



Presenting:

I Learned About DA From That
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I Learned About DA From That!

Learnings from 20 years of DA practice on how to present DA results effectively to Management

(Mainly though a series of Epic Fails)

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Before we get started...

The purpose of this presentation:

- ✓ Provide lessons learned from DA practice in both the Oil and Pharmaceutical industries from transitioning from a great analysis to a great presentation
 - ✓ Help build an effective bridge between great Decision Analysis and “Closing the Deal” with the Decision Board
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Outline:

1. “Take Home” messages
2. Building a succinct story to Management
3. Pitfalls to avoid
4. Taking advantage of the Dialog Decision Process

“Take Home” Messages

- ✓ **Unfortunately, Management is not really interested in your cool analysis details**
 - They don't have the time to dedicate to an in-depth understanding of the analytics
 - Their background is not the same as yours
 - We have to learn to look at the problem through Management's eyes
 - They want a simple story they can carry to their bosses

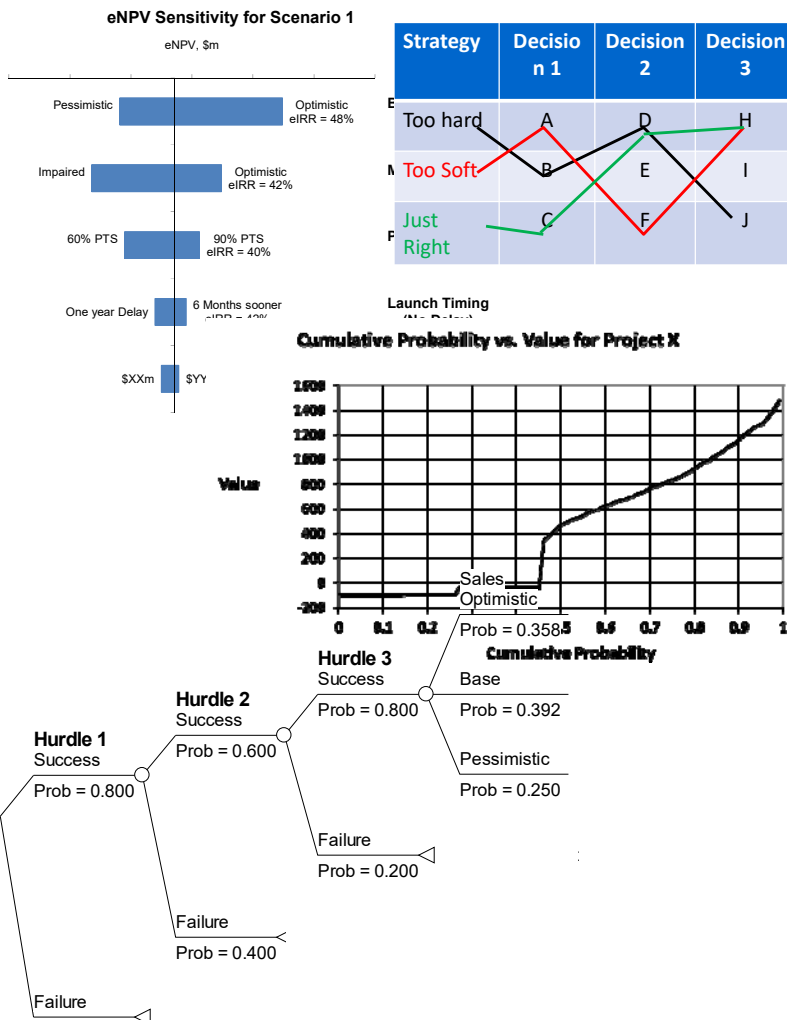
- ✓ **It is important to tell a story when going to the Decision Board**
 - It's important to frame Management's thinking at the start of the presentation
 - Make it a simple message that flows in just a few slides
 - Can rely on backup slides to drill down to the details if needed

- ✓ **Many of the great analytic tools we use during our analysis are not suitable for Management presentations**

- ✓ **Communication to Management is not just about making a great final presentation – it's a continuous communication process**

The secret skill of a successful DA analyst is the ability to frame the decision in a way that's useful to the audience

The DA frame



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The Decision Maker frame

Mindset:

- This meeting is running over
- I have 20 things competing for my attention
- I've been booked back-to-back all week
- I have only 30 minutes to make a big decision

What they want:

