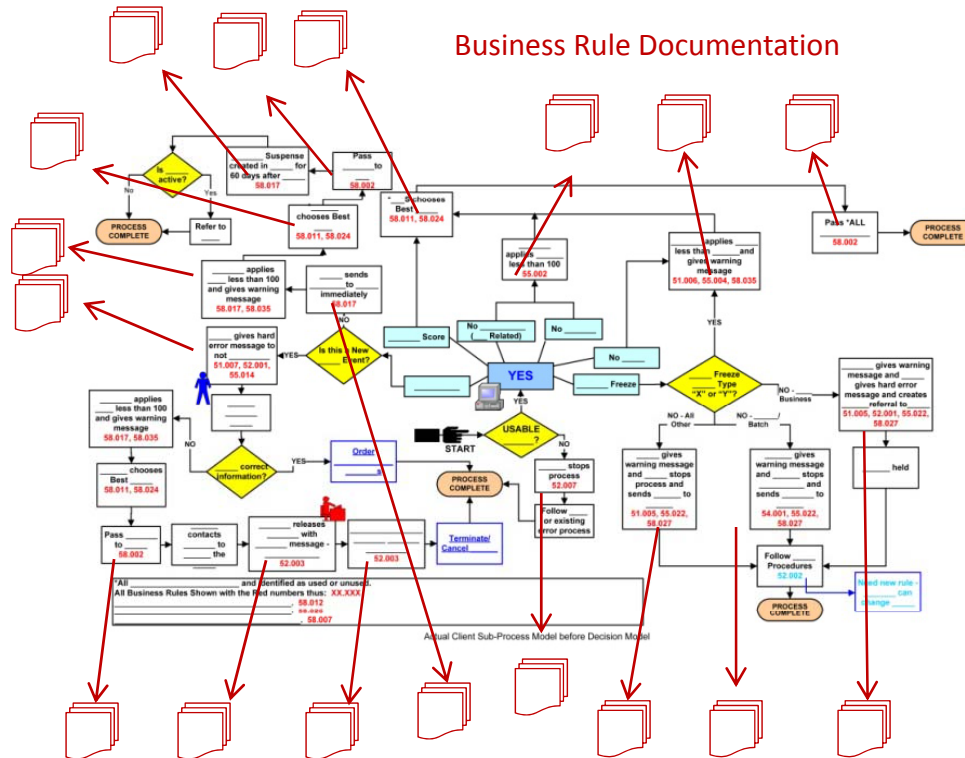




# Introducing The Decision Model

Business Logic

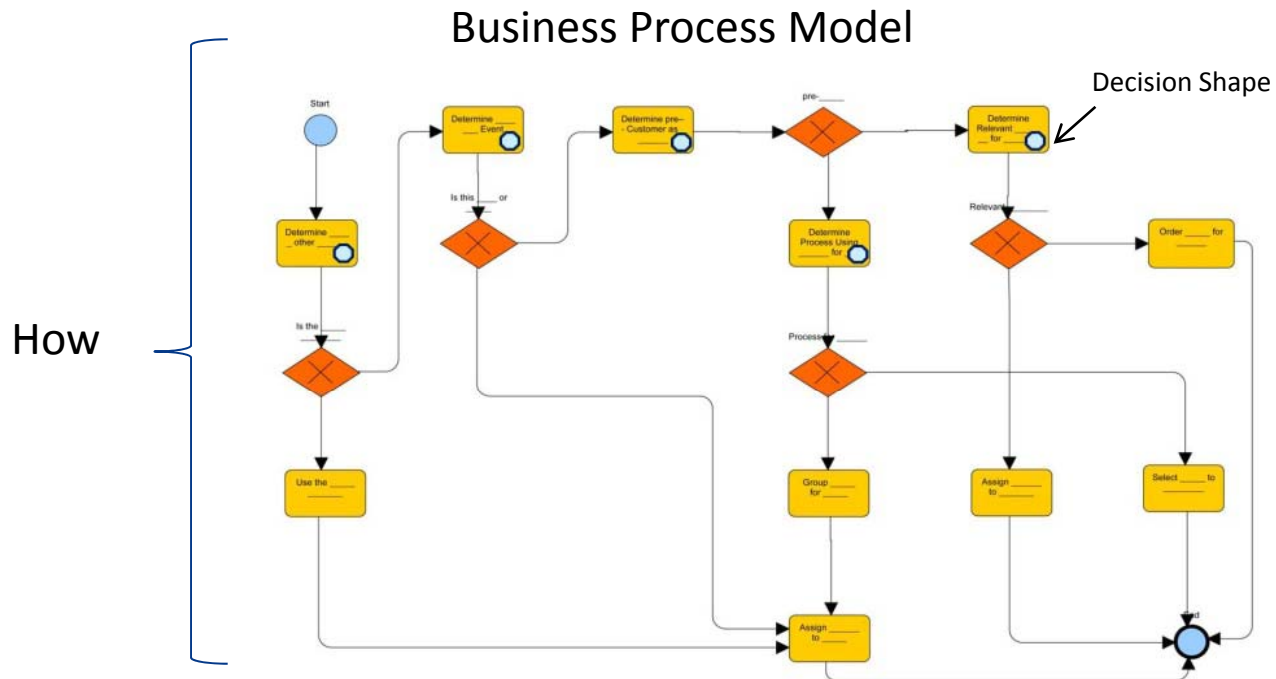
# All Too Familiar? Is this Acceptable?



