

Disciplined Decision Making for Entrepreneurs

Using standardized processes (models) to:

- Gather & analyse information
- Explore options
- Make the best possible choice

Overview & learning objectives

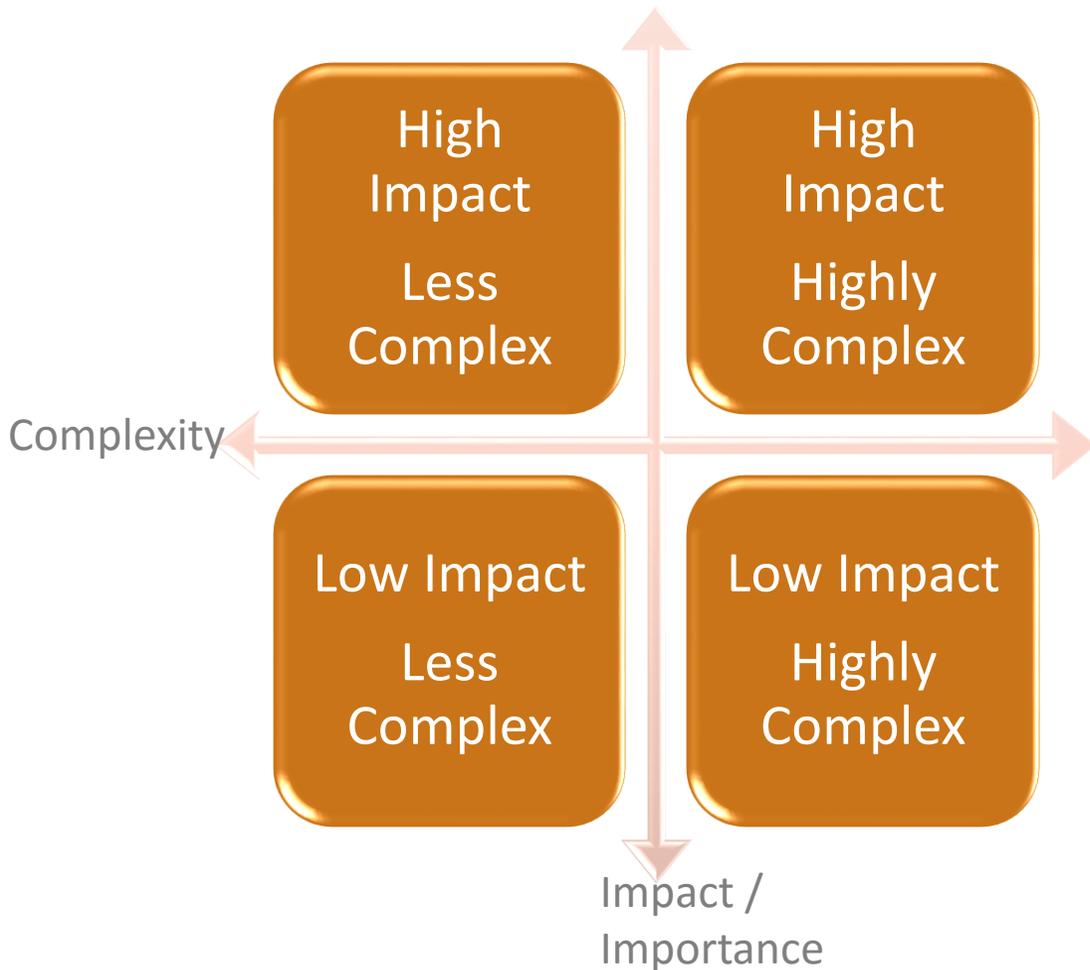
- Difference between decision making and problem solving (intuition and reasoning)
- Types of decisions & benefits of using a process
- Understanding the problem you face (context and constraints)
- Factors affecting your decision making (time, cost, culture, media, trends market)
- Understanding what can prevent effective decision making
- Developing and evaluating courses of action (considering pros and cons and associated risks)
- Developing a systematic approach to decision making

Benefits of disciplined decision making

Systematic and structured decision making benefits your business in many ways including ...

