

The 7 Habits of Highly Effective Decision Makers

Genesis Management
Consulting Limited

“Improving lives through better decisions”



This is...

...just a simple presentation...



... about complex decisions...



(a detailed article is also available)

although there is relevance for day to day decisions as well,

more importantly...

this is ...



... about helping *you* to improve people's lives

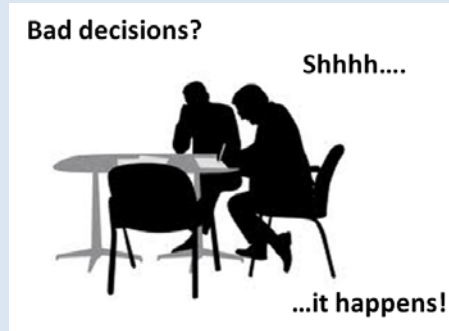
by helping *you* to make better decisions!

**The decision ring of
influence**



There are three parts to this presentation:

Why we need to improve decision-making.



What can - and does - go wrong.



How the smart guys do it better!



Part 1: Why we need to improve decision making

Bad decisions?

Shhhh...



...it happens!



While a poor decision may cost the decision-makers a lot of money...



In 1961, Decca Records turned down The Beatles:

“Not to mince words Mr Epstein, but we don’t like your boys’ sound. Groups are out; four-piece groups with guitars particularly are finished.”

In 1979, Ross Perot made an offer for Microsoft, but was not prepared to match Bill Gates’ asking price of \$ 6million to \$15 million.





... the ramifications of a poor strategic decision may have consequences that touch the lives of many more people.





There is an upside: the outcome of a good decision has valuable results and the *decision ring of influence* will send out positive ripples



Part 2: So what can - and does - go wrong?



Where lie the common faults in
our decision-making?

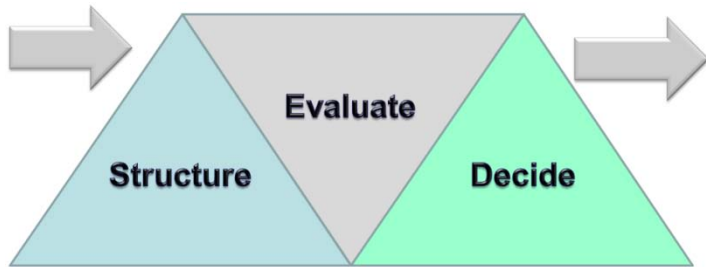
It should be easy, we are rational beings - and as business people, should know the fundamental steps required to make a good decision...



- ➡ Define
- ➡ Right team
- ➡ Objectives
- ➡ Options
- ➡ Evaluate
- ➡ Decide
- ➡ Implement

...or do we?

Research has revealed many areas where we can stray from being rational decision-makers:



Decision process errors
like unclear decision rules



Uncertainty problems such as miscalculation of risks

But even greater challenges are ...



Data errors
as in forgetting
underlying assumptions



...the errors that arise from things buried in the subconscious of the decision-makers ... or at least on the periphery of their consciousness:



Mental process faults
as in missing the inter-relatedness of issues



Ignoring decision psychology
like seeking confirmatory evidence only



Communication challenges
such as not recognizing different perspectives



Part 3: How the smart guys do it better!





Through research, observation and best practice development, we have identified **7 habits that effective decision-makers** use to overcome many of the challenges discussed above.



This presentation offers just an overview. More information will be available soon in a series of articles (see final page for details)



Habit 1: They get the basics right!

No excuses for not getting the process and related issues right

For example?



Clear decision rules & governance structure

Standard, flexible process exists

Level of resource matched to value of decision



Again and again, the impossible problem is solved when we see that the problem is only a tough decision waiting to be made.

Robert H. Schuller



Habit 2: They actively manage knowledge *to support and track the entire process*

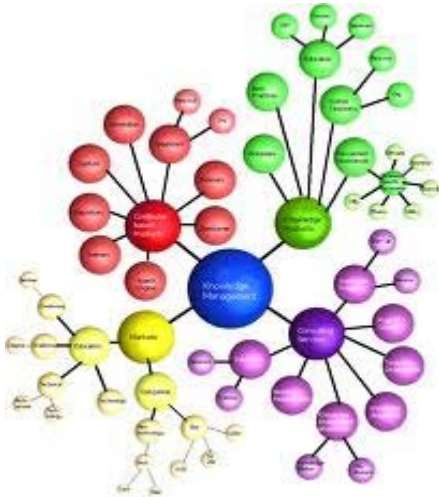
For example?




By using qualitative and quantitative information

Data captured and searchable

Not losing sight of underlying assumptions





A good decision is based on
knowledge, not on numbers.

