

# White Paper on Decision-Making





# Here's What We'll Cover



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The Diagnostic

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# Decision-Making: Fundamentals

*“What is important is rarely urgent. What is urgent is rarely important”*

*--Dwight D. Eisenhower*

Effective Decision making more often than not is a product of an interaction between Data and “A Gut Feeling”.

Whereas it ought to be based entirely on an understanding of rapidly morphing market dynamics shaped by changing customer behaviour. Constantly assessing the long-term gain vs. short-term impact.

Stagnated decision making seems to be more prevalent than perception would have us believe. It is as rampant in the private sector as it plagues the Government Sectors and Bureaucracy..

## Effective Decision Making: context and relevance Scenario 1

Your last quarter has seen you just meeting your targets.

However, competing brands have since launched several attractive and rationally priced solutions. You sense a churn may impact the next quarter.

You need to quickly size up the most potent countermeasures in your marketing arsenal and launch.



# Decision-Making: Fundamentals

## Effective Decision Making: context and relevance

### Scenario 2

You hold a place of privilege in the market.  
Your product rules a niche segment.

However, a new taxation policy has played havoc with your costs and threatens to result in a substantial price hike.

How will you retain existing customers and yet continue to grow?

What pricing and inventory countermeasures will you put into effect to offset the cost increase?

Or will you innovate and rethink your product and paradigm?

Keep in mind that it would have to be a balanced approach which is:

- Quick yet Effective
- Principle based
- Scalable
- Works in varying scenarios





# Decision-Making Quotient (DMQ): The Diagnostic

## What is Decision-Making Quotient?

### Diagnostic

The Diagnostic is specific to an organization. It establishes the as-is situation within an Organization.

Organizations include all those who impact results. This diagnostic targets specific and actionable data relating to those areas in the organization that can be improved.

The structure and content of the diagnostic lead to the intervention and ensures a curriculum that is based on empirical data.

DMQ comprises of 27 multiple-choice questions

The multiple choices pertain to Decisive behaviours that are indicative of success or suggestive areas of improvement. These provide very specific and actionable inputs while the intervention provides tools to correct those behaviours.

The Diagnostic juxtaposes perception with reality and enables deeper insights into intuitively knowing something and the illusion of doing it.



# Decision-Making Quotient (DMQ): The Diagnostic

## Rollout

The DMQ is administered as an email based questionnaire. It is emailed to each participant individually as a separate link to their questionnaire, and the results are recorded collectively. The data collection process takes between 1-2 weeks depending on the number of participants.

It takes Ensemble 3 working days to compile the result into a packaged presentation, with cross-tabs and analysis.

Our clients keep target teams informed in advance of the diagnostic, take the necessary steps to enable administration from outside their organization's firewall, and prepare the grounds to collect a representative volume of responses to get the best possible results.

## Confidentiality

Information collected via the diagnostic is presented to the client organization in summary form only. Clients can easily understand trends but cannot identify individuals or their responses. Ensemble does not provide detailed individual responses to the client organization. The diagnostic is administered from 3rd party servers; the client organization's servers are not used for data collection. In addition to these steps, we use widely accepted industry norms to ensure that summary data is never presented for a group of less than a certain number, to ensure individual participants cannot be identified.

All Data collected is subject to utmost confidentiality.

## Beneficiaries

The Diagnostic can be extremely valuable for managers seeking independent, un-monitored feedback on how their teams perceive Decision-Making internally.

It provides insights to managers who aim to improve specific areas of organizational or individual behaviour attributes that impact business performance. By collecting empirical information from large, cross-functional audiences within the organization or team, it can help managers identify, address and measure change. The diagnostic is a reality check.

The Decision-Making intervention which follows is based on the Diagnostic. It is customised to deal with specific issues rather than generic dissemination of information.

