

Decision Analysis Newsletter

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**BALLOT INSIDE
PLEASE VOTE!**

John W. Pratt Receives Ramsey Medal



John W. Pratt, professor emeritus of the Harvard Business School, received the Frank P. Ramsey Medal for his distinguished contributions in decision analysis at the INFORMS meeting in Philadelphia. Ralph Keeney, who presented the award, emphasized John's work on attitudes towards risk taking and on Bayesian Statistics.

See also the transcript of Ralph Keeney's presentation and a "Conversation with John Pratt" on page 4 of this newsletter.

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FROM THE CHAIR

Detlof von Winterfeldt

This is my last newsletter column after a very rewarding two years as the chair of our society. I am especially pleased about the establishment of the new practice award and the progress with our own Decision Analysis journal. Two other initiatives – a new membership drive and the creation of a network of decision-making societies – still need much work. I am confident that Robin Keller, as our new chair, will reenergize these efforts and create many more initiatives. As past chair, I will help, wherever I can.

People First

John Pratt is our most recent Ramsey Medal winner. At the awards session in Philadelphia, Ralph L. Keeney introduced John and highlighted his accomplishments. John's presentation gave us the personal side of his many



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Please submit contributions for the next issue before July 1, 2000.

contributions to decision analysis. Congratulations for a well deserved award! Congratulations also to all other award winners: Elke Weber and Richard Milliman (publications award), Kara Morgan (Student Paper Award), and Mazen Skaf and Donald Spillman (Practice Award).

Thanks are also due to John Lathrop, who organized another excellent DA cluster. He also created a major innovation by setting up a website for DA cluster presentations (see page 12). The cluster at the Salt Lake City meeting in May 2000 is organized by Jeff Keisler (see the web site at www.informs.org/conf/saltlake2000). John Butler and Robin Dillon will organize the San Antonio meeting in the fall of 2000. Thanks also to the awards committee chairpersons: Ward Edwards (Ramsey Medal), Elke Weber (Student Awards), Bob Winkler (Publications Award), and Don Keefer (Practice Award).

Other "honorable service mentions" go to Jennifer Meyers who has agreed to work on membership issues and Bob Clemen and Don Kleinmuntz, who are in charge of developing the DAS journal.

The DAS Journal

Bob Clemen and Don Kleinmuntz presented a detailed proposal for a DAS Journal to the DAS Council in Philadelphia in Fall 1999 and they provided a summary of the proposal to Business Meeting participants. The proposed journal title is "Decision Analysis: The Journal of INFORMS' Decision Analysis Society." The Council unanimously endorsed the proposal and asked Bob and Don to begin negotiations with INFORMS. The Council also endorsed Bob and Don as the founding editors of the journal. The proposal has since been forwarded to INFORMS and it is cur-

rently being reviewed.

The Practice Award

After almost a year of development, the new DAS Practice Award finally became a reality at the Philadelphia meeting. Three excellent finalists were selected from the many submissions. The winners were Mazen Skaf and Donald Spillman. We are off to a good start, thanks to Don Keefer's efforts, and hope that the practice award will become a major tradition in the society.

Thanks to everyone who helped making the last two years enjoyable and productive. See you in Salt Lake City!

If you haven't renewed your membership for 2000, please use the membership form on page 15 of this newsletter or contact the INFORMS office at:

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Council Members are listed on page 14

SOCIETY NEWS

Publication Award



Elke Weber and Bob Winkler

Elke U. Weber and Richard A. Milliman received the 1999 Publication Award for their paper "Perceived Risk Attitudes: Relating Risk Perception to Risky Choice" (*Management Science*, 1997, 43(2), 123-144).

Student Paper Award



Kara Morgan and Elke Weber

Kara M. Morgan received the 1999 Student Paper Competition Award for her paper "Assessing a Multi-attribute Model for Ranking Risk." Kara got her Ph.D. in 1999 from Carnegie Mellon University and now works as a Research Environmental Scientist for the Research Triangle Institute. The paper was coauthored with Paul Fischbeck and Michael DeKay.

Honorable mentions went to the following two individuals:

Clare Chua Chow, a 1999 UCLA Ph.D., now at the National University of Singapore, for her paper "Choices under uncertainty: Known, unknown, and unknowable," coauthored with Rakesh Sarin.

Jeffery Guyse, a Ph.D. student at the University of California, Irvine, for his paper "Valuing environmental outcomes: Preferences for constant or improving sequences," coauthored with Robin Keller and Thomas Eppel.

Practice Award

The winners of the inaugural DAS Practice Award were Mazen A. Skaf of Navigant Consulting, Inc., and Donald W. Spillman of Shell (Oil) Offshore, Inc. The title of their presentation was "A Portfolio Management Process and System for an Upstream Oil and Gas Organization." Other finalists included R. Keeney and Q. Lin ("Evaluating Customer Acquisition at American Express Using Multiple Objectives") and S. Leitch, K. Kuskey, D. Buede and T. Bresnik ("Of Princes, Frogs, and Marine Corps' Budgets: Institutionalizing Decision Analysis over 22 Years").

FROM THE EDITOR

Thomas Eppel

As those of you who read my message to the DAList know, changes in my job situation along with the lack of submissions made it difficult to get a December 1999 issue of the newsletter out. After consulting with Detlof von Winterfeldt and Robin Keller, we decided it would be best to have a combined December 1999 / March 2000 issue, which you know hold in your hands.

