Cloverpop
by CLEARBOX DECISIONS, Inc.

Decision IQ Benchmark Survey 2023

Charting A Decision-Back Path To Business Performance, Innovation and Growth

Decision-Making Is Your Company's Most Valuable Asset

It's hard to overstate how much your company's success relies on effective decision-making. In a landmark study, Bain & Company found that decision-making drives 95% of business performance. The UK Institute for Employment found that decision-making effectiveness impacts 50% of overall employee engagement, directly affecting productivity and retention. Without a doubt, your company's decision practices significantly affect the performance of your business and your employees.

At the same time, leaders face rapidly increasing pressure to innovate. Speed has always mattered in business, but the disruption from digital transformation is overwhelming, as this graph of vital economic measures shows. Slow and steady for hundreds of years, the rate of change exploded over the past 30 years. Decisions are made for two reasons: to make change happen proactively or to react to change when it occurs. As change increases, decision-making must keep pace. The fastest become market leaders. The slowest are pounded by change and lag behind.
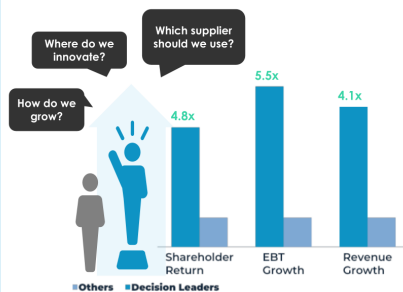
Most importantly, highly effective decision-making enables companies to grow faster. A 2019 Gartner study found that decision-making improvements can drive an absolute EBITDA increase of 3% or greater. That represents a 30% improvement based on the average EBITDA of S&P 500 firms or a $700 billion opportunity. Similarly, in the 2020 Bain & Company Global Retooling Survey, companies with the strongest decision-making outperformed peers by 5 times on shareholder return, profitability and revenue growth over five years. While executives must continue to look externally to achieve growth targets, there is a vast opportunity to grow and remain competitive by looking within. Few external growth opportunities even come close.

Ever-increasing pressure on performance, innovation and growth requires that companies increase their Decision IQ.

Measuring Decision-Making With Decision IQ

Our prior research delved deep into practical approaches for improving business decision-making:

- The Harvard Business Review [Checklist For Making Faster, Better Decisions](#)

- The Udemy online course [How To Make Faster, Better Decisions At Work](#)

- Cloverpop's previous white papers, including [7 Breakthrough Decision Practices For Top Companies, Hacking Diversity With Inclusive Decision-Making](#) and [Unlocking Growth From Within: A CPG Guide To Decision-Back](#)

The new Decision IQ framework adds to our body of research by creating a rapid, repeatable measurement tool for benchmarking a company's overall decision-making effectiveness and highlighting specific focus areas for improvement.

The core Decision IQ framework is a simple equation:

Source: Cloverpop Decision IQ Benchmark Survey, 2023.

Process, measured as the variable {dP}, includes all the steps that go into making decisions and evaluating the decision-making process over time. Execution, measured as {dE}, covers actions the business takes to implement decisions to drive results after they have been made. Outcomes are the dependent variable {dO} that measures the overall success of the company's decision results relative to expectations. Excellence in all aspects of the Decision IQ framework translates to business performance, innovation and growth.

This research shows that top-performing companies' activities can be measured and used as valuable benchmarks for the rest to improve and compete. Leading companies regularly follow benchmark practices, while low performers rarely do. The

rest muddle along in the middle with a decision Process that sometimes goes right and sometimes goes right off the rails.

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It is important to note that decisions are not created equal. In a given year, chief executives make a handful of major strategic decisions that are irreversible and warrant a very high level of diligence. On a given day, every person in a company makes dozens of trivial decisions, many of which barely reach our awareness. While the framework can span those two ends of the spectrum, Decision IQ focuses primarily on the mid-range of decision-making. These mid-range business decisions require input from stakeholders before they are made and must be communicated afterward so the organization can plan and execute to attain the desired results. Some examples:

- **Should we launch this new product?**

- **How should we adjust our pricing?**

- **Should we greenlight this project?**

- **Which vendor should we select?**

These decisions roughly translate to the one or two most important business decisions managers or executives make each week. One large global company calculated that their organization makes millions of such decisions yearly. These decisions put strategy into action.

