

Research • Strategy • Learning

TECKER
INTERNATIONAL

Knowledge-Based Decision Making

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Three Important Components

1. Dialogue Before Deliberation
2. Knowledge-Based Decision-Making
3. Integrating Strategic Thinking and Governance

Four Knowledge Basis

Question 1. What do we know about our stakeholders - **needs, wants, and preferences**, that is relevant to this decision?*

Question 2. What do we know about the **current realities and evolving dynamics** of our environment that is relevant to this decision?*

Question 3. What do we know about the “**capacity**” and “**strategic position**” of our organization that is relevant to this decision?*

Question 4. What are the **ethical implications**?

Stakeholder Analysis

Key Stakeholder Group	Needs	Wants & Preferences

Four Knowledge Bases

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Question 4. What are the **ethical implications**?

**What do we wish we knew but don't?*

Question 2: Current Realities And Evolving Dynamics

CURRENT CONDITIONS	TRENDS	ASSUMPTIONS ABOUT THE FUTURE
What's going on now?	A change in progress and the direction of the change	Something that could happen in the foreseeable future that would make a big difference.

Four Knowledge Bases

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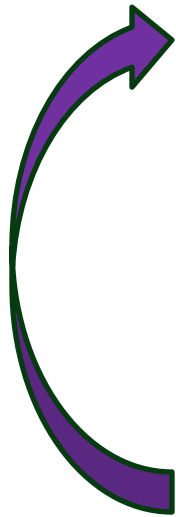
Question 3. What do we know about the **“capacity” and “strategic position”** of our organization that is relevant to this decision?*

Question 4. What are the **ethical implications**?

**What do we wish we knew but don't?*

STRATEGIC POSITION:

factors in the external environment including competitors and dynamics the organizations cannot control



Four Knowledge Bases

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A Framework for Dialogue and Deliberation

- I. Dialogue to Inform the Issue.
- II. Dialogue to Identify & Evaluate Choices.
- III. Determine Consensus & Reach a Decision
- IV. Craft a Motion, Deliberate & Vote.

Guidelines for Background Papers and Discussion

Process Overview

Mega Issues

Strategic "mega" issues are overriding issues of strategic importance that cut across multiple goal or outcome areas. They address key questions that XYZ ASSOCIATION'S leaders must ask and answer, illuminating choices of strategy the organization must make and the challenges which will need to be overcome in moving toward future goals. They articulate the questions that will need to be asked and answered by XYZ ASSOCIATION about the next 5-10 years.

In organizations utilizing Knowledge-Based Strategic Governance, a significant portion of the Board meeting time is taken up with dialogue (to understand) and deliberation (to decide) about issues of strategic direction. Setting aside time on a board agenda to conduct a "Mega Issue Dialogue" will help a governance body to become more strategic.

Information Gathering

A key element of the dialogue is the identification of what we know in relation to the issue at hand. To do this, we must answer the following four questions:

What do we know about the needs, wants and preferences of our members, prospective members and customers relevant to this decision? (Sensitivity to member views)

What do we know about the current and evolving dynamics of our profession relevant to this decision? (Foresight about future environment)

What do we know about the strategic position and internal capacity of our organization relevant to this decision? (Insight about the organization)

What are the ethical implications of our choices relevant to this decision? (Consideration of our choices)

The process of Knowledge-Based Dialogue on a mega issue involves several steps:

Defining what is known about an issue

Determining what choices of strategy this knowledge suggests

Assessing the relative advantages and disadvantages of the choices

Coming to consensus on a choice of strategy or action.

Guidelines for Background Papers and Discussion

WHAT DO WE KNOW ABOUT THE ISSUE?

Question 1: What do we know about the needs, wants, and preferences of members and other stakeholders that are relevant to this decision?

- Inventory where there is information related to this question that might illuminate understanding. (Who knows about this? What has been written? What data are available?)
- Prepare background in the form of bulleted statements and insights that will help inform the dialogue, in relatively simple, declarative format.

ASK: What else do we know about members and stakeholders relative to the decision?

Question 2: What do we know about the current realities and evolving dynamics of our environment that is relevant to this decision?

