



SOCIETY OF DECISION
PROFESSIONALS
Clarity & Insight for Decisive Action

NEWSLETTER

Issue 29

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President's Corner

By David Matheson



In overseeing elections for this year's Board and Officers, I talked to many great leaders within SDP. I am humbled and honored to be stepping into the role of President this year, where our past, current, and upcoming SDP President roles are an obvious leadership platform for SDP. From running our various great programs to further evolving into our vision of being The World Forum On Decision Making, our society has a great many less obvious opportunities for leaders and contributors at many levels and I encourage you to get involved! I've come to discover that a major value of our society comes through direct participation—it isn't simply about what we offer, it is about what each of us do with it.

The board approved the overall goals for this year at the last meeting, and each one contains many opportunities to network, develop relationships with colleagues, and to be recognized within SDP & in your career.

1. *Advance our vision* of being "The World Forum on Decision Making." Looking to improve your change management skills and learn how to innovate to increase value? Join newly elected board member [Wayne Fisher](#) as he brings practices from sister society PDMA, teaches Design Thinking, and drives our Innovation Interest group "iigy." Or maybe you want to help advance our understanding of decisions in important problem areas like Sustainability (connect to [Carol Liffman](#) and [Pat Leach](#)), the Energy Transition (no point person), or AI & Data Science (talk to [Eyas Raddad](#)). Or maybe personal or youth decision making is dear to your heart, talk to board members [Amy Day](#) or [Tom Keelin](#) on making a difference here.

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President's Corner (Continued)

2. *Grow Revenue.* One approach is simple—dramatically increase membership and sponsorship. Can we develop offerings that appeal to executives and member companies directly (not just through individual membership). Looking to improve your sales skills or hone the value proposition of you and our profession? Our [VP Jeremy Walker](#) is the point person on this one and there are plenty of opportunities.

3. *Improve Operations.* By focusing on Decisions so much, some Decision professionals haven't had the chance to develop an operational perspective, reducing their credibility. Want to learn more about the guts of what it takes to make an organization work? Our **Past President** [Jennifer Harrington](#) is coordinating these activities. We are working to improve governance issues (talk to incoming board member [Troy Helm](#)) or integrating Europe into an operating global legal structure that allows for regional variation (led by incoming board member [Trygve Botn](#)).

4. *Keep the Wheels On.* Our various core activities—from the annual conference to local chapters to our councils—deliver, improve, and maintain the important work our society already does. It is easy to get distracted by the “new and improved,” but that isn't what makes the organization work. Want to help keep us a thriving and relevant society? Consider helping out with the annual conference (talk to program chair [Terry Karner](#) and [Neil Hamlett](#)), or joining a council (talk to [Hilda Cherekdjian](#)) or your local chapter. Are you in New England or in the Pharma industry? Connect with incoming board member [Peter Ray](#) or member [William Leaf Herman](#) about setting up a Boston chapter. Or perhaps you'd like to join an existing interest group like Probability of Success (connect with [Shaun Comfort](#) or [Eric Johnson](#)).

Apologies in advance if I haven't named you, or have missed your area of focus—it takes many people to build the success of SDP and we are moving forward on many fronts. I've just tried to provide some clear contacts for people who want to help lead or otherwise contribute. I and other members of the Office of the President (Current President, Past President and Incoming President) are delighted to cover other areas in future President's Corners.

Let me know what stirs your passion for our society and its future. I am personally committed to finding leadership platforms for anyone interested in moving our society and profession forward!

Please reach out to us at our SDP President's email – President@DecisionProfessionals.com

David Matheson, SDP President

Useful Links

The SDP Board has posted the Society's Bylaws and Policy and Procedure Manual, which can be found at:

<http://www.decisionprofessionals.com/about/governance>

A listing of courses in decision analysis available to SDP members is at:

<http://www.decisionprofessionals.com/courses/training-program>



Chapter News

Houston Chapter:

This month marked a milestone as the Houston chapter held elections for the 23-24 Chapter Executive Committee. We would like to welcome Jack Neal as President and James Maffione as Vice President. We are also delighted to announce that Diana Swift will continue as Secretary. Also continuing as Executive Committee members are Ashley Corso, Jim Spanier, Ray Spence, Lindsay Oyola, Ellen Coopersmith, Chris Travis, Jeremy Walker, Colin Bower and Matt Distel. Joining this year are OJ Sanchez and Jara Schnyder. Our focus for 2023-24 will be back to our roots in energy and all the uncertainties today with sessions hosted by the many centres of expertise we have in the Houston area. We will continue to focus on building our Houston community and strengthening ties with other professional associations.

We would like to say a huge thanks to everyone for their contributions over the last 12 months helping make the Houston chapter, and the SDP, truly great. The 22-23 year started strong with a fantastically well attended talk at the Houston ION sponsored by ExxonMobil. Other highlights included trips to Greentown Labs, a eco-focused entrepreneurship accelerator in Houston, and a session hosted by bp on "Socio-Technical Approach to Supply Chain Network Design" given by UH Professor and Decision Science Institute (DSI) past-president / VP publications, Funda Sahin. We were also the hosting chapter for the 2023 Annual Conference with many of our members playing key roles and we sponsored the new Poster Talks.

