



Making Good Decisions

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When things are going well, we say life is good. When things are not going so well, we say life is not so good. But what really causes things to go well or not so well? Is it the economy, our friends, our family, or our jobs? Of course these are the major influences, but fundamentally what makes our work, economy, family, and society go in our favor? The answer lies in our decisions.

If you trace the root causes behind the influences on you, good or bad, you will arrive at a decision. And most of them are yours. Your job is a result of your decision to go to school, apply the experience you gained, or accept a certain position. Your spouse and children are the result of a decision to get married and start a family. Your financial situation is the outcome of where you decided to spend your money or place your investments. What you have, who you are, where you live, who you associate with, and where you work are all a result of the decisions you made. Fundamentally, you live a life that represents the sum total of your decisions. You are the sum of your decisions.

If decisions are so important, why aren't people more careful in making them? Why don't people consider their longer term implications or who else might be affected? Part of the answer lies in people's values and personalities, but it is also that people don't know how to make good decisions. They've never been taught or taken the initiative to learn.

If you've not stopped to consider how you make decisions, take some time to do so. Think about your decisions regarding the people with whom you associate. Consider where you spend your time and don't spend your time. Reflect on the habits you have formed and the routines you follow. Contemplate the "big three" - where you spend your time, money, and energy. Are they moving you toward your goals or away from them?

To make good decisions, at home or work, follow these principles:

- 1. Recognize that a decision needs to be made.** Too often people hope that an issue will go away or an opportunity will just show up on their door step. This may work if you're waiting on the weather to change, but in matters that you can influence, it rarely works out in your favor. Great leaders are proactive and recognize when a change or decision is needed.
- 2. Determine the real decision to be made.** You may think the decision is about buying a new car, but it might be more about where to spend your money in general. Push away any confusing "noise", challenge the accuracy of the initial question, and reframe it if it doesn't truly reflect the decision that needs to be made.
- 3. Determine what's most important in the decision.** Before making the decision, understand on what basis it should be made. Is it the short term or long term impact that is most important? Is it the money to be made, the pleasure to be had, the experience to be gained, or something else that is most important?
- 4. Involve others.** Others provide a sounding board and wise counsel. Take advantage of the knowledge, experience, and different perspectives of others. Foster an environment of transparency. Encourage constructive debate and information sharing. Seek out the views of a contrarian to offset your biases. Don't let an ego prevent solicitation of ideas from people at any level.
- 5. Understand the background.** Bad decisions are often a result of incorrect assumptions or incomplete background information. Uncover the driving factors and root causes that brought you to your current circumstances. You wouldn't buy a house without a thorough inspection or evaluation of its history. Neither should you decide on who to employ, where to work, or what to buy without due diligence.



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6. **Decide what information is truly needed.** Ask, “What do we not know that would be important to understand.” Consider what insight you truly need in order to make the right decision and equally important, don’t waste your or other people’s time getting background information that isn’t relevant to the decision being made.
7. **Assess the risks and rewards.** The impact of a decision is not always known. Many decisions have uncertainties - both risks and rewards. Evaluate the potential downside as well as the upside of the decision. Be realistic about potential obstacles. Put in place contingency plans and maintain open options where potential obstacles exist.
8. **Be aware of unconscious errors in judgment.** You are biased by your past experiences and personality. You are biased by what you last heard, what you first heard, your current level of investment in the area to be decided, and other factors. You are less likely to use good judgment when in low moods or in an exaggerated emotional state, e.g. hungry, angry, anxious, scared, excited, or aroused in some way. Make decisions when in a steady emotional state. Be open to other’s non-biased opinions.
9. **Assess the broader implications.** Rarely will a decision only impact you. Decisions impact other people, processes, systems, the environment, and everything else. Take into account how the decision will impact the broader environment in which it is a part.
10. **Identify and compare to at least one other alternative.** You didn’t make a decision if you didn’t consider other alternatives. Have at least one other alternative in addition to doing nothing when making a decision. If you are evaluating hiring someone to paint your house, get two or more bids. Consider on what else you might spend that money if you did the painting yourself.
11. **Leave room for instinct.** Your instinct has built-in biases that can be misleading, but it offers valuable guidance based on your past experiences. Don’t ignore your feelings of concern when they crop up. Give extra consideration to areas that you feel aren’t right because they probably aren’t. But don’t wait until you have 100% certainty – it will be too late.
12. **Be open to correction.** Not all decisions turn out the way you planned them. Rather than wait until it is too late to change direction, consider what could happen that would justify a change in decision or direction. Identify the triggering circumstances under which you should reevaluate your decision, e.g. changes in your underlying assumptions.
13. **Evaluate the outcome.** There is a learning opportunity following the execution of a decision. Don’t bypass your opportunity to learn and improve. Review the outcome of your decision when the task, project, or results are complete. Identify the lessons learned and best-practices to follow next time.

Follow these principles and not only will the quality of your decision making improve, but so will your life.

Mike Hawkins is award winning author of *Activating Your Ambition: A Guide to Coaching the Best Out of Yourself and Others* (www.activatingyourambition.com) and president of Alpine Link Corporation (www.alpinelink.com), a consulting firm specializing in helping individuals and organizations reach their peak potential. For this and other Alpine Link business articles, visit: http://www.alpinelink.com/Leadership_Sales_Management_Consulting_Papers_Tools_Templates.aspx.