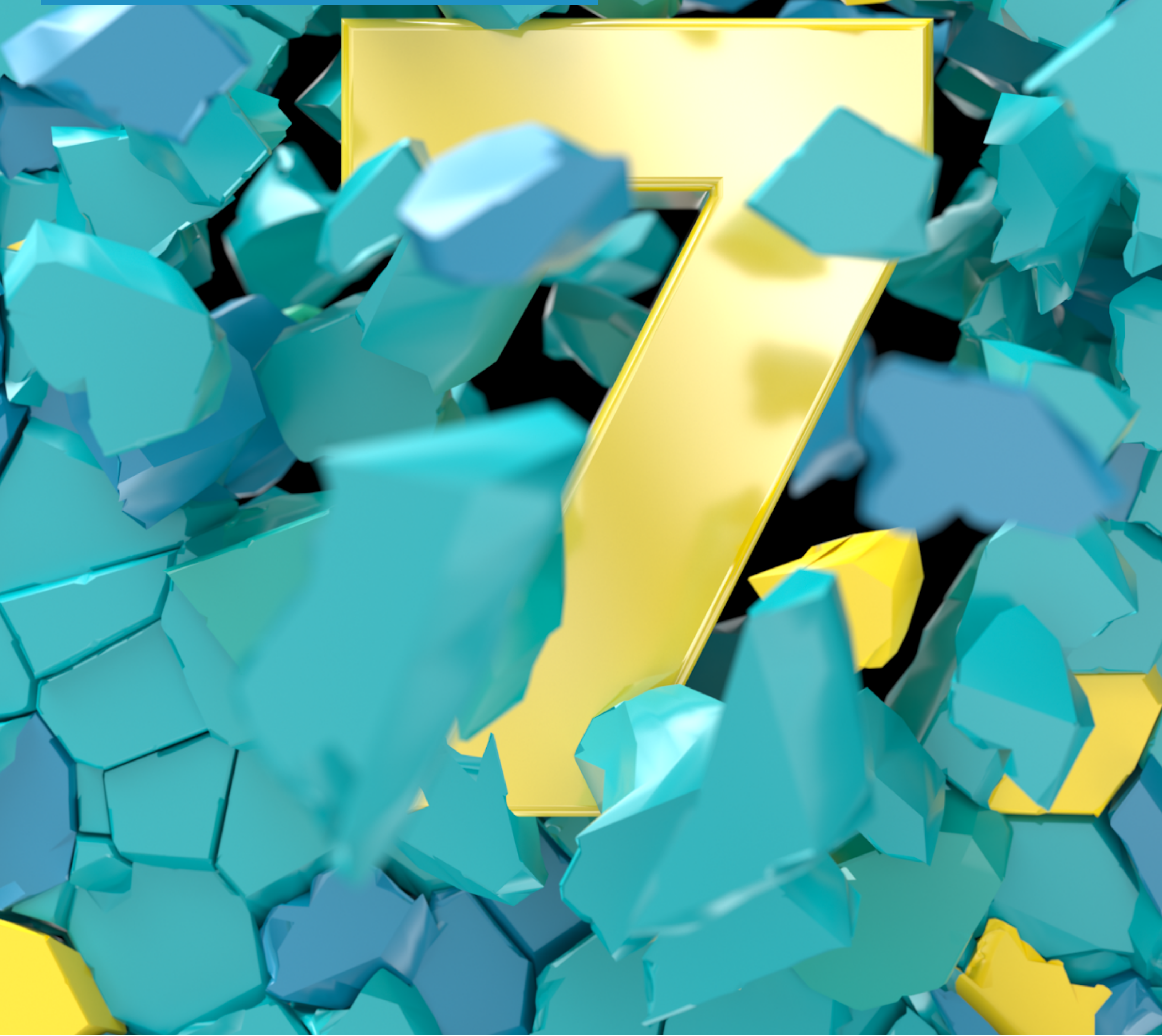
Cloverpop
by CLEARBOX DECISIONS, Inc.