## Business Process Model

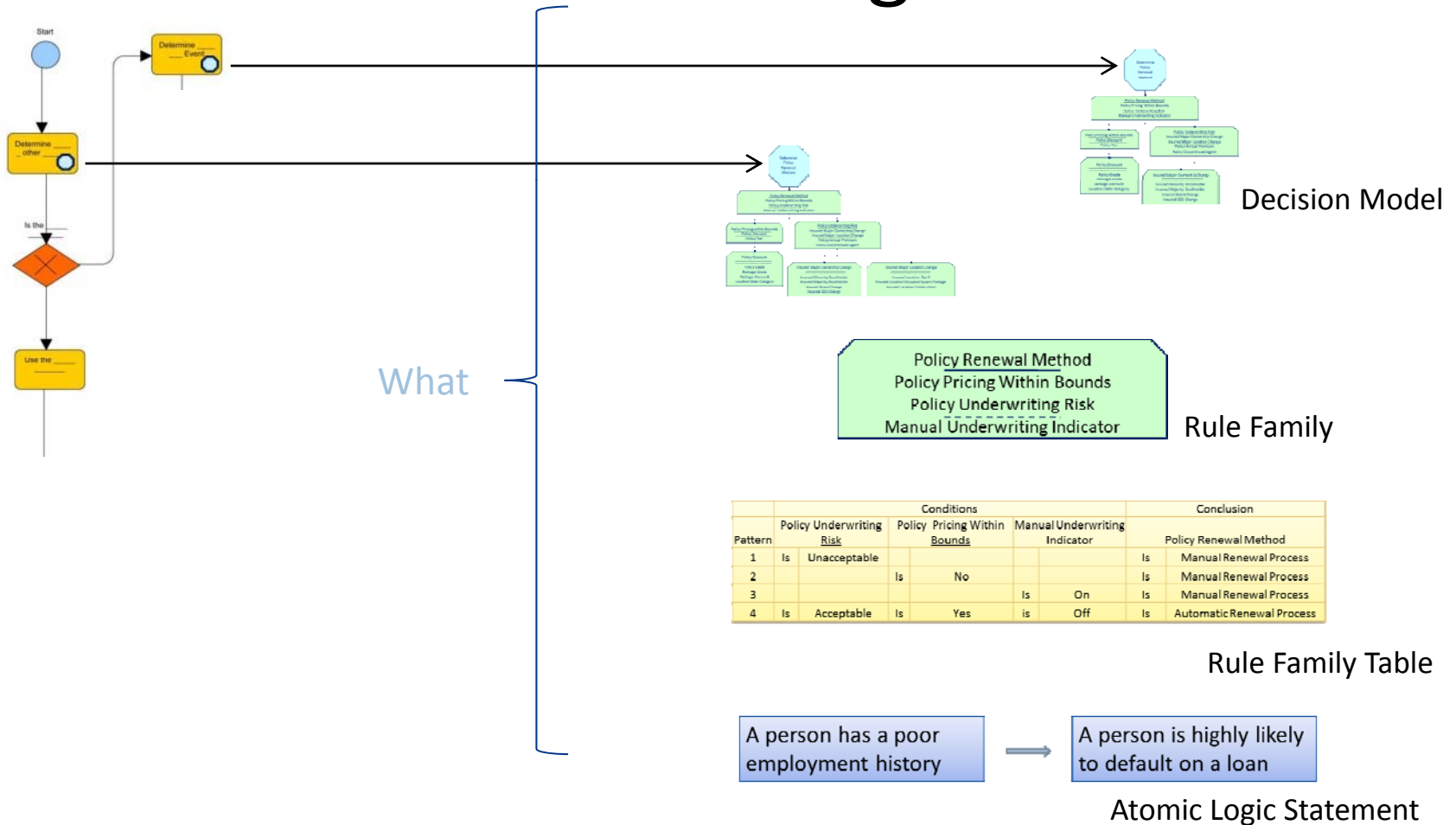
Business Logic

# Does this look better?



Business Logic

# Where did the business rules go?

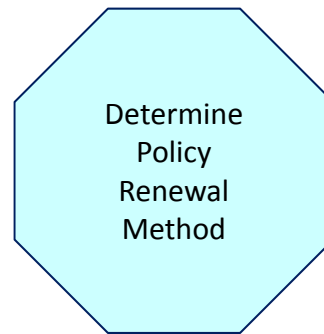


Pattern	Conditions						Conclusion
	Policy Underwriting Risk	Policy Pricing Within Bounds	Manual Underwriting Indicator				
1	Is Unacceptable						Is Manual Renewal Process
2		Is No					Is Manual Renewal Process
3				Is On			Is Manual Renewal Process
4	Is Acceptable	Is Yes	is Off				Is Automatic Renewal Process

Rule Family Table

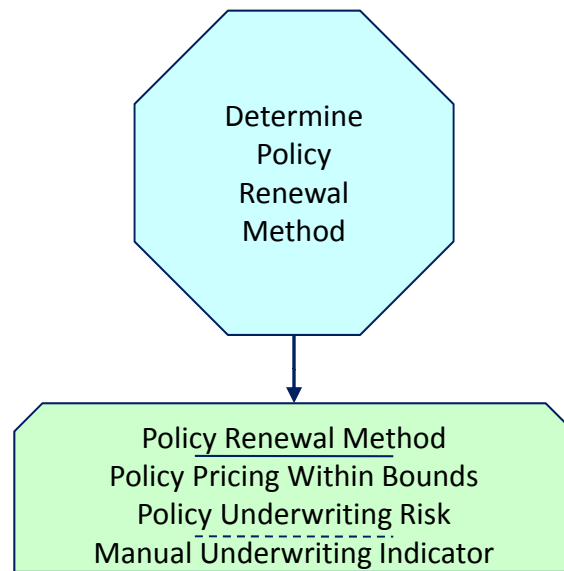
A person has a poor employment history → A person is highly likely to default on a loan