Plato



Habit 3: They communicate visually and verbally *to facilitate comprehension and communication*



By using mind-maps, charts, white boards, pictures, models,....

For example?



They LISTEN!

By reducing one-way presentations; and increasing active dialogue and interaction





I know that
you believe
you
understand
what you
think I said,
but I'm not
sure if you
realize that
what you
heard is
not what I
meant"

*Robert
McCloskey*



Habit 4: They make ethical implications a priority

The final solution is congruent with the values of the team



Team interactions are founded on the basis of mutual trust

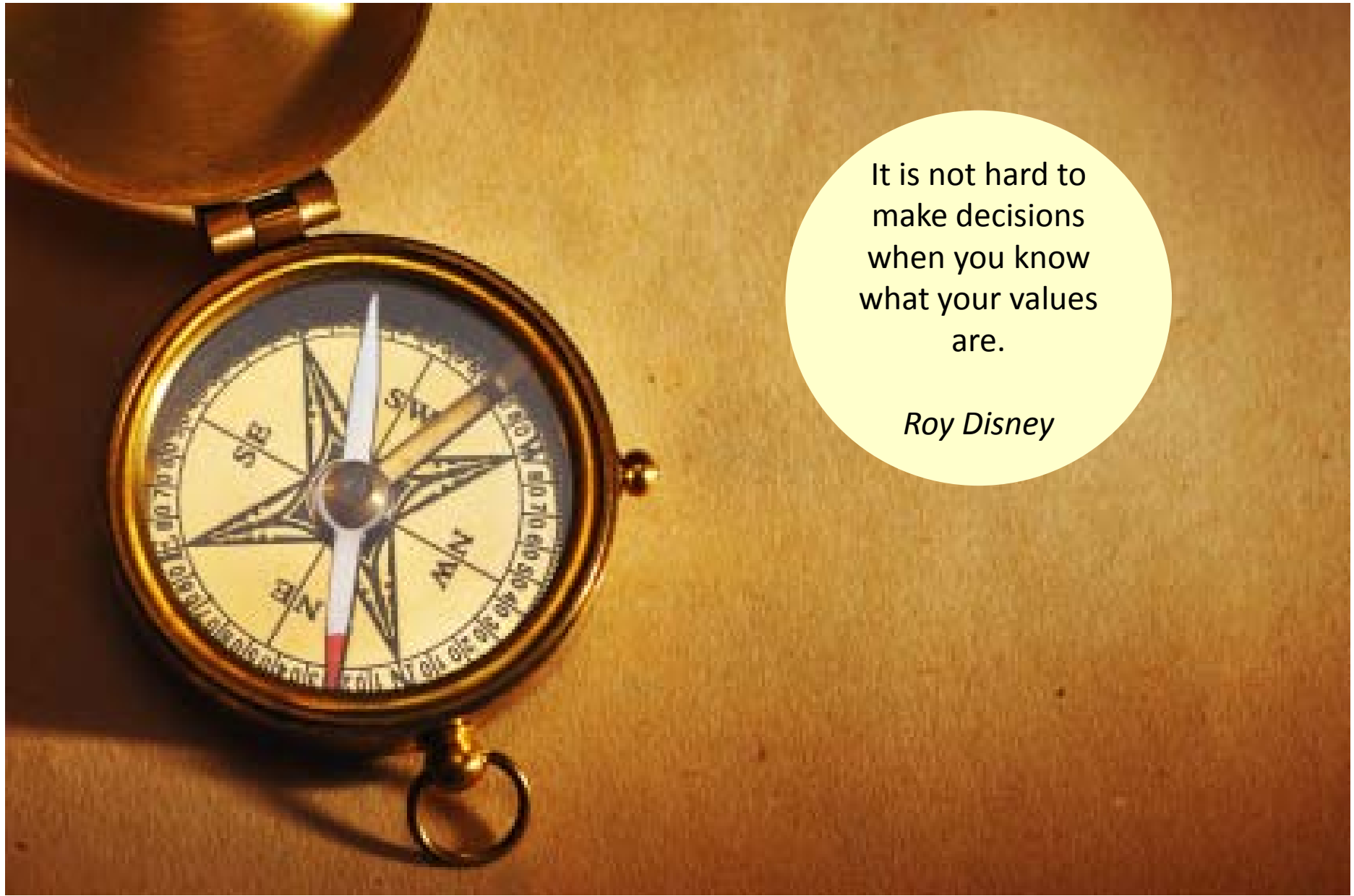
For example?



Consider the full implications of the decision (ring of influence)

Aware of different value sets





It is not hard to
make decisions
when you know
what your values
are.