7 Breakthrough Decision Practices

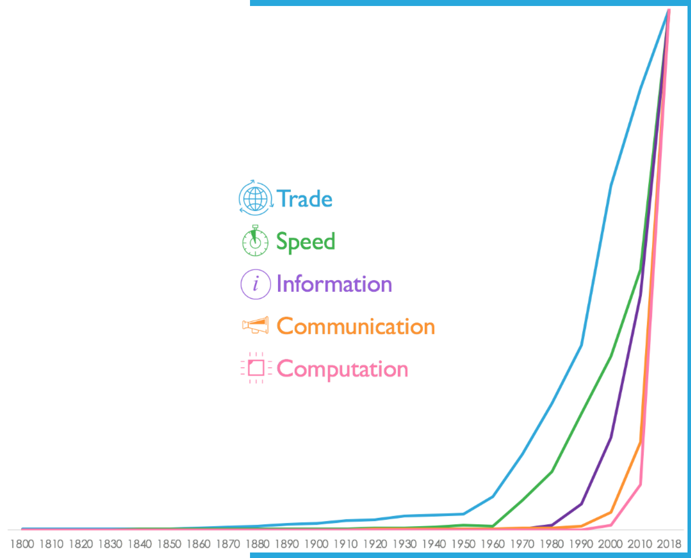
Under Pressure To Innovate And Compete? These Are The Benchmarks To Beat.



The Demands On Decision-Makers Keep Growing

It's hard to overstate how much transformation success relies on better, faster decision making. Bain & Company found that decision making drives 95% of business performance. The UK Institute for Employment found that decision practices impact 50% of employee engagement. Your company's decision practices have a huge impact on how your business and your employees **perform**.

At the same time, leaders face rapidly increasing pressure to **innovate**. Speed has always mattered in business, but today's increased pressure on speed is different. This graph of key economic measures shows how much different. Slow and steady for hundreds of years, the rate of change suddenly exploded -- yesterday was flat, today is vertical.



Decisions are made for two reasons: to pro-actively make change happen, or to react to change when it occurs. So as change increases, decision making must keep pace. The fastest make change a strategic asset. The slowest are pounded by change until they stumble and fall.

This transformation pressure demands a new approach to your business's decision practices. Addressing "tipping point" decision practices can dramatically increase the speed and success of your transformation.

Pressure on innovation and performance demands a new approach.

Stuck In The Past

Unfortunately, most decision practices are stuck in the past. Everything else about work has changed dramatically, but bring a top-hatted railroad baron from 1850 into a typical decision-making meeting today and he'd feel right at home.

As a result, people are overloaded trying to coordinate and drive decisions. Lack of visibility causes decision delays, and lack of transparency leaves people out of the loop. Good decisions get rehashed due to corporate amnesia, and obsolete decisions block attempts to drive change.

Such misalignments, miscommunication, mistakes and missed opportunities seem like the unavoidable result of a rapidly changing world. But the root cause can be traced to common gaps in decision practices. Bridge those gaps and transformation speeds ahead.

Faster, better decision-making is critically important in the face of rapidly increasing change. Transformation efforts must focus on decision practices to increase the chance of transformation success.

The Future of Decision Practices is Now

Top companies are already improving their decision practices. According to Cloverpop research published in the Harvard Business Review, organizations that follow best practice checklists make decisions twice as fast in half as many meetings, find innovative solutions 75% more often and generate 20% better performance. Bain and Company research found that when it comes to decision quality, speed, execution and efficiency, top companies outperformed the middle of the pack by 25% or more.

The highest performing companies take decision practices to a whole new level. As Jeff Bezos said, “Speed matters in business. Plus a high-velocity decision-making environment is more fun too.” It’s no accident that Amazon uses disciplined high-speed decision practices such as requiring that written proposals are read before decision meetings. And slow and undisciplined decision-making is no fun for anyone.

From Google and Netflix to Slack and Salesforce, technology companies are leading the way with innovative decision practices. Instagram’s head of engineering James Everingham is a decision innovator who describes his transformation efforts with the flair of a computer scientist. “Decisions sometimes roll on

"Speed matters in business. Plus a high-velocity decision-making environment is more fun, too."