Atomic Logic Statement

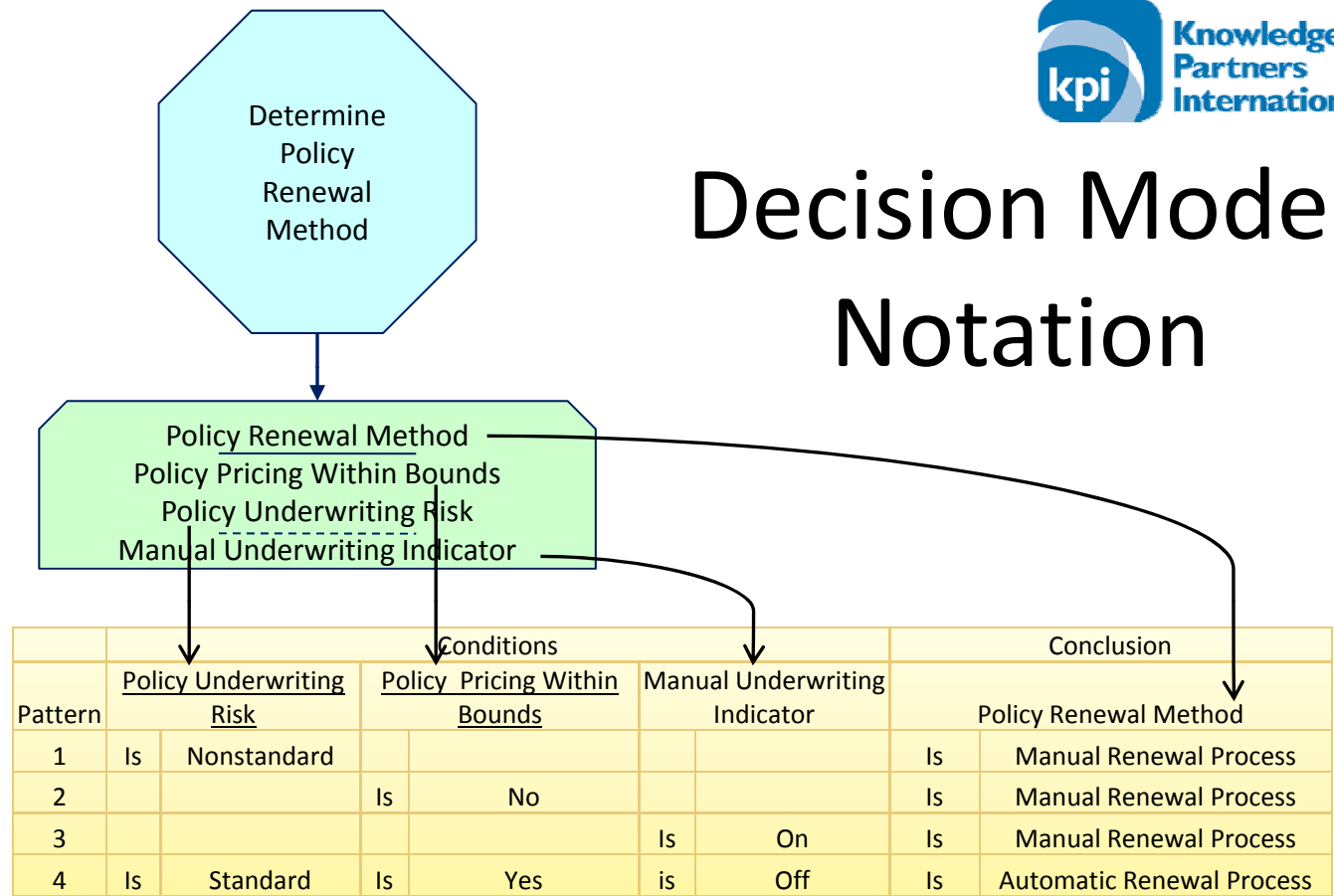


# Decision Model Notation

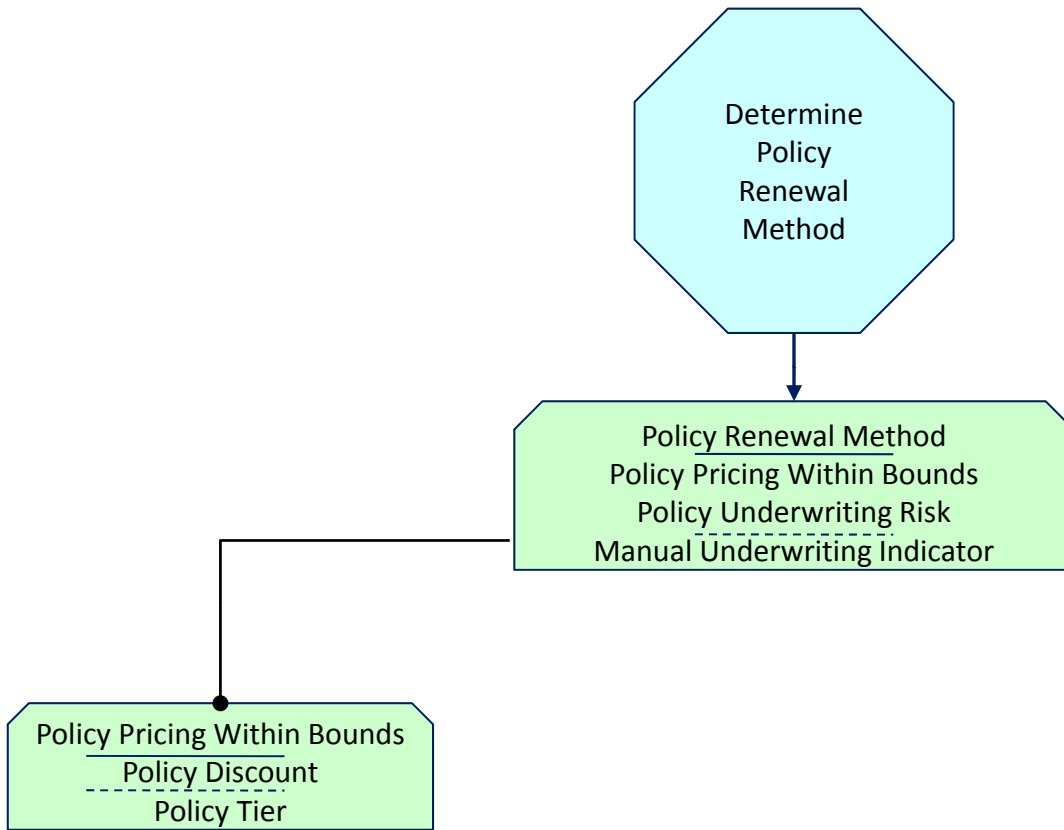
# Decision Model Notation



# Decision Model Notation

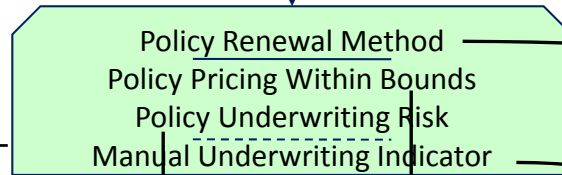
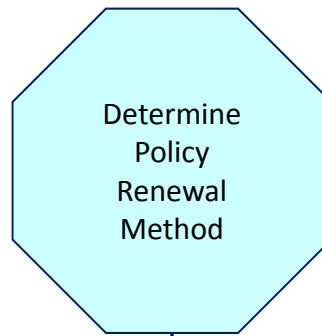


