

Use of Eight-Step Decision-Making Process for Making the Most Quality Decisions

Sports is ahead of business in its decision-making process

It's too bad that so many rely on their intuition for their decision-making process. From Donald Trump to Steve Jobs, and even allegedly Narendra Modi,, gut reactions are viewed as something almost magical, acquired either by hard-earned experience or possessed by a select few young genius CEOs who deserve a top-notch pay package. Top gurus reinforce such beliefs with their advice.

Yet research in behavioral economics and cognitive neuroscience shows that even one training session can significantly improve the quality of one's decision-making ability.

Sports move away from gut reactions. Business doubles down.

The "magical" mindset toward following instincts over analysis to make decisions reminds me of the era of baseball before the rise of saber metrics, a data-driven decision-making process immortalized in the book and movie *Moneyball*. The movie and book described the 2002 season of the Oakland Athletics baseball team, which had a very limited budget for players that year. Its general manager put aside the traditional method of trusting the intuitions and gut reactions of the team's scouts. Instead, he used his head and adopted a very unorthodox approach of relying on quantitative data and statistics to choose players.

Hiring a series of players undervalued by teams that used old-school evaluation methods, the Oakland Athletics won a record-breaking 20 games in a row. Other teams since that time have adopted the same decision-making process.

Coaches and managers in other sports are increasingly employing statistics when making personnel and strategy decisions.

It's amazing that business is far behind sports in adopting effective, research-based decision-making strategies. We have so many tools right now in the information age to make better decisions, both in terms of the data available and the techniques that we can use to optimize our approach. Unfortunately, prominent gurus are doubling down on the actively harmful advice of trusting your intuition.

Why is our intuition such a bad tool for making decisions? Because we suffer from many judgment errors—known as cognitive biases—that result from how our brains are wired. Fortunately, recent research shows how you can use pragmatic strategies both to notice and to address these dangerous judgment errors. Such strategies apply to your business activities, to your relationships, and to all other life areas as well.

So let's set aside the bad examples of the business leaders and gurus who rely on their gut for their decisions and follow the successful strategy of using data-driven, research-based approaches.

Effective decision-making doesn't rely either on innate talent or hard-learned experience, contrary to the popular wisdom attributed—debatably—to Narendra Modi that “good judgment is the result of experience, and experience the result of bad judgment.” The reality is that a first-rate decision-making process is both teachable and learnable.

Hiring a new employee, choosing a new supplier, selecting a speaker for your upcoming annual conference, deciding whether to apply for a higher-level position within your company: All of these and many more represent moderately important decisions. They won't make or break your career or your organization. Still, getting them wrong will hurt you much more than making bad everyday decisions, while getting them right will be a clear boost to your bottom line.

Therefore, you want to invest the time and energy needed to make the best and most profitable decision because it's worth it to maximize your bottom line.

In such cases, use an eight-step decision-making technique, which has been developed and is known as “Making the Best Decisions.” It takes a minimum of 30 minutes if your initially planned course of action is indeed correct, and longer if you need to revise

things. If you do need to change things around, believe me, it will be very much worth it in time, money, and grief you save yourself down the road.

This method is battle-tested: We have used it extensively with our consulting and coaching for leaders in large and midsize businesses and nonprofits. We wrote it up so that others may benefit from our expertise.

You can elaborate on this technique for the most important or really complex decisions with a more thorough approach to weighing your options. I also suggest you use a separate technique for avoiding failure and maximizing success in implementing your decision, as well as an additional method to address threats and seize opportunities in your long-term strategic planning. Last, but far from least, you—and those you care about—will gain a great deal of benefit from the fundamental mental skills of quickly and effectively overcoming cognitive biases to avoid decision disasters.

Eight-step decision-making process to making the best decisions

1. Identify the need to launch a decision-making process. Such recognition bears particular weight when there's no explicit crisis that cries out for a decision to be made, or when your natural intuitions make it uncomfortable to acknowledge the need for a tough decision. The best decision makers take initiative to recognize the need for decisions before they become an emergency and don't let gut reactions cloud their decision-making capacity.
2. Gather relevant information from a wide variety of informed perspectives on the issue at hand. Value especially those opinions with which you disagree. Contradicting perspectives empower you to distance yourself from the comfortable reliance on your gut instincts and help you recognize any potential bias and blind spots.
3. With these data you decide the goals you want to reach, painting a clear vision of the desired outcome of your decision-making process. It's particularly important to recognize when a seemingly one-time decision is a symptom of an underlying issue with processes and practices. Addressing these root problems should be part of the outcome you want to achieve.
4. Develop clear decision-making process criteria to weigh the various options of how you'd like to get to your vision. If at all possible, develop these criteria before you start

to consider choices. Our intuitions bias our decision-making criteria to encourage certain outcomes that fit our instincts. As a result, you get worse decisions overall if you don't develop criteria before starting to look at options.

5. Generate a number of viable options that can achieve your decision-making process goals. We frequently fall into the trap of generating insufficient options to make the best decisions, especially for solving underlying challenges. To address this, it's important to generate more options than our intuition tells us to. Go for five attractive options as the minimum. Remember that this is a brainstorming step, so don't judge options, even though they might seem outlandish or politically unacceptable. In my consulting and coaching experience, the optimal choice often involves elements drawn from out-of-the-box and innovative options.
6. Weigh these options, picking the best of the bunch. When weighing options, beware of going with your initial preferences, and do your best to see your own preferred choice in a harsh light. Moreover, do your best to evaluate each option separately from your opinion about the person who proposed it, to minimize the impact of personalities, relationships, and internal politics on the decision itself. If you get stuck here, or if this is a particularly vital or really complex decision, use the "Avoiding Disastrous Decisions" technique to maximize your likelihood of picking the best option.
7. Implement the option you chose. For this you need to minimize risks and maximize rewards because your goal is to get a decision outcome that's as good as possible. First, imagine that the decision completely fails. Then, brainstorm about all the problems that led to this failure. Next, consider how you might solve these problems, and integrate the solutions into your implementation plan. Then, imagine that the decision absolutely succeeded. Brainstorm all the reasons for success, consider how you can bring these reasons into life, and integrate what you learned into the implementation process. If you're doing this as part of a team, ensure clear accountability and communication around the decision's enactment.

For projects that are either complex, long-term, or major, we recommend using the "Failure-Proofing" technique to notice and address potential threats, and to recognize and seize potential opportunities. That technique defends you from disasters in enacting your choices and optimizes the likelihood of you outperforming your own and others' expectations.

8. Evaluate the decision implementation and revise as needed. As part of your implementation plan, develop clear metrics of success that you can measure throughout the implementation process. Check in regularly to ensure the implementation is meeting or exceeding its success metrics. If it's not, revise the implementation as needed. Sometimes, you'll realize you need to revise the original decision as well, and that's fine. Go back to the step that you need to revise and proceed from that step again.

More broadly, you'll often find yourself going back and forth among these steps. Doing so is an inherent part of making a significant decision, and doesn't indicate a problem in your process. For example, say you're at the option-generation stage, and you discover relevant new information. You might need to go back and revise the goals and criteria stages.

Conclusion

Don't be fooled by the pronouncements of top business leaders and gurus. Your gut reactions are not the best way to make a good decision. Even a broken clock is right twice a day, but you want to be right much more than that for the sake of your bottom line. So follow the effective example of baseball and other sports, and use data-driven, research-based approaches such as the eight-step model above to make the best decisions for yourself and your organization. To remind yourself of the key elements of this model, you can use this decision aid.

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