This combined issue also happens to be the last issue under my editorship. I will do whatever I can to assist the society in finding a successor and helping him or her to get started. I hope that some of the changes that I initiated, in particular the "A Conversation with ..." series (those conversations were a lot of fun), will survive and be complemented with new ideas. But as I indicated in my first column four years ago: this is YOUR newsletter and I would like to encourage you again to contribute to its future success.

Irv LaValle

Dear Colleagues,

Irving LaValle passed away quietly at his home in New Orleans after a three-and-a-half year struggle with emphysema. Although it is sad to lose such a lovely person, Irv was well prepared for death and looked forward to its release, so we can be thankful that his suffering is over as we remember with gratitude how he touched our lives.

Irv continued to contribute actively at Tulane until the past few months before his death. The people there along with many other friends made it possible for him to continue with dignity until the end. Milestones for Irv during his illness included his receipt of the Ramsey Medal at Atlanta in the fall of 1996, turning 60 last spring, and living to see the beginning of the year 2000.

Irv and I have been in constant phone contact over the past several years, and I will miss his exuberance, inspiration, deep friendship, and yes, his eccentricity. But I rejoice that he has been spared further travail and that I was privileged to share with him during many years.

Cordially,

Peter Fishburn

Ramsey Medal Presentation

Ralph Keeney



At the Philadelphia Meeting, Ralph Keeney (left) presented John W. Pratt with the Frank P. Ramsey Medal. Here is a transcript of Ralph's presentation.

The Frank P. Ramsey Medal is awarded by the Decision Analysis Society to recognize significant long-term contributions to decision analysis. The individual that we honor today, Professor John W. Pratt of Harvard University and the Harvard Business School, is a model for long-term significant contributions. We specifically recognize his work on attitudes towards risk taking and on Bayesian statistics.

A key component of decision analysis, and indeed any decision-making, is one's attitude towards risk taking. Professor Pratt's paper "Risk Aversion in the Small and in the Large" in 1964 is the seminal paper for all the work on attitudes towards risk taking that has followed in the last 35 years. The quality of the ideas and the excellence in communicating them provides a solid theoretical foundation for addressing risk attitudes in decision analysis.

Professor Pratt, with co-authors and fellow Ramsey Medal recipients Howard Raiffa and Robert Schlaifer, provided a fundamental basis for decision analysis in their paper "The Foundations of Decision Under Uncertainty: A Simplified Exposition." In another joint effort, they essentially vaulted the field of Bayesian statisti-

cal decision theory, which combined the concepts of decision analysis and statistics, into the position of being the reasonable way to use data in decision-making. Their book Introduction to Statistical Decision Theory, published in preliminary edition in 1965 and a final edition in 1995, is the complete reference for this work.

Because of his clarity of thought and exposition of complex ideas, we can easily recognize Professor Pratt's theoretical contributions to decision analysis. In addition though, Professor Pratt has used these ideas explicitly in his personal life and with his personal decisions. In the early 1960's, John was assessing probability distributions for the attendance for different movies that could be booked for theatres in Harvard Square. These probability distributions were elicited from his wife Joy, who was in charge of scheduling movies. This work demonstrated the now well-known tendency of experts to provide probability distributions that are way too narrow and do not recognize the full range of possible outcomes. It also indicated that with training, the expert could make significant improvements. Such training is now routine in major probability assessment studies.

About 1990, the Winsor family of New England was faced with the question of how to redistribute a silver collection that had been created since the Revolutionary War to the then current family members. Because Professor Pratt is a member of the family, he was particularly interested in having the redistribution process be pleasant and harmonious. He, with Richard Zeckhauser, devised a fair and efficient system for dividing the silver that accounted for the personal preferences of different individuals for different pieces in the collection. The system was used and the results were very well received.

For his many important contributions to decision analysis, it is my pleasure to present the 1999 Frank P. Ramsey Medal to Professor John W. Pratt.

A Conversation with John Pratt

Thomas Eppel

TE: In your opinion, what have been the major advances in the theory and practice of decision analysis over the last 25 years?

JP: I'm not so much into the practical side myself, but I think that the Bayesian point of view has established itself in theory as the rational approach to decision making and the logical basis of statistical inference. Few problems are important enough or self-contained enough to warrant a full-blown approach with honest prior distributions and utility functions, and I have been amazed by some people's success in getting subjective expected utility used in practical situations. But to me, the clarification of thinking and discourse is much more important than any immediate practical application. It makes a huge difference to know what a fully rational approach would be even when you can't do it, or when you are doing purely statistical analysis for public consumption with no decision in sight. I recognize the need for "objectivity" often, and your lack of interest in my prior, so I am very sympathetic to conventional "reference" priors. They lead to natural and understandable inferences. Of course they don't have the full Bayesian justification. There are problems where the flat-prior Bayesian analysis can get you into troubles that the classical statistical point of view will uncover right away. For example, in selection problems, the classical view tells you that the best you can hope for is worse than the most favorable case that you see in the data. The flat-prior Bayesian analysis suggests that it is better. The more cases you looked at, the greater the discrepancy. And, of course, the classical people are right. But the proper Bayesian approach (by hierarchical priors) is easier conceptually and better practically at the next step, making inferences allowing for selection when the

null hypothesis of equal means is clearly false. More generally, it tells you a lot about classical significance tests (usually misleading), discreteness (tempest in a teapot—like one extra success or failure), insufficient statistics (they're data too), and inference about functions of parameters (interpret and manipulate confidence distributions like posterior distributions).

TE: How has the Bayesian view impacted the curriculum at Harvard Business School? As you know most business schools teach the classical point of view.