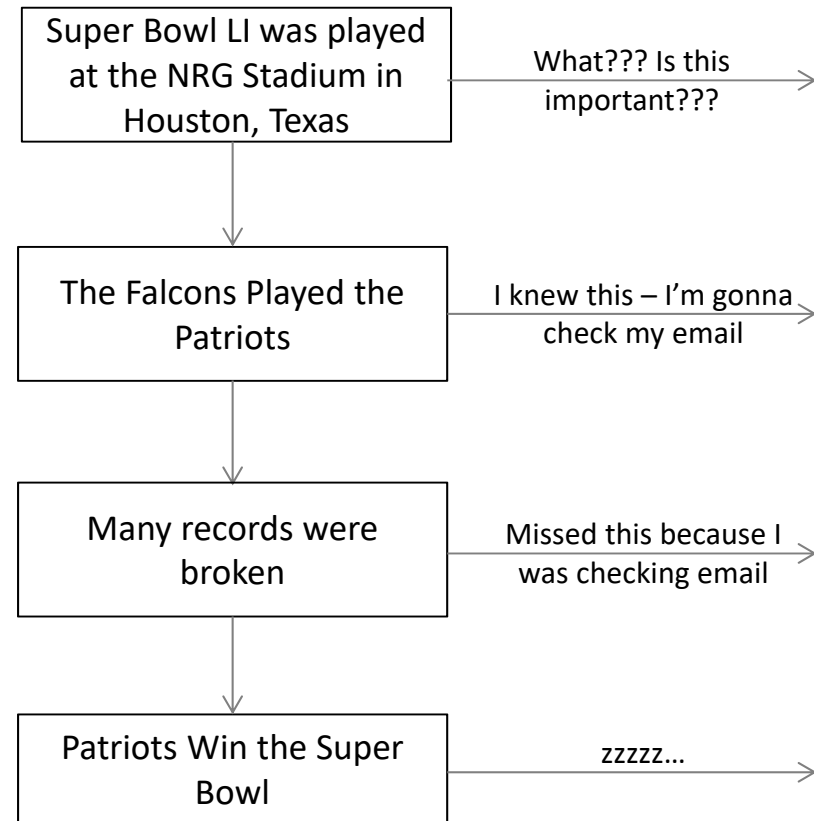
- Give it to me in an easily digestible form
- Don't bother me with all of the details – What do I *really* need to know?
- I need a simple message I can carry up the chain
- What am I betting on if I make this decision?
- I'll ask for details if I think I need them...

A newspaper article is a great example of a successful presentation

This:



Not This:

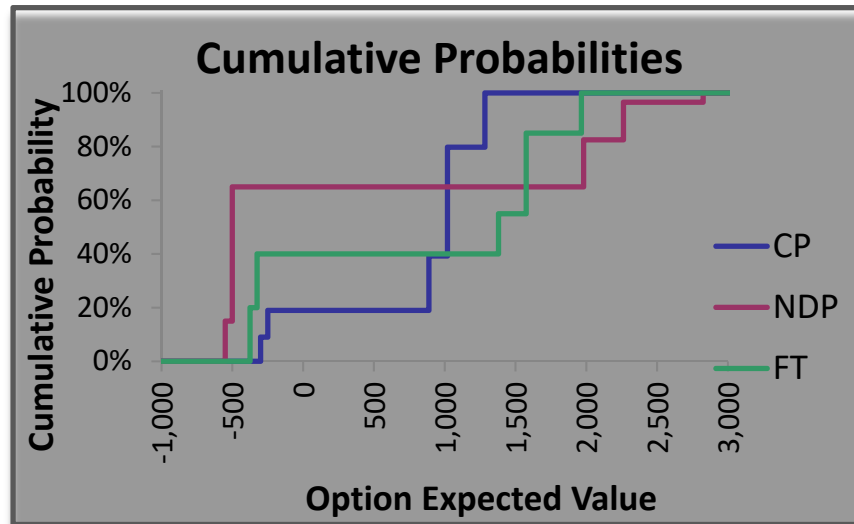


Your challenge is to write a presentation in six slides

1. **Why we are here – problem statement**
2. **What our recommendation is and three reasons why:**
 1. Reason 1
 2. Reason 2
 3. Reason 3
3. **Explanation of reason 1**
4. **Explanation of reason 2**
5. **Explanation of reason 3**
6. **Re-summarize**
7. **Backup (as many slides as you would like)**