- Giving you confidence in your decision making ability
- Allowing you to direct your business calmly & with purpose
- Saving effort through conscious, informed choice
- Creating more options to improve, expand or maintain your options, and your business
- Engaging your customers more fully
- Expanding the creativity of your team
- Improving your team's understanding of your business and your approach so that when they have to make decisions independently they can choose the option most appropriate to your business goals

Decision making factors



Local & Global Influences

customer

organisation

you

Culture
Trends
Politics
Market Reach
Target Developments

You will never have all the information

Making the best decision you can with the information you have available now!!!

About decision making

Rational

Process

→ → Model

Reasoned

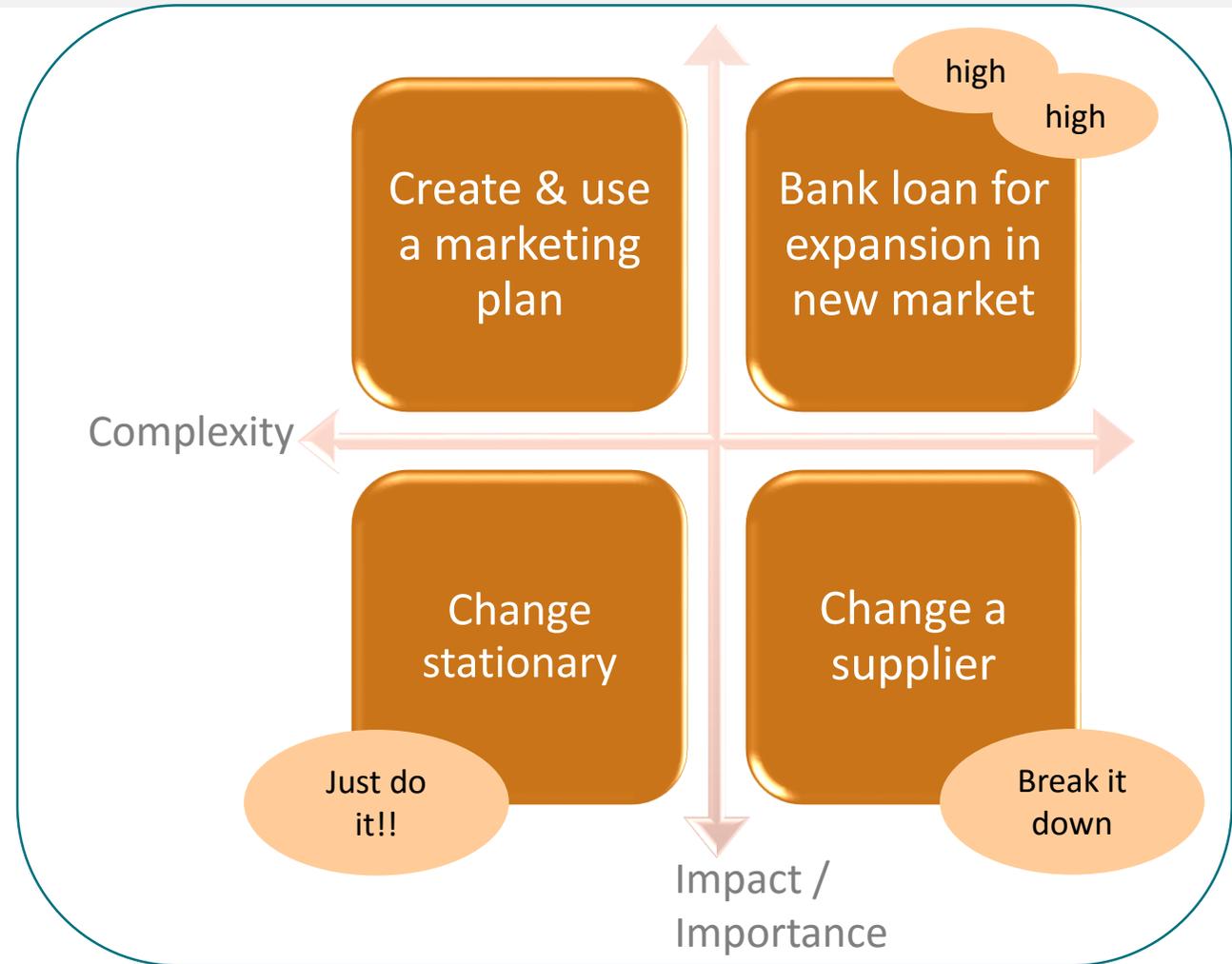
STAR

Situation / Task | Action | Result

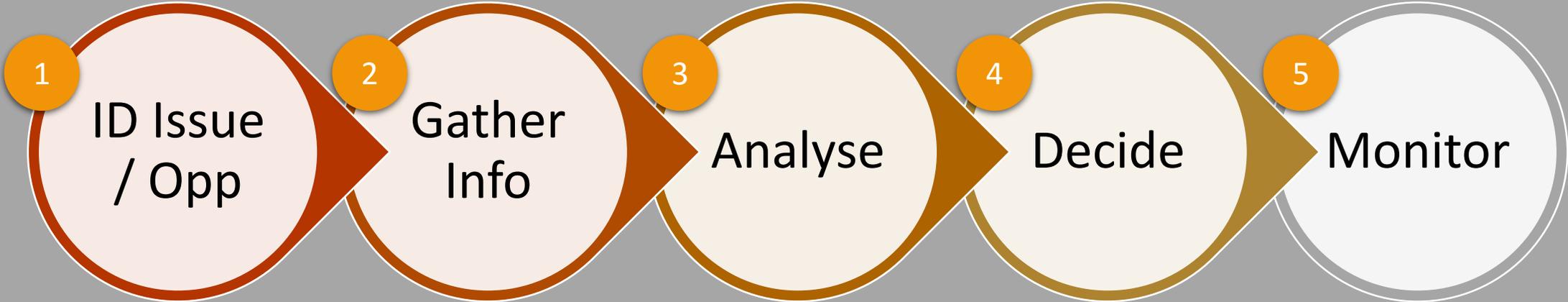
Intuition

GUT

‘Knowing’ without conscious deduction or analysis



Decision making model comparison



Standard / Rational

- What is the goal of this decision making exercise?

- What info do I need?
- Who needs to be involved?

- Review facts, anything missing?
- What are the opportunities / risks?
- What are the impacts of a right / wrong decision?

- Pick one option
- Act

- Watch results
- Determine effectiveness
- Complete lessons learned

Ethical

Why is this an ethical dilemma?

'Gut check' decision against your philosophy

Heuristic / Reasoned

Where have I seen this before?
What does this remind me of?

What was the outcome last time?

Intuitive

What patterns might I see?

What does my gut tell me?

Barriers to success ...

Emotions

- Irrational attachments / baggage from the past / caught up in the moment / delays / indecision / stress (fear of doing the wrong thing) / overdependence / need for immediate gratification

Approach

- Lack of creativity (risks, impacts, opportunities) / inattentiveness to facts / indecisiveness / isolationism