JP: Well, the Harvard Business School is sort of a special case. When I first came there in 1961, a curriculum review was winding down and a required first-year MBA course was about to be developed by Robert Schlaifer, with some very bright younger people. Schlaifer, of course, was very much a Bayesian. By teaching an elective on classical statistics, he had come to believe that the classical approach is nonsense, from a fundamental or philosophical point of view. The new required course emphasized decision theory more than statistics, but it certainly did inference with proper Beta priors for a Bernoulli process. (See his 1969 book). Later there was demand for more standard material in the course, especially some sort of regression. There the inference tended to be the usual classical stuff, but the understanding was a more Bayesian one, of the flat-prior type. We didn't worry too much about the absolutely correct interpretation of a confidence statement. After he left the course, Schlaifer developed software that implemented the full Bayesian point of view in decision analysis, and then software and text material for data analysis that was not specifically Bayesian but still original. Meantime the required course became broader over the years, with more OR. Then it got squeezed down and out through curriculum changes. Other areas now have strength in quantitative methods

in their teaching and research—for a while many of their faculty came via our area—but a serious gap has developed in core decision theory in both the curriculum and the faculty at HBS, which has yet to be addressed, I think.

TE: How about more recent advances, both theoretical and in terms of computational tools that are now available, for example Bayes Nets and the software that goes along with it?

JP: Well, the software we took for granted, since Schlaifer and others developed what we wanted. We wouldn't teach about computational tools or software *per se*. Of course when PCs first became common, many of our students were more sophisticated in their use than some of our faculty (although by now the faculty has caught up and more). As to other topics, game theory and the Tversky-Kahneman kinds of anomalies certainly found their way into the required course by the early 70's, because we wanted to augment the subjective-expected-utility approach with some of the other kinds of rationalities and irrationalities that people use in their decision making.

TE: Let's switch topics a little bit. You and Richard Zeckhauser published a very interesting article about the application of a decision-theoretic analysis to dividing the silver of the Winsor family. I just wonder whether you can tell us some stories about what really happened and what didn't make it into the journal article and why not. [*Pratt & Zeckhauser, "Fair and Efficient Division of the Winsor Family Silver," Management Science, 1990, 36(11), 1293-1301*]

JP: My grandmother died in 1967. I was the nearest relative, so some of her silver wound up in my basement. When we moved into another house in 1975, the silver went along with us, making me more and more

uncomfortable, especially in those days when house alarm systems weren't standard as they are today. Then the bank where the second trunk of silver was stored planned to move as well, and the trustees thought it might be a good time to sell what the heirs didn't want. Which indeed it was as there was a run-up in the price of raw silver which affected silver objects. I had done some work with Zeckhauser by then, and he was an especially natural person to call since he had worked on assignment problems, prompted by dormitory rooms. We had to do something in quite a hurry—as I recall we had only a week to settle on a procedure and write instructions to the participants before the viewing at the auction house. One decision we made—very important as it turned out and I have come to think more and more—was that anyone who received an item would have its appraised value deducted from their share of the proceeds when the items no one spoke for were sold. For example, the Paul Revere coffee pot was worth more than everything else together, and if someone had received that in the draw, it would have been unbearably unfair *ex post*, no matter how fair *ex ante*, and it would have been absurdly wasteful in that its sale price vastly exceeded everyone's reservation price.

TE: How did the other 9 grandchildren react to this kind of formal process that they might not have been used to?

JP: It bothered them less than I expected but it was probably because they paid no attention to it, at the time at least. We weren't all present at the viewing together, which was one reason why we couldn't use the kinds of methods that people sometimes use in these situations. (They are also terribly inefficient.) So everyone left some rankings and information about complementarities and I had to do the telephone interviews described in the article, to figure out their relative valuations or what I would use for their rela-

tive valuations. When I did write up the piece—and it *was* fun—I don't think I sent it to any of the others. But one of them found out about it, so I sent her a copy and it got circulated around the family. I got the impression that people rather enjoyed it, and didn't feel manipulated. They must have been going on trust, which is gratifying. They certainly are not into incentive-compatible mechanisms or second-price auctions for probability shares using artificial currencies.

TE: So they were all happy the way it worked out?

JP: Well, I think so. In fact, the way it worked out, most of the things that somebody wanted enough to give up the appraised value from their share of the kitty, they were able to get without giving up anything else—another advantage of deducting the appraised values. There were only 8 items that are listed in the article that were in any kind of competition. And I'm not sure how strongly people felt even about those. I'm still interested in the problem, and in some situations where the personal value of the items might be more important than the financial appraisals there might be more obstacles in implementing that kind of approach. I discovered afterward that Howard Raiffa had arbitrated the division of an art collection between two brothers, which could have been much more divisive. And extensive competition would require a computer program, which we found didn't exist when a friend had to divide all the goods in a large household among many relatives.

TE: What kind of things are you doing now that you are retired?

JP: Well, I do a lot around the house because my wife is disabled. I have done quite a bit and hope to do more in our garden. After playing the piano all my life, I am taking lessons again—fascinating!—and playing in an ensemble. Jogging. Sailing—I wish I could do more. Grandchildren. But I

also do some professional work. Refereeing. I agreed to write an encyclopedia article on statistical decision theory. I may regret it, though I had a very satisfying experience writing one on risk aversion for the Finance Palgrave—I knew just what I wanted to say and was allowed enough space to cram most of it in. I have just sent back a paper on what I would now say is the “right” way to do the syndicate problem. And in September I am to give the Geneva Risk Lecture at a conference on risk and insurance in Rome. For that I hope to think further about some issues in fair division. If I had a lot more time, energy, fluency, and ambition than I do, I would write a book on risk analysis based on the last course I taught. I have the impression that most people either retire professionally almost completely or very little, but I seem to be compromising. We'll see how successfully. Of course, I miss the kind of collaboration that we had for a time at HBS.

