



Tracking Decision Latency

For every million dollars spent on a project, approximately 1,000 decisions must be made, according to The Standish Group. Some of these are minor day-to-day decisions, while others have high impact on the project and its value delivery. To keep a project on track and retain the value of a project, prompt decision-making is essential. The VMO recommends that high impact project decisions have a latency no higher than one week in order to maintain the critical path and ensure that projects achieve desired outcomes and quality expectations within the original project time frame. Moderate to low impact decisions should be resolved as they arise or within 24-48 hours of data being presented for decision-making.

Project managers and sponsors should actively track and manage decision latency to ensure that open decisions do not linger. The value-time curve (R. Hackathorn) shows the longer it takes to respond to new data or business events, the less value there is in the response. Hackathorn describes decision latency as the sum of the following:

- Capture Latency – How long it takes to notice the new data or event
- Analysis Latency – How long it takes to create information and insight from the data
- Decision Latency – How long it takes to decide and then act on the decision

Though different decisions have different curves, shapes and consequences, compressing the time to capture, analyze and decide what to do increases the value of decision. Imagine the difference in project velocity, time to deliver and ultimate value generation between a project where decisions are made within hour or days, versus one where reaching a decision takes weeks or months!

To track decision-latency on State projects, project managers and sponsors can use the risk/issue/action/decision tracker as a starting point. A key project decision may manifest as a risk, or may appear as an issue, action item or decision to be made. Regardless of origin as a risk, issue, action item or decision to be made, the project manager records the date of identification or awareness that a key project decision is pending. A due date for closure, based on the needs of the project plan is assigned, and then an actual date when the item is resolved is tracked. The time lag between the initial identification of an issue, action item or decision, and the actual resolution represents the decision latency. In other words, once the project calls for a decision to be made, the project manager and sponsor should track the duration of time, in days, to the point where a decision is reached.



Value Management Framework

An effective tracker contains

- An identification number
- The project phase
- A descriptive title
- The risk/issue/decision status
- Probability
- Impact
- Owner and assigned team
- Date assigned or recognized
- Next action date
- Resolution date
- And any related risks/issues/decisions

In addition to using the WorkFront or Sharepoint risk and issue trackers, other tools for decision-latency tracking and driving timely decision making are available, such as the Dezider (Dezider.com) from the Standish Group which allows for advanced benchmarking.

Regardless of the method of tracking decision latency, the project manager and sponsor should routinely review the time lag for decision-making and develop strategies to reduce the time needed to reach critical project decisions.



Value Management Framework

Example Risk/Issue/Action/Decision Tracker:

ID	Phase	Title	Status	Probability	Impact	Owner	Assigned Team	Date Identified	Next Action Date	Resolution Date	Decision Latency (days)
											Avg: 20
1	Discovery	Two related projects will be implemented in parallel	4-Accept	3-High	3-High	Smith, Susie	Project Office	11/8/2016		N/A	
2	Discovery	Development Sandbox environment is not setup	8-Closed	1-Low	1-Low	Doe, John	Technology	1/24/2017	2/2/2017	1/30/2017	6
3	Design	Software updates of ERP will affect this project	7-Mitigate	3-High	3-High	Doe, John	Technology	2/6/2017	4/13/2017	5/24/2017	107
4	Design	Licensing delays may affect discovery	8-Closed	3-High	3-High	Miller, Mark	Project Office	4/26/2017	5/2/2017	5/5/2017	9
5	Design	Introduction of new portal software may require new roles be defined	2-In Progress	2-Medium	3-High	Miller, Mark	Software	8/8/2017		8/16/2017	8
6	Design	Milestone completion in related project at risk	1-New	3-High	2-Medium	Smith, Susie	Technology	8/10/2017		8/14/2017	4
7	Build	SIT requirements not yet scheduled	1-New	3-High	3-High	Doe, John	Technology	8/15/2017		8/15/2017	0
8	Design	Additional system updates may impact schedule	5-Watch	1-Low	2-Medium	Miller, Mark	Project Office	8/23/2017	12/27/2017	8/29/2017	6