# Decision Model Notation





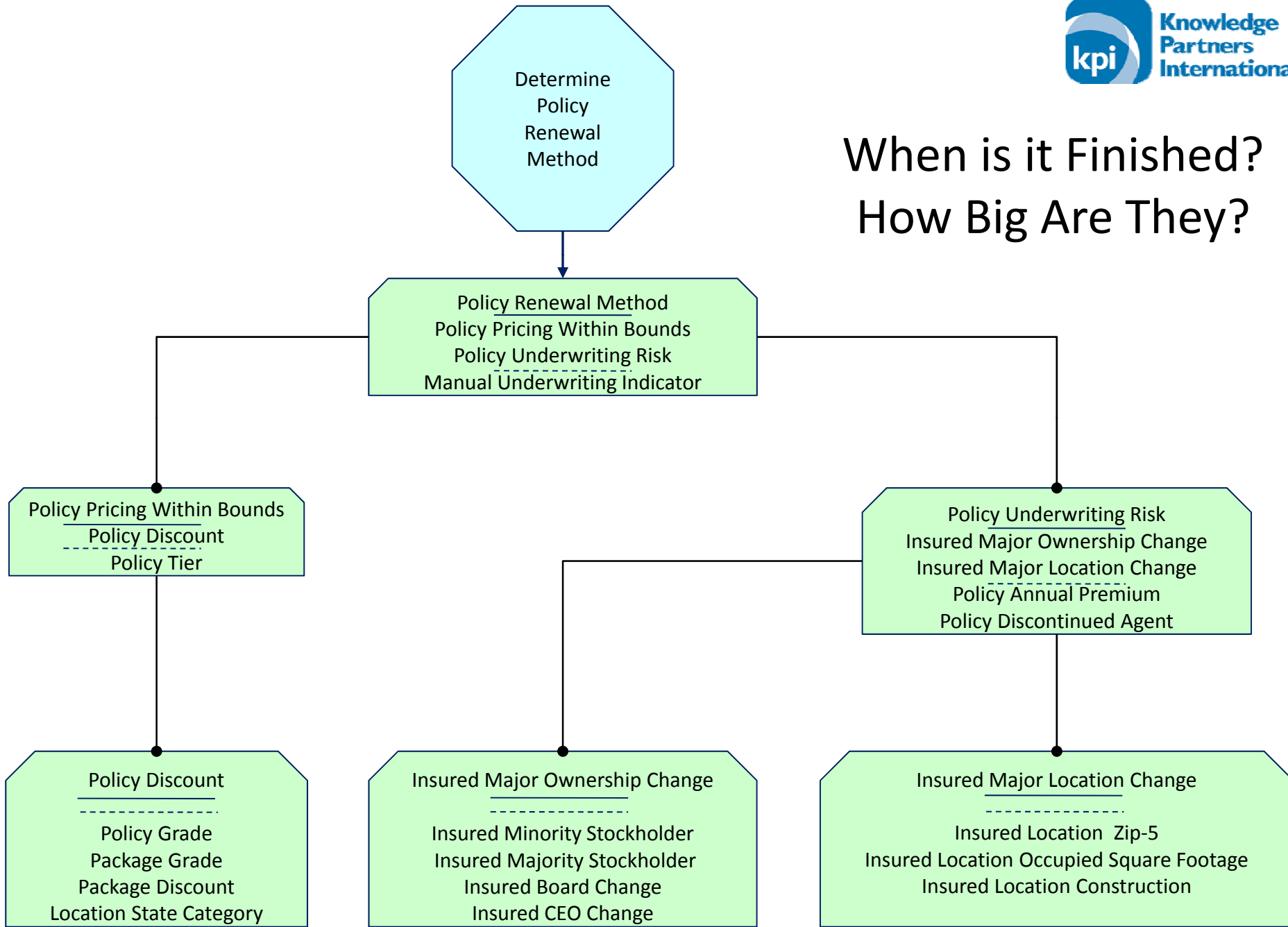
# Decision Model Notation



Pattern	Conditions						Conclusion	
	Policy Underwriting Risk		Policy Pricing Within Bounds		Manual Underwriting Indicator		Policy Renewal Method	
1	Is	Nonstandard					Is	Manual Renewal Process
2			Is	No			Is	Manual Renewal Process
3					Is	On	Is	Manual Renewal Process