Roy Disney



Habit 5: They embrace the complexity *to create new insights*



Use systems thinking to understand the inter-relatedness

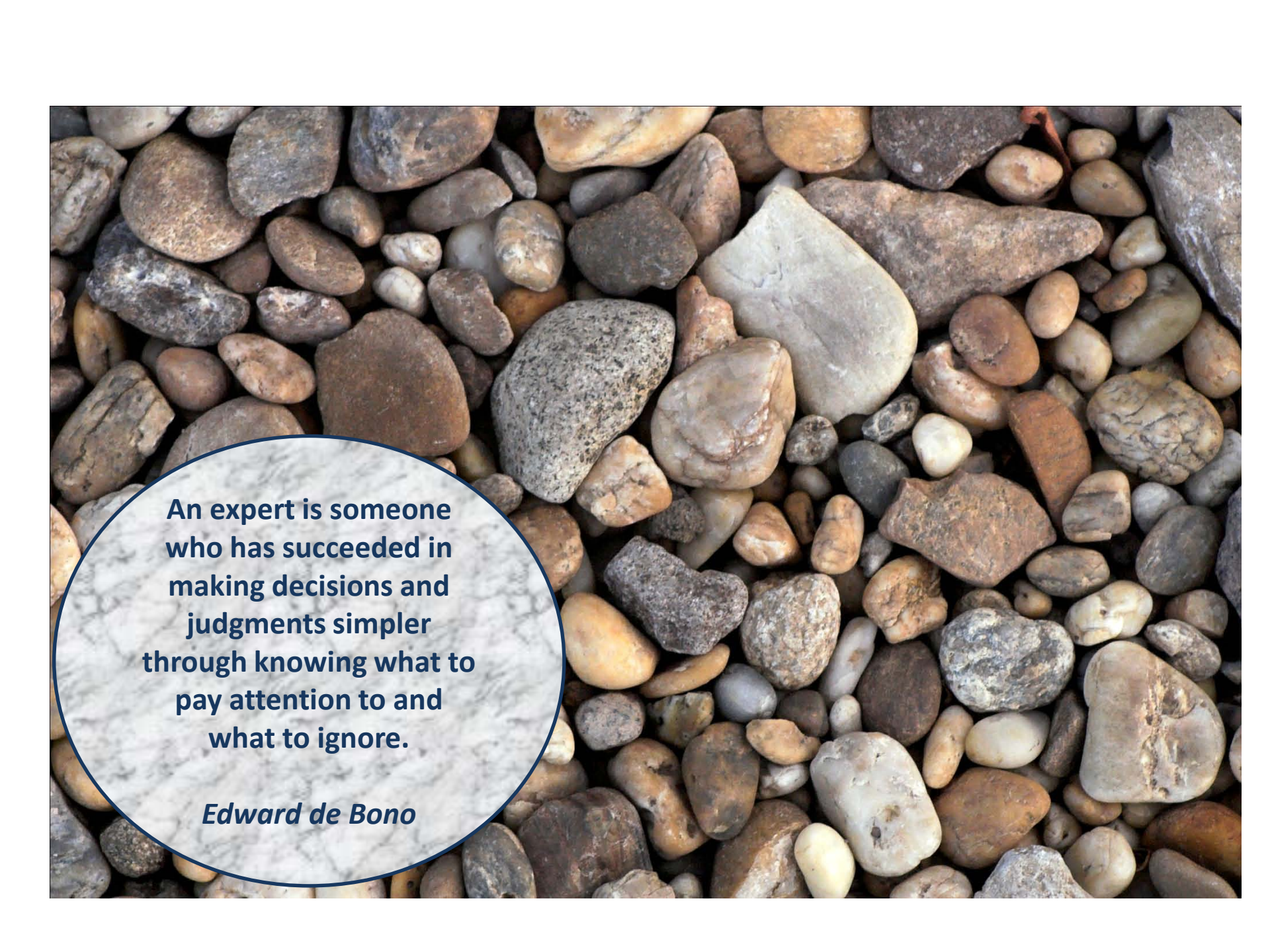
Manage and model risks and probabilities



For example?

Separate the *grey* swans from the *black* swans





**An expert is someone
who has succeeded in
making decisions and
judgments simpler
through knowing what to
pay attention to and
what to ignore.**

Edward de Bono



Habit 6: They “think like a shrink”!

Understanding decision psychology (behavioral economics) to avoid the common pitfalls

For example?