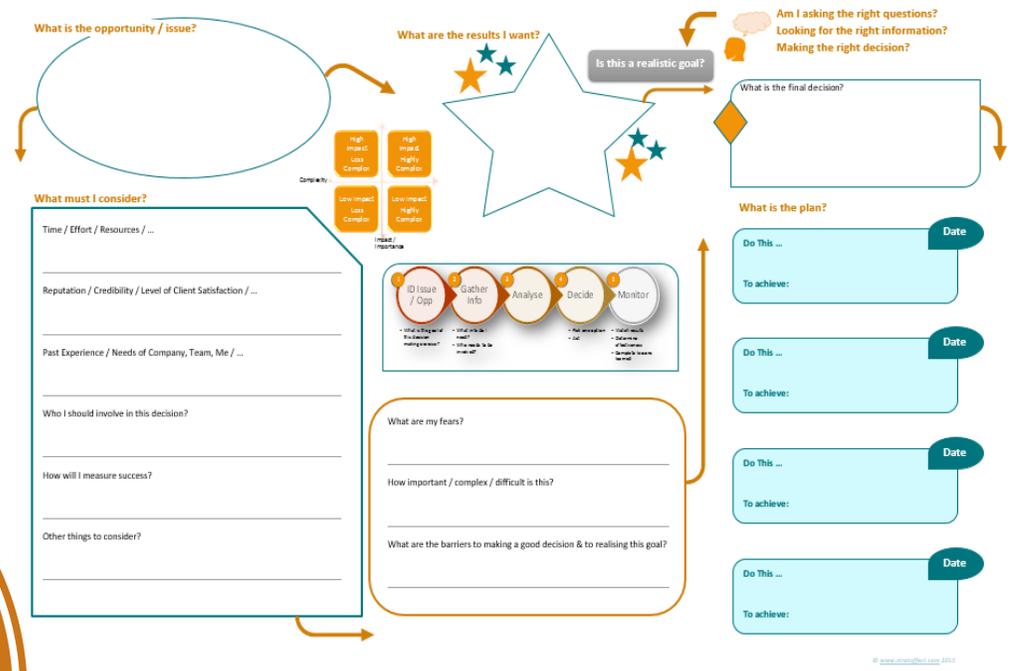
Alignment

- Strategic focus not maintained / lack of: communication, consultation, knowledge, information