The Cloverpop Decision IQ Benchmark Survey scores a company's decision behaviors on a five-point scale. This standardization allows us to compare the Decision IQ scores of the 160 companies in the 2023 benchmark database, as shown in the chart below. The benchmarked companies range in size and industry, but most come from relatively large consumer goods, pharma, manufacturing, financial services and technology companies.

The 2023 Cloverpop Decision IQ Benchmark

Source: Cloverpop Decision IQ Benchmark Survey, 2023.

Leading companies in the top right quadrant have Process {dP} and Execution {dE} scores above the median while straggling companies in the bottom left quadrant are below the median for both measures. The color of each data point on the graph reflects the companies' decision Outcomes {dO}, with green "Strong Outcomes" represent companies with decision results scoring a full standard deviation above average, red "Weak Outcomes" those with below average results, and yellow "Acceptable Outcomes" falling in between the top and bottom groups. Overall, companies' Process and Execution scores are 87% correlated with their decision Outcomes, demonstrating the predictive power of the Decision IQ framework.

> " Few companies excel at all dimensions of decision-making, and all companies can improve.

Few companies excel at all dimensions of decision-making, and all companies can improve. Analysis of the Decision IQ benchmark data reveals three important insights for leaders striving to improve business performance, innovation and growth.

Decision IQ Benchmark Insights

Source: Cloverpop Decision IQ Benchmark Survey, 2023.
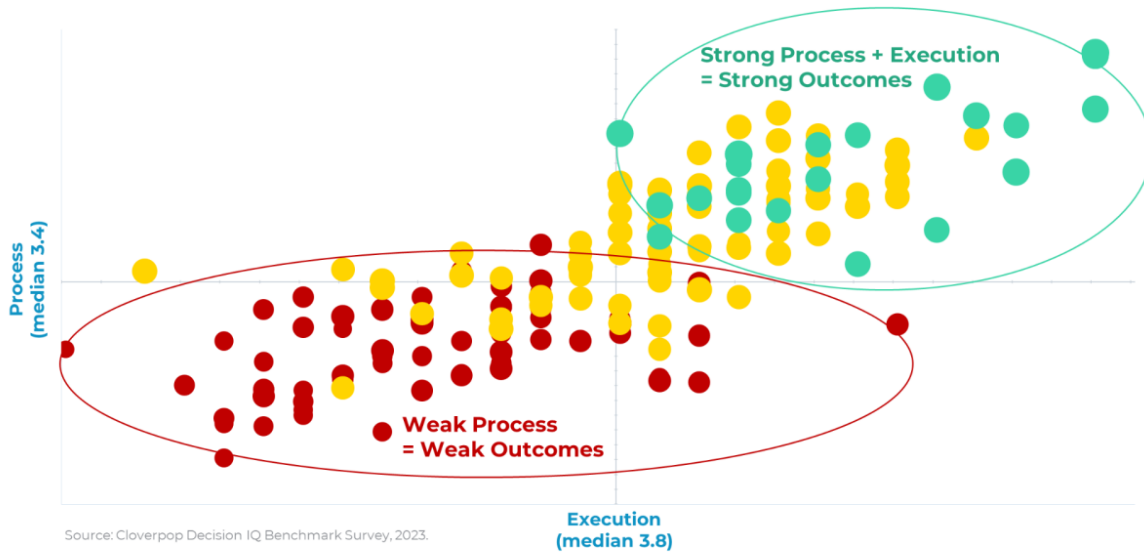
First, most companies have relatively weak Process {dP} scores. A typical company has an overall Process score of 3.4 out of 5 compared to a 3.8 Execution {dE} score. Our recommended target is a score of 4 or higher for both measures – nearly twice as many companies achieve that target score for Execution than do so for Process.

Second, weak Process score performance results in weak Outcomes {dO}. All but one of the companies with weak decision Outcomes had low Process scores. You can also see that the Execution scores of companies with weak decision Outcomes vary widely, showing the relatively modest effect of Execution alone on driving improved Outcomes.

> Improving the decision Process offers the greatest opportunity for improved business Outcomes.

Finally, to drive strong Outcomes, companies must excel at Process and Execution. All companies with strong decision Outcomes, and most with acceptable Outcomes, have scores above the median for both Process and Execution.