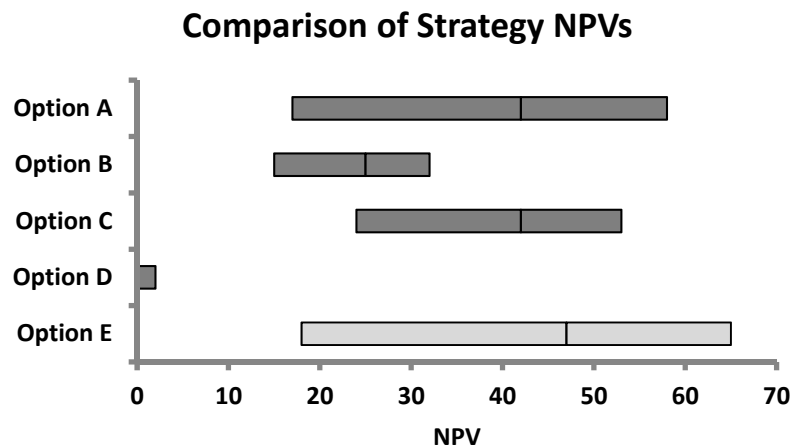


Using Risk profiles in a Management presentation is Risky...



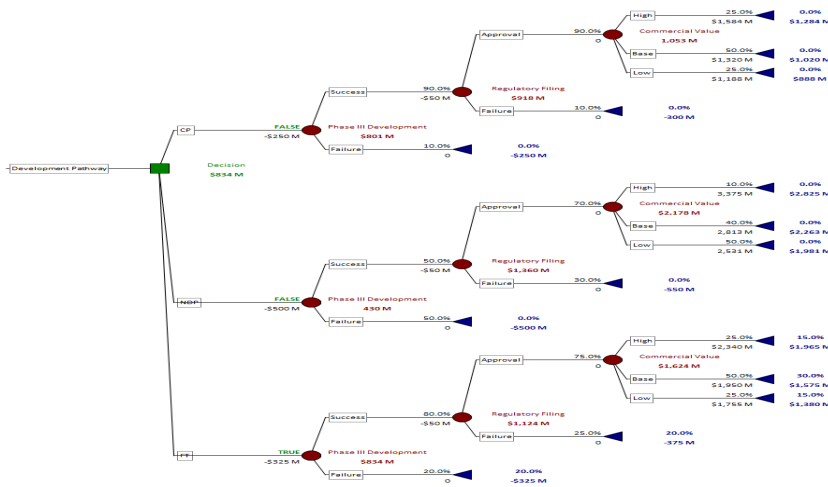
- Risk profiles are a great way to get your head around a project
- They are also good to use with the team to explain the risk tradeoffs between options
- However...
 - They take a while to get your head wrapped around them
 - Some people find it difficult to think in terms of cumulative probabilities

Better Practice:



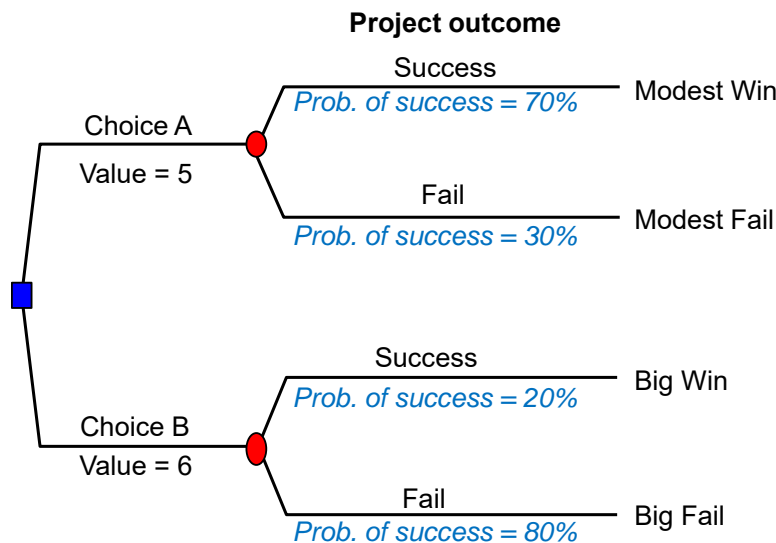
- Range charts can be a better way to describe uncertainties
- It's obvious that Option D and B are inferior
- However, we can see that Options A, B, and E are essentially the same, and we need to look at qualitative issues to decide

Don't show a "Decision Bush"...



- Too many details to make a concise point
- Usually very difficult to read
- I'm gonna check my email...

