

Strategic Decision Making

Part Two of a Three-Part Strategy Series

by Jon Craighead

A decision is a conclusion or resolution reached after consideration of alternative possibilities. It is generated by a process of determining something or resolving a question that requires action. This is a process of identifying and choosing actions based on a set of values and preferences. In business, consequential decisions are usually executed at higher levels of accountability within an organization. A decision maker is one who makes far-reaching choices; this duty is arguably one of the most significant actions which he or she performs, and one of the easiest to get wrong. Organizational effectiveness requires leaders mastering decision making skills.

Decisions have consequences. Their results are driven by concept, purpose, intention, and resources. The process of decisive action is the essence of strategy. As Peter Drucker wrote, "Strategy is a matter of deciding the right things to be done." Business decision making is normally not a solitary process; it is ensconced in organizational history, market trends, historical bias, and levels of experience. The essence of strategy is to produce a successful outcome. An unsuccessful strategic action has far-reaching consequences. Executing targeted decisions requires skillful collaboration. We all are influenced by our personal ideologies; our most effective decisions are enhanced by collaboration with others.

Decision making involves elements of risk and costly behaviors to avoid, such as deciding too quickly before a thorough vetting process, or acting too late, which compromises an objective or causes a missed opportunity. There is always the potential for procedural conflicts which result in costly time and resources. These situations occur among committed people practicing their heartfelt talents and presumptions based on past experiences such as best practices, applications of historical data, and resources. These procedural fits and starts are usually a reflection of a sincere commitment. While these activities may slow the process, they are nonetheless critical to team development and future applications. Unquestionably, these experiences are vitally important for training purposes; however, circumstances may necessitate a senior leader to make a final decision. By knowing when to intercede and when not to, seasoned decision makers can make such timely and consequential judgement calls.

The following matrix designed by David Garvin of Harvard illustrates two approaches for formulating, implementing, and activating a decision*:

	<i>Advocacy</i>	<i>Inquiry</i>
Concept of decision making	a contest	collaborative problem solving
Purpose of discussion	persuasion & lobbying	testing and evaluation
Participants' role	spokespeople	critical tinkers
Patterns of behavior	strive to persuade others defend your position downplay weaknesses	present balanced arguments remain open to alternatives accept constructive criticism
Minority views	discourage or dismissed	cultivated and valued
Outcome	winners and losers	collective ownership

**From "What You Don't Know About Making Decisions" Harvard Business Review September 2001*

Each of the two approaches has its pros and cons. The advocacy approach is a process of speaking or writing in support or defense of a selected cause. The inquiry approach is a collaborative one seeking accurate information and/or input. Each approach is determined by the knowledge and experience of those being given the responsibility of implementation.

Once an operational approach is finalized and launchable, the next step is to proceed from concept to reality. When you have the benefit of time and trained partners for framing your decision, the way you approach the handoff is as important as the decision itself. The process begins with the selection of manager and staff to bring the concept into existence. The project manager may be the original decision maker, or handed off to another leader with full authority. At this point the strategy is certified and operationalized to fit an agreed-upon, strategically designed outcome. The leader now establishes conditions of satisfaction to measure effectiveness and accomplishment. The launch begins with an established chain of activities and methodologies to deliver the designated core value proposition. Once successfully completed, a thorough record of procedural successes and/or setbacks will be preserved for future reference.

The point is that we can't avoid making decisions, nor should we. The more we practice, the better we are at being dependable decision makers. As previously stated, the purpose of strategy is to insure a continuously sustainable and successful enterprise. Each successful decision we make amplifies the value of other things we do, which in turn promotes teamwork, the organization's strategic success, and the people we are committed to serve.