In short, Process and Execution are both important, and improving the decision Process offers the greatest opportunity for improved business Outcomes.

Diagnosing Problems With Decision IQ Focus Areas

Top companies are constantly improving their Decision IQ. According to Cloverpop research published in the Harvard Business Review, organizations that follow best practice checklists make decisions twice as fast in half as many meetings, find innovative solutions 75% more often and generate 20% better performance. Bain and Company research found that when it comes to decision quality, speed, execution and efficiency, top companies outperformed the middle of the pack by 25% or more.

The Decision IQ framework breaks down decision-making effectiveness into nine focus areas to help diagnose problems and identify opportunities for improvement. These areas are grouped into three phases: the steps leading up to making Decisions, executing plans to drive decision Results, and enhancing future decision-making by implementing Optimizations.
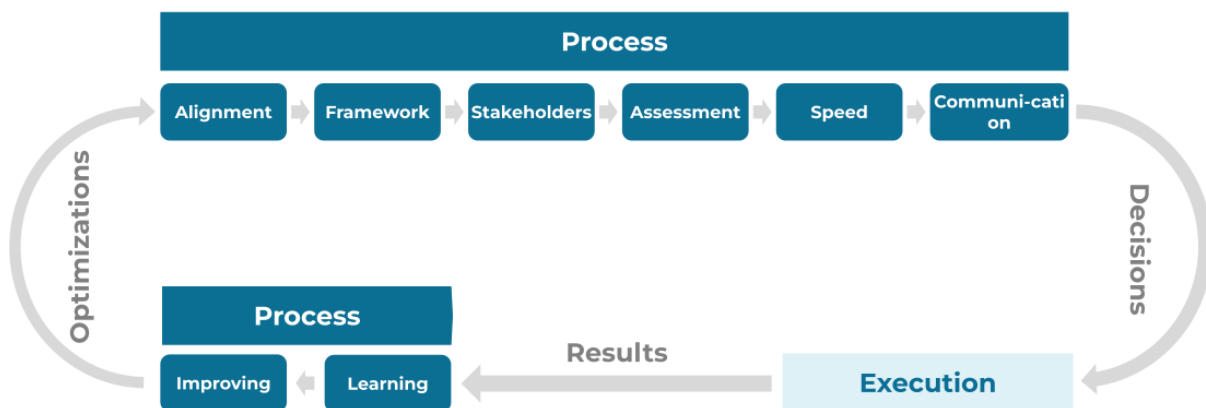
Source: Cloverpop Decision IQ Benchmark Survey, 2023.

Each focus area addressed by the Decision IQ framework has a specific set of common-sense activities and behaviors that contribute to overall decision effectiveness.

> " Organizations that follow best practice checklists make decisions twice as fast in half as many meetings, find innovative solutions **75%** more often and generate **20%** better performance.

⚝ Decisions Phase

- **Alignment:** There is precise alignment across values, goals and priorities to perform, innovate and grow over time. The culture supports effective decision-making and motivates people to make effective decisions that align well with business goals.

- **Framework:** Decisions are clearly framed, including important context and all key questions. Decisions also have a logical structure and flow, and people know how to find the data and analyses required to make decisions.

- **Stakeholders:** The right people are involved in decisions. Decision-makers incorporate input from stakeholders and give this input appropriate weight.

- **Assessment:** Before making a decision, people gather needed data and perform the right amount of analysis, neither shooting from the hip nor bogging down in analysis paralysis. Decisions involve the right amount of discussion, avoiding dictatorial decisions and death by meetings.

- **Speed:** People are willing and empowered to make decisions as needed. They make decisions fast enough for any given situation, and their decisions stick once they are made.

- **Communication:** Decisions are communicated clearly and quickly to everyone affected. Stakeholders and affected people support decisions even when they disagree.

✧ Results Phase

- **Execution:** Clear action plans are created to implement decisions, including assigning tasks and deploying required resources. People follow through on decisions, and they are executed as intended.

◉ Optimizations Phase

- **Learning:** People remember past decisions with clear records of how and why decisions are made. Decision-specific results are tracked to measure decision effectiveness over time.

- **Improving:** Regular reviews or post-mortems are used to evaluate past decisions, and it is easy to find lessons learned from previous similar decisions. Bad decisions are quickly identified and fixed.