Local & Global Influences

- Culture / Trends / Politics / Market Reach / Target Developments

Disciplined Decision Making

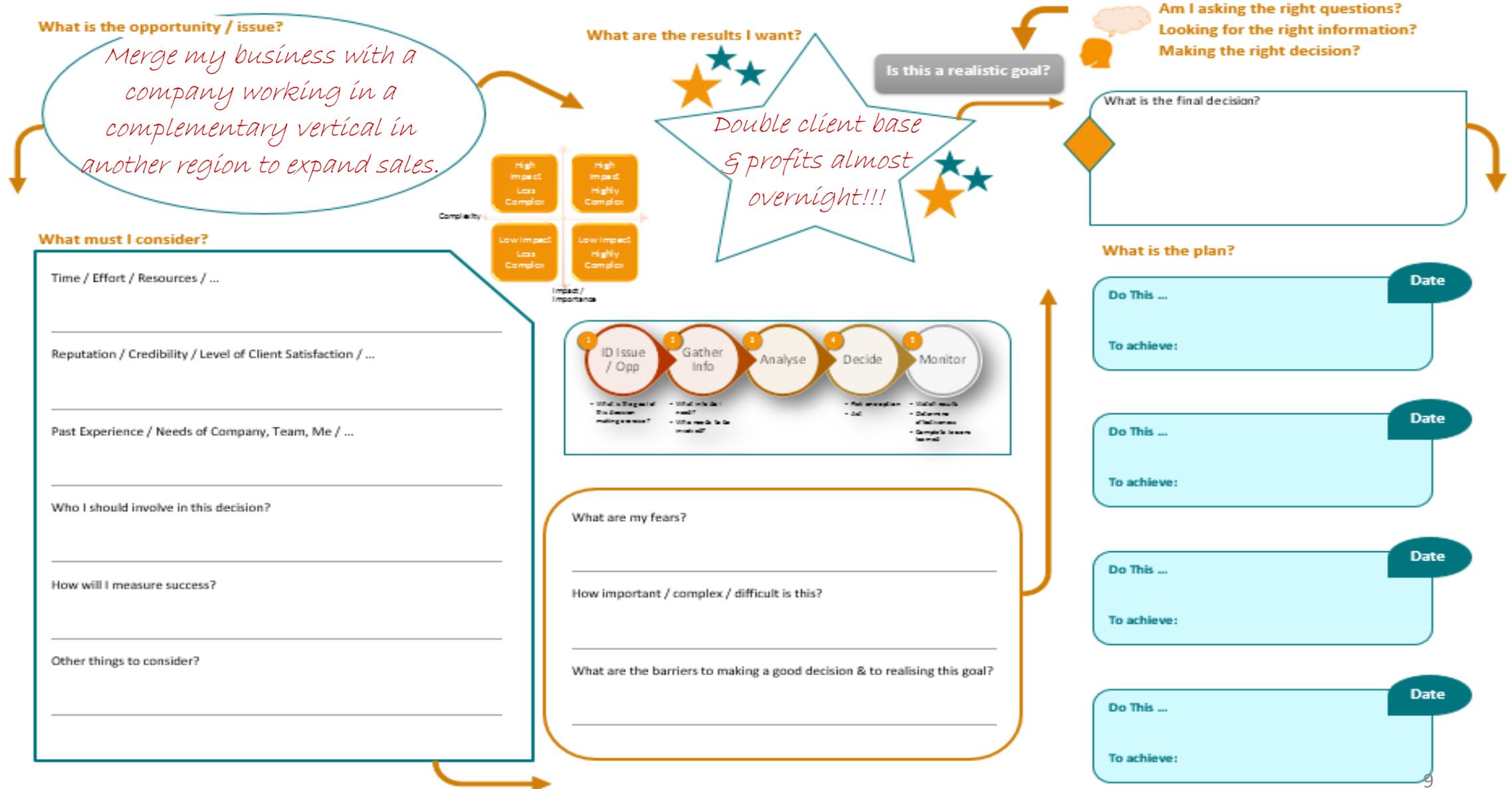


- There are many ways to adopt a decision making process as your own.
