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The Art of Decision Management

Consider this business story:

Borders is the second largest bookstore company in the United States, trailing only Barnes & Noble. In the first quarter of a recent year, the price of Borders stock plummeted more than 30 percent. Moreover, the company's slim profits during that period, from more than a thousand Borders and Waldenbooks stores, were essentially wiped away by a one-time charge of $4 million.[1]

Situations like this are a manager's nightmare. If managers wish to avoid the kinds of disasters suffered by Borders, it is essential that they understand how and why they occur.

Suppose I ask you to speculate about what might have been the significant contributors to the troubles Borders experienced in this instance. (Give it a whirl.) If you are like most managers, you will readily bring to mind a host of plausible possibilities, including things like trends in the economy and actions taken by major competitors. What is striking and significant about the lists of potential explanations that immediately pop into managers' heads is what is typically *missing* from them—decisions. Rarely do most of us spontaneously attribute our own or others' fortunes—good or ill—to decisions. Yet when we step back and think about it, it is obvious that a company's current situation can be explained in significant measure by the adequacy of prior decisions made by the people in that company. This is so even when external forces affect a company's fate. Suppose, for example, that we could trace the dire straits Borders fell into directly to its competitors' actions. It would still be eminently reasonable to ask: "Well, why didn't Borders managers make better decisions to meet the challenge?" Yet too often such questions are never asked.

As it happens, the Borders case features a transparent connection between the company's circumstances and a prior decision. The preceding November, Borders hired Phil Pfeffer as its CEO. Shortly after his appointment, things rapidly headed south for Borders. Pfeffer was gone in April, taking with him a $4 million severance package that consumed the company's first-quarter profits (hence the one-time charge). There is no reason to think that Pfeffer's performance was the sole reason for the troubles. But at a time when Borders needed strong leadership, the Pfeffer appointment clearly failed to provide it. More important for the purposes of this discussion, there was broad consensus that the decision to hire Phil Pfeffer had been a mistake.

Even when, as in this case, we recognize the importance of decisions, we are still liable to overlook another fundamental point. Business decisions—good or bad—do not materialize out of thin air. Before someone—whether an individual or a group—makes a decision, an enormous amount of activity has occurred, which has, in effect, dictated what that decision will be. Decisions are the last link in a long chain of actions, from identifying a need to decide in the first place ("We must find a new CEO"), to marshalling the resources for deciding ("Here's how we will go about looking for candidates"), to assessing alternatives ("What does Phil bring to the table that Terry doesn't?"), to anticipating implementation issues ("If we choose Phil over Terry, what problems are we likely to run into?"). In general, decisions are only as good as the processes that produce them. It follows that, if we want to have good decisions, *we need to do a good job of managing those activities that go into making them.*

People at all levels of a company make decisions every day that affect the firm's success. And who are the people who have more impact than anybody else on everything that happens in any company, including yours? The managers. Thus, to the extent that employees tend to make decisions that advance or harm the company's interests, much of the credit or blame must fall squarely on the shoulders of the managers. Day in and day out, managers take actions, wittingly and unwittingly, that determine how and how well the people around them decide. Collectively, these actions constitute *decision management.*

Managers universally recognize their responsibility to make good decisions. But relatively few understand that to be a manager is necessarily also to be a *decision* manager. It is obvious that Borders could have made a better decision in hiring a new CEO. It is harder to recognize that the chances of making such a decision would have been dramatically improved if better decision managers had been on the scene.

This is not to say that decision management is only about preventing blunders. A company that avoids big mistakes may well survive—yet still be eclipsed by more imaginative competitors. Good decision management can not only reduce the odds of disaster but also increase the chances of spectacularly effective decisions.

Simply put, the purpose of this book is to help you become a great decision manager, someone who improves the odds that the people you influence will make decisions that enhance the prosperity of your company. Like all management, decision management is an art, but one that can be informed by a knowledge of scientific principles and a body of both research and practical experience.

The remainder of this chapter introduces what decision management involves and how you can better fulfill your obligation as a manager to improve the decision processes in your area of responsibility. Along the way, I will sketch the book's strategy for helping you develop your decision management expertise and offer some first suggestions for developing your own strategy for improving the decision making in your company.

■ The Decision Management Portfolio

Decision management encompasses all the things that every manager does, consciously or otherwise, that damage or improve the quality of the company's decisions, and thereby the company's welfare. Clearly, managers have countless ways to affect the decision making of the people within their circles of influence. Fortunately, decision management activities can be sorted usefully into four categories, as shown in Figure 1.1. You can view these categories as your portfolio of decision management responsibilities or, even better, as your portfolio of opportunities—opportunities to help make decision making a pillar of strength for the company. The upcoming sections discuss each opportunity in turn.

The Decision Management Portfolio

Influencing Specific Decisions

- Deciding personally
- Participating in decision groups
- Affecting others' decision deliberations

Supervising Decision Routines

Shaping Decision Practices

Providing Decision Resources

Figure 1.1. The Portfolio of Decision Management Responsibilities or Opportunities

Influencing Specific Decisions

Decision managers influence some specific company decisions relatively directly. This happens in three ways.