# Decision-Making Quotient (DMQ): The Diagnostic

## The DMQ Debrief

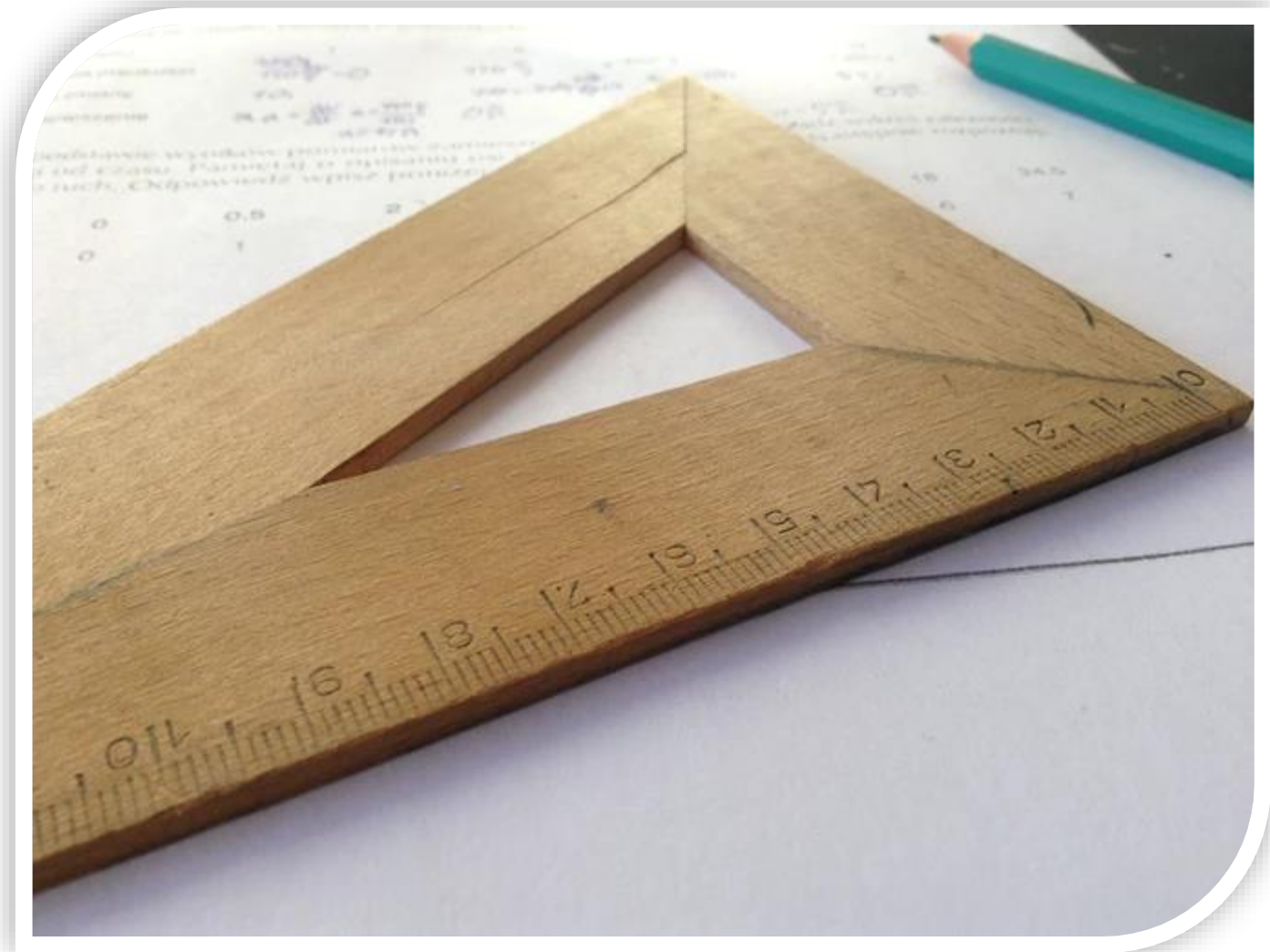
The debrief session is a meeting with the senior stakeholders. It is intended to reveal the current standpoint within the Organisation; highlighting strengths and areas of development.

The entire intervention is customised to touch upon key opportunity zones.

A brief analysis clearly enumerates the areas that need improvement and focus.

The curriculum makes a systematic approach to these areas leveraging strengths and resources within the Organisation.

This is followed up by the intervention.



# Obstructions to Effective Decision Making

## 1. Fear of making the wrong decision:

Most decision-making is shackled by the failure of making a wrong decision. Whereas data constantly affirms that indecision is far more costlier than most wrong decisions.

Eventually, the decision that circumstance imposes has drastic long-term ramifications.

## 2. Emotional Attachment

Our affection for status quo and warmth for our comfort zone is the bane of effective decision making.

Rest assured, the monumental changes being wrought will make those decisions for us. And those decisions may not be conducive to our circumstances.

