



DECISION LEADER REVIEW

A monthly resource to help you achieve better decision outcomes

April 2009

- [Decision Leader Review](#)
- [Increasing Decision Quality](#)
- [News](#)
- [Quote of the Month](#)

What is the Decision Leader Review?

This monthly publication brings you current research and information in the area of business decision making. You'll find new concepts and ideas you can put to use immediately to impact the quality and speed of your strategic and tactical decision making activities.

Another document to read? Who has time? We carefully edit each issue for number of words. Our "must" limit is 930 words, or 3.5 minutes. So we hope you'll choose to spend 3.5 minutes with us, every month!

Increasing Decision Quality

Last month we introduced the concept of Decision Quality, and the critical role of Decision Leader in achieving high quality decisions. This month we address the first element of Decision Quality: *Accurate Assessment of the Decision Situation*.

Many decision processes get off on the wrong foot because of a failure to fully understand the situation that is wrapped around the decision itself (how many times have you thought "*we just came up with a great solution to the wrong problem*"?). Failures in this area are often due to these causes:

- Plunging into the decision without accurately assessing the bigger picture.
- Failing to fully understand *why* the decision is being considered in the first place.
- Seeing the decision situation from a limited and narrow scope.

In a recent Harvard Business Review article (Why Good Leaders Make Bad Decisions, February, 2009) the authors discuss their research in decision making neuroscience, and conclude the following about the way we tend to approach decisions:

"Our brains leap to conclusions and are reluctant to consider alternatives; we are also particularly bad at revisiting our initial assessment of a situation."

These tendencies make the role of Decision Leader critical in assuring good decision thinking. The Decision Leader must ensure the situation is fully understood prior to engaging in the decision analysis process. The outcomes of a sound situation assessment are:

- making sure the right problem is being addressed
- alignment on the purpose and scope of the decision
- determining the right people to work on the problem

How is this accomplished? We believe there are two keys. First, recognize that virtually all

decisions of importance require a situation assessment. Second, select a reliable analysis method that facilitates full comprehension of the situation and its complexities, interrelated variables, costs, opportunities and risks.

Our consulting engagements usually begin with the Decision Focus tool of Situation Analysis - to accomplish this critical first element of Decision Quality. Situation Analysis allows us to systematically understand the true nature of the decision situation by working upstream analytically. This involves identifying the sub-issues and factors "behind the scenes" of a decision, including causes, effects, and related issues. It also helps quantify the scope of the issue, the costs of doing nothing, and the opportunities gained by taking action. The resulting action plan not only addresses how to approach the decision, but identifies other actions which must be taken to guarantee a successful outcome.

During a recent consulting assignment, a client team was faced with a decision of whether or not to centralize global responsibilities for a key business process. As a starting point, the team performed a Situation Analysis. During the analysis, relationships among many factors were discovered, and this changed the scope and focus of the problem. The analysis soon revealed the core issue as "ineffectiveness of the current business process". The team concluded that the idea of centralization was one of many possible solutions to the problem, and approached the decision from this new perspective.



The Idea in Practice

1. Think of a high profile decision in which you are currently involved.
2. Ask, "What situation or problem are we trying to solve by making this decision?"
3. Record your answer and discuss it with your decision team members. Ask, "Does this impact our current thinking about the decision? If so, how?"

Next month we focus on the second element of Decision Quality: Appropriate framing of the decision, including involving the right people.

News

Improving Decision Quality - Decision Focus 7.0 Software

Decision Focus 7.0 will be released summer, 2009. This new version includes features that give you even more power to create better decision outcomes and solutions:



- Document linking - now you can attach supporting files (documents, spreadsheets, visuals, web pages, etc.) directly to any cell in any Decision Focus worksheet. Create a complete

Decision Focus package, bundle it, and save it as a Decision Focus "project". Each attachment is connected to the exact location where it is relevant - a specific cell or area of a Decision Focus worksheet.

- Expanded Decision Analysis support, including new features and graphics tools to help you establish the right "musts and wants" for important decisions.
- New tools to help control risks in the decision making process.
- New "Executive Summary" export feature. Now you can create a multiple page report that summarizes your Decision Focus analysis and conclusions...instantly with one mouse click.

Look for more information in upcoming issues.

Quote of the Month

"The reason why researchers keep finding a bias towards action in leaders and successful teams is simple. We are talking about two basic impulses: do something or do nothing. 'Do nothing' hardly ever changes anything. But 'do something' changes the odds of success every time a new action is initiated.

*So the fundamental law of success is this: **Action is more likely to succeed than inaction.** That is why action-oriented people are so critical to the success of the team. The team can't solve the significant problems without them. These individuals change the odds in favor of success significantly and dramatically."*

-La Fasto and Larson, When Teams Work Best