- Include descriptions and data on the current environment including market conditions, trends and assumptions about the future as well as relevant demographics, business and economic climate, legislative and regulatory environment, technology and science issues, and political and social issues.
- Prepare background in the form of bulleted statements and insights that will help inform the dialogue, in relatively simple, declarative format.

ASK: What else do we know about the current realities and evolving dynamics of the environment, relative to the decision?

Guidelines for Background Papers and Discussion

Question 3: What do we know about the “capacity” and “strategic position” of our ASSOCIATION that is relevant to the decision?

- Provide information about THE ASSOCIATION’S finances, core competencies, human resources, intellectual assets, processes and so on that are relevant to the decision.
- Prepare background in the form of bulleted statements and insights that will help inform the dialogue, in relatively simple, declarative format.

ASK: What else do we know about the capacity and strategic position of our Association relative to the decision?

Question 4: What are the ethical implications surrounding this issue that our ASSOCIATION leadership must consider?

- Prepare a bulleted list of ethical implications raised by this strategic question and related issues, including stakeholder groups that would feel enfranchised or disenfranchised, efficacy or credibility issues with regard to the processes or work that might result in responding to this strategic question.

ASK: What are other ethical implications and questions we must answer with respect to the decision?

Guidelines for Background Papers and Discussion

Strategic Responses to the Question

The process of **Knowledge-Based Dialogue** on a **mega issue** involves several steps:

1. Defining **what is known** about an issue
2. Determining **what choices of strategy** this knowledge suggests
3. Assessing the relative **advantages and disadvantages** of the choices
4. Coming to **consensus** on a choice of strategy or action.

Possible strategic responses to this issue:

Identify what the association could do with regard to this issue?

What high-level strategic choices could the association consider?

Choice 1:

Choice 2:

Choice 'N':

FOR EACH CHOICE, INCLUDE A "LABEL" THAT ALLOWS EASY REFERENCE,
FOR EXAMPLE, "STATUS QUO", "PARTNERING WITH OTHERS," FOCUS ON NEW SEGMENTS,"

INCLUDE A BRIEF DESCRIPTION OF WHAT THE CHOICE ACTUALLY IS,
I.E. WHAT ACTION IS LIKELY TO RESULT AND WHAT WILL BE DIFFERENT.

ASK: Are there other choices not identified?

*ALSO STATE SEVERAL **ADVANTAGES AND DISADVANTAGES** OF EACH CHOICE.*

ASK: Are their other advantages and/or disadvantages not identified?

The “Mega Issue” Question: _____?

What do we know about needs and preferences?	What do we know about current realities and evolving dynamics?	What do we know about capacity and strategic position?	What do we know about ethical implications?

Our Choices:

“Choice”: a discrete, but not necessarily exclusive, alternative.

Alternative #: _____	Alternative #: _____	Alternative #: _____	Alternative #: _____																								
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Choice