Better Practice: Use only the simplest of decision trees that make a point



- Makes an instant point:
 - Choice B is better, but carries a lot more downside with the higher win
- Is actually readable

Don't share complex strategy tables

Strategy tables are an excellent way to build meaningful, alternative strategies

However, what works for the teams may not make the best Management talk

Good for teams

Strategy	Decision 1	Decision 2	Decision 3
Too hard	A	D	H
Too Soft	B	E	I
Just Right	C	F	J

Better for Management

Strategy	Decision 1	Decision 2	Decision 3
Too hard	B	D	J
Too Soft	A	F	H
Just Right	C	D	H

Sometimes it's best to forgo strategy tables altogether for a senior presentation...

An alternative way to discuss strategies (offshore oil platform example)

Strategy Name: Start Small

Strategy Description

Pursue setting a small production platform that has expansion capabilities

Pros

- Lower upfront cost
- Faster delivery time

Cons

- Higher overall cost if we need to expand production facilities
- Could result in rate limitations

Don't try to overfeed decision makers with too many metrics

We can easily get enamored with all of our metrics

Confusing to decision makers:

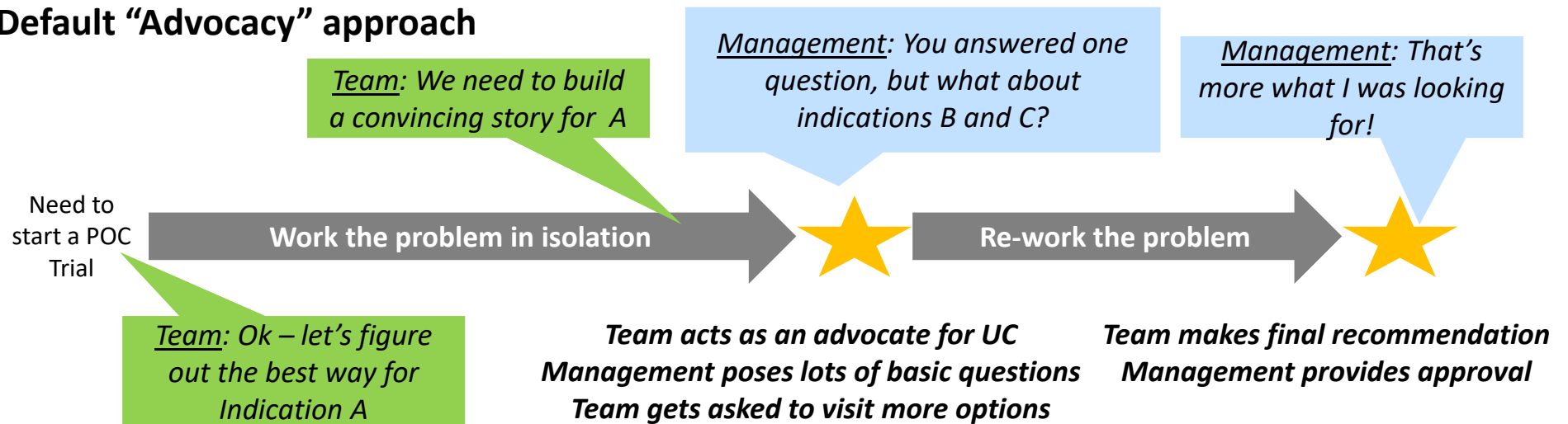
Strategy	eNPV	eIRR	IE	Reserves	Peak rate	Per Bbl costs	1 st production	Total \$
A								
B								