First, like every employee, managers make some company decisions personally. Managers' decisions are special in that the higher the rank of the manager the more consequential the decisions become.

Second, managers typically are members of many different groups that have extraordinary decision authority. So, for example, an accounting manager might be part of a cross-functional team planning a new product as well as a member of the finance division's standing compensation committee. Although the individual managers do not have the power to make decisions outside their own spheres on their own, they share in the group decisions.

The third way that managers influence specific decisions is deceptively powerful—by having effects on other people's deliberations. Bring to mind virtually any serious decision problem that was charged to some group of people in your company, say, a CEO search committee. Though the group made the ultimate decision collectively, some people in the group exerted more influence on the decision than others. Suppose, for instance, that you were chairing the group. Then, in subtle and perhaps not-so-subtle ways, you had a heavy hand in shaping the process that produced the final decision, for example, by hiring and supervising support staff, scheduling and drafting the agenda of each meeting, and directing the flow of discussion, such as cutting off long-winded discussants and soliciting the thoughts of reticent ones. Of course, the other members of a decision group can also influence the process, and hence the outcome, in any number of ways. For example, any member who wishes to do so can help direct the flow of discussion ("We haven't heard what Jake thinks yet. So, what's on your mind, Jake?"), suggest alternatives ("Have you folks thought of Brenda Lake over at Imperial?"), or offer decision-relevant information ("Why don't you take a look at this report I ran across?")—all activities that have a direct bearing on others' deliberations and consequently on the quality of the group's decision.

Supervising Decision Routines

Every company has routines—even if only informal ones—for making decisions of various kinds, particularly recurrent decisions. Sometimes these routines are executed at the personal level, at other times collaboratively. For example, every bookstore chain has rules that its store managers must follow when they hire clerks. And most chains probably have developed customs if not written procedures for deciding which new books they will carry, procedures that rest on the opinions of several individuals. As a manager, you are involved in designing and assuring the smooth functioning of routines like these all the time. You must also determine when those rules need to be revised and must then see that the improvements are actually put in place. This, too, is decision management.

Like all aspects of company culture, decision customs often differ sharply from one company to the next. Clashes in customs like these are a key reason that mergers and acquisitions seem to fail at least as often as they succeed. For instance, some analysts have argued that such clashes were a major contributor to the rough going experienced in DaimlerChrysler's efforts to create a successful integrated business from the previously independent Daimler Benz and Chrysler companies. They have noted that the German decision style prevalent at Daimler Benz (a highly formal one) clashed sharply with the style at Chrysler (which was more flexible and freewheeling).[2] Cases like this give us a further reason to pay close attention not only to what decisions get made, but also the routines that produce those decisions.

Shaping Decision Practices

We affect and are affected by almost everybody around us. Thus, as a result of their interactions with you, the people who come into contact with you do things differently than they did before. As a manager, however, you are in an unusually strong position to influence other people's behavior, including how they make decisions.

Some of that influence is transitory, as when you reward behavior with incentives. The influence of incentives tends to fade once you stop consistently rewarding a particular behavior. Other influences are longer lasting, resulting in new customs that largely sustain themselves. People acquire many enduring customs and habits by observing and imitating those around them, especially those (like managers) who serve as models for them. As most parents discover, often to their sorrow, the example we set without realizing it is often more powerful than our deliberate attempts to instruct others—no matter how often anyone says, "Do as I say," the result is that others "Do as I do." As a manager, then, you shape decision practices—for good or ill—by the way you go about making decisions. And to the extent that you influence the way decisions are generally made, you have a hand in shaping a culture of decision making that works to either the advantage or the disadvantage of your company.

Providing Decision Resources

The decision procedures people use are one constraint on the quality of the decisions they make. Another key constraint is the resources people have available when making their decisions. These resources include the personnel at their disposal as well as the tools they can apply to decision problems, for instance, their computers and software. Another—and critical—resource is time. As a primary care physician in a major health system put it to me, "Time is my biggest problem. I have to be honest with you. In the fourteen minutes the health plan allows me with each patient, I cannot even *talk* to the patient about all of the treatment and prevention options that advocates insist we simply *'must'* offer to every patient."

One of your standard responsibilities as a manager is allocating resources. That applies to your role as a *decision* manager as well. Good decision management in this respect means exercising the sensitivity and skill required to ensure that people have the resources they need to make effective decisions while at the same time avoiding wasting resources that could be used better elsewhere.

■ Drivers of Poor Decision Management

The four categories of activity in the decision management portfolio give you an overview of the ways in which you can influence your company's decisions for the better. Becoming conscious of this portfolio of opportunities is a first step toward becoming a better decision manager. A second step is to be aware of the hazards that often impede good decision management so that you can steer clear of them.