## 3. Lack of sufficient information

If you do not have enough information, it can feel like you are making a decision without any basis.

Take time to gather the necessary data to inform your decision, even if the timescale is very tight. If necessary, prioritise your information-gathering by identifying which information will be most important to you

## 4. Vested Interests

Decision-making processes often founder under the weight of vested interests.

These vested interests are often not overtly expressed but may be a crucial blockage.

It is hard to identify them clearly, and therefore, address them.



# Obstructions to Effective Decision Making

## 5. Too many decision makers

Making decisions through a group is difficult. Everyone has their own views and their own values. And while it's important to know what these views are, and why and how they are important, it may be essential for one person to take responsibility for making a decision.

## 6. Too much Information

This is also known as analysis paralysis and is used as a tactic to delay organisational decision-making, with those involved demanding ever more information before they can decide.

The greater the information the more complex the process of decision-making.

Indecision is a costly choice, hence it is crucial to decide swiftly & effectively.



# Cognitive Bias: Filters for Decision Making

Humans often fail to make rational decisions

Primarily owing to the fact that our brains take mental shortcuts that prevent us making the balanced and correct decisions.

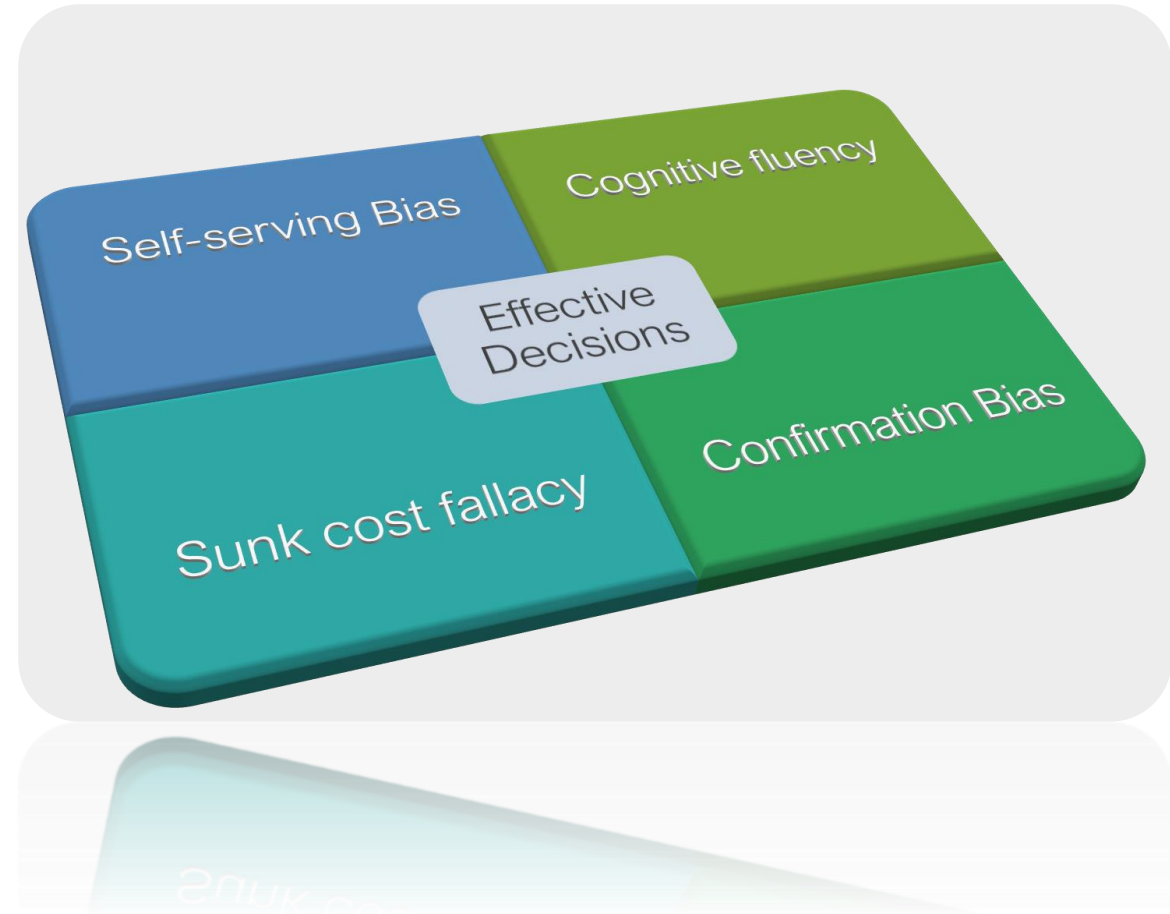
Research in the field of behavioural sciences and psychology has been studying this conundrum since the 1960s and have identified and labelled several of these fallacies.