These focus areas help zero in on the specific nature of a particular company's decision-making problems and tailor a strategy for improvement.

Pulling It Together With The Decision IQ Maturity Model

A company's Decision IQ score maps to one of four maturity levels: Leaders, Challengers, Up-And-Comers and Stragglers.

Mapping Decision IQ Maturity Levels

Source: Cloverpop Decision IQ Benchmark Survey, 2023.
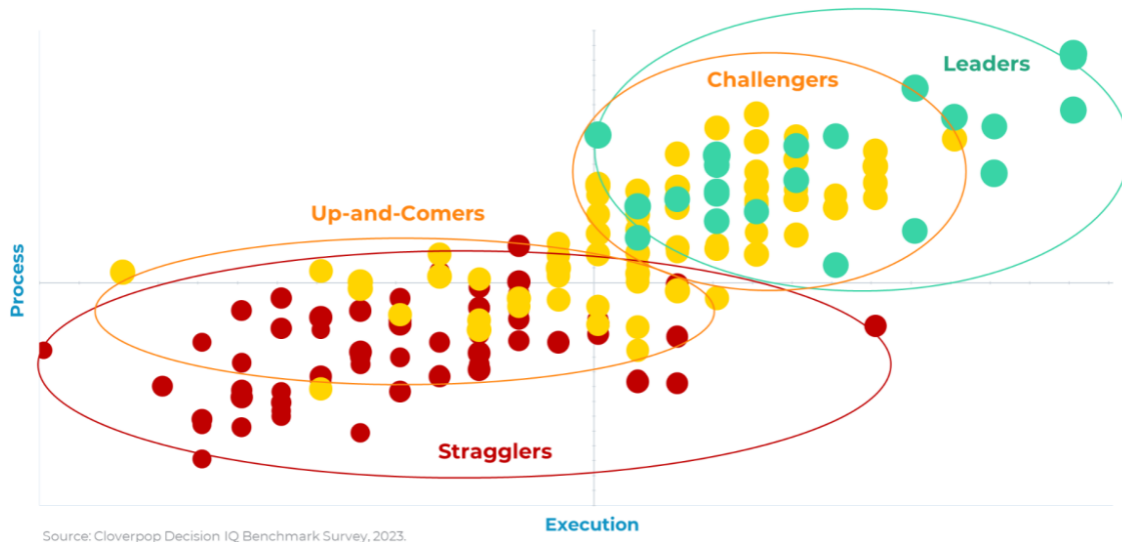
Companies at each maturity level have a consistent pattern of strengths and weaknesses:

- **Level 4** – Leaders excel at both Process and Execution and deliver strong decision Outcomes (green dots on the graph above). They typically score above 4 in every Decision IQ focus area and represent the top 15 percent of benchmarked companies.

- **Level 3** – Challengers have high scores for Process and Execution and deliver acceptable decision Outcomes (yellow dots). They score above 4 on most Decision IQ measures but tend to fall short on Speed, Communication, Learning and especially Improving. They represent 25 percent of benchmarked companies.

- **Level 2** – Up-And-Comers have relatively low Process scores and still deliver acceptable decision Outcomes (yellow does). They typically score below 4 on every Decision IQ measure, especially struggling with Speed, Learning and Improving and also facing significant difficulties with Framework, Stakeholders and Assessment. They represent 20 percent of benchmarked companies.

- **Level 1** – Stragglers have low Process and Execution scores and deliver weak decision Outcomes (red dots). They struggle across the board, with profound difficulties related

to Speed, Learning and Improving. They represent 40 percent of benchmarked companies.

> " A company's Decision IQ score maps to one of four maturity levels: Leaders, Challengers, Up-And-Comers and Stragglers.

The Decision IQ focus area scores for companies at each maturity level chart the path to marching up from one level to the next. In the chart below, green indicates that a company usually or always succeeds in that focus area. In contrast, red indicates a company regularly fails to succeed in that area, while yellow and orange scores indicate passing grades but not excellent performance.

