

FORUM

CONSULTING GROUP Ltd.

Management Consultants to Governments

Victoria BC Canada
(250) 386-7655
E-mail: forum@acncanada.net

LANGUAGE LADDER™ EVALUATION METHODOLOGY

“Transparent, fair and superbly managed”¹

Introduction

Intangibles are increasingly important in making investment and expenditure decisions. Not only are intangible assets often more valuable than tangible assets in the first place, they tend to increase in value over time while tangible assets tend to depreciate. This is one reason why we have to understand and measure them.

Many expenditure and investment decisions are forced to rely on intangible evaluation criteria, particularly in government. In the past we have tended to ignore them, guess at their potential impacts or scale them in some way because there was no methodology available to evaluate them explicitly. Now there is.

Language Ladders™ are a unique and innovative methodology which enable the user to evaluate options and opportunities where some or all of the primary evaluation criteria are *qualitative* or *intangible*. “Options” and “opportunities” might be strategies, projects, proposals or anything else which are discrete and which require evaluation, prioritisation or ranking. Very often they are funding opportunities where decisions have to be made about which opportunities to fund and which not to fund, or which to fund first and which later.

Language Ladder methodology uses **ProGrid®** software to evaluate and rank the opportunities or options and to produce evaluation reports for senior management using graphics and tables.

Both the methodology and the software were designed and developed in the Canadian scientific research granting sector where they have been responsible for evaluating and prioritising some \$6 billion in project expenditures over the last four years. Some of these users are shown in the attachment. A small but rapidly growing cadre of Canadian thinkers is leading the way in this development. FORUM Consulting Group is among them.

Uses

Language Ladder methodology and ProGrid software are currently used for (for example):

- Selecting internal projects from a list of potential opportunities to undertake or to fund;
- Selecting recipients for scientific research, charitable or other types of grants and awards;
- Choosing vendors to deliver the services specified in a Request for Proposal; and

¹ Jeffrey Simpson, *Globe and Mail*, July 10 1999 referring to a major federal government user of Language Ladder methodology for “picking the winners” for financial support.

- Evaluating the effectiveness of programs, projects and activities, either before or after funding.

Reasons for Using Language Ladders

Language Ladder methodology and ProGrid software are used to best effect when:

- Your decisions have to be made on the basis of the intangible criteria. There are no numbers or, if there are, they are not sufficient, or sufficiently rigorous, to enable the decisions to be made *and defended*;
- Your decisions involve many potential opportunities and multiple decision criteria. Sometimes they oppose or even conflict with one another. They might also involve many evaluators or decision makers whose views and opinions must be reconciled;
- Evaluating your opportunities by hand or using spreadsheets has become a chore and is resulting in “evaluator fatigue”;
- Accountability for the evaluations - and for the consistency of the decisions made - is crucial. (Accountability refers not only to the decision makers, but also to the senior managers ultimately responsible for the decision and the proponents who design and submit the proposals);
- There is a significant (even if undetermined) cost to making no decision or making a wrong decision; and
- You have a need to evaluate the performance, impacts or effects of the decisions afterwards.

The Process

There are five steps in the evaluation and reporting process:

1. Defining the overarching objectives of the decision or the evaluation,
2. Defining the intangible evaluation criteria and placing them in an **evaluation matrix**,
3. Compiling **Language Ladders** for each of the evaluation criteria in the matrix,
4. Evaluating the intangible criteria with Language Ladder forms and ProGrid software, and
5. Plotting the results on a graph.

The process is transparent, quick, informative, easy to learn, inexpensive and, above all, highly effective.

User Benefits

The benefits most frequently cited by Language Ladder users are:

- The process is exceptionally comprehensive. It achieves consensus while providing input from all stakeholders and all the identifiable criteria are included. *You* choose the criteria and no criteria need be excluded because of the difficulty in measuring them;
- The methodology forces the *explicit* depiction of the evaluation criteria and the metrics used to evaluate them;
- The process is disciplined, transparent, easily reproducible and creates accountability;
- A Board of Directors or senior management can approve both the evaluation criteria and the Language Ladders before they are used for the key decisions or evaluations for which they will later become accountable;
- Temporal consistency is achieved between similar decisions which have to be made at different times;

FORUM Practice Note

- Evaluator fatigue is much reduced since the process is fully automated. Expert evaluators are more willing to participate because the process is quick, simple and easily understood;
- A corporate evaluation/decision database and memory is automatically generated and maintained;
- The evaluation reports are graphical, easily presented and easily understood;
- It is a self-learning methodology which constantly improves as users (both evaluators and applicants) gain experience;
- The methodology focuses squarely on the key intangible issues surrounding complex investment decisions; and

Once mastered, most users find it fun and exciting to become familiar with a leading-edge 21st century evaluation technology which has so many practical uses in the workplace.

Becoming Involved

You may use ProGrid's Language Ladder methodology and software yourself or for your clients by buying a licence and completing an on-line training session. Or you may engage FORUM Consulting Group to conduct the process on a consulting basis and determine the results.

New users normally engage FORUM and ProGrid Solutions Inc to help with the evaluation matrix, design the evaluation criteria and complete the first Language Ladder evaluation process. This allows them to become familiar with the evaluation methodology before being formally trained themselves.

FORUM and ProGrid are actively soliciting expressions of interest from potential consulting and business partners.

Chris Jones
FORUM Consulting Group Ltd.,
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Some Public Sector Users of Language Ladder™ Methodology

Alberta Government

AARI **AERI**

ASRA Alberta Science and Research Authority

Alberta Forestry Research Institute

Alberta Heritage Foundation for Medical Research
Supporting top scientists whose research improves the health of Albertans and people throughout the world.

Alberta INGENUITY Fund **AVAC Ltd**

CSA ASC **DEFENCE RND DÉFENSE**

Natural Resources Canada **Ressources naturelles Canada**

Ontario **GeoConnections** **NRCan Climate Change**

Ontario research and development challenge fund

Agriculture and Agri-Food Canada **Agriculture et Agroalimentaire Canada**

BRITISH COLUMBIA **Forestry Innovation Investment Ltd.** **BC INNOVATION COUNCIL**

Ministry of Labour and Citizens' Services

CRESTech **MATERIALS AND MANUFACTURING ONTARIO**

Ontario Forest Research Institute
Forest Research and Development Section - Ontario Ministry of Natural Resources

CANADIAN ARTHRITIS NETWORK **LE RÉSEAU CANADIEN DE L'ARTHRITE**

precarn
Intelligent Systems. Thinking Technology. Systèmes intelligents. Penser technologie.