4	Is	Standard	Is	Yes	is	Off	Is	Automatic Renewal Process

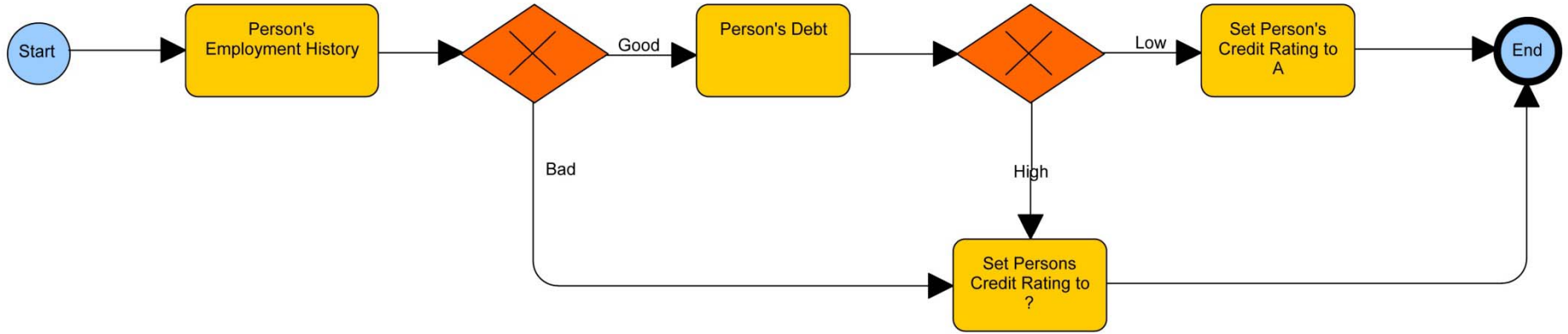
Pattern	Conditions				Conclusion	
	Policy Tier		Policy Discount		Policy Pricing Within Bounds	
1	≤	1			Is	No
2	≤	1.5	>	10%	Is	No
2	≤	2	>	20%	Is	No
2	≤	2.6	>	22%	Is	No
2	>	1	≤	0%	Is	Yes
2	>	1.5	≤	20%	Is	Yes
2	>	2	≤	22	Is	Yes
1	>	2.6			Is	Yes