1. Try a few different ones
 2. Pick the one that works best for you
 3. Stick with it!!

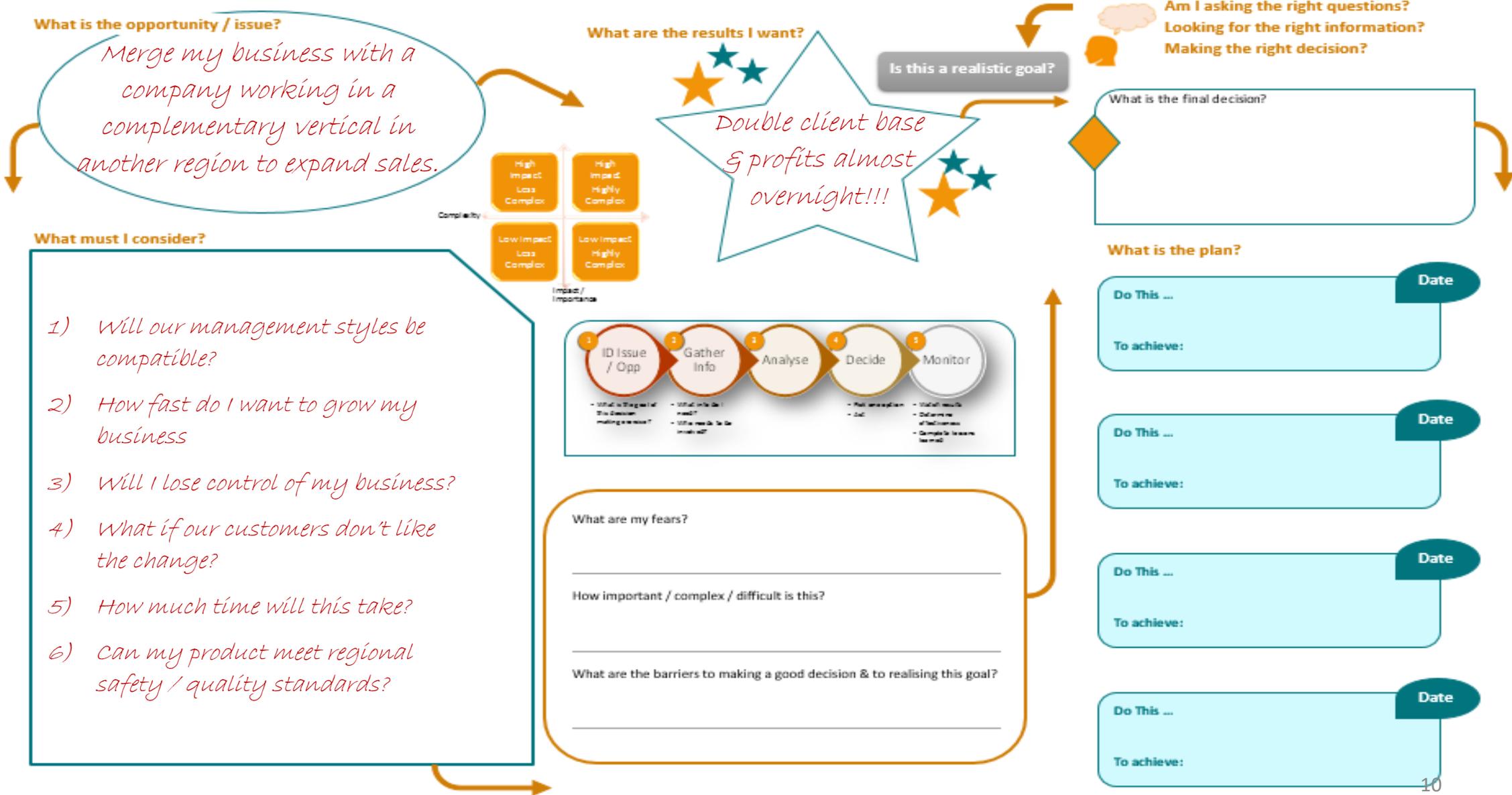
Decision Making Process Use this Quick Reference to guide you through your decision making process.