TE: I thank you very much for this opportunity to talk to you. And once again, congratulations on winning the Ramsey Medal.

JP: Thank you!

Decisionarium

Raimo P. Hämäläinen

Decisionarium is the first public site for general interactive multicriteria decision support with tools for individual decision making as well as for group collaboration and negotiation. The site can be found at: www.decisionarium.hut.fi

Web-HIPRE (www.hipre.hut.fi) provides value tree and AHP analysis with group modeling.

Opinions-Online (www.opinion.hut.fi) is a platform for surveys voting and group collaboration. There are different ways for voting, multiattribute scoring, surveys as well as interactive viewing of the results.

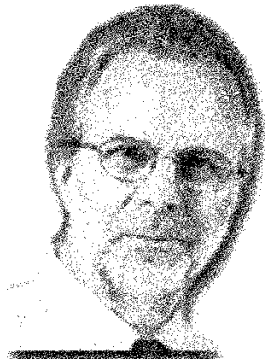
Joint Gains (www.jointgains.hut.fi) applies the method of improving directions to support multiparty negotiations in a multicriteria setting. The facilitator creates the case by defining the variables, constraints and criteria. The group process proceeds sequentially to a Pareto-optimal agreement by eliciting local preference information from the participants.

Smart Choices offers an implementation of the even swaps procedure of the book *Smart Choices* by Hammond, Keeney and Raiffa. In the method alternatives are eliminated by making them dominated or similarly criteria are made irrelevant through even swaps, i.e. trade-offs, until a non-dominated alternative is found. All the tools are web based so global interaction is natural and links can be utilized for multimedia information support.

Decisionarium also offers illustrative Powerpoint presentations and Windows software WINPRE and PRIME-Decisions. Decisionarium is free in academic use. The Decisionarium project leader and designer is Prof. Raimo P. Hämäläinen (raimo@hut.fi).

CANDIDATES FOR CHAIR-ELECT

Kevin McCardle



Position Statement

I have never thought of myself as operating near the center of the Decision Analysis Society, but I have always been closely associated with people who do. For example, I have never served on the Decision Analysis Council, but most of my co-authors and colleagues from Duke have. This means that I do not necessarily adhere to some well-accepted positions – for instance, I am not convinced of the value of starting our own journal – but I know what those positions are.

The primary reason I can imagine for anyone voting for me for Chair-elect is the thought “Well, it’s about time he does something around here.” The position is originally an apprentice one: under Robin and Detlof’s tutelage, I would learn how best to serve the decision analysis community.

I expect that over the next six years, the term of the Chair-elect/Chair/Past-chair appointment, the two issues of whether and how to start our own journal and whether and how to host our own meetings will take the bulk of the Council’s and Chair’s time. While I am dubious of the value of starting a journal, I believe that the Society could flourish by hosting its own annual meetings. I tell you this not to make the election for chair-elect a referendum on the journal or meetings, but in the interest of full disclosure.

Biographical Sketch

Kevin McCardle is a Professor at the Anderson Graduate School of Man-

agement at UCLA. He received his PhD in Mathematics from UCLA in 1985. From 1985-1999 he taught at the Fuqua School of Business at Duke University. He was an Associate Editor in the Decision Analysis Area at *Management Science* from 1988-1995, and has been an Associate Editor in the Decision Analysis Area at *Operations Research* since 1989. He has organized the Decision Analysis Track at INFORMS meetings and served on the organizing committee of FUR-V. He has taught probability and statistics to hordes of MBA students, for which he won the teaching award at Fuqua in 1998. He has also taught courses in TQM and DA. His main research interests are in methods and applications of sequential decision analysis and game theory. His current work, joint with Jim Smith, on integrating option pricing and decision analysis has been funded by the NSF and Chevron.

Elisabeth Paté-Cornell



Position Statement

The Decision Analysis Society is an essential part of INFORMS. Its role is to provide a forum for both academics and practitioners to present and exchange ideas, and to describe problems and solutions. As Chair, I intend to work on the following aspects of its operations:

First, I believe that it is important to increase the membership of the soci-

ety and its visibility and influence within INFORMS. I intend to develop links between the DAS and related professional societies (such as the Society for Risk Analysis) both in the US and abroad, possibly through joint meetings, or through special joint sessions within the INFORMS meeting. Within INFORMS, one could also, for example, build sessions around a common topic but cutting across disciplines including decision analysis.

Second, the Society needs a journal that is both affordable and of high intellectual quality. Starting this journal will require working with INFORMS to arrange on-going budgetary funding for publication, or finding a more creative solution if needed.

Third, many Engineering Societies have adopted a code of professional ethics for their members and for practitioners of their field. Whether or not

such a code would help the Decision Analysis profession deserves a vigorous debate and the DAS is the ideal forum in which it should take place. Such a code of ethics should be, as usual, free of political considerations, and based on a consensus about what constitutes ethical behavior as a consultant, a member of a firm, or a scholar in the field of decision analysis.

Again, my objectives will be to advertise the existence of the Society, to increase its visibility and to promote intellectual exchanges to enrich the field and expand the horizon of the domain that we know as decision analysis.