Better Practice: Use the fewest number of metrics that make your point

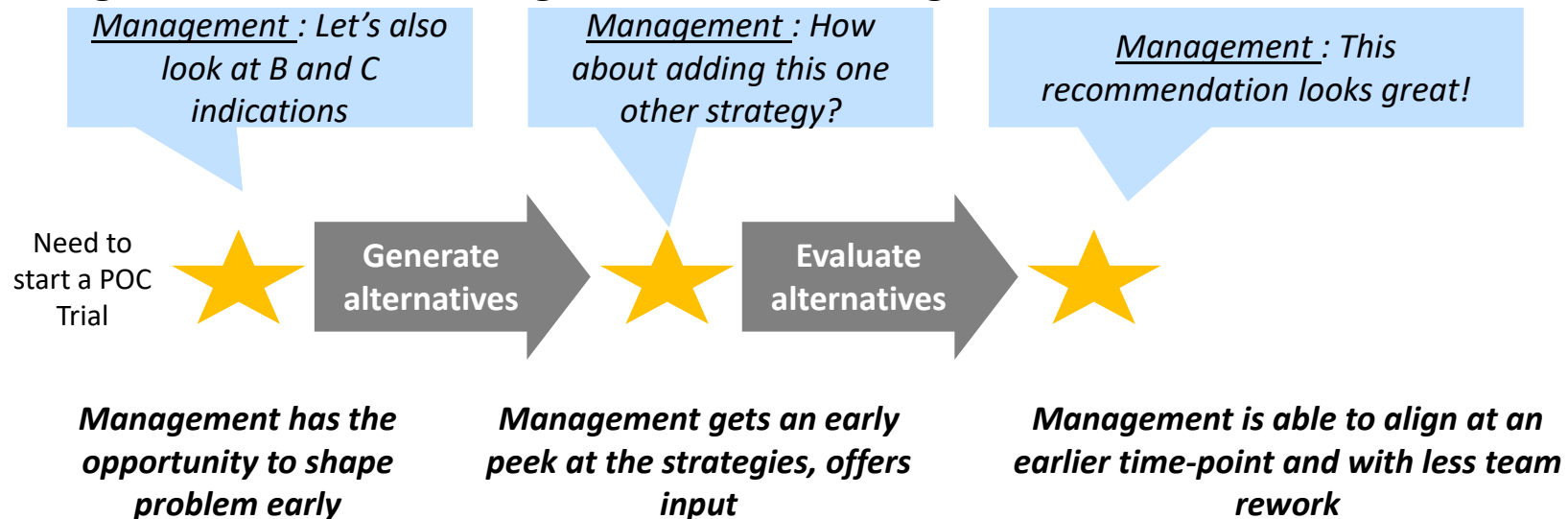
Strategy	eNPV	eIRR	Comments
A			
B			

Effective communications to the decision board is not a single event at the end of the process

Default “Advocacy” approach

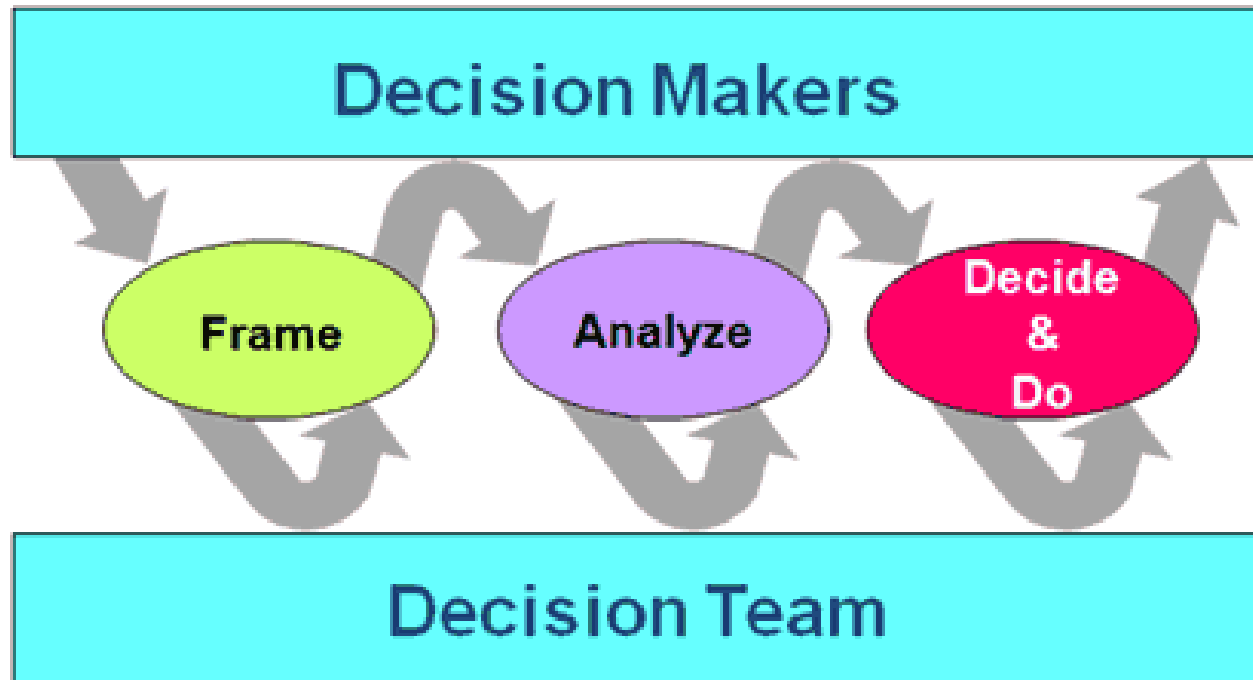


Dialogue is the backbone to good decision making



So – Remember the Snake!!!

Good communications enable Decision Quality



Focus of DA extends far beyond analysis:



In conclusion...

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