Here are some that wreak havoc when it comes to assessing risks in business

## Self-serving Bias

When individuals reject the validity of negative feedback, focus on their strengths and achievements but overlook their faults and failures, or take more responsibility for their group's work than they give to other members, they are protecting the ego from threat and injury.

These cognitive and perceptual tendencies perpetuate illusions and error, but they also serve the self's need for esteem.



# Cognitive Bias: Filters for Decision Making

## Cognitive Fluency

Research shows that people prefer things that are easy to think about rather than things that are difficult to think about. This feeling of ease or difficulty is known as cognitive fluency. Cognitive fluency refers to the subjective experience of the ease or difficulty of completing a mental task.

## Sunk – Cost Fallacy

The Misconception: You make rational decisions based on the future value of objects, investments and experiences.

The Truth: Your decisions are tainted by the emotional investments you accumulate, and the more you invest in something the harder it becomes to abandon it.



## The Sunk Cost Fallacy

Refusing to abandon something unrewarding because you've already invested in it

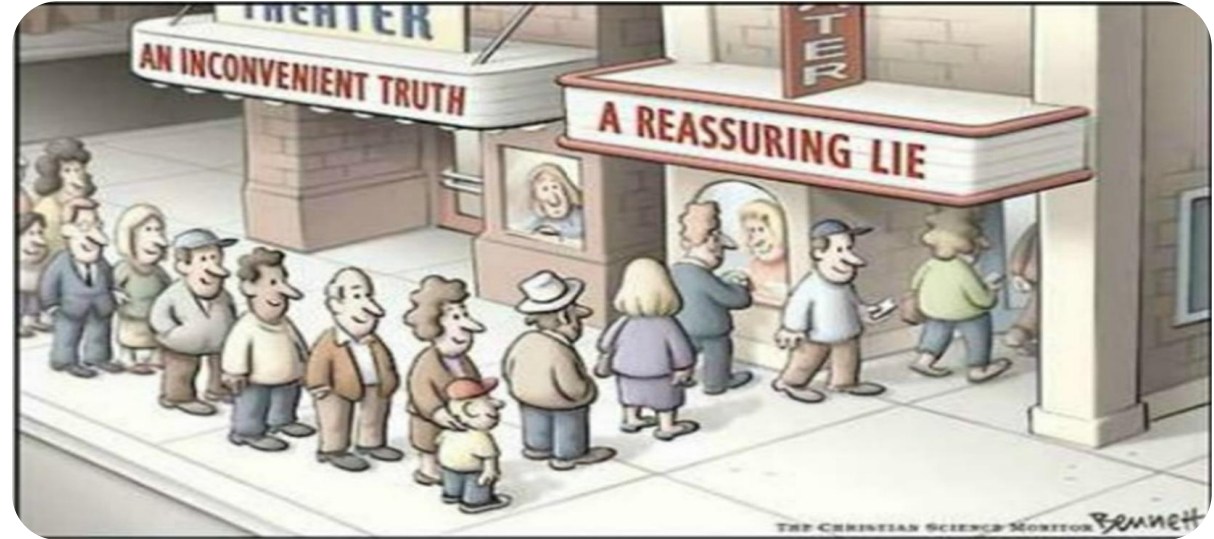




# Cognitive Bias: Filters for Decision Making

## Confirmation Bias

Confirmation Bias (or confirmatory bias) is a tendency to search for or interpret information in a way that confirms one's preconceptions, leading to statistical errors.