Biographical Sketch

Elisabeth Paté-Cornell is a professor and chair of the new department of

Continued on page 8

Management Science and Engineering at Stanford University. Her primary areas of teaching, research and consulting are engineering risk analysis and risk management, decision analysis, and engineering economy. Her research, in recent years has focused on the extension of probabilistic risk analysis models to include human and organizational factors, with applications to the maintenance of the tiles of the space shuttle, the management of offshore oil platforms, and anesthesia in operating rooms. She has also worked on the issue of treatment of ambiguity both in the risk analysis and in the decision analysis part of her work. She is currently involved in the

development of decision support systems for the management of engineering programs of dependent projects such as unmanned space missions under tight constraints of time and budget.

She is a member of National Academy of Engineering, of the Air Force Science Advisory Board and of the Commission on Physical Sciences, Mathematics and Applications of the National Research Council (NRC). She was until recently a member of the NASA Advisory Council, of the Marine Board of the NRC and chair of the NRC committee on Risk Assessment and Management of Marine Systems. She is a past president and

a fellow of the Society for Risk Analysis. She is currently an elected member of the Stanford University Senate.

Her undergraduate degree was in mathematics and physics. She received her graduate Engineer Degree in Computer Science in 1971 from the Institut Polytechnique of Grenoble, France, a Master's degree in Operations Research in 1972, and a PhD in Engineering-Economic Systems in 1978, both from Stanford University. She taught at MIT in the department of Civil Engineering (78-81) and at Stanford in the department of Industrial Engineering and Engineering Management (81-99) which she chaired until last year (97-99).

CANDIDATES FOR COUNCIL MEMBER

Greg Parnell



Position Statement

We need to continue to expand our outreach to organizations and individuals who can benefit from learning and applying decision analysis techniques in their professional and personal lives. I believe we should focus on three objectives:

1. Lead the definition and development of the field of decision analysis as we enter the Century of Bayes. Build bridges to other societies that use (or should use!) decision analysis techniques.
2. Promote, recognize, and publish outstanding decision analysis research and applications. We need to document

our research and application successes.

3. Build bridges between decision analysis academics and practitioners. We should support the Affinity Group and expand our outreach to other practitioners.

I strongly support our continued outstanding INFORMS sessions, newsletter, website, and new Decision Analysis Journal. I believe the new meeting structure offers us significant opportunities to meet these objectives.

Biographical Sketch

Dr. Greg Parnell is the Class of 1950 Chair of Advanced Technology at the United States Military Academy and an Associate Professor of Systems Engineering. He teaches, does research and consults in the decision analysis area. He is also the Director, Decision Analysis Practice, for Toffler Associates®, an international strategic advisory firm. His research and consulting focuses on R&D portfolio analysis and resource allocation decision-making for defense and environmental management organizations.

Greg received his Ph.D. in Engineering-Economic Systems from Stanford University. He taught at the Air Force Institute of Technology and led several Air Force arms control, force structure, and resource analysis organizations in the Pentagon. He established the decision analysis program at the Air Force Institute of Technology in 1993-95. This program continues to provide outstanding DA courses and thesis research. After retiring from the Air Force, Greg taught at Virginia Commonwealth University. He has also taught Decision Analysis courses for the Army Logistics Management College at Fort Lee, Virginia.

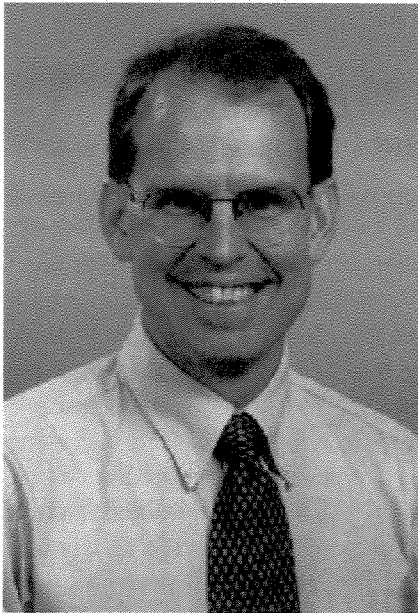
He has been an active INFORMS member since graduate school. He has participated in Decision Analysis sessions and served as a reviewer for the student paper competition. He was a founding member of the Richmond-Tidewater INFORMS chapter and served as President of the chapter. He is currently Chairman of the INFORMS Chapters Subcommittee and a council member of the Military Applications Society.

Greg is the editor of the *Military Operations Research* journal. He has

published articles in numerous professional journals including *Operations Research*, *Management Science*, *Interfaces*, *Journal of Multi-criteria Decision Analysis*, *Military Operations Research*, *Naval Research Logistics*, and *Asia-Pacific Journal of Operational Research*. He has served as president of Military Operations Research Society, an organization with over 3000 members. He was elected a Fellow of the Military Operations Research Society in 1996.

Greg jogs every day the sun comes up and tries to golf twice a week.

Terence Reily



Position Statement

I am honored to be nominated to the DAS council. The future of our field depends largely on current Ph.D. students and recent graduates. While I was fortunate to work with Robert T. Clemen and stay connected to the decision analysis society, many of the young people I met at past conferences have disappeared. This is a hazardous trend that should be recognized. I firmly believe that we can boost the vigor and intellectual vitality of our society by conscientiously developing connections between young researchers and established decision analysts. As council member, I will work hard to facilitate these connections, particu-

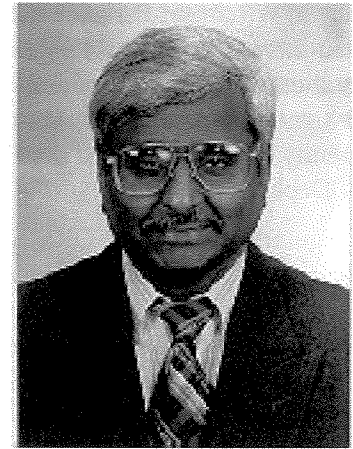
larly at meetings. At Babson, I have been working on a similar problem of attracting and retaining quantitative majors. We now have many outreach programs including a newsletter that I started.