Decision IQ Focus Area Scores By Maturity Level

	Level 1 Stragglers	Level 2 Up-And-Comers	Level 3 Challengers	Level 4 Leaders
Alignment	🟠	🟡	🟢	🟢
Framework	🔴	🟠	🟢	🟢
Stakeholders	🔴	🟠	🟢	🟢
Assessment	🔴	🟠	🟢	🟢
Speed	🔴	🔴	🟡	🟢
Communication	🔴	🟡	🟡	🟢
Execution	🟠	🟡	🟢	🟢
Learning	🔴	🔴	🟡	🟢
Improving	🔴	🔴	🟡	🟢

Source: Cloverpop Decision IQ Benchmark Survey, 2023.

Level 4 Leader companies achieve excellence across the board. How can companies with lower Decision IQ maturity levels march up to higher levels?

Charting A Decision-Back Path To Higher Decision IQ

The Decision-Back approach is a powerful tool for increasing a company's Decision IQ. The method uses effective decision-making as the organizing principle for achieving business goals. Decision-Back treats decisions like strategic information and decision-making like a measurable management process.
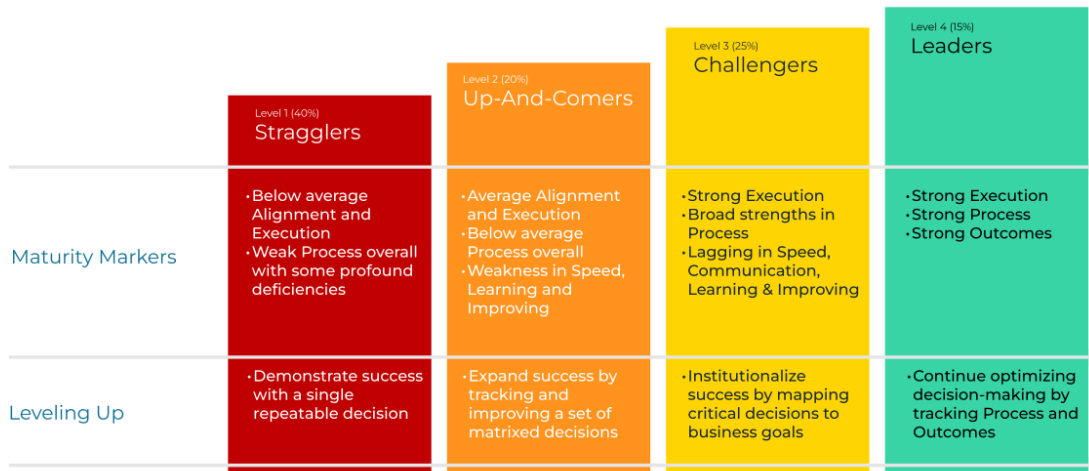
In the ideal state, the Decision-Back approach involves creating a map of critical decisions required to achieve business goals and then aligning employees around efficient decision-making processes supported by relevant analyses and insights. This is done in four steps:

1   For each business goal, map every critical decision made across the relevant functions and departments.

2   For each critical decision, create a complete decision tree of key business issues, insights and analyses that tie back to the decision.

3   For each decision tree, assign stakeholders required to give input to the decision and decision-makers responsible for the decision result.

4   For each decision result, look back across the entire decision-making process to drive continuous learning and improvement.

Looking back from business goals to the decisions that drive goal achievement to the people and analysis required for those decisions charts a predictable, fast, high-quality decision Process. Then, continuously monitoring decision Process and Outcomes drives meaningful organizational and employee learning and performance improvements. Our Decision-Back white paper describes the approach in detail.

While a full Decision-Back implementation represents an ideal target for Level 4 Leader companies, the reality is that most companies are not ready for such a holistic approach. So, companies at lower Decision IQ maturity levels require phased strategies to level up.

Marching Up To Higher Maturity Levels

	Level 1 (40%) **Stragglers**	Level 2 (20%) **Up-And-Comers**	Level 3 (25%) **Challengers**	Level 4 (15%) **Leaders**
Maturity Markers	• Below average Alignment and Execution • Weak Process overall with some profound deficiencies	• Average Alignment and Execution • Below average Process overall • Weakness in Speed, Learning and Improving	• Strong Execution • Broad strengths in Process • Lagging in Speed, Communication, Learning & Improving	• Strong Execution • Strong Process • Strong Outcomes
Leveling Up	• Demonstrate success with a single repeatable decision	• Expand success by tracking and improving a set of matrixed decisions	• Institutionalize success by mapping critical decisions to business goals	• Continue optimizing decision-making by tracking Process and Outcomes

Source: Cloverpop Decision IQ Benchmark Survey, 2023.

