

The 7 Habits of Highly Effective Decision Makers

Habit 1: Get the basics right

Genesis Management
Consulting Limited

“Improving lives through better decisions”



The underlying purpose of the series is ...



... about helping *you* to improve people's lives
by helping *you* to make better decisions!

The introductory slide show gave us an overview...

Why we need to improve decision-making.



What can - and does - go wrong.



How the smart guys do it better!



reminding us that strategic decisions
have a far-reaching impact





and summarized the 7 habits of highly effective decision makers

1. get the basics right
2. actively manage knowledge
3. communicate visually and verbally
4. prioritize ethical implications
5. embrace complexity
6. “think like a shrink”
7. use tools and technologies



In the 'first habit' we look at:

Where organizations can - and do - get the basics wrong

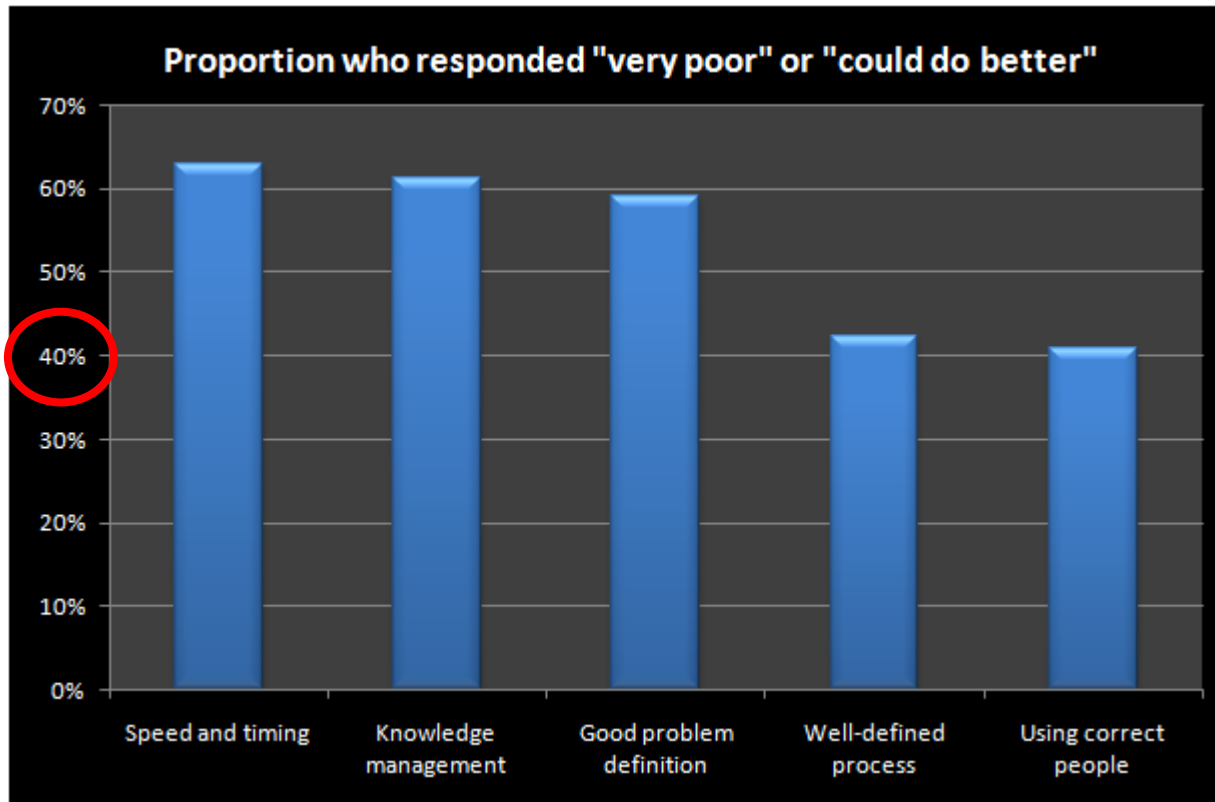
How getting the basics right involves answering six key questions

What actions can be taken to get it right



Where do organizations get it wrong?