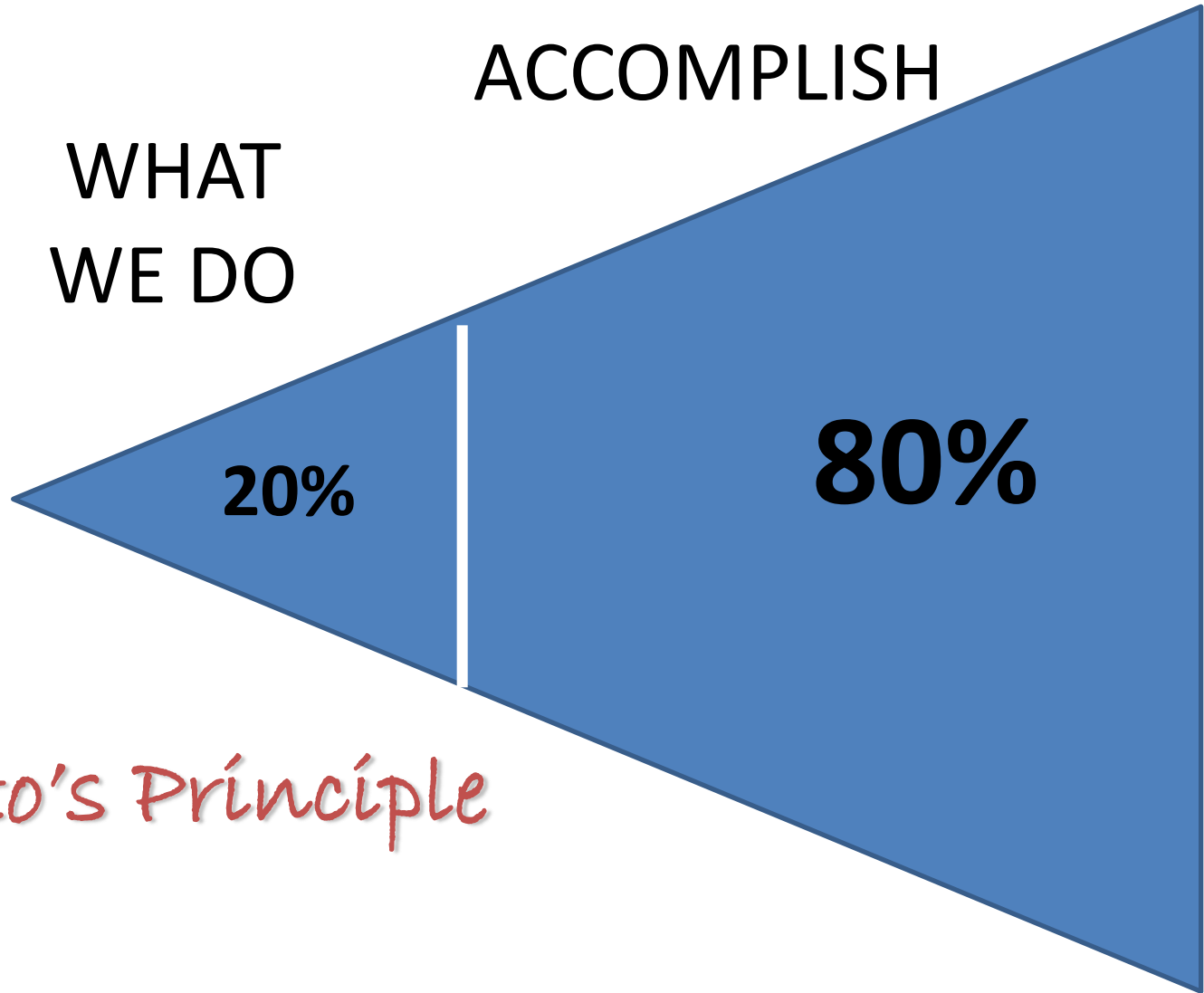
“Choice ”: a discrete, but not necessarily mutually exclusive, alternative.

1. Do nothing
2. Do something

What are the possible “some-things?”

WHAT WE
ACCOMPLISH

WHAT
WE DO



Pareto's Principle

Criteria to Assess Strategic Potential

- **Impact:** How many other things will be effected?
- **Consequence:** How good or bad will doing it or not doing it be?
- **Immediacy:** How much time do we have before the opportunity disappears; what has to be done before other things can be?
- **Likelihood of Success:** What is the probability of accomplishing it in a way that achieves our objectives?

Criteria to Assess Strategic Value

- **Necessary:** Is this action essential to do to accomplish the goal?
 - **Feasible:** Can we do this action well?
 - **Appropriate:** Is this action consistent with our mission, vision and values?
-
- **Sufficient:** If we do these actions reasonably well, will we make satisfactory progress toward the goal?

Determining Areas of Consensus

- Are there any choices we want to eliminate?
- Are there any choices that can be combined with others?
- What choices are we prepared to commit to now?
- Are there choices we are still interested in but need more information about before deciding?

Craft a Motion

Background *(Whereas)*

Background Information (Preamble clauses): The section uses the "Whereas" section heading. Whereas clauses are statements of facts to support the resolution. It is due to these facts that the actions in the second section (Operative Clauses) will be taken. The statements should be concise and highly relevant and are drawn from the group discussion on the topic. While this section may have multiple clauses or paragraphs, the number should be limited. Each clause ends with an "and" after a semi-colon. The last clause ends with a comma.

Action *(Be it Resolved)*

Operative Clauses (Action): The section uses the "Be it Resolved" section heading. Be it resolved clauses state the proposed action or policy change. Resolved clauses should be only one sentence in length and must make sense when read alone, as they are usually the only part of the resolution that will be debated. The section may have multiple operative clauses that end with a period.

