Europe natural gas dynamics are very different from east to west and north to south; for this exercise consider Europe overall as a unit able to distribute gas evenly throughout as needed
- Assume all gas rates are fixed (constant) throughout the winter
- Assume winter starts on Oct. 1 and ends on Mar. 31
- All numbers have been translated to BCF or BCFD
- BCF is a volumetric unit standing for billion cubic feet of natural gas
- BCFD is BCF per day representing the rate of natural gas flowing either demand or supply.

Good luck!

<u>What is Going to Happen to Europe this Winter?</u>	Winter Supply BCFD	Winter Demand BCFD	Winter Deficit BCFD	Winter Storage Draw BCF	Winter Ending Storage BCF	Winter Ending Storage Pct Fill	Winter Linear Shortfall Days	Winter Empty Estimate Date
SDP Brain Teaser Sep-2022								
Scenario 1: Normal Winter with Full Russian Gas Supply								
Scenario 2: Normal Winter with 50% Reduced Russian Gas Supply								
Scenario 3: Normal Winter with no Russian Gas Supply								
Scenario 4: Normal Winter with no Russian Gas Supply Consumption Reduced 10%								
Scenario 5: Normal Winter with no Russian Gas Supply Consumption Reduced 10% and one third of Russian gas replaced								
Scenario 6: Cold Winter with no Russian Gas Supply Figure out a realistic combination to end with 15% storage.								
Scenario 7: Mild Winter with no Russian Gas Supply. Figure out a realistic combination to end with 15% storage.								



Brain Teaser – Continued

Congratulations to Tyler Barton, winner with a perfect solution to the July Brain Teaser!

The answer to the July Brain Teaser - Lalaland Power Grid

(Click [HERE](#) to read the full question and answer)

With some simple math the boxes in yellow can be completed to fulfill the Brain Teaser request for a simple and fully correct answer.

This simple answer is quite insightful. You will note that with lower capacity factors for wind and solar replacing generation with higher capacity factors results in significantly lower grid reliability. Increasing the infallible reserve (whatever this nondescript reserve may be) is one way to address; the other way is to add significantly more wind and solar. The problem is that solar is guaranteed not to work at night, while wind speeds are guaranteed to be occasionally low, with steep reduction in wind power output. This statistically ensures that frequently there will be precious little of both wind and solar, hence adding a ton of wind and solar does not solve the grid reliability issue. Taking it a step further, a second table has been added below grouping the power into base load and wind and solar. This confirms Alt 2 is unreliable, however shows Alt 3 and 4 are to the limit and ready to fail whenever both wind and solar are off, which means the reserve for Alts 3 and 4 needs to be higher, i.e., at least 47%. Clearly a 47% infallible reserve would be prohibitively expensive, meaning that some high capacity factor base load generation is needed and should not be eliminated. This problem originated as substitution of old generation capacity but can easily creep in slowly over time when exclusively adding wind and solar to meet demand growth. The key learning is that a diverse mix of generation capacity both existing and additions is the way to go to keep the grid reliable.

<u>Lalaland Power Grid</u>				<u>Installed Capacity Expressed as Percent of Demand Load</u>			
SDP Brain Teaser Jun-2022				<u>Alt 1</u>	<u>Alt 2</u>	<u>Alt 3</u>	<u>Alt 4</u>
					Future	Future	Future
					Desired	Desired	Desired
Generation Type	Intended Operations	Generation Capacity Factor	Performance Limiting Factor	Today's State	Desired State	w/Enhanced Reserve	w/Enhanced Wind & Solar
Nuclear	Base Load	95%	Mechanical	25%	20%	20%	20%
Natural Gas	Base Load	90%	Mechanical	25%	15%	15%	15%
Coal	Base Load	85%	Mechanical	25%	0%	0%	0%
Hydro	Base Load	80%	Seasonal	25%	25%	25%	25%
Wind	As Available	30%	Wind Speed	0%	20%	20%	46%
Solar	As Available	30%	Night / Cloud Cover	0%	20%	20%	46%
Reserve	Peaking	100%	Assume Infallible	20%	20%	36%	20%
Total Installed Capacity				120%	120%	136%	172%
System Ability to Meet Demand Load				100%	85%	100%	100%

<u>Lalaland Power Grid - Baseload Analysis</u>	<u>Alt 1</u>	<u>Alt 2</u>	<u>Alt 3</u>	<u>Alt 4</u>
Total Baseload Reliable Capacity (Cap x CF)	88%	53%	53%	53%
Wind and Solar Reliable Capacity (Cap x CF)	0%	12%	12%	28%
Reserve Infallible Capacity	20%	20%	36%	20%
Total Reliable Capacity	108%	85%	100%	100%

Do you know of upcoming professional events that might be of interest to other SDP members? If so, please email the SDP newsletter at newsletter@decisionprofessionals.com



Invitation

A Fireside Chat with a focus on Internal DA groups

Many SDP members work within internal DA groups, which are teams formed within organizations to support major decision-making within those organizations. Some internal DA groups are well-established and large (e.g., Chevron, Pfizer) while others are relatively new and smaller.

The SDP Membership and Communication Council believes that it would be valuable for these SDP members to share insights with each other on how to maximize the effectiveness of their internal DA groups. As a first step in getting this conversation going, the Council plans to put an article in the next issue of the SDP Newsletter (December 2022) that shares the views of experienced internal DA group leaders on some important issues that are common to these groups. These issues might include (but are definitely not limited to) designing career paths for group members, gaining the active support of top decision-makers within the organization, and managing the workflow of the group.

If you are a member of an internal DA group, **we invite you to contribute** to this conversation by submitting questions that you would like to be answered by selected internal DA group leaders. Please submit your questions to: Newsletter@decisionprofessionals.com

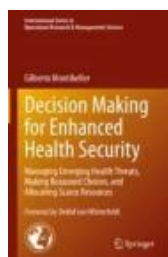
We are very happy to announce that our fireside chat DA Leaders are:

Andrea Dickens- from Energy company **CNOOC**

Peter Ray – from Pharmaceutical Company **Alnylam**

Greg Wayne – from Pharmaceutical Company **AbbVie**

Charles Persinger - from Pharmaceutical Company **Eli Lilly**



One of our own SDP Board Members, Gilberto Montibeller, just published his new book!

Decision Making for Enhanced Health Security (Foreword by Detlof von Winterfeldt), has just been published by Springer Nature.

Details: <https://lnkd.in/eCxSsdPu> link.springer.com

An integrated Decision Sciences perspective for supporting enhanced health security decisions.

- A strong focus on the design of superior public policies, geared toward the maximization of societal value.
- An important emphasis on planning for action and on systematic learning during public decision processes.