From Level 1 Straggler to Level 2 Up-And-Comer: Demonstrate Focused Success

Stragglers face a potentially overwhelming array of decision challenges with relatively few stories and examples of excellence to use as models. Rising Up-And-Comers start with a tight focus to demonstrate success and then scale from there.

1 Start with a single repeatable decision that falls within the control of a business leader dedicated to championing the change, such as project greenlighting, complex RFP responses or IT architecture decisions.

2 Working decision-back, create a structured decision tree template that standardizes a Framework of questions to be answered, the decision Stakeholders who need to be involved, and any Assessment analyses needed. Require that this structure is used and recorded every time such decisions are made.

3 Track the recorded decisions and results over time to facilitate Learning. Typically, meaningful insights arise after 20 to 30 decisions have been recorded. Report back to the people involved in the decision-making process with recommendations for Improving future decisions.

4 Use the results as a success story to build momentum and expand the effort to several more repeatable decisions.

There are no shortcuts to rising above the difficulties that Level 1 Stragglers face. It requires a disciplined effort to demonstrate and replicate success decision-by-decision, building the early momentum that distinguishes Level 2 Up-And-Comers.

From Level 2 Up-And-Comer to Level 3 Challenger: Structure, Track and Improve

Up-And-Comers have scattered examples of successful decision-making that set the stage for significant improvement if they can tie those examples together across more complex decision-driven processes. Becoming a Challenger requires improving multi-step decision-driven processes that will broadly impact the company.

1. Start by identifying a repeatable decision-driven process matrixed across several organizational siloes, like Innovation, Integrated Business Planning or Brand Health. This focus sets the stage to catalyze broader change by involving wider networks of people within your company.

2. Working decision-back, create a set of decision tree templates for all key decisions required to support the process. For each tree, identify a standard Framework of questions, decision Stakeholders, and needed Assessment analyses. Require that these decision trees are used and recorded every time the decision-driven process happens.

3. Track the recorded decisions and results over time to facilitate Learning. Typically, meaningful insights arise after 20 to 30 decisions have been recorded. Report back to the people involved in the decision-making process with recommendations for Improving future decisions.

4. Use the results as a success story to build momentum and expand the effort to several more repeatable decision-driven processes.

While decision Speed stands out as a widely felt and urgent problem facing Level 2 Up-And-Comers, just urging people to go faster rarely works. Instead, the famous Navy SEAL adage that "slow is smooth and smooth is fast" holds true. Doing the slow work up front to structure and track key decision-driven processes unlocks the improvements required to achieve the Speed of Level 3 Challengers.

From Level 3 Challenger to Level 4 Leader:
Drive the Decision IQ Flywheel

Challengers are on the cusp of true decision excellence. They already have many strong decision Processes in place, but they lack the learning and improving processes required to institutionalize consistently successful decision Outcomes. Elevating to Leader requires a learning organization that drives the Decision IQ flywheel over time.

1 Start by identifying the organization's two or three most important business goals and work decision-back to identify all the critical decisions made regularly. Place a special emphasis on repeatable decision-driven processes matrixed across several organizational siloes, like Innovation, Integrated Business Planning or Brand Health. This initial work creates a comprehensive roadmap for change.

2 Continue working decision-back to create sets of decision tree templates for all key decisions required to support each business goal. For each tree, identify a standard Framework of questions, decision Stakeholders, and needed Assessment analyses. Require that these decision trees are used and recorded every time those decisions happen.

3 Track the recorded decisions and results over time to facilitate Learning. Typically, meaningful insights arise after 20 to 30 decisions have been recorded. Report back to the people involved in the individual decision-making process with recommendations for Improving future decisions.