Picture chef Jordan Lynx, who is highly accomplished but has always had trouble preparing one important dish—coq au vin. Eventually fed up with his coq au vin failures, Lynx solicits the help of good friend and fellow chef Traci Moore, whose coq au vin wins awards. Moore tells Lynx: "OK, Jordan, why don't we start by just letting me watch you make it the way you normally do?" After this exercise, Moore says: "This is going to be easy, my friend. Your technique is fundamentally sound. But I can see that there're just a few specific, 'little' things you're doing wrong that make all the difference in the world. So, let's get those things fixed, OK?" Then off they go, and before you know it, Lynx's coq au vin is a winner.

This book's strategy for helping you become a first-class decision manager is largely the same as the one Traci Moore used in helping Jordan Lynx with his coq au vin. Research and experience have shown that when managers fall short as *decision* managers, it is typically because of a small number of specific things that they do or fail to do. So let me describe four key drivers of decision management difficulties, with a view toward how they will be addressed throughout the book.

Driver 1: Failure to Recognize Responsibility

Many managers are oblivious to the impact that their actions (and sometimes inactions) have on the people around them, including all four of the classes of decision management actions just discussed. In effect, these managers fail to recognize that decision management is one of their responsibilities or, alternatively, opportunities to provide invaluable service for their companies (and their careers). Little wonder, then, that they do an inadequate job of fulfilling those duties; they are not even trying to fulfill them. By simply becoming aware of decision management as a core managerial responsibility, you will be ahead of the game.

Driver 2: Vague Appreciation for Decision Problems and Processes

At a superficial level, everyone understands what hitting a golf ball entails. ("You just swing that stick, right?") At a similar level of superficiality, everybody knows what decision problems are and what solving them entails. Unfortunately, superficial understanding typically is insufficient for guiding intelligent and effective efforts to either strike golf balls or manage decisions. Also unfortunately, all too often, managers have no more than a vague grasp of the true nature of decision problems and processes. Throughout this book, you will be thoroughly immersed in careful analyses of what decision problems entail and what is required to solve them.

Driver 3: Ignorance of Natural Decision Making

When a mechanic sets out to repair your car, it obviously helps if he understands how and why cars like yours work generally—or not. And it *really* helps if he understands why your *particular* car is acting up. By the same token, a decision manager is handicapped if she does not understand how and why people in general tend to decide the way they do naturally. She is at a marked disadvantage if she is clueless about what is peculiar about how the people in her own company decide.

From the perspective used in this book, an understanding of how people decide reduces to an understanding of how they address each of the ten cardinal decision issues introduced in the next section. These ten issues are a way of conceptualizing the chain of activities that lead to an ultimate decision. Throughout the book, you will become acquainted with essential findings from the scientific literature about how people generally tend to deal with these issues and how you can get a fix on the ways the particular people in your corner of the company tend to handle them.

Driver 4: Limited Awareness of Useful Principles

Unlike, say, accounting, finance, logistics, or some marketing functions, expertise in decision management does not rest on mastering a prescribed set of procedures or routines. Instead, it demands creative and adaptive improvisation in situations that exhibit the messy but fascinating variety and fluidity of everyday life.

This does not mean, however, that anything goes or that becoming an expert decision manager is an unteachable matter of chance. Another analogy is apt. To the naive observer, theatrical improvisation (as practiced, for instance, by the Second City comedy troupe in Chicago) seems chaotic and haphazard. Actually, though, theatrical improvisers learn and imaginatively apply principles that have proved their worth over many years. In a similar way, imaginative decision managers can make use of principles developed from both research and practical experience.

■ The Ten Cardinal Decision Issues

Individual managers sometimes accidentally discover the basic principles of decision management for themselves. But this is unacceptably chancy and inefficient. That is why this book details a number of the most important and useful principles that can guide your efforts to improve decision making in your company.

As I have already noted, becoming an outstanding decision manager requires developing a deep appreciation for what decision problems and processes really involve. In Chapter Two, I will give you a closer look at decision problems. Here I want to flesh out the practical meaning of *decision processes.*

Careful study has shown that, in some form or another, almost every practical decision problem poses each of the ten fundamental or *cardinal* decision issues listed in Table 1.1. From this perspective, we can define "decision processes" as *ways that deciders go about resolving the cardinal decision issues as they arise in the decision problems that confront them.* Since the mission of decision managers is to maintain and constantly improve their companies' decision processes, we can formulate this mission as follows:

> The decision manager's task is to do whatever
> it takes to ensure that the deciders in the company
> do a good job of resolving the ten cardinal issues
> for every decision problem that comes along.

How, specifically, you can fulfill this mission is the subject of the rest of this book. In particular, Chapters Three through Eight provide a detailed discussion all ten cardinal issues. The following preview conveys the gist of each issue, in the voice of deciders who are confronted with it and with a real-life example:

- Issue 1: Need. *Why are we (not) deciding anything at all?* Example: How did it come to the attention of Coca-Cola's leadership that the company had the problem that their ill-fated decision to introduce New Coke was intended to solve