


UNLOCKING STRONGER, EVIDENCE-BASED DECISIONS WITH THE ANALYTIC HIERARCHY PROCESS

EXPERT CHOICE



Think about how your team chose your last major project. What criteria did you use to make those strategic decisions? Was it easy to define the criteria? Was your team confident they properly evaluated and chose the best mix of alternative solutions? Your organization needs to ensure you're not only looking at alternative solutions, but also understands how alternatives contribute to competing priorities that are tied to your mission.

While there are several criteria that make up every business decision, the importance of each criterion likely differs. And the importance of each criterion likely differs for each stakeholder in that decision.

That's why, in order to make strategic decisions that you can justify to your team, your organization needs to ensure ratio based weights are aligned to alternative solutions so that optimal decisions are being reached.

Enter the Analytic Hierarchy Process (AHP), a simple yet effective method that enables organizations to reach consistent conclusions, even when faced with a plethora of complex and competing criteria. AHP can help you turn convoluted processes into structured workflows. It also makes it easy to accurately prioritize the importance of varying objectives and alternatives so that you always reach an optimal and justifiable decision.

This guide will help you understand why so many organizations embrace AHP to strengthen their decision-making prowess, and empower you to implement AHP into your existing procedures.

Let's get started!



Process is not the opposite of creativity; it is the opposite of chaos. Process creates discipline and repeatability by putting individual activities into a precise framework. When they have a process perspective, people can focus their creativity where it belongs and on the content of their work, rather than on the structure of their work.

- Michael Hammer, Process Improvement Guru



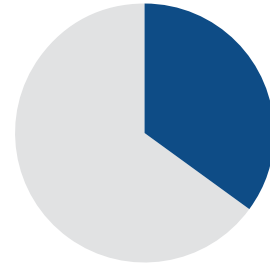
WHAT WAS THERE BEFORE AHP?



Spreadsheets and the data contained within them heavily depend on the person managing them. This means that the information factored into the decision might only include what the spreadsheet owner believes is important.

Additionally, spreadsheets often impede effective collaboration and discussion. With a spreadsheet, users aren't able to provide all stakeholders the opportunity to voice their opinions and ensure the decision that's reached is a group one.

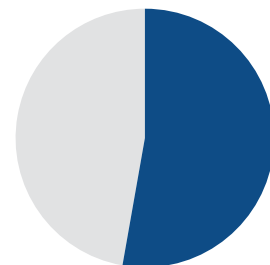
Even still, spreadsheets remain one of the most popular yet least effective decision-making tools used by organizations. But there's a better way.



Over 35% of finance and accounting departments regularly use spreadsheets to fuel their decision making



88% of respondents use more than 100 complex and customized spreadsheets to support their critical business processes



53% of respondents were very concerned with the idea of spreadsheet risk, but only 19% were actively working to change their risk exposure

HOW AHP POWERS STRONG DECISIONS

THE ROAD TO BETTER DECISIONS

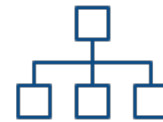
If you've made the decision to leave spreadsheets in the rearview mirror and embrace AHP, you're well on your way to enabling better decision-making for your organization.

AHP is highly adaptable to any decision-making context. Yet, the process ultimately works to deliver the same outcome in terms of shaping your processes. AHP works to bake structure, transparency, and accountability into every decision you make. It helps you verify that you have reviewed every alternative and attached the appropriate weights so that stakeholders can feel confident in the final decision.

So how do you get started with AHP? Let's look through the five steps you should be considering throughout the decision-making process.

STEP #1

STRUCTURE YOUR DECISION



Your decision-making process will be faster and more cohesive when you begin by creating a structure. Work to thoroughly define alternatives, problems, criteria, terminology, and any other critical elements that will help streamline the decision journey. Using AHP software, like Expert Choice's Comparison®, can help you centralize communications and organize your structural components, which will help you work quickly through the data.



STEP #2

COLLECT INPUTS



Once you've structured your decision, you'll want to collect all your data, information, and opinions in one location using collaborative tools that let you conveniently:

- Include all relevant stakeholders in both anytime (asynchronous) and realtime (synchronous) situations
- Use high quality data collection methods that enable synthesis of information, and can actually improve the quality of your data
- Encourage comments, information sharing, brainstorming, and communication
- Identify areas of inconsistency to uncover missing information or clerical errors

STEP #3

REVIEW SYNTHESIZED PRIORITIES



Once you've established a solid foundation for your decision-making processes and have measured the importance of competing objectives and alternatives,

you can begin to synthesize relevant information, expertise, and judgments. You'll be gathering disparate opinions, documents, and resources throughout the decision-making journey. So, being able to combine that data into a coherent knowledge base, like Comparison®, will help you stay organized and efficient as you move towards a final decision.