4 Share lessons learned across different decision-making teams and measure decision-making success systematically, like any other business activity, putting Process metrics in place to drive strong Outcomes.
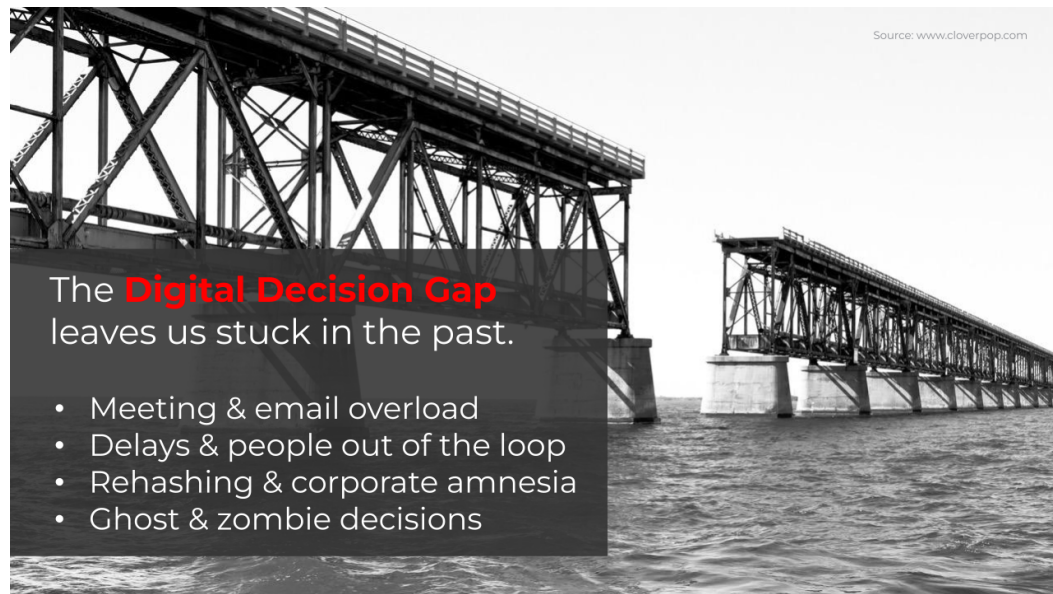
Management doctrine emphasizes the importance of aligning the company's goals, values and individual priorities, effectively resourcing projects, and executing tasks according to plan. The implicit assertion is that these disciplines will put the right structure in place to ensure strong decision-making. The most surprising insight from our Decision IQ research is that this common wisdom is false!

Strong Alignment and Execution are prerequisites for strong decision-making – misaligned companies that can't execute don't last very long – but in practice they do little to drive overall decision Process excellence and strong decision Outcomes. So, Level 3 Challengers striving to become Level 4 Leaders must leverage their business strengths in Alignment and Execution by applying that same discipline to the decision-making Process.

What gets measured gets managed. Challengers can elevate their companies' Decision IQ by explicitly identifying the decisions required to achieve business goals, applying appropriate resources to the task, and measuring decision results and key process metrics.

Mind The Digital Decision Gap

Unfortunately, a digital decision gap often derails efforts to improve Decision IQ. Unlike other management activities, most businesses lack a single digital source of truth to track decisions and continuously improve the decision-making Process.

The **Digital Decision Gap** leaves us stuck in the past.

- Meeting & email overload
- Delays & people out of the loop
- Rehashing & corporate amnesia
- Ghost & zombie decisions

Source: www.cloverpop.com

Everything else about work has changed dramatically, but this digital decision gap leaves our decision practices stuck in the past, untracked and unmanaged, still relying on tangles of emails, meetings and presentations. As a result, people are too overloaded trying to coordinate and drive today's decisions to imagine a more structured and consistent way of making, recording and improving decisions over time. Lack of visibility causes decision delays, and lack of transparency leaves people out of the loop. Good decisions get rehashed due to corporate amnesia, and obsolete decisions block attempts to drive change. Misalignments, miscommunications, mistakes and missed opportunities seem like the unavoidable result of a rapidly changing world. But the digital decision gap is the root cause.

Faster, better decision-making is critically important in the face of rapidly increasing change. Companies focused on increasing Decision IQ must also work to close the digital decision gap.

How Cloverpop Can Help

As a leading Decision Intelligence company, Cloverpop is ready to help boost your company's Decision IQ.

1. Set a Baseline

First, we can help set a baseline and diagnose your company's current Decision IQ Maturity Level using the Cloverpop Decision IQ Benchmark Survey. The survey only takes five minutes to complete and can be targeted at business areas and teams most relevant to your goals.