Biographical Sketch

Terence Reilly is the Gillette Professor of Mathematics at Babson College. He is a recent graduate from the University of Oregon (Ph.D. 1995). His research interests include decision analysis, sensitivity analysis, copulas (multivariate distributions), and applied statistics. Terry has published in *Management Science*, *Decision Sciences*, *Structural Equation Modeling*, and *Sociological Methods and Research*. He is also co-author with Bob Clemen on *Making Hard Decisions with DecisionTools*, a revision of *Making Hard Decisions* that includes Palisade's *DecisionTools* software.

Since coming to Babson, Terry has focused much of his attention on how best to educate his students. He has spearheaded curriculum changes in the graduate and undergraduate management science classes at Babson College. He has been awarded a grant to implement cooperative learning in the classroom and is an invited speaker at the Teaching of Management Science Conference, University of Indiana, 2000. He is currently pioneering a distance-learning based decision analysis course for Babson College.

Jayavel Sounderpandian



Position Statement

The creation of the new DAS journal is a major step in promoting DA among academics, practitioners and students. The next major step, in my opinion, is the proposed DA Certification. I will support all efforts toward establishing a certification process, because I firmly believe that certification will popularize DA and increase DAS membership substantially. As an example, I would like to mention the phenomenal growth in Project Management Institute's membership (see www.pmi.org). During the last two years, the growth averaged 50 new members a day. A reason given for the growth is their certification. It is also well-known that certification in any field establishes a standardized terminology in that field. The field of DA could use that.

Like many others, I too feel that the gap between descriptive and prescriptive DA is too much. I will try my best to influence Council decisions so as to reduce that gap.

Biographical Sketch

Jayavel (Jay) Sounderpandian received his bachelor's degree in engineering from Indian Institute of Technology, Madras, India. He worked as an engineer for eight years at HAL, an Indian company that manufactures fighter aircraft. He came to the US in 1979 to attend Kent State Univer-

sity where he completed his master's and doctoral degrees in business administration. In 1983, he joined University of Wisconsin-Parkside and has stayed there ever since. He teaches Operations Research, Business Statistics and Operations Management. Currently, he is the chair of the Business Department.

Jay regularly attends INFORMS and FUR conferences and has chaired several sessions at these conferences. His publications have appeared in *Operations Research*, *Interfaces*, *Journal of Risk and Uncertainty*, *Journal of Multi-Criteria Decision Analysis*, *Abacus* and *International Journal of Production Economics*. His greatest passion is conducting research in Decision Analysis.

Jay has been a visiting scholar at Northwestern University and at Ecole Normale Supérieure de Cachan, Paris. He has been a consultant to numerous businesses in the Midwest.

George Wu



(Applied Mathematics, 1987), and Ph.D. (Decision Sciences, 1991), all from Harvard University. Prior to graduate school, Wu worked as a decision analyst at Procter & Gamble.

His research and teaching interests include descriptive and prescriptive aspects of decision making, managerial and organizational decision making, and cognitive biases in bargaining and negotiation. He has published his research in a number of professional journals, including *Cognitive Psychology*, *Journal of Risk and Uncertainty*, *Management Science*, *Medical Decision Making*, and *Theory and Decision*. Professor Wu is an Associate Editor of *Management Science* for the Decision Analysis Department and has served several times as a judge for the Decision Analysis Special Interest Group's student paper contest.

Position Statement

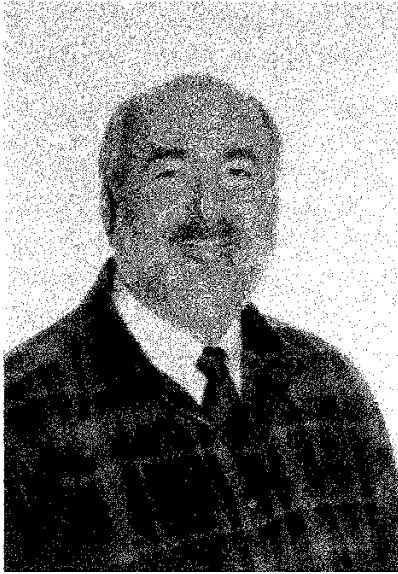
I have been engaged in a combination of advising decision makers and researching and teaching decision making for almost 15 years now. The gap between decision analysis and behavioral decision making, the prescriptive and descriptive, has always struck me as larger than it should be. I would like to see the Decision Analysis Society play a larger role in integrating these two areas together, in terms of research, teaching, and the practice of decision analysis.

Biographical Sketch

George Wu is an Assistant Professor in Behavioral Science at the University of Chicago Graduate School of Business. Prior to joining the faculty of University of Chicago in 1997, Professor Wu spent six years on the faculty of Harvard Business School as an Assistant and Associate Professor in the Managerial Economics area and then the Negotiation and Decision Making Group and one year as a lecturer in Decision Sciences at the University of Pennsylvania Wharton School. His degrees include A.B. (Applied Mathematics, 1985), S.M.

CANDIDATES FOR SECRETARY/TREASURER

John Lathrop



Position Statement

I am not a fan of vague, motherhood "Position Statements." This one will be in the form of a concrete proposal for action. I feel that the Decision Analysis Society should play a more proactive role in defining the field and sharing the knowledge of the field among its members. I get tired of having to explain what decision analysis is. That feeling is exacerbated by my knowledge that different people are saying different things when asked that question. I am really bothered when I come across some consultant hack who calls what he is doing "decision analysis," when in fact all he does is pedestrian economic evaluation comparing alternatives. I am bothered when an award-winning presentation is given at INFORMS Philadelphia, and several people in the audience know of a clearly superior way a part of the speaker's analysis could have been conducted. The speaker didn't know of that analysis.

