

ANALYSIS PARALYSIS EXERCISE AND DISCUSSION

Purpose: To discuss the cost/benefit of information gathering/analysis and discuss current or past initiatives that have failed or passed the cost/benefit test.

Supplies: PowerPoint slide and blank paper

Process: Tell the team you'd like to have an open and honest discussion on how decisions are made in our team or organization. Ask questions like:

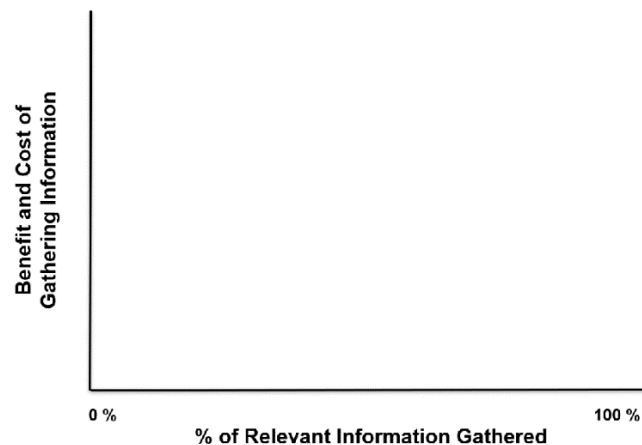
Do they take too long?

Do they happen too quickly?

Are the right people involved?

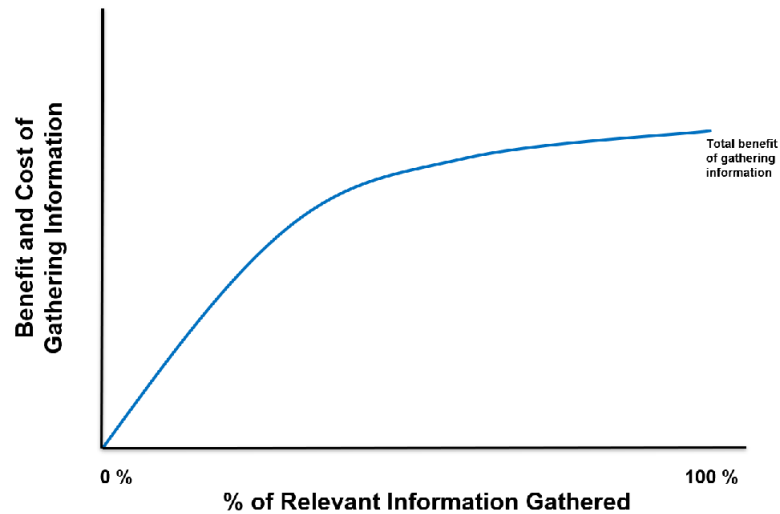
Get everyone talking about decisions that went well and ones that did not. (**Key:** Facilitator must make it a safe place to have this discussion or people will not open up. Facilitator may need to start with their own good and bad decisions). Don't go into detail until later.

Put up the slide and lead a discussion on the cost/benefit of gathering information for decision making.

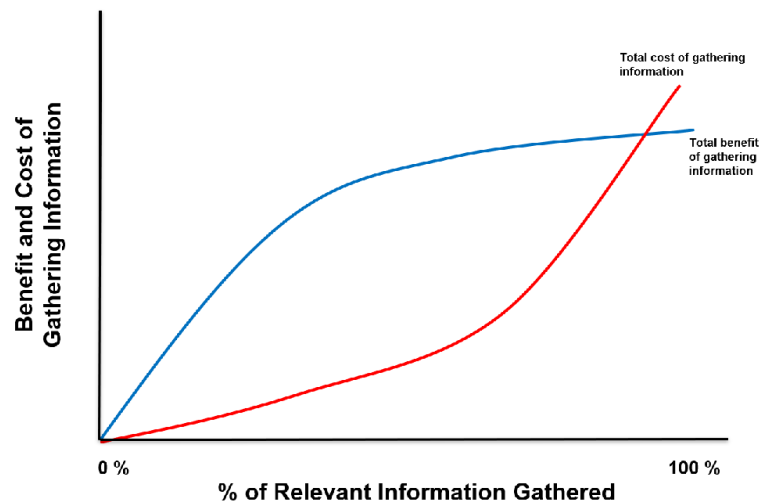


Ask them to draw this on their blank sheet of paper. Then ask them to draw a line/curved line to show the BENEFIT of gathering information. Meaning, as we gather more information how much additional benefit to we obtain.

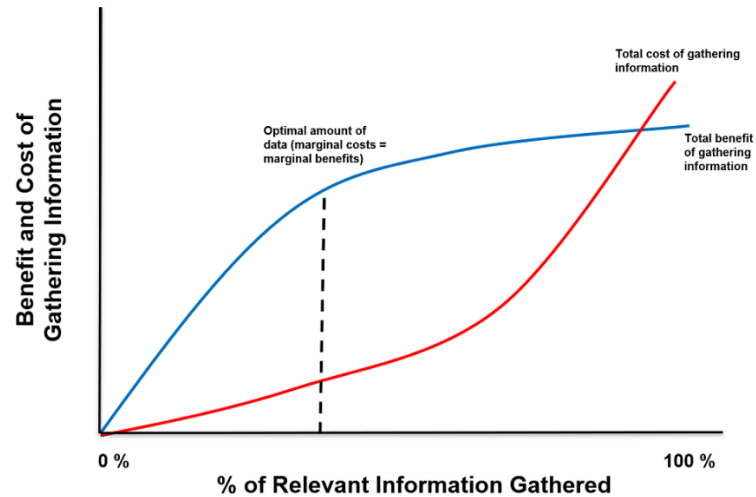
Chances are, most people will draw a line like this which means there are diminishing benefits of more information this closer we get to 100% (similar to Pareto's 80/20 Rule.)



Now ask them to draw another line/curve representing the cost of gathering the information from 0 to 100%. Their lines should look something like this:



Now ask everyone to draw a vertical line where they think is the optimal cost/benefit point in the chart where the marginal benefits no longer exceed the marginal cost. Most responses should look like this.



Lead a discussion on this to see if the group can agree there is an optimum point where we should stop gathering & analyzing data because the costs outweigh the benefits. This is when we need to start making decisions.

Now ask the group to write down 3-5 past or current initiatives (at least one success and one failure) and place them on the chart based on their knowledge of how much data was gathered before making a decision.

Discuss their answers either in small groups or as a whole. Hopefully this will generate some honest discussions on over or under analyzing and its impact on the organization.

Discussion: The facilitator should lead a group discussion on initiatives that worked and didn't work and why. Ask questions like:

Did we analyze too much? Why? (e.g. fear, risk averse)

Did we analyze too little? Why? (e.g. pressure to speed up)

Agree to incorporate this chart into every new project/initiative and continuously ask yourself as a team if we've optimized the cost/benefit of data analysis and we need to move to making decisions.

Takeaways:

- a. Awareness of the cost/benefit of data analysis
- b. Reflection on past decisions
 - i. Were they timely?
 - ii. Did we optimize data analysis for cost/benefit?
- c. Action steps moving forward
 - i. Incorporate this chart into project charters and status updates to ensure we continuously think about decision making based on the optimum amount of information/analysis