2. Work Decision-Back

Once we understand where your company stands, we can work Decision-Back to craft a plan to improve your decision-making Process. The Decision-Back approach is a systematic way to map decisions, develop recommendations and make decisions that executives can implement across the organization.

3. Use the Cloverpop Platform

Finally, we can use the Cloverpop Decision Intelligence platform to close the digital decision gap at your company. This cloud software platform directly implements the structure, collaboration, AI-based automation and metrics-based learning required to become Decision IQ Level 4 Leaders.

> " Cloverpop is ready to help boost your company's Decision IQ.

The Cloverpop Decision Intelligence Platform

Source: www.cloverpop.com
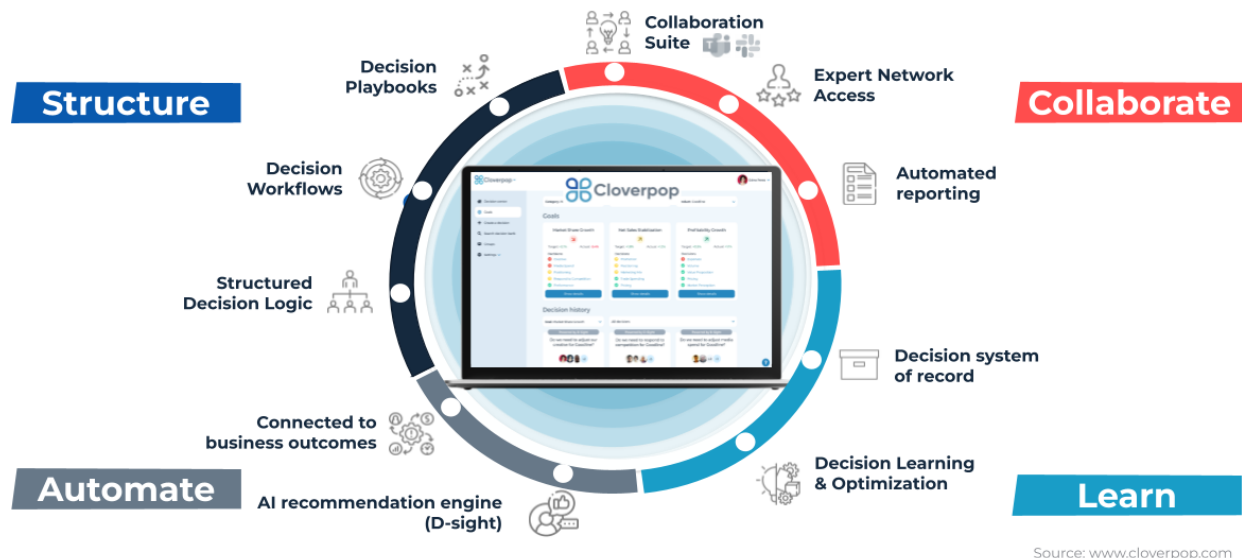
- **Structure:** Playbooks provide off-the-shelf decision trees to jump-start Decision-Back implementation for the most important business decisions.

- **Collaborate:** Decision-makers, stakeholder teams and business leaders gain a single source of truth for all information related to specific decisions and a shared space for decision collaboration.

- **Learn:** Leaders can track how decision results compare with expectations, understand what went well, and, most importantly, learn and disseminate best practices across and down the organization.

- **Automate:** Decision maps can be fully automated with D-Sight AI-based recommendations and insights, improving speed and quality while dramatically reducing costs.

Ready to take the next step in your organization's Decision IQ journey? Contact us to get started.

About Cloverpop

Cloverpop is the first Decision Intelligence platform based on a complete system of record for business decisions. We are on a mission to transform business decision-making.

Each year, hundreds of billions of dollars and millions of hours are lost or wasted because of bad decisions. Cloverpop fixes that. Through the cloud-based Cloverpop Decision Intelligence platform and decision success services, we provide enterprise clients with solutions to structure, collaborate, automate and learn from decisions. We focus primarily on marketing, sales and strategy decision areas. Our proven solution removes human biases, increases stakeholder buy-in and drives decision speed and quality to improve Decision IQ and business results.

Cloverpop is a decision-intelligence platform for scale. Built by experts in behavioral science, analytics, AI and the future of work. Our clients include Fortune 100 companies in consumer goods, pharmaceutical, technology and other large industries.

www.cloverpop.com