

# WINNING DECISIONS

Getting It Right The First Time

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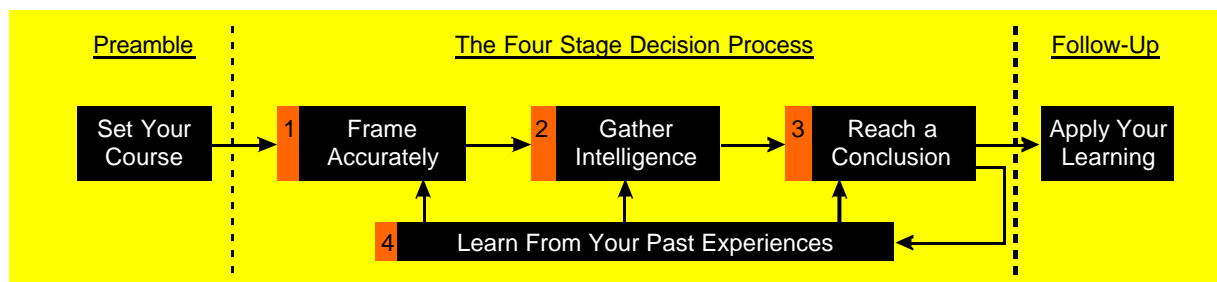
**MAIN IDEA**

At one time, most business decisions could be made on the basis of intuition, common sense or specialist experience. Unfortunately, those days are now past. Today, it has become important to make sound business decisions quickly, and your chances of actually doing that in practice are enhanced if you have in place a decision making process which is structured, sound and consistent.

Specifically, to make good business decisions, follow a four stage process:

1. Frame problems accurately – because the framing you use will determine the viewpoint from which the problem is seen.
2. Gather intelligence effectively – the knowable facts as well as everything that is “unknowable” at present.
3. Come to a conclusion – which should flow-on naturally from the framing applied and the intelligence gathered.
4. Keep systematically learning from your experiences – so can improve or even make early refinements during implementation.

Add to that a preamble where you take the time to set your course efficiently (by asking the right questions) and a follow-up stage where you take care to apply everything that has been learned and you’ll have a robust and useful decision making process.



Preamble – Set Your Course . . . . . Page 2

Before plunging into making a decision, stop and decide how you are going to make a decision. By carrying out a quick initial assessment, you can figure out how best to spend your time and available resources.

Stage 1 – Frame Accurately. . . . . . Pages 2 - 3

Frames are the perspective through which we view the world. The way any problem is framed exerts enormous influence over the options for solutions that are considered, and the solutions which are ultimately chosen. Thus, the first step in making a good decision is to stop and consider how your mental frames may distort the decisions you make.

Stage 2 – Gather Intelligence . . . . . Pages 4 - 5

Today, there’s loads of information available on any topic. The challenge is to turn that information into worthwhile insights by:

- Evaluating the known facts intelligently.
- Factoring in the unknowables as accurately as possible.
- Filtering out any biases – like undue optimism or false efficiency.

Stage 3 – Reach a Conclusion . . . . . Pages 5 - 6

Many decisions get made by default. Instead, there are four basic approaches good decision makers use to reach a conclusion:

1. Intuitive – using gut feelings alone.
  2. Rules-of-thumb – using tailored or generic shortcuts.
  3. Decision weighting – using the relative importance approach.
  4. Value analysis – incorporating key values into the decision.
- The challenge lies in knowing which approach is most appropriate for the decision at hand.

Stage 4 – Learn From Your Past Experiences . . . . . Pages 7 - 8

Experience means knowing what has happened. Learning means to know why it happened, so it can be either avoided or repeated in the future. A good decision making process will incorporate a systematic evaluation of experiences both good and bad.

Follow-Up – Apply Your Learning . . . . . Page 8

Just knowing about the decision making process isn’t any use at all. The real benefits are derived by applying what you know consistently and rigorously. Do that, and every decision you make in the future can yet turn out to be a winning decision.

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