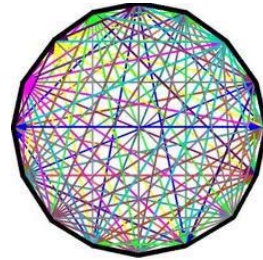
In the Genesis 2010 global survey on strategic decision making, more than 40% of respondents admitted to sub-optimal performance across a number of basic, but critical factors.



- ✘ Speed and timing
- ✘ Knowledge management
- ✘ Problem definition
- ✘ Well-defined process
- ✘ Using correct people

(* 2010 Genesis global survey)

strategic decision making is not an easy task



everything is
interconnected,
and we face...

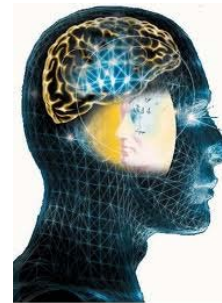
pre-conceived
ideas



High levels of
uncertainty



behavioral
challenges



problem
complexity



but there should be no excuses for a poor outcome
because we got the *basics* wrong!

so what are the basics?

effective decision makers always consider these six key questions...

Who?



When?

How?

How much?

What?

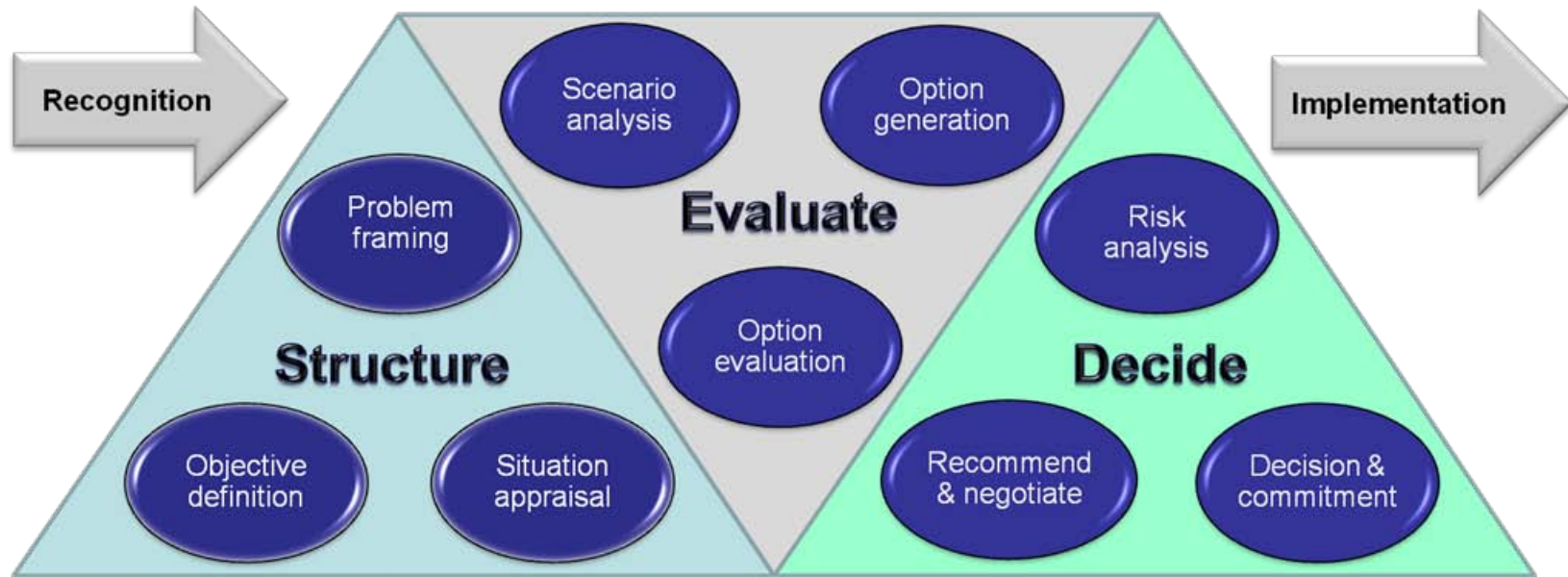
Why?



do we get the process right?