Thank you to everyone for the fantastic 12 months and we are very excited for the next 12!

Colin Bower (22-24 Houston Chapter President)

Jack Neal (22-24 Houston Chapter Vice President and President Elect)

Vancouver Chapter:

The Vancouver Chapter is continuing to meet once a month. For our April meeting, three of our members (i.e., Lee Failing, Bill Haskett, and William Trousdale) shared their thoughts, wisdom, and practices on working with groups to make better decisions. For May, we met in-person to hear Robin Gregory present on The Secret Life of Decision Analysis. For June, Gary Wong talked to our Chapter about the Cynefin framework and how to deal with unknown unknowns.

The Vancouver Chapter meets 4pm (PDT) every third Thursday of the month over Zoom. Please see the Chapter sign up page on the SDP website if you would like to join us.

Chapter News (cont'd)

Vienna Chapter:

The Vienna Chapter, together with Reidar Bratvold from the Norwegian Chapter, is giving a 1d workshop at the 2023 Annual EAGE conference in Vienna.

*“Six steps towards high quality decisions”
Using the example of developing a low carbon project*

Links below:

Conference:

<https://eageannual.org/>

Workshop:

<https://eageannual.org/workshop-19/>

Organized by Heinz Nusser, Jost Püttmann, Reidar Bratvold & Daniel Dantine

Interest Group News

Probability of Success Interest Group:

We have had a brief pause in activity while Eric and I, as well as our future speakers, cover other activities. We will be resuming the POSIG in late summer and continue our plan for POSIG presentations at about 1 per quarter. We will have Tom Keelin present on using Metalogs for Predictive Probability of Success and Sam Savage agreed to do a future POSIG presentation using SIPMath. There are additional potential speakers planned, hopefully including Eric, and we'll be able to share more info in the next SDP newsletter.

Council Focus

Membership & Communication Council:

*After reviewing the feedback from our mentoring program survey, it is clear from our respondents that some adjustments to our **mentoring program** are prudent. Our approach that allows for organic, non-prescriptive relationship growth seems to have been too hands-off.*

To address this, we plan to approach Chapters and the Certification Council seeking ways to provide tracks or pathways to guide new mentoring relationships in the future.

*We welcome any mentoring related suggestions from you.
We look forward to having more updates in the next newsletter.*

Hero Awards Council:

The Hero Awards Council had another successful year, in which the following individuals were honored for their achievements, accomplishments, and service to the Society:

- *Pioneer Award - Larry Neal, Frank Koch, Brian Putt (Chevron DA Team)*
- *Volunteer Award - Matt Gorman*
- *Recruiter Award - Victoria Hemming; Trygve Botn and his Norway conference team*

This summer, Lindsay Oyola will take over Council leadership responsibility from Jay Andersen. A Call for Nominations for our 2024 awards will be coming this Fall, so it's not too early to think about nominating someone!

Certifications

Since the previous newsletter, the SDP Certification Council has approved several new certifications.

Jack Neal was certified at the **Lead Practitioner** level. Jack is currently the VP / President-elect of the Houston Chapter of SDP. He is a recently retired ExxonMobil executive after 28 years with the company. During his career, Jack worked in upstream oil and gas exploration, development, production and research as a geoscientist, manager, and global senior advisor. In his final advisor role, Jack led strategy and decision quality scenario workshops on major capital investments while also mentoring and training for Value of Information, Business Acumen, Technical and Commercial Leadership and more. He co-founded a Decision Quality Community of Practice within ExxonMobil and led the Strategy & Planning job family.



Jack has a B.S. in Geology & Geophysics from the University of Tulsa and a Ph.D. from Rice University, authored 19 peer-reviewed papers, and co-edited a textbook on sequence stratigraphy that he teaches at Rice. Married for 30 years with 2 adult kids, Jack enjoys more golf and chess in his current retired state but is always looking for opportunities to apply his experience and love of better decision quality.

Teodor Damian was certified at the **Practitioner** level. Teodor has an M.Sc. in Petroleum Engineering from University of Stavanger, Norway. He has 20+ years of experience across the Oil & Gas Upstream value chain, through various reservoir engineering, project and team management roles, from wellsite operations to exploration and development. Teodor joined Shell Norway in 2006 and ever since has used his strong background in uncertainty management workflows to pursue quality decisions within a variety of Upstream projects. He actively collaborates with other SDP members to promote decision analysis and SDP presence in Europe.



Daein Cha, Managing Director and CEO of deepC Store, was certified at the **Associate** level.

Please join the Certification Council in congratulating these individuals on their accomplishments. We also encourage you to consider applying for your next level of certification to encourage others to do the same – including those not yet part of the society but have commenced their learning journey. You will find details at <https://www.decisionprofessionals.com/membership/sdp-member-certification>.