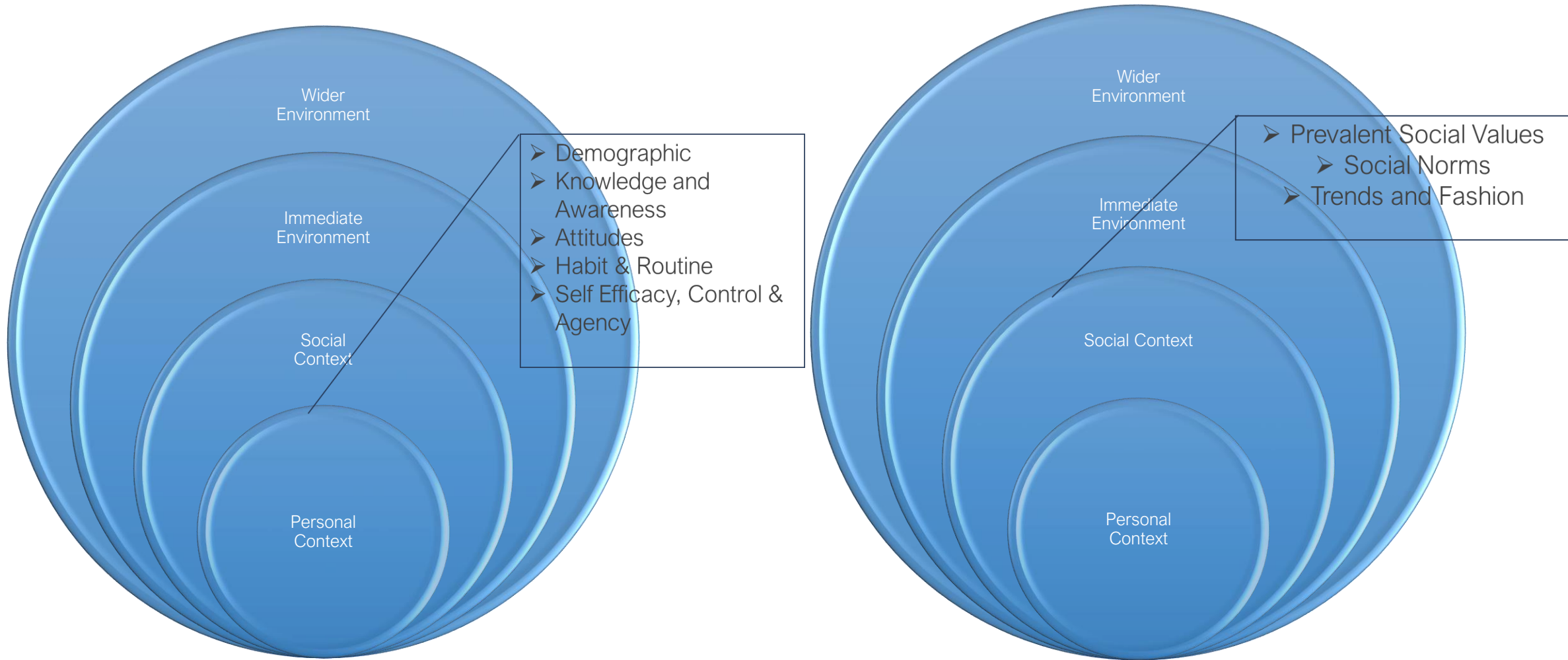
## Reality

We are rarely called upon to choose between:  
Good and Evil or Black and White