Why? Because there is no "there" there with DA. There is not even a consensus on what DA is. There are no Standards of Practice by which to judge whether or not an application is an acceptable application of DA. I

think the Society should set up Standards of Practice, or at least consider that. I began hallway discussions to that effect in Philadelphia, and intend to pursue it further in Salt Lake City. Those Standards of Practice, as I envision them, would not dictate any one particular approach, but would rather be a set of "shopping lists" from which to choose methods. One list for eliciting subjective probabilities, one list for eliciting weights (including approximating weights based on weight ranking), a set of models for evaluating over uncertainty and over time, some rules of consistency across different parts of an analysis, etc. There doesn't have to be anything coercive about the Standards. We can leave it to practitioners to be self-policing. The only thing you would get for performing in compliance with the Standards is the right to say that you did so in your reports and papers. The Standards could be posted on the website and in the Journal. The Journal could enforce the standards for any papers published there. Perhaps after attempting this, we would not find it worthwhile, but we should try and see.

Biographical Sketch

John Lathrop has been an independent consultant in decision analysis for fifteen years. He received his B.S. in physics from Harvey Mudd College, then a joint Ph.D. in economics and experimental psychology from the University of Michigan. After a short time at Lawrence Livermore National Laboratory, he spent over two years as a Research Scholar at the International Institute for Applied Systems Analysis in Laxenburg Austria. He returned from IIASA to a position with the Decision Analysis Group at Woodward-Clyde Consultants, where he eventually became Head of that group.

His current work focuses on crisis management with networks of deci-

sion makers. Two current applications are in standards writing for the Institute for Electrical and Electronics Engineers for digital communications in highway incident management, and consulting for Lawrence Livermore National Laboratory developing an incident management system countering terrorist use of chemical/biological weapons. That system will be in place at the Salt Lake City Olympics in 2002.

His past work includes development and application of decision analysis tools to stakeholder involvement, with applications ranging from the National System Architecture for Civilian Spent Nuclear Fuel to drafting a Local Coastal Plan for Santa Barbara County, major power plant siting and interstate transmission line routing. Past work in risk assessment includes work for the California Attorney General defending the California Coastal Commission in a major oil company suit, and testimony before the Alaska Oil Spill Commission investigating the Exxon Valdez spill.

John was DA Cluster Chair for Philadelphia INFORMS Fall '99. Following up on that, he worked with John Butler to institute the first posting of INFORMS DA presentations on a website. (Have a look!: http://www.bus.utexas.edu/~dyerj/DA_Present/index.html). He is on the California Advisory Panel for EMF Risk. He has been a national judge for student papers in DA. He has refereed several articles, most recently for the Journal of Risk Analysis. He has a middle-of-the-pack list of publications on his cv.

Jennifer Meyer



Position Statement

"Our work in the field of decision analysis has many facets. Whether it's through interacting with an enthusiastic student or strategizing with an experienced executive, I am continually reminded of the power of decision analysis as a tool to bring clarity to a difficult situation. I believe that organizations like the DAS serve a vital role in bringing together practitioners and academics to share and expand the power of our field. As a member of the DAS council, I enjoy having the chance to further that work. I would welcome the opportunity to broaden my involvement with the DAS by taking on the role of secretary/treasurer."

Biographical Sketch

As a practitioner of decision analysis, Jennifer Meyer has worked with executives in a wide range of industries. Now a senior consultant at Navigant Consulting, Inc. (formerly Strategic Decisions Group), she has helped improve the quality of strategic decisions in high technology, telecommunications, transportation, electricity, energy, pharmaceuticals, and manufacturing companies.

Before becoming a consultant, Dr. Meyer taught various quantitative methods courses and conducted deci-

sion analysis research as a member of the faculty at the University of Nebraska-Lincoln. While at UNL, she was actively involved with the Nebraska chapter of INFORMS, serving as an officer for six years. She also served on the national committee on Geographical Sections.

Her service to the decision analysis community has included judging for paper competitions, ad hoc reviews for various publications and NSF, and the coordination of a number of sessions at INFORMS meetings. She is currently a member of the DAS Council, where she is undertaking an effort to better understand the makeup and stability of our membership.

Dr. Meyer received her Ph.D. from Stanford University in 1989. She earned B.A. degrees in physics and mathematics from Drake University in 1984.

WEB NEWS

John Butler

First off thanks to Jim Smith for resurrecting DAList, our e-mail message distribution list (see our web site at www.informs.org/society/da)! Several new web developments to mention.

1) Jim Dyer contributed his syllabi for two interesting classes: "Valuation of Real Options", and "Balanced Scorecard: An Information Systems Approach" to the syllabus web page at http://www.bus.utexas.edu/~dyerj/DA_syllabi/index.html

2) John Lathrop did a great job of organizing the Philadelphia DA track but I am more impressed with his ability to get the vast majority of presenters to contribute their slides. We organized the material around a familiar format and I will make future presentation materials available as long as people are willing to contribute. NOTE: to protect the integrity of the presenter's work we opted to prevent editing and even printing of the pdf

files on this site so that the viewing experience is more similar to actually being there. You can download the pdf files but that's about it.

http://www.bus.utexas.edu/~dyerj/DA_Present/index.html

3) Robin Dillon and I have posted a page with info about San Antonio and the DA-track for the conference. We'll be adding things to it as the date draws near. We would be more than willing to post things like slides and/or papers if the presenters want to distribute copies but don't want to carry all that paper.