ID	Issue / Opportunity	What is the presenting issue or opportunity?
1	Identify Issue / Opportunity	What is the goal or desired result?
		Why is this important now?
2	Gather Information	What information do you need to make this decision?
		Who needs to be involved in the decision making?
		What is the possible impact on your business?
3	Analyse	What is the criteria for weighing the pro's and con's?
		What is the most important thing to measure?
4	Decide	Weigh the pro's and con's?
		Which aligns the most closely with your desired results?
5	Monitor	Review your last few decisions and consider how successful they have been.
		Would you do anything differently?
		Would something you have learned about past decision help you with this new one?

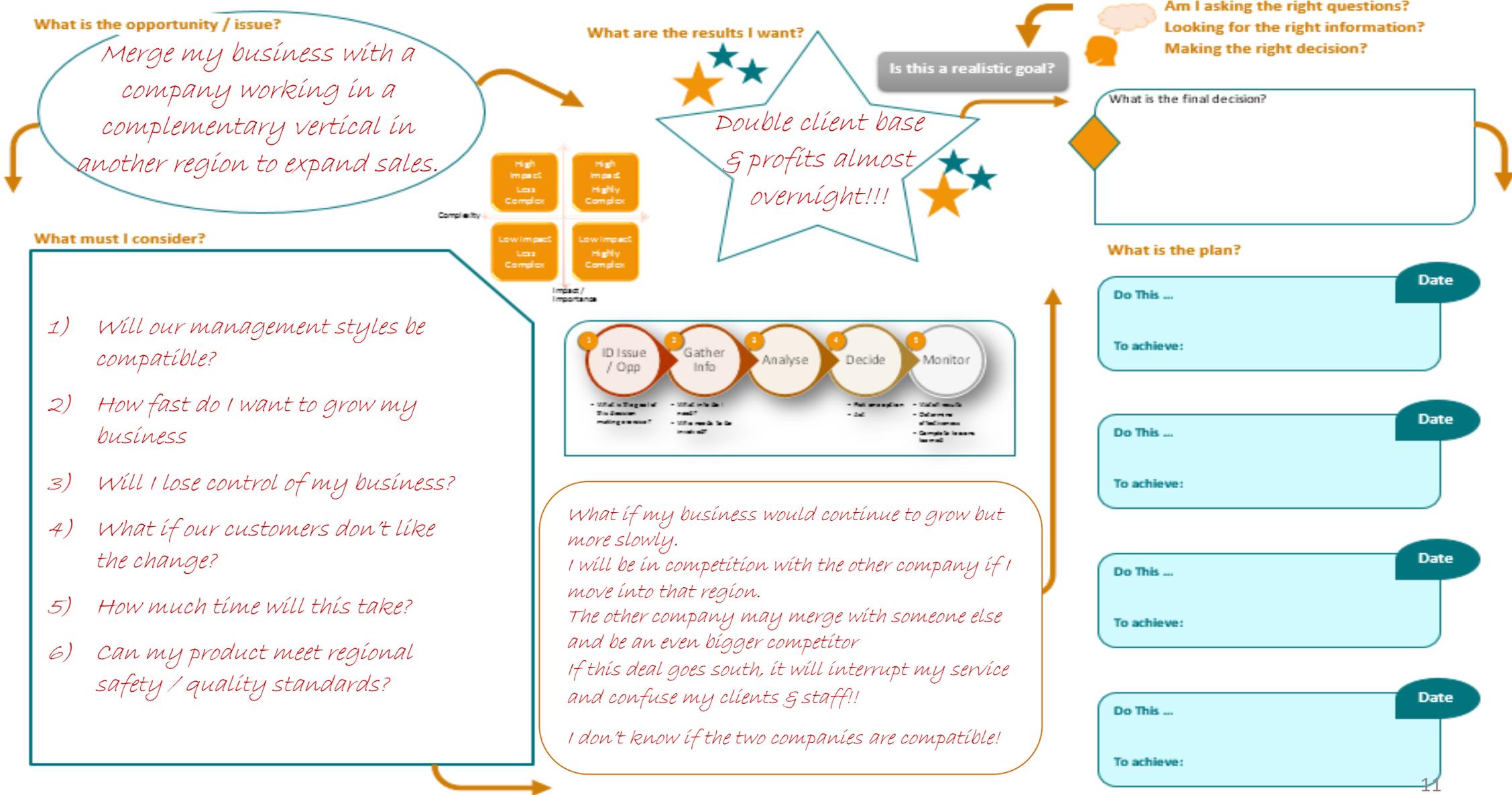
Disciplined Decision Making



Disciplined Decision Making



Disciplined Decision Making



What is the opportunity / issue?

Merge my business with a company working in a complementary vertical in another region to expand sales.

What are the results I want?

Double client base & profits almost overnight!!!

Is this a realistic goal?

**Am I asking the right questions?
 Looking for the right information?
 Making the right decision?**

What is the final decision?

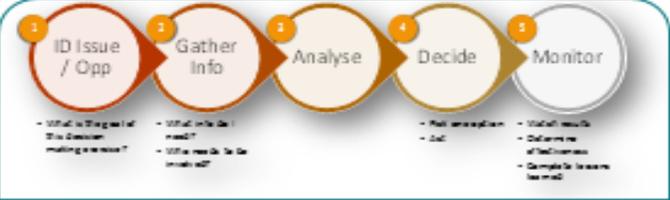
What is the plan?

What must I consider?

- 1) *Will our management styles be compatible?*
- 2) *How fast do I want to grow my business*
- 3) *Will I lose control of my business?*
- 4) *What if our customers don't like the change?*
- 5) *How much time will this take?*
- 6) *Can my product meet regional safety / quality standards?*

High Impact Low Complex	High Impact Highly Complex
Low Impact Low Complex	Low Impact Highly Complex

Complexity (vertical axis)
Impact / Importance (horizontal axis)



*What if my business would continue to grow but more slowly.
 I will be in competition with the other company if I move into that region.
 The other company may merge with someone else and be an even bigger competitor
 If this deal goes south, it will interrupt my service and confuse my clients & staff!!
 I don't know if the two companies are compatible!*

Disciplined Decision Making

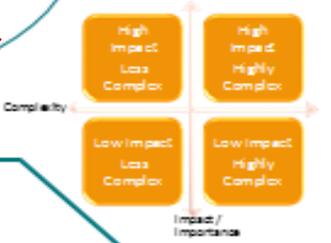
- I will know that I am making the right decision if...*
- 1) I am comfortable with the decision.*
 - 2) There is no interruption of my service to existing clients.*
 - 3) The decision fits with my long-term strategy.*

What is the opportunity / issue?