Guiding Principles *(Key Considerations)*

Guiding Principles (Key Considerations): The section begins with the following heading: "The following guiding principles govern these actions:". The Guiding Principles section describes the group's philosophy and sets some general rules for the decisions of that group. The guiding principles are the boundaries within which sound business decisions can be made.

Deliberate on the Motion



- In parliamentary procedure, motion to leave the committee of the whole and adjourn back to board process.
- Return to normal deliberative process.

Mega-Issue Background Papers

Simple Samples

Informing the Issue

Question 1: Member Needs

Mega Issue: How can our association more effectively utilize members in advocacy work?

- Advocacy is the reason for our existence and the principal reason that most members belong to our association.
- At the most basic level, members want and expect us to minimize the negative impact of government policies on their business.
- Increasingly, members also want our association to take advantage of opportunities to implement policies that will have a positive impact on their business.
- While all members want and expect advocacy success from our association, the advocacy priorities of our members vary depending on such factors as industry sector, company size, and company philosophy.
- Many members belong to multiple associations. Members want and expect coordination among these organizations to achieve desired policy outcomes without duplicative effort or unnecessary expense.
- Some members are heavily involved in the association's advocacy work (with Congress, with the Administration, and/or with the states), but many more are not. We don't know why this is (e.g., Does this majority of members not want to get involved? Not know how? Not feel they've been asked?).
- Most members have limited time to participate in association work and need to see a direct correlation between their involvement in our association's work and their companies' interests.
- Members who are not involved in our association's advocacy work today may need education and training in the advocacy process and/or more communication about our organization's priorities in order to feel comfortable getting involved.

Informing the Issue

Question 2: Current Realities/Evolving Dynamics

Mega Issue: How can our association more effectively utilize members in advocacy work?

- Constituents, contributors, and supporters most effectively influence external “customers” of our association – e.g., Congress, Administration officials, and state legislatures.
- Other organizations in our industry employ tools to involve members in advocacy work (e.g., legislative fly-ins, email alerts, editorial board visits and local media outreach, etc.) that we do not.
- The high rate of congressional Member and staff turnover requires an ongoing effort to educate Congress on our association, our industry, and its policy priorities.
- Not every decision maker can be approached in the same way. The executive branch differs from the legislative branch, and congressional office styles vary considerably from Member to Member.
- As information and communication technology evolves, decision makers are increasingly inundated with communications from interest groups seeking their attention.
- Political campaigns are becoming increasingly expensive, requiring Members of Congress to raise funds continuously. This creates an increasing demand for PAC contributions.

Informing the Issue

Question 3: Capacity and Strategic Position

Mega Issue: How can our association more effectively utilize members in advocacy work?

- We are perceived as the leading voice for our industry in Washington, D.C.
- We are more visible with decision makers and are perceived as more effective and credible than at any time in the past. Successful regulatory programs, our image campaign, and past advocacy successes have contributed to this improved perception.
- We are an association of modest size and financial resources compared with potential competitors in the public policy arena (e.g., other associations, environmental organizations, labor unions).
- Our industry is a low-profile industry of modest size and economic impact compared with many other industries competing for the attention of policymakers.
- Given the current level of member participation in the association's advocacy work, there appears to be much untapped potential and much greater capacity for member involvement in our association's advocacy.
- Our members are geographically diverse, reside in and do business in many states, congressional districts, and media markets.
- We have limited information on the extent to which members currently have contacts with members of Congress or participate in the advocacy process independently of involvement in our association.

Informing the Issue

Question 3: Capacity and Strategic Position

Mega Issue: How can our association more effectively utilize members in advocacy work?

- Becoming involved in our association's advocacy work has the potential to significantly increase the value that an individual member company derives from membership in our organization.
- At the same time, members speaking or acting on behalf of our association must remember that they are not simply representing their company's interest, but the interest of the association/industry as a whole.
- Clear and honest communication is essential. If a member company does not support our association's position on an issue, that company should not speak or represent itself as speaking for our organization or its members in the public policy arena.
- Not finding ways to increase the involvement of members in the association's advocacy works decreases the effectiveness and value of our association to its members, and gives members less return on their investment in our organization than they could and should get.

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