HOW TO APPLY CHOOING BY ADVANTAGES USING PARAMOUNT DECISIONS

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Agenda

• What is Choosing By Advantages?
• What is Paramount Decisions?
• An example using Paramount Decisions
• How can Paramount Decisions help me on my project or organization?
• Some use cases of the process
• Q&A
The Importance of Decision-making
CBA Endorsement

• “I believe CBA is the most powerful and effective approach for making decisions available. I am most impressed with the way it uses both objective and subjective data. Once you can understand and apply CBA, I challenge you to find a decision making process that offers a more important advantage. We use the approach informally for all manner of daily choices and more formally when the stakes are large.”

  Gregory A. Howell, MSCE Stanford
  President, Lean Construction Institute
  Feb 8, 2011

Example from John Koga, the Boldt Company, 2012.
Introduction to CBA

1. **Methods**
   - CBA enables transparent decision-making
   - CBA decisions are base on data
   - CBA allows multiple stakeholders to work collaboratively on a decision
   - The process shows the tradeoff between cost and value
   - Helps build consensus in group decision making

2. **Decisions**

3. **Actions**

4. **Outcomes**

(Suhr 1999)
CBA (Choosing By Advantages) Principles

**Principle 1** *The foundation principle of sound decision-making:* Decisions must be based on the importance of prospective differences among the alternatives.

**Principle 2** *The fundamental rule of sound decision-making:* Decisions must be based on the importance of advantages.

**Principle 3** *The anchoring principle:* Decisions must be based on the relevant facts.

**Principle 4** *The pivotal (critically important) sound decision-making principal:* Decision makers must learn and skillfully use sound methods of decision-making.

**Principle 5** *The methods principle:* Different types of decisions call for different types of methods.
What is Paramount Decisions?

- Paramount Decisions is built based on the tabular method of Choosing By Advantages decision-making system.
- The software provides a structured approach to decision-making.
- The process makes decisions transparent and well documented.
- The process makes it easy to complete a group decision and communicate the rationale with external stakeholders.
- Paramount Decisions shows the tradeoff between cost and advantages.
An Example
How can Paramount Decisions help me on my project or organization?

**Improve Speed and Quality of Decisions**
- Follow a well-tested decision methodology
- Ensure that decisions are based on data
- Understand the advantages of the alternatives
- Develop transparent decisions

**Engage Relevant Stakeholders**
- Involve the “right” stakeholders in the decision-making process
- Allow for cross-functional collaboration
- Enable effective application of Target Value Design and Value Engineering
How can Paramount Decisions help me on my project or organization?

**Ensure That Decisions are Based on Both Value and Cost**
- CBA separates the value of the alternatives from the cost
- Decisions can be based on life cycle cost rather than just first cost.

**Improve The Communication of Decisions**
- Collaborate with stakeholders in real-time on your decisions.
- Generate reports on your decisions
- Share and learn from past decisions for continuous improvement
Use Cases in Design & Construction

- Selecting and purchasing materials, equipment, and products
- Choosing between different software vendors and products
- Choosing components in design development
- Choosing building systems in early schematic design
- Choosing between different building layouts and floor plans
- Choosing where to build the project
- Choosing members for Integrated Project Delivery
- Selecting consultants, contractors, and vendors
Additional Resources

• **Upcoming Webinar By Hal Macomber on CBA**
  • Tuesday, August 23, 2016 from 11:00 AM to 12:00 PM (PDT)
  • [https://www.eventbrite.com/e/introduction-to-choosing-by-advantages-tickets-26959098389](https://www.eventbrite.com/e/introduction-to-choosing-by-advantages-tickets-26959098389)

• **Training Guide**
  • [https://paramountdecisions.com/training-guide/](https://paramountdecisions.com/training-guide/)

• **Use Cases**
  • [https://paramountdecisions.com/use-cases/](https://paramountdecisions.com/use-cases/)

• **Software Sign Up (free 2 week trial)**
  • [https://paramountdecisions.com/signup](https://paramountdecisions.com/signup)
Q&A
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THANK YOU!