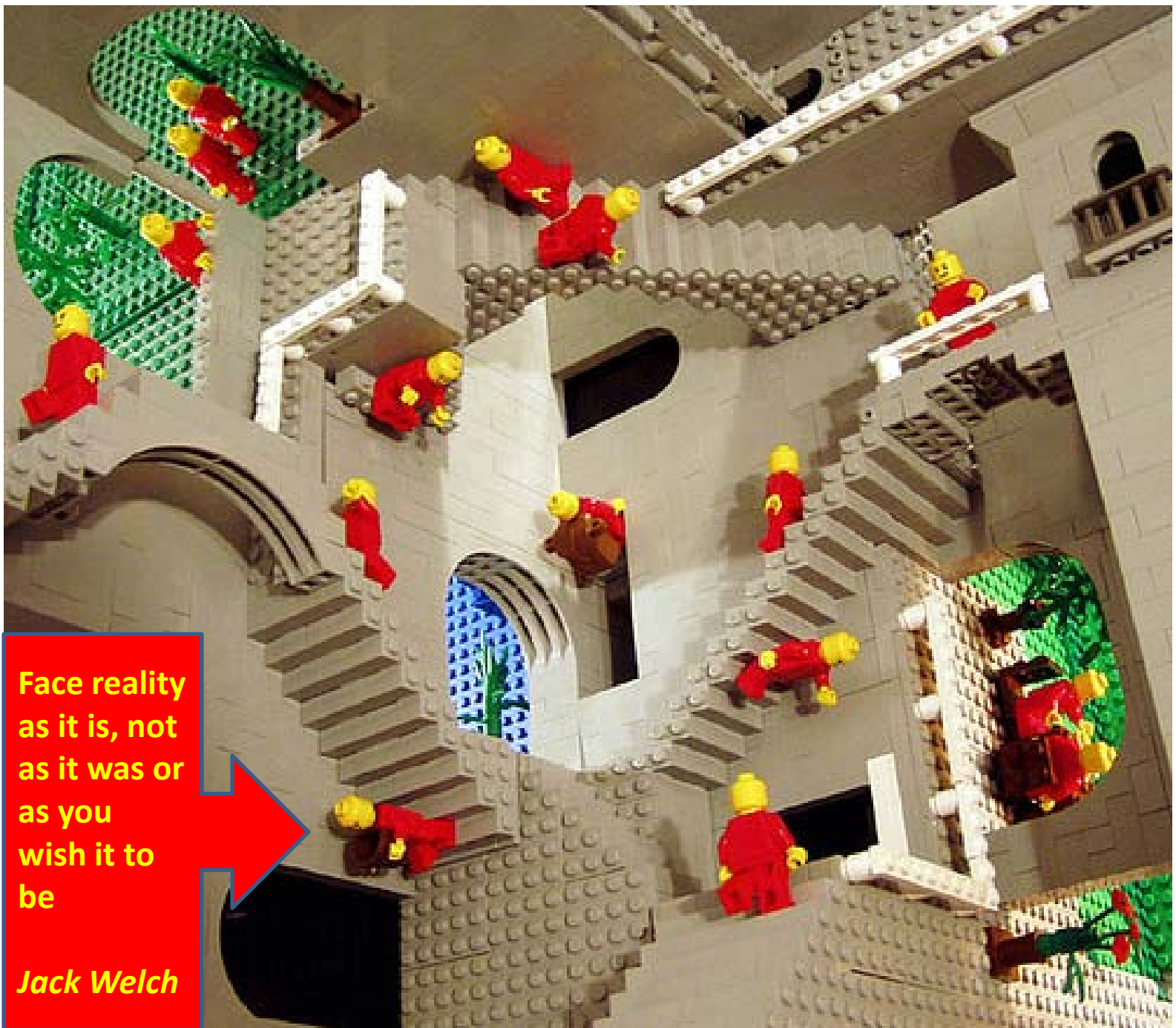


Understand the interaction between intuition and rationality – and the power and risks of both

Recognize common traps such as seeking confirmatory evidence and anchoring

Seek to reduce negative group dynamics





Face reality
as it is, not
as it was or
as you
wish it to
be

Jack Welch



Habit 7: They use tools and technologies

to optimize the process and support the deliberations

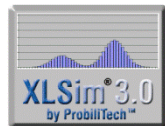
For example?



Use tools to support
“thinking” (e.g. creativity,
brainstorming, visualization)

Use tools to support the
analysis (e.g. options,
scenarios, risks)

Use tools to support the
process (e.g. knowledge
management and facilitation)



ThinkBuzan.com



The DecisionTools Suite



FutureWorld®
The Global Business and Technology Think Tank

Interactive, real-time knowledge visualization can significantly improve decision making in management teams.

Martin Eppler





Summary of the habits

1. Get the basics right
2. Actively manage knowledge
3. Communicate visually and verbally
4. Ethical implications a priority
5. Embrace complexity
6. Think like a shrink
7. Use tools and technologies



In summary:



Why do we need to improve ?



What can- and does - go wrong?



How do the smart guys do it 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 a forerunner to a series of articles that discusses the topic in more detail.

For information on how to receive copies, please contact Simon Gifford at sgifford@genesis-esp.com or visit our blog at www.genesismc.wordpress.com