Merge my business with a company working in a complementary vertical in another region to expand sales.

What are the results I want?

Grow my business by 20% in the next year



Is this a realistic goal?

Am I asking the right questions?
Looking for the right information?
Making the right decision?

Do I want to expand my business by merging with another company?
Do I want to have a partner?
Am I willing to give up some control over my business and my client?

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What is the plan?

Do This ... Date

To achieve:

Disciplined Decision Making

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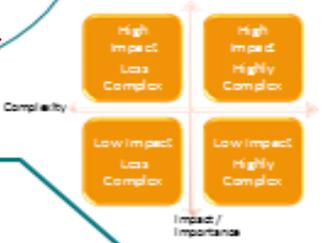
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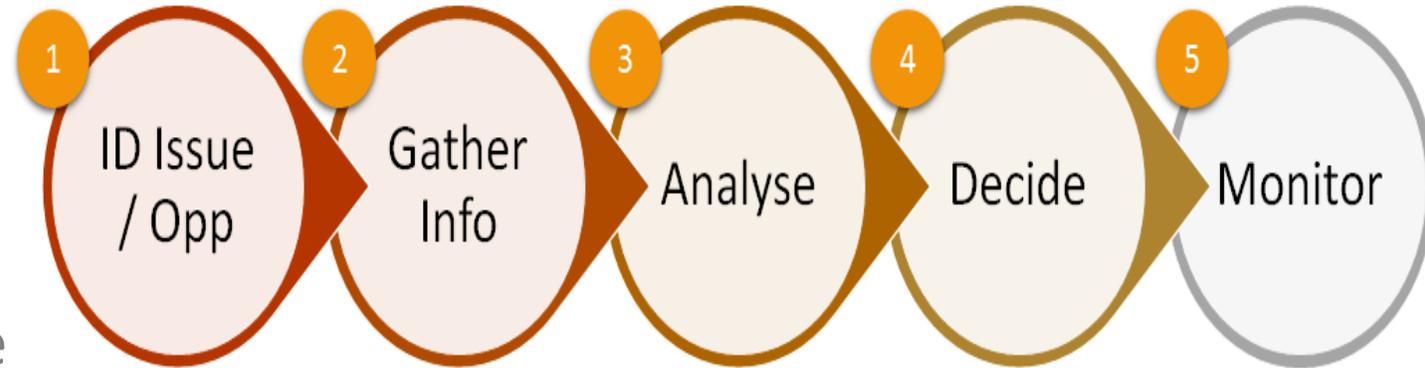


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- What is the plan?**
- Do This ...** **Date**
 visit their company; see how they manage their resources / clients / etc.
 - Do This ...** **Date**
 Find out if they have merged with other companies & the result.
 - Do This ...** **Date**
 Negotiation with possible power sharing & decision-making process issues in mind
 - Do This ...** **Date**
 Talk to some of my best customers and ask for their advice.

Decision making recap

- Why do you need to make this decision?
- What is the goal or outcome you want / need from this decision?
- What will happen if you don't make a decision?
- What is the risk if you make the wrong decision?
- How will you decide? (measures, ranking, rating, weighting)
- What options are available?
- What trade-offs will you consider?
- Are you being honest with yourself?



- What information do you need to make the decision?
- Who should be consulted to make an informed decision?
- Who is best positioned to make the decision?

Tips for success

- Know when it is a problem to solve vs a decision to make
- Understand when to use the different models
- Be aware of your own barriers to success
- Use the worksheet to make sure you make the most informed decision possible
- Share your decision making process with others
- Collaboration leads to better decision making (most of the time ;-)

Questions? Answers?



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<http://strataffect.com/decision-making/>

<http://strataffect.com/blog/>