CONSENSUS & INSIGHT VIEWS



As your team explores the resulting prioritizations, and has the benefit of seeing how alternatives are differently assessed or impacted by prioritizations from other stakeholders, you can expect great insights and questions to start rolling in.

Did the engineering team have new information that caused their assessment of vendors to be higher than the finance team? Do we agree on how we define market share? Should we add "gold," "silver" and "bronze" versions of our new product initiative?

You'll likely find that your first pass through will leave you feeling you have reached a better, but not yet optimal decision.

STEP #4**ITERATION IS FAST & EASY**

Iteration will ensure you thoroughly consider all alternatives and uncover hidden objectives. We believe iteration is so important to the AHP process that we bake it into the structure, so you can always give yourself time to explore more options without having to start from scratch.

Need to add or redefine an objective?

Want to ask your team to consider new information on a specific criteria?

Adding a new element to your decision structure is fast and easy, and because you are collecting your data using AHP, you only have to collect inputs on the new elements.

STEP #5**ALLOCATE AVAILABLE RESOURCES**

Resource allocation enables you to use your AHP derived priority levels in combination with an optimizer tools for resource constraints. This lets you select

discretionary projects that automatically enables proper resource allocation. You can accurately observe which tasks will bring the most value to your organization. Considering impact on resources from the outset ensures clarity and consistency is baked into every element of the decision-making process.

**STEP #6****REPORT YOUR FINDINGS**

Once you work through the iteration process and feel confident in the decision, it's time to report your findings . With AHP, you'll not only be able to present your optimal decision in a clear, concise manner, but you'll also be able to show how you arrived at that decision. The reporting process makes it simple to take decisions to executive leadership for buy-in and learn from those decisions later.

BENEFIT #1

PROVEN PERFORMANCE



Historically speaking, decision-making has been viewed as more of an art than a science, but organizations need to move away from that mindset if they want to drive real results.

Seeing as [decision effectiveness is 95% correlated with financial performance](#), your organization would be wise to embrace AHP methodologies that are proven to improve the way your teams make decisions.

BENEFIT #2

IMPROVED EFFICIENCY



[According to McKinsey](#), executives are spending almost 40% of their time making decisions, but feel that most of that time is being poorly used. Making sense of massive volumes of data and a chorus of opinions from stakeholders is nearly impossible when you don't have a way to synthesize and process that information.

AHP works to streamline the tedious elements of decision-making. This enables your teams to put their time and energy towards the most valuable objectives, which in turn results in better, faster decision-making.

BENEFIT #3

JUSTIFIABLE DECISIONS



The key players in crafting a business decision might inherently understand why their choice is the best option. But, the ability to provide a clearly defined roadmap through their decision-making process makes their choice evident to everyone else, too.

Senior leadership, who only have time for the highlights, will be able to clearly see how you moved through each step of the decision-making journey, which will improve buy-in and collective alignment across the board.



BENEFIT #4

LEAVE NO ALTERNATIVE OVERLOOKED

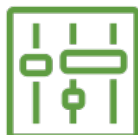


Reaching a 100% justifiable decision also requires you to explain why you left the remaining options on the table. After all, there will always be stakeholders who feel strongly about certain decision alternatives. Being able to demonstrate why you passed over alternatives is critical to ensuring stakeholders unanimously buy into the final decision.

The combination of the weighted priorities and the resource allocation stage can help you show the method behind the madness that is decision-making.

BENEFIT #5

ADAPTABLE TO YOUR NEEDS



Every organization faces unique decision-making problems, which means one company's formula for success might not work so well for a different company. Luckily, AHP gives you the flexibility to apply it as you see fit.

Need help prioritizing projects and allocating resources? AHP can help with that. Focused on ensuring stakeholder agreement and orchestrating efficient team meetings? AHP works well for that too. Whatever areas of your decision-making processes need improvement, AHP will help you target those areas and provide a better way forward.



AHP IN ACTION

See how some of Expert Choice's clients have powered-up their more traditional methods of decision making, and greatly benefitted from the AHP software Expert Choice provided.



LSSO Case Study



EMBRACE A BETTER WAY TO MAKE DECISIONS

AHP can transform your decision-making processes for the better. Expert Choice brings structured decision-making to your organization and enables you to utilize collaborative tools, behavioral science, and data analytics to reach quality, justifiable decisions.

Contact us today to request a demo or to learn more about our decision-making solutions.