effective decision makers have a pre-defined, but flexible, process



Genesis Strategic Decision Making Model



this includes



having a standard process

*so they spend maximum time **in** the process **not designing** the process*

setting the decision rules

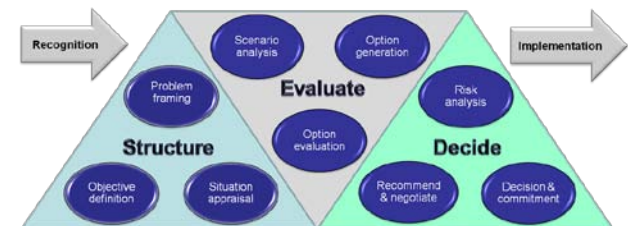
for instance: are we trying to satisfy our objectives (satisficing)

or are we trying to get the best result possible (maximizing)

clear governance

how is the process managed and led?

who will actually make the decision?





is involved and what is their role?



effective decision makers carefully select who will be involved?



Rogers and Blenko*, offer a useful acronym:

R those who make the Recommendation

A those who must Agree

P those who must Perform (i.e. execute)

I those who should give Intput

D the person who finally Decides



* Decide and deliver.

Blenko, M, Mankins M and Rogers P



Confusion over roles, for instance who recommends versus who decides



Those responsible for execution left out of the decision making process



Decision maker also responsible for running decision process



Team members selected on basis of position in the company rather than appropriate skills



information do we need?



effective decision makers plan their information gathering?



not enough



unreliable



too much

and get the balance right



cost of obtaining
information



versus

value of information

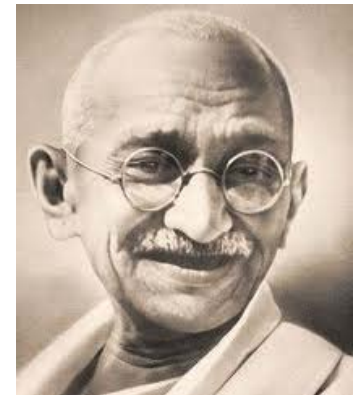
impact on
outcome?



uncertainty
reduction?



credibility of
source?





effort do we put into making the decision?



effective decision makers understand
what is the value of the decision?



decision value drives
decision effort



value of good outcome
value of bad outcome -

= decision value



the components of decision value
are more than just money!



potential
impact on *all*
stakeholders!





are we making the decision?



effective decision makers have clarity



clearly defined
objectives



framing the decision is one of *the* most critical actions!



What is the decision we need to make?

Mini case study:

An organization with a clear organic growth strategy was presented with an opportunity to buy a competitor.

Should the decision be: do they or don't they buy the company being offered?

OR

Should the decision be: do they change their strategy to consider M&A?

If so, who would be the best target?





do we need to make the decision?



effective decision makers ensure the process is managed as a project.



when is the deadline?
what is causing pressure?



typical timing traps



Not allowing time for iterations,
for instance revisiting objectives



Being forced to unnecessarily
take a decision in haste



Incorrect balance between presenting
facts and holding a dialogue



Tacking decision making forums onto
the agenda of other meetings





habit 1: effective decision makers get the basics right by considering the 6 key questions



how do we structure the process?

who should be involved?

what information do we need?

how much is the decision worth?

when do we need to decide?

why are we making the decision?

using this report ... some quick-win ideas...

Idea 1: Review the strategic decisions of the past 24 months against the 6 basic questions.

Idea 2: Check your “standard” decision making process against the model process.

Idea 3: Develop a core of in-house “decision coaches” to support the decision makers through the process.

Idea 4: Make an honest assessment of the outcomes of the last 6 decisions in your organization – with a view to improving the process (not searching for scapegoats!).

Idea 5: Conduct an in-house survey to assess the view of the Board and Executive team of your organizations’ decision making capability.



Can our organization improve the effectiveness of our decision making by doing the basics better?

Genesis Management Consulting Limited

Genesis is a strategy consulting firm with a mission of
“improving lives through better decisions”

We do this by building individual and organizational competency through:

- Decision coaching
- Decision training
- Decision support

This presentation is one of a series of articles that discusses decision making in more detail.

For queries on in-house presentations or further information, please contact Simon Gifford at sgifford@genesis-esp.com or visit our blog at www.genesismc.wordpress.com