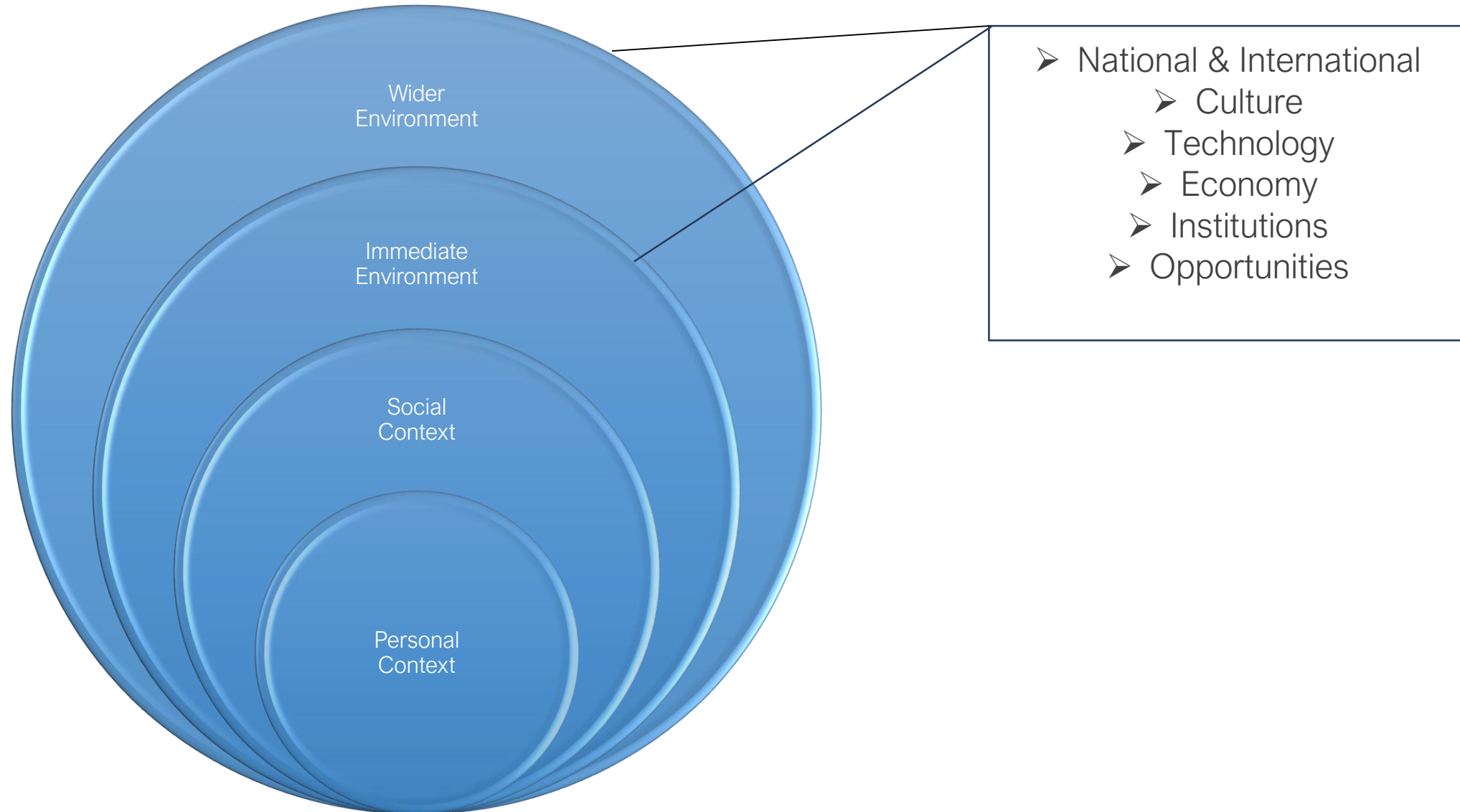
We are more often than not called upon to choose between:  
Greater Good and Lesser Evil or Several Shades of Grey