# When is it Finished? How Big Are They?

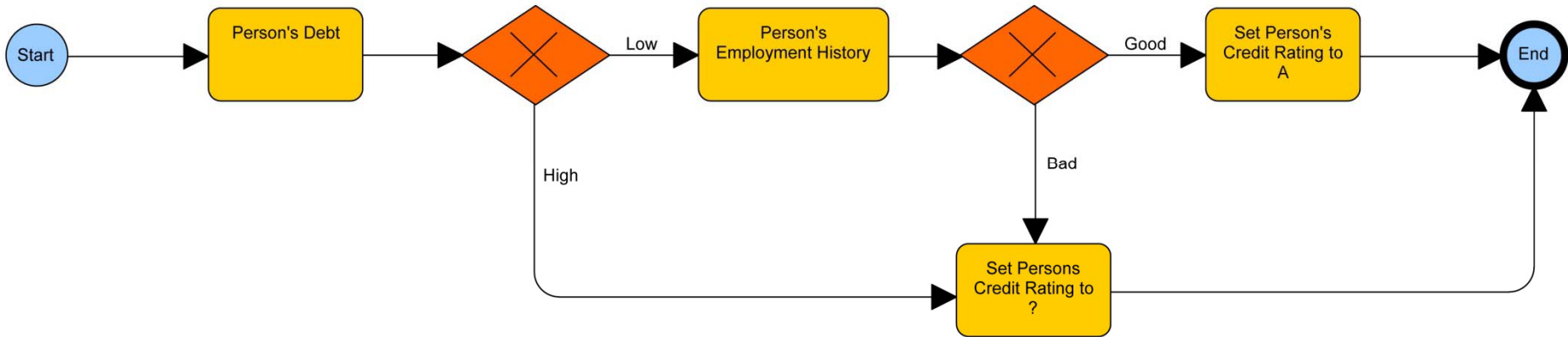


# The Decision Model Difference in Process Models

Option 1



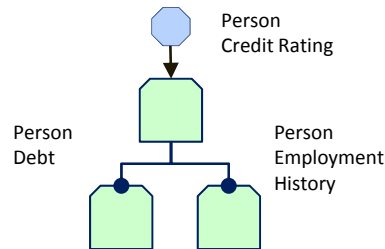
Option 2



Option 3:



Process Model



Decision Model Diagram

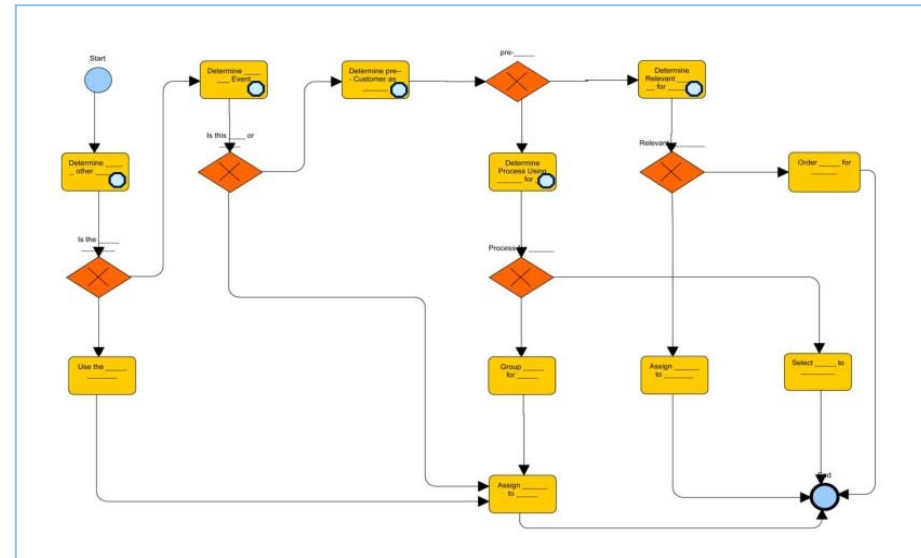
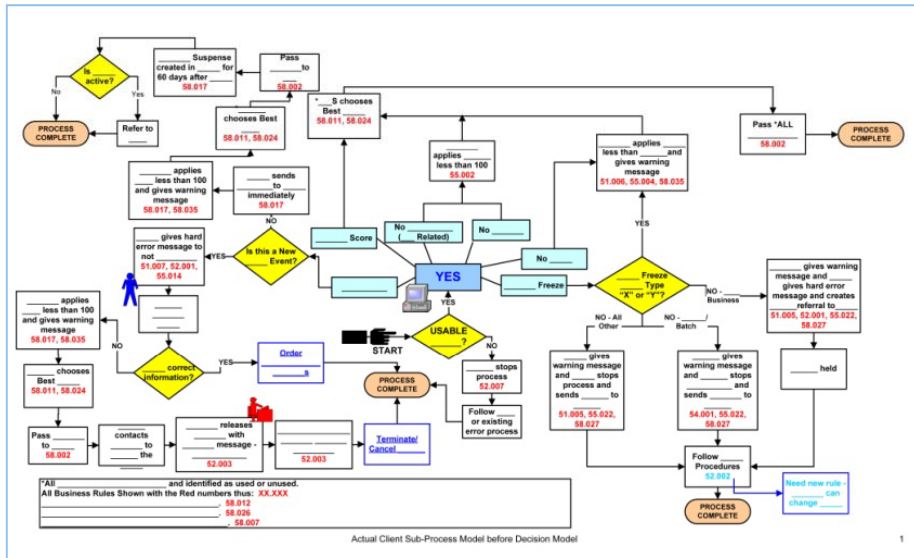
	Conditions					Conclusion	
Rule Pattern	Person's Debt		Person's Employment History		Person's Credit Rating		
1	is	Low	is	Good	=	"A"	
1	is	Low	is	Bad	=	?	
1	is	High	is	Good	=	?	
1	is	High	is	Bad	=	?	

Decision Rule Family Table

# Simplify the Models, Improve the Solution, Now You Know How

Before

After



# Evolution since Publication of the Book

- Evolution of Practice
  - Clients are deploying their decision models with conspicuous success
  - Development of Decision Views, Automated Testing and other techniques of practice in The Decision Model
  - Application of Business Decision Maturity Model (BDMM)
  - Emergence of supporting technology
    - OpenRules
    - RuleGuide
    - InteGreat
    - Forthcoming announcement from Sapiens – BDMM 4 Decision Management
- Rate of Adoption – anecdotal evidence
  - Success of KPI Practice and the STEP methodology
  - Emails from adopters
  - Rate of attendance at webinars
  - Consistently rising book sales

Mark Pettit

Information and Decision Management

March 23, 2011

# **OBSERVATIONS ON MANAGING RULES IN THE DECISION MODEL**

# The Decision Model

- The tabular format and the grouping of rules into decisions was very intuitive to the business
- The Decision Model's principles and normalization rules give us confidence we can get repeatability and consistency amongst business analysts when performing rules analysis.
- Rule analysis is greatly enhanced. The ability to navigate our rules framework top down allows us to focus on the rules that are relevant to the policy changes.
- Business users have started to think about policy changes through the Decision Model framework. This speeds up operations' analysis substantially.
- The structural integrity of the Decision Model makes the technology implementation straightforward
- We are starting to see folks treat our rules as an asset. They are seeing the benefits of consistently documenting our business logic.