Jeff Bezos

down from the lofty perch of the leadership team, seemingly out of nowhere. Instead, pull back the curtain on how decisions are made, putting some process and principles behind it so it's not this mysterious black box," he said. "We had to make our decision-making understandable, consistent and repeatable. It was about standardizing our algorithms and guidelines."

When it comes to breakthrough decision practices, the future is already here, it's just not evenly distributed. Transformational decision practices are now expanding into every industry.

The Seven Breakthrough Decision Practices

Our research shows there are seven key decision practices that distinguish top performing companies and act as practical benchmarks for the rest to improve and compete. In day-to-day work, top companies rarely fall short of benchmark practices, while low performers usually do. The rest muddle along in the middle with decision practices that sometimes go right and sometimes go right off the rails.

The seven decision practices describe and measure how people in the most effective and innovative companies behave in the course of identifying, making and executing business decisions in their daily work:

- **Bias For Action**
- **Broad Perspective**
- **Just-Right Analysis**
- **Fast & Efficient Process**
- **Clear Communication**
- **Aligned Execution**
- **Effective Feedback Loops**

All decisions are not created equally. In a given year, chief executives make a handful of major strategic decisions that are

:) *"The distance between the CEO and the rest of the organization seems small. We are quite good at* ***deciding and adapting****."*

:(*"The bosses are always a* ***major obstacle*** *to getting decisions done. We have a problem being very innovative."*

irreversible and warrant a very high level of diligence. In a given day, every person in a company makes dozens of trivial decisions, most of which they are barely aware of. The decision practices described here are not aimed at those two ends of the spectrum.

Instead, these breakthrough decision practices focus on the one or two most important business decisions that each manager and executive makes each week. Such business decisions require input from other people before they are made, and must be communicated afterward so other people can execute. These business decisions are how strategy is put into action.

This is not a theoretical framework, it is a practical behavioral approach based on surveys of managers and executives in over a thousand companies using the [Cloverpop Decision Practices Assessment](), along with analysis of tens of thousands of business decisions. Very few companies excel at all seven practices, and all companies have the capacity to improve.

Bias For Action

A bias for action focuses on how people behave when they face their own decisions and when other people make decisions that affect their work. In high performing companies, people:

- Are **empowered** to make decisions that solve problems affecting their work.
- Are **willing to decide** in the face of risk, uncertainty and disagreement.
- Are able to **disagree and then commit** to supporting each other's decisions.

Innovative companies use their bias for action to compete and win. Decision practices at the top 20% of companies show a very

:) *"We are willing to make **bold changes** without a lot of hesitation. We state clearly who can make decisions. We don't have a lot of red tape."*

:(*"Everyone kicks decisions around until someone finally breaks and puts their name on it. A lot of talk, **very little action**."*

strong bias for action at every level of the organization.

When a bias for action falls short, more and more pressure comes to bear on the top of the organization. In the slower world of the past, decisive executives could single-handedly drive organizations forward. But today's business environment is too fast and complex for old-school heroes to break the matrix logjam from above. And despite the long-held belief that reorganizations are the answer, research shows that reorganizations usually destroy more value than they create. They are too unwieldy to keep up with today's rapid business pace. Failing practices push heroic executives to hyper-speed trying to do the right thing while their organizations stay stuck in the muck.

Broad Perspective

Bringing a broad perspective to decision-making is about widening how decisions are framed to generate and evaluate different options. High- performance companies actively engage their people by ensuring decisions:

- Get **broad input** from the right stakeholders up, down and across the organization.
- Actively **include** this input in decisions, without single points-of-view dominating.