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The University of Texas at Austin
Texas Executive Education

THE RIGHT DECISION FOR SUCCESS

Successful decision-making processes are not intuitive. In order to make great, or even good, decisions under pressure, you need a structured framework. You must clarify the problem that needs to be solved, explore the available options, understand the impact of your decision, and commit to your choice with confidence.

The *Strategic Decision & Risk Management (SDRM)* certificate provides you with the techniques to recognize risks from your stakeholders' perspectives and innovatively generate better alternatives.

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The SDRM program is at the front edge of decision-making philosophy. The courses available in this program have been perfected and honed over the past decade and are now available as a certificate program at Texas Executive Education's Austin location.

The SDRM courses offered by Texas Executive Education combine the University of Texas at Austin's academic and research depth with Strategic Decisions Group's 35 years of real-world experience in business decisions and custom course design. [Learn more](#) about SDG's consulting expertise and education offerings.

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Our smaller class sizes promote engagement with faculty and business leaders as well as the formation of meaningful relationships with other participants.

Faculty

"Professor-practitioners" that bring the latest academic research as well as their real-world experiences to bear on today's business challenges.

Campus

"What Starts Here Changes The World" – The University of Texas motto – permeates everything we do.

Brain Teaser

March Brain Teaser Answer

Answer to March-2023 Brain Teaser

There were no answers submitted. The way to tackle this problem is creating a mini-model. Start with the number of parts John will subdivide his \$10K initial trading capital, and then with random numbers simulate each successive outcome over 5 years, i.e., 60 monthly periods. Each month if John wins he adds a unit, or subtracts if he loses, with the given 67% Prob Success. Copy column over as many individual trails and summarize averages for frequency of the portfolio going bust. For question 1 the portfolio goes bust 48% of the time for a partition of 1 (going full \$10K), 25% for a partition of 2 (going \$5K), 12% for 3 (\$3.3K) and 6% for 4 (\$2.5K). Hence at a 90% confidence level 4 is the answer. For Q2 keep going, 5, 6, 7 until you get 0.8% bust for 7 partitions (\$1.4K at risk each trade), i.e., 99% confidence level. For question 3 sum up the expected profit for Q2 over the 60 periods, which is \$29K over 5 years. But John wants to make \$30K per year, i.e., \$150K over 5 years, this requires a higher probability of success. Restart by goal-seeking partitions for higher probabilities to increase profit, reaching 3 partitions in the 80% range and then finetune to 88% chance of success to make a total \$150K over 5 years. Much higher than the initial 67%; utterly unrealistic. It would be much more productive for John to seek employment as opposed to trading.

The model can be accessed in the link below with the setups in various tabs to address each question. Note this is a probabilistic mini-model, hence results from random numbers can move a bit. You can hit key F9 a few times to get a sense of the relative movement.

[SDP Mar-2023 Mini-Model](#)

Q1.) John asks in how many parts to partition his portfolio to have at least 90% confidence he will not go broke? Answer: 4

Q2.) Concerned that 10% chance of going broke per Q1 is still very risky, so John asks in how many parts to partition his portfolio to have at least 99% confidence he will not go broke? Answer: 7

Q3.) John will go with the 99% confidence answer to Q2. Starting with \$10K, what is his expected profit after 5 years? Answer: \$29K

Q4.) The answer to Q3 is not very comforting. John asks what the probability of success needs to be to earn on average \$30K per year? Answer: 88%.

View the questions and answer for the March Brain Teaser [HERE](#).

Brain Teaser

THE JUNE 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. To encourage participation irrespective of timing, we intend to recognize all correct answers submitted. Our Brain Teaser Editor is Tony Fernandez.

Hourglass Head Spinning

You are working in a lab that does very precisely timed chemical reactions to produce 36 different highly sensitive compounds. Suddenly there is a general blackout and the plant manager rushes to you for help. You are asked to assist in continuing producing with only two hourglasses available, using these to precisely time the start and stop of each reaction. One hourglass is exactly 7 min. and the other is exactly 11 min.

7 Min.

11 Min.



All 36 compounds take exactly whole minutes of time to react, sequentially compound #1 takes 1 min, #2 takes 2 min, etc..... #36 takes 36 min. The plant manager is getting ready to prepare the chemical reactants but once prepared these will spoil if not reacted soon and the compounds will be off-spec and wasted if the reaction time is not precise.

- 1.) Plant manager's first compound is 15 min. How will you precisely time 15 min?
- 2.) Plant manager is impressed. Understands that some compounds are trivial like 7 min, 11 min and combos, but some are potentially not possible. In order to prepare reactants for only those compounds you can time precisely, you are asked to state which of the 36 compounds you cannot time precisely? In other words, which whole minute counts from 1 to 36 you cannot time with the two hourglasses?

Note: Initially both hourglasses are at rest. The only action you can perform is to flip the hourglasses at precisely measured points in time, to advise the plant personnel when to start and stop a reaction. Hourglasses can only be in their upright positions, one way or the other; sideways pauses are not allowed. Consider the glass flips instantaneous; not impacting the timing precision. You can give the start order and start measuring time at any moment, but once started you cannot pause until the reaction is completed precisely on time.

Good luck!