

Why Decisions Need Design

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A fascinating transformation has taken place in large corporations' workforces over the past 50 years. Direct labor engaged in the making of products or delivering of service used to dominate both in numbers of workers and payroll dollars. In most big companies today, however, white-collar, indirect, managerial labor dominates in fully loaded payroll cost, if not in absolute number of employees.

This shift raises the question: If these employees, who now consume the biggest share of corporate resources, aren't directly making a product or directly delivering a service, what are they doing?

The answer: They're manufacturing decisions. More than anything else, the modern corporation has become a decision factory -- strategy decisions, pricing decisions, distribution decisions, human resource decisions, engineering decisions, capital-spending decisions, advertising decisions, government-relations decisions, what-toilet-paper-to-put-in-the-restroom decisions. Corporations are spending an increasing proportion of fully loaded payroll dollars to pump out decisions.

HOW'S THE DEFECT RATE? Which makes you wonder: If the primary "product" of the most expensive chunk of the modern corporation is decisions, then how effective is the corporation at decision production? Is the defect rate on decisions low? Do the subsequent users of the decisions find the decisions to be of high quality, easy to use, and compelling? Is the cost of generating the decision lower or higher than the value of the decision?

If decision production is such a big deal, corporations should be paying very close attention to design of decisions -- as much or more attention than they pay to product or service design. In my experience, they aren't. Corporate decision factories feature extremely low-quality decision design.

Corporations still see themselves as product and service factories, and if they think at all about elegant design, it's in that context. Anyone who has worked in an organization of any

substantial size can enumerate the common defects in decision-making:

Decisions don't get made: There's the continual study of unresolved "issues," which come to closure, if ever, only after numerous iterations.

Decisions appear to have been made but then fall apart: There's either false consensus whereby those involved don't really reveal their true feelings during deliberation and undermine the "decision" thereafter, or there's weak consensus whereby the commitment to the decision is so marginal that it falls apart before catalyzing any action.

Decisions get made, but follow-up action isn't timely: The decision-making process is followed by a time-consuming "buy-in" process for those who have to accept and act on the decision.

Decisions get made, but they're bad: The decision doesn't result in the attractive consequences contemplated during the decision-making process.

Decision Factory Design Flaws

These are all manifestations of badly designed decisions. What's the root cause? The fundamentally flawed design of the decision factory.

Typical decision design demonstrates few of the features of great design, which starts with deep user understanding. The designer dives well below the surface to fathom exactly how someone will use the artifact to be designed. The designer goes beyond understanding the user's physical and functional needs to determine the user's deeper emotional and psychological needs.

Do decisions even have "users" who need to be deeply understood? Indeed they do: Anyone whose subsequent decisions and actions are shaped and constrained by a given decision is a "user." So if corporation decides that all divisions will cut costs by 10%, or deploy Six Sigma, or adopt a shared-services model for info tech, many divisional managers will be users of these decisions.

CREATIVE RESOLUTIONS. While it's fair to say decisions don't completely ignore the user, it's rare for corporations to take their needs into account. This is why when the

decision in question gets presented to the users, they often rebel, resist, drag their feet, or simply don't understand the action required by the decision. That's why companies wind up with massive implementation task forces and extended "buy in" efforts. Deep user understanding typically happens only in the wake of a decision and the problems it has created.

Designers, in contrast, visualize creative resolutions of tensions that balance the needs of the producer and the user rather than accepting unpleasant trade-offs. The designer aims to create a solution that's easy to understand and intuitively obvious for users, who shouldn't need a complex manual and days of training to implement the solution.

Typically, corporate decisions don't live up to these visualization ideals either. In part because companies are hierarchical, decision-makers tend to put the needs of the decision's producer ahead of the needs of the decision's users. For example, it's handy for the corporate center to force all the divisions to use the same accounting platform, whether or not it's helpful to the individual divisions.

500-PAGE MANUAL NEEDED. This isn't unlike the stereotypical architect who designs a house that makes him happy rather than makes the client happy. The great corporate decision designer, like the great architect, instead would get creative about how the user needs could be integrated into a creative solution.

In addition, corporate decisions tend not to be elegant and intuitive. They tend to be abstract -- "We are going to be customer-centric" or "Quality is job one." Or they tend to be internally inconsistent -- "We're reorganizing and downsizing in order to provide better customer service." This is yet another reason for the many implementation task forces and "buy-in" sessions. These task forces are the human equivalent of a 500-page user manual for a VCR. And "buy-in" sessions are the human equivalent of Soviet indoctrination camps.

Great designers use rapid prototyping to refine their design before locking in on a solution. Rather than work on one design, fall in love with it, and jam it down the throats of users, the great designer engages users in a collaborative process of testing and refining to help the design rapidly evolve to the point where it delights users. Involving users in prototyping can lead to a solution the designer couldn't have otherwise contemplated.

INVALUABLE SOURCES. In corporations, most decisions are never prototyped. At most,

the decision-makers float a trial balloon to see whether a firestorm will ensue. And if it does, the decision is taken back to be privately reworked and floated again later.

Users typically aren't involved. Why? To make sure the decision process doesn't "get out of control." As a consequence, the decision designer cuts herself off from an invaluable source of design ideas and enhancements, and is much less likely to produce an elegant and intuitive decision design.

Finally, great designers continue to modify and enhance the design after it's in use rather than insisting that it be cast in stone. For many, Apple's (AAPL) the iPod is the current poster child for perfect design -- elegant, intuitive, delightful, economical, etc. However the iPod went through a lengthy period of profound design changes after its first launch to become the "instant success" that everybody thinks it is (as chronicled by former chief scientist for Alias Wavefront Bill Buxton in a forthcoming book on design).

DELIGHTFUL DECISIONS. Without Apple's willingness to keep modifying and enhancing the iPod, even though it was already successful, we wouldn't have the marvelous current manifestation or the likely further enhancements that we may not yet be able to contemplate.

It's uncommon for corporate decisions to have such a smooth and steady enhancement path after deployment. Rather, it's more likely to be seen as a sign of failure rather than success if a decision is revisited and altered.

In summary, great design is characterized by deep user understanding, visualization of creative resolution of tensions, collaborative prototyping to enhance solutions, and continuous modification and enhancement after launch. The result is design solutions that are easy for users to adopt, delightful for them to use, and likely to get better over time.

Corporate decisions, in contrast, are likely to be driven more by producer desires than user needs, accepting of unpleasant trade-offs generated without intensive involvement of users, and applied inflexibly. As a result, decisions tend to take a long time to make, often unravel, take expensive and time-consuming "buy-in" procedures, and are lower quality than they could be with greater user understanding and input.