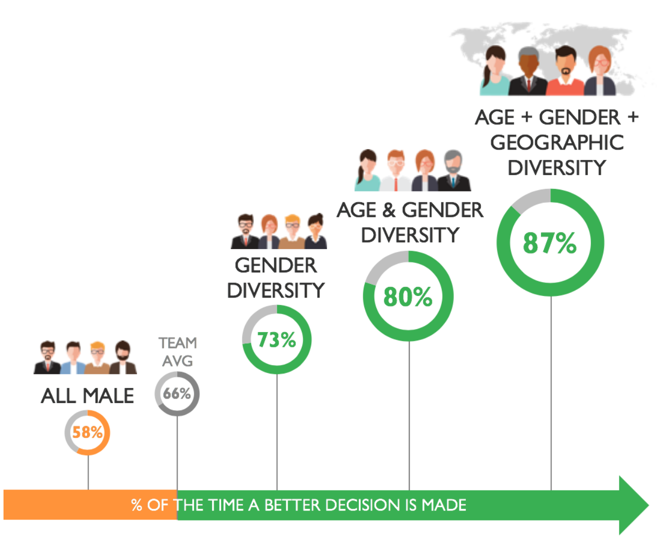
Employees are the value-creating force of innovative companies. Our research shows that decision-making teams outperform individuals 66% of the time, and that advantage increases to 87% for more inclusive teams. Teams increase positive results by six times and cut failure rates in half when they double the number of choices considered before deciding.

Innovative companies' most valuable assets, their people, walk out the door at the end of each day. Productive people are creatively engaged in the decisions that affect their work. If

:) *"We feel free to* ***speak our minds*** *and advocate for what we think is the best choice. Everyone contributes and gets heard."*

:(*"It's hard to get decision makers to take your input seriously. Valuable* ***ideas are lost*** *because people don't feel confident enough to speak up."*

people aren't involved in decision-making, not only do companies fail to harvest their perspectives today, but they also increase the risk of their people going to work somewhere else tomorrow.



A broadened perspective grows vastly more important as the speed of business increases. Great strategists and leaders of the past could shine the singular spotlight of their judgment and experience to find a path and avoid pitfalls with confidence. But in an interrelated global business environment moving 10 or 100 times faster, unaccounted for threats and opportunities in the faint periphery can take center stage overnight.

Fast & Efficient Process

A fast and efficient decision process gathers input and reaches conclusions quickly with minimal wasted effort. In high performing organizations, decisions:

- Are made **as fast as possible**, and at least as fast as the competition.
- Are reached **without excessive meetings and discussion**.

Companies are more likely to fail at speed and efficiency than any of the other decision practices, with almost two-thirds deciding too slowly.

When the business world was slower, it didn't matter that meetings, presentations and sign-offs are inherently slow and inefficient. Speed is relative, so talented leaders could be successful just by being better than everyone else at the old ways of deciding.

:) *"We are very efficient and decide the best course of action **very quickly**, no matter who comes up with it initially."*

:(*"We **waste time** with too many meetings. We talk and talk and talk and every Tom, Dick and Harry needs to sign off."*

As the speed of digital business increases, the old ways become too slow and inefficient to drive proactive change or react quickly enough, no matter how talented leaders are. Decisions feel more confusing and complex for everyone involved when the decision cycle is too slow. Ironically, this tends to drive demands for more meetings, frustrating innovators and putting companies on an accelerating spiral to irrelevance.

Decisions set the pace of business, and disciplined practices are the key to shortening decision cycle time. That need for discipline and continuous forward momentum is why people at innovative companies regularly frame and weigh in on decisions in writing before discussions. And new digital tools allow upfront decision work to happen asynchronously, setting the stage for more productive meeting time.

Just-Right Analysis

Just-right analysis happens when decisions are made with enough study to avoid reckless shots from the hip but not so much that decisions are held back by analysis paralysis. High-performance companies do analysis that:

- Gives **good enough understanding** so everyone has shared context for decisions.
- Favors **speed over perfection**, especially for reversible or testable decisions.

High-quality analysis is widely shared with decision-making teams in innovative companies. High performers emphasize understanding problems over exhaustive analysis of solutions. They take note of analysis gaps and any open questions at the time decisions are made, and make sure to analyze and act on what happens after decisions are made.

:) *"We avoid the "mulling over" time other companies have and decide based on analysis. If we* ***see a change*** *needs to be made, we make it."*

:(*"There is so much repetition of ideas at meetings -- analysis doesn't get pinned down, and too much analysis leads to* ***stalemates****."*

Companies are 50% more likely to struggle with too much analysis versus too little. In part, the wide availability of digital data makes it easy to get bogged down running the numbers. Business training teaches managers and executives more about the importance of analysis than the practicalities of decision practices. And in line with a common theme, the speed of business keeps lowering the "too much" threshold by shrinking the time available for analysis.

Companies that fall outside the 'goldilocks zone' of just-right analysis have a common problem. They put too much trust in what they know before deciding, and pay too little attention to the uncertainty of what will happen after. When the world was slow, those uncertainties were relatively small, so number runners could predict with confidence and experienced people could trust their gut. But now uncertainties are large and growing larger, and that demands a different approach.

Clear Communication

Clear communication is about making sure people are informed of and understand all relevant decisions that affect their work. In high performing companies:

- Decisions are communicated **quickly and clearly** to everyone affected.
- People **remember** the decisions made and the reasons why.

Before they can be acted on, decisions must first be communicated. Our research shows that only 1 in 5 companies effectively communicate decisions on a regular basis. The most innovative companies consistently document the what, why, when, who and how of decisions and share this information

:) *"We make decisions fast and they* ***spread like wildfire****. We document and share decisions to involve subordinates in the conversation."*

:(*"Decision makers are obviously aware of changes, but it is* ***difficult to inform*** *everyone else in an efficient and speedy manner."*

openly. This creates a single source of truth that boosts buy-in for decisions and accountability for results.

Subpar decision communication creates friction across the entire organization. Because most companies rely on old-school decision meetings, they often end up playing a corporate version of the telephone game. At best, shorthand summaries of verbal decisions are buried within unread emails and meeting notes. People across the organization respond to these ad hoc practices with confused and frustrated out-of-the-loop signals, “This is the first I’ve heard of that decision,” which leads to corporate amnesia, “I don’t remember that.”

There is no benefit to leaving people to stitch together their own understandings of every decision, especially for global teams and remote workers. Clear communication is required to execute decisions effectively.

Aligned Execution

Aligned execution means that people consistently follow through on decisions that are aligned with shared business goals. In many ways, this is the stereotype of business performance:

- Decisions align with **broad business goals** rather than narrow stakeholder interests.
- People consistently **follow through** on decisions once they are made.

According to their own assessments, companies are better at aligned execution than any other decision practice -- more than 1 in 3 companies excel at this, and less than 10 percent perform poorly. Corporations don’t exist for long without it, and so they make large investments in crafting strategy and tracking operational performance. Those investments pay off.

However, most companies lack direct visibility into how well

:) *"I love how we get on board to support decisions that benefit the company because people know where they are coming from.* ***Pushback is rare.****"*

:(*"Too many times top-down decisions catch everybody off guard and ignore in-the-trenches input. There is a* ***lack of accountability****."*

specific operational decisions are aligned and executed. Because of the digital decision gap, companies lack a system of record for tracking decision tasks and results. Without this visibility, they are unable to apply the same “what gets measured gets managed” discipline to decision execution that is applied to other important business activities. Many innovative companies still fall short of excellence in that sense. In the worst cases, this lack of transparency blocks accountability and allows politics to fester -- sunlight is the best disinfectant.

Effective Feedback Loops

Effective feedback loops help keep good decisions on track while quickly fixing bad decisions when they arise. When high-performance feedback loops are in place:

- People **stay committed** to decisions until seeing results, without arbitrary churn.
- Decisions **change quickly** when conditions change or results disappoint.

The most innovative companies have well-tuned feedback loops that reinforce firm commitments while also driving quick reactions to new information or missed expectations. The top 5% apply the same absolute tracking and review discipline to decisions that most companies apply to other business activities that profoundly affect customers, finances and employees.