<http://www.cob.ohio-state.edu/~butlerj/SanAntonio/index.html>

4) Rex Brown was kind enough to contribute his working papers to the working paper archive giving the page a nice start for the millennium. Please send me any submissions; as always I'll post the abstract and/or the paper at your discretion.

http://www.bus.utexas.edu/~dyerj/DA_WP/index.html

5) I have organized a page for graduate students and/or recent graduates with interests in decision analysis. The objective is just to get to know each other and exchange ideas. Feel free to point interested parties here:

<http://www.cob.ohio-state.edu/~butlerj/3G.html>

And, let's not forget the syllabus page which is still open for submissions:

http://www.bus.utexas.edu/~dyerj/DA_syllabi/index.html

and the problem repository which is still quite pitiful and in need of help!

http://www.bus.utexas.edu/~dyerj/DA_probs/index.html

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ANNOUNCEMENTS**Decision Analysis
Publication Award
2000****Solicitation of Nominations**

The Decision Analysis Society of INFORMS is soliciting nominations for the 2000 Decision Analysis Publication Award. The award, which includes a plaque and a \$750 honorarium, is given annually to the publication (i.e. article, book, chapter, monograph) judged to be the best publication in Decision Analysis, broadly defined, during the second calendar year prior to the year in which the award is given. The purpose of the time lag is to allow for publications to be disseminated, read, and their impact evaluated.

This call for nominations is for 1998 publications. Authors may nominate their own publication. Nominations, with four copies of the nominated publication, should be sent to:

Gordon Hazen
Department of Industrial Engineering
and Management Sciences
McCormick School of Engineering
and Applied Science
Northwestern University
Evanston IL 60208-3119
Email: hazen@iems.nwu.edu

Nominations are due by June 1, 2000.

**2000 Student Paper
Competition in
Decision Analysis**

Each year the Decision Analysis Society (DAS) of INFORMS solicits student papers on decision analysis, typically (but not necessarily) based upon a Ph.D. dissertation or Master's thesis. These papers are evaluated by a panel of judges and the winner receives a cash prize of \$500 and is invited to present his/her paper at the fall INFORMS meeting where the result of the competition is announced.

If you are a faculty member who is supervising students, please inform them of this opportunity. If your students are not currently members of DAS, you might also encourage them to join. If you are a student reading this, please encourage your classmates to submit a paper and to join the society.

DAS is a congenial organization of close to 800 members (of which almost 200 are students) and there has been a rise in recent student participation. Joining DAS is a good start toward developing a professional identity. However, students do not need to be DAS members to be eligible for the competition.

All students doing work in or related to decision analysis are encouraged to submit a paper. The work must be predominately that of the student, though faculty members or other mentors can be co-authors if appropriate. The paper should be 30 pages or less (double spaced) and in standard Management Science or Operations Research format.

To be considered for the 2000 competition, please send three copies of the paper to:

Prof. Lindsley Boiney
Dept. of Decision & Information
Systems
Graziadio School of Business &
Management
Pepperdine University
Ventura County Center, 2829
Townsgate Road
Westlake Village, CA 91362

All submissions must be received by **July 31, 2000**. You can contact me at lboiney@pepperdine.edu or (310) 568-2326 if you have any questions.

Practice Award

The Decision Analysis Society (DAS) of INFORMS is seeking entries to join in the competition for the second annual DAS Practice Award. The intent of this award, which was given for the first time at the Philadelphia INFORMS Meeting in November 1999, is to recognize, promote, and publicize good decision analysis practice. It includes a cash prize of \$750 and assistance in getting the work published in a suitable journal such as *Interfaces* if the winner so desires. Previous publication of the work does not preclude it from consideration for this award. Membership in DAS (which costs at most \$15) is a prerequisite for participating in the competition.

The entry requirements are very simple: Send us a brief summary describing a recent application of decision analysis and your involvement in it **by June 1, 2000**. This summary must include sufficient detail for us to evaluate your work for the competition, but must be no longer than two double-spaced typewritten pages. Normally, it should briefly describe the following: the problem and the client company or agency; who in the client organization sponsored the work, who did the work, what methods or models from decision analysis they used, and how they applied them; what the

organization learned and what happened subsequently, especially how the organization used the results. If necessary, some aspects of the application or results may be disguised to preserve confidentiality, provided that the material that is disclosed is sufficient.

We will select finalists based on the summaries and on the results of our subsequent verification process. The blue-ribbon panel of judges will be selected from practitioners from industry/government, consulting company members, and academics with substantial applications experience. Evaluation criteria will include impact on the client's decision making, benefits to the client organization, use of decision analysis tools, and originality. Please note that a single entry need not score high on all of these dimensions to be a viable contender. The winner will be chosen following presentations by each of the finalists at a special session at the Fall INFORMS Meeting in San Antonio and will be announced at the DAS Awards Session at that meeting.

Authors are responsible for obtaining any necessary company or agency clearances. All submissions should include a separate cover page with the name, title, address, e-mail, and telephone numbers of (1) the submitting decision analysis (specify one person as the one to contact from an analysis team) and (2) of a **contact person** at the client organization who is knowledgeable about the work and its impact from a managerial or user's (rather than an analyst's) perspective. As part of the evaluation process, interviews will be conducted with both the contact decision analyst and the contact client. Submissions from ex-

ternal consultants are welcome, but we encourage consultants to co-author submissions with people from the client organization where appropriate.

Please send summaries and direct any questions about the process to:

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