# Change. How does it work?



# Change. How does it work?



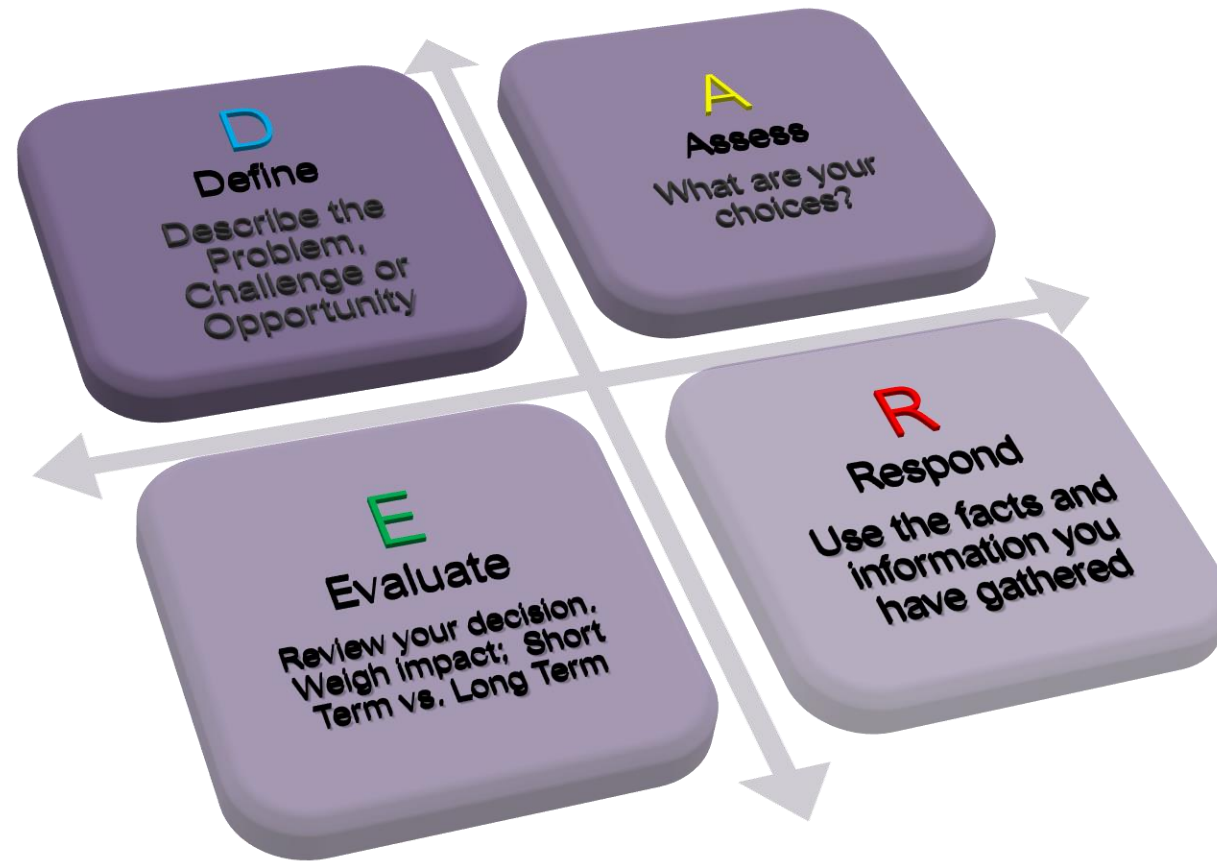


# Decision-Making: The Process

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	URGENT	NOT URGENT
IMPORTANT	<b>DO</b> <i>Do it now.</i>  Close 2 deals in the funnel Get marketing feedback on white paper Get HR feedback on interview candidates	<b>DECIDE</b> <i>Schedule a time to do it.</i>  Exercise 4x/week Create long-term sales hiring plan
NOT IMPORTANT	<b>DELEGATE</b> <i>Who can do it for you?</i>  Book travel for sales meeting Create customer survey Send offer emails	<b>DELETE</b> <i>Eliminate it.</i>  Check company stock price Check spam filter emails Personal social media posts

# How do we protect ourselves against Bad Decisions?



# Decision - Making Z Model

## Sensing

Look at the  
**FACTS AND DETAILS**

- What are the facts?
- Be specific and actual.
- List all relevant details.
- Be clear.

## Thinking

What are all of the  
**POSSIBILITIES?**

- Consider the consequences of each alternative.
- If you weren't involved, what you suggest?
- What is the cause and effect of each action?



## iNtuition

What are all of the  
**POSSIBILITIES?**

- Let your imagination run wild
- Brainstorm.
- Consider various solutions.

## Feeling

What **IMPACT** will it  
have on those involved?

- Is it something you can live with?
- How do you feel about the action?
- What hunches do you have about others' reactions?



# How do we protect ourselves against Bad Decisions?

- Balance the Long -Term with the Short-Term Impact
- Watch out for Technology Whirlwinds about to disrupt your Industry
- Deploy Cognitive Bias Filters
- Seek multiple validation of facts before deciding



# COACHING CALLS

## Coaching Calls

The consultant maintains regular touch with the internal custodians of the process. His aim is to ensure that process rigour is maintained and any obstacles to their fruition, internally escalate issues for resolution.

Three coaching calls conducted (1 per month) for three months.

This provides an opportunity to address any internal issues and ensure that results continue to emerge and process milestones are regularly met.



## Conclusion

Effective Decision-Making is foundational to running an successful Organisation.

Ever-morphing markets spawned by rapidly transforming customer behaviour has made it critical that all levels of Organisations are imbued with clarity and empowered.

Organisations must size-up new realities swiftly and adapt to profit from them.





## Ensemble People Skills

For the first time in history, vision and agility are prerequisites to attaining relevance and therefore, growth and profitability.

In an ever-morphing world, customer behaviours are transforming markets at a blinding speed.

The key is to internalise certain principles that provide constant direction and relevance. At Ensemble, we curate and customise principle-based solutions.

Visit us today at : <https://www.ensemble-skills.com/>