Decision feedback loops usually fail for one reason: lack of measurement. But the impacts of failure vary widely depending on the company and the people involved. In some companies, undisciplined feedback loops allow decisions to be arbitrarily reopened or changed in a momentum-sapping churn, “But nothing has changed since we decided!” Almost twice as many

:) *"We make decisions quickly and stand by them. If a decision proves ineffective we immediately alter it to* ***avoid similar mistakes*** *in the future."*

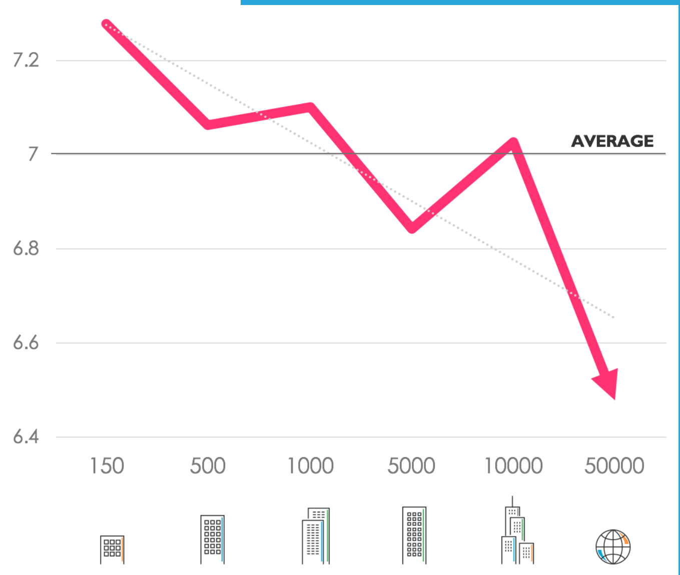
:(*"People are always confused. We rigidly stick with decisions.* ***Little things snowball*** *into big things. We’re horrible at learning from our history. "*

companies have the opposite problem -- bad decisions regularly stick around and are hard to change, forming a cracked foundation for follow-on decisions with no review to track how well results met expectations. And horribly, 1 in 20 companies regularly experience both problems!

Innovation does not thrive on speed alone. Effective feedback loops let companies track and measure decisions to keep steady control in turbulent times and veer quickly to attack or defend when markets demand. Since decisions have the highest impact on business performance, there is no more important feedback loop to optimize. And so the strong will keep getting stronger -- once decision feedback loops are in place, companies can systematically analyze decision results and feedforward insights to drive ever better decision practices.

The Friction of Decisions at Enterprise Scale

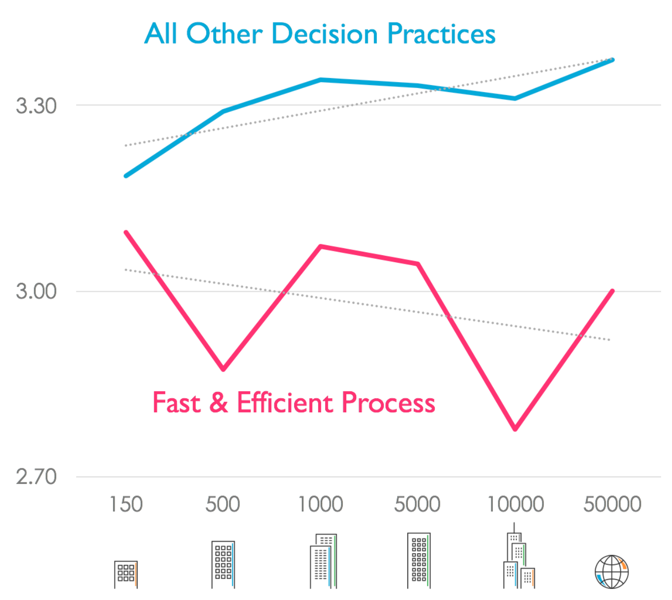
Average companies score a fairly mediocre 7 points on a 10-point scale when it comes to the overall effectiveness of their decision practices. On the bright side, most companies with fewer than 1000 employees score better than average. On the downside, as companies grow in size, their overall effectiveness at making, communicating and executing decisions declines.



This may not be surprising. Conventional wisdom says that smaller companies are more nimble and innovative, so it makes sense that they have more effective decision practices. There is even a behavioral science theory called the Dunbar number that says people can only maintain social relationships with around 150 people. Since business decisions are a social activity, perhaps that helps explain why companies encounter more decision-making problems as they get bigger and bigger.

But deeper analysis shows there is more to the story.

It turns out that in some cases companies actually get better as they grow larger. Enterprise companies make huge investments in their decision practices as they scale. They hire talented people, gather mountains of data, invest in training and process and culture. And those investments have positive results. Bigger companies are especially good at effectively analyzing decisions and executing decisions that align with company goals.



Unfortunately, all of those investments are undermined by a decline in speed and efficiency as companies grow. Slowness and inefficiency are killers. More meetings and discussions take people away from action-oriented work and burn calendar time. The resulting longer decision cycles have a cascading negative effect. They leave more room for market changes or competitive threats to derail decisions after they are made. Longer cycles encourage bigger, riskier, more expensive decisions to try to "catch up" with change. Delegation, transparency and accountability suffer. More space opens up for biases and politics to muddy the waters.

Together, the negative impacts of slowness and inefficiency overwhelm the benefits of all the other investments combined. And the faster the world moves, the worse this problem becomes.

Not all large enterprises succumb to decision friction. Our research found that the top 10 percent of companies with 1000 or more employees have decision practices that are just as fast and efficient as much smaller companies. Decision excellence is possible at any scale.

Winning is not about averages, it's about being better than the rest. When it comes to the decision game, it's not size that matters, it's the practices that companies follow. Category kings and queens dominate markets, and they have to scale to keep their thrones. Breakthrough decision practices are the answer to winning the decision game at scale.

Slowness and inefficiency are killers.

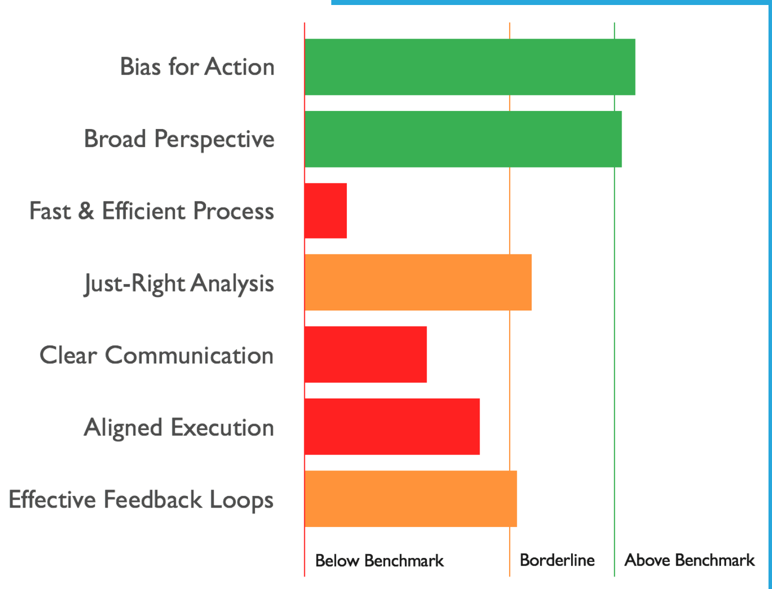
Transforming Decision Practices From Start to Scale

In our work with innovative customers like Cisco Systems, Sanofi Pasteur and Moss Adams, we've found that improving something as fundamental as a company's decision practices depends on a coordinated investment in people and process for a strong start and ultimate success.

On the people side, leaders like you need to drive change. Executives and their staffs must be committed to decision excellence for their organizations, and appoint strong program directors to plan and execute the effort.

The process begins with change plan that takes your organization from start to scale with improvements that stick:

- **Benchmark and Diagnose:** First, we quickly identify "tipping point" decision practices where small changes in habit will cause maximum acceleration, using our powerful diagnostic. You can get started with a 5-minute survey of your extended leadership team and zero-in on those blind spots.
- **Activate and Build Skills:** Next, we up-level and align your leadership teams around these tipping point practices with Cloverpop's hands-on experiential training. Each 2-week training sprint incorporates real decisions faced by the teams for immediate results.
- **Use Success to Scale the Habits:** Then together we use concrete success stories from the training sprints and measure results to build momentum across the organization and scale the habits with a repeatable framework and system to standardize the practices.



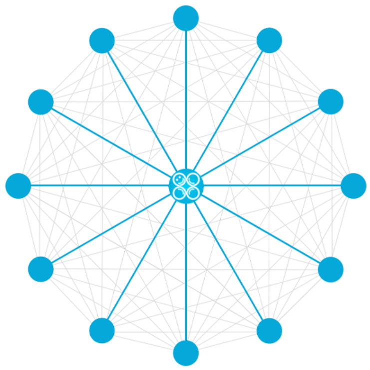
Leaders like you need to drive change.

We've worked with enterprise customers drive massive culture and decision practice transformation in months:

FROM	TO
"We don't have enough engagement with the field team on the impact of decisions made."	*"Everyone has the opportunity to give opinions on the decisions that lead to improvements."*
"Folks seem unwilling to tie their name to responsibility for decisions."	*"Love the transparency!"*
Typical decisions take 4 weeks, 3 exec meetings and 25 hours of exec time.	*Typical decisions take 6 days, 1 exec meeting and 16 hours of exec time.*
A culture with moderate interest and some skepticism that change is possible.	*A culture with strong motivation and trust that improvement will happen.*

Scaling Success With Cloverpop's Software Platform

Cloverpop's decision platform simplifies and supports tipping point decision practices, enabling companies to scale those practices across their organizations. The platform enables decision-makers to quickly communicate decisions to stakeholders to gather impactful feedback when people aren't aligned. Cloverpop also makes it easy to share decisions with the broader organization to keep people in the loop. With a single transparent place to track decisions, everyone knows what was decided and why, speeding up transformation and increasing your chance of success.



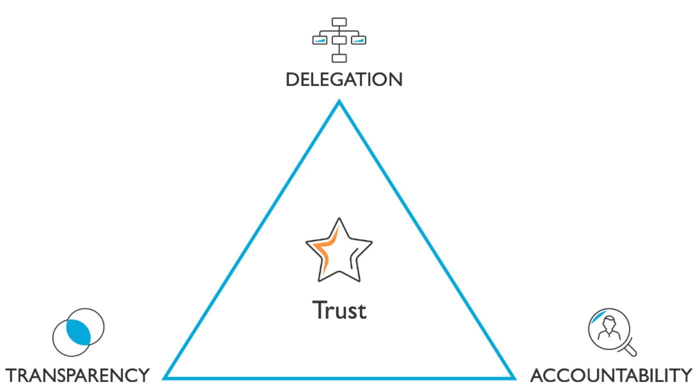
The Triangle of Transformation Success

Successful efforts to improve decision practices for successful transformation are based on the triangle of transparency, accountability and delegation:

- **Transparency** improves communication up, down and across the matrix to keep people in the loop, ensure executive visibility, and boost buy-in if people disagree.
- **Accountability** creates a decision feedback loop so good results are reinforced, bad results drive change, and everyone can trust the process.
- **Delegation** empowers front-line employees who are closest to problems and most motivated and capable of coming up with creative solutions.

These three points reinforce each other to make organizational change happen. Executives are more comfortable delegating decisions when transparency gives clear visibility and accountability keeps results in focus. Transparency helps delegated decision makers get productive input from stakeholders while naturally creating a culture of accountability. And the people impacted by decisions are more capable and motivated to execute when the process is transparent and everyone is held accountable for the results of their decisions.

When the triangle is weak, decision friction is everywhere. People are confused and out of sync, ideas are ignored, execution is too rigid and too slow. When the points of the triangle are strong and trust is high, companies have faster, better decision practices. They engage their employees, they innovate and adapt, they execute quickly and efficiently.



Delegation, transparency & accountability reinforce each other to make change happen.

About Cloverpop

Headquartered in San Francisco, Cloverpop is on a mission to help companies transform their decision practices for improved leadership performance, agile business innovation and employee engagement. Companies using Cloverpop dramatically increase their return on decisions, making 75 percent better decisions twice as fast with half as many meetings and total transparency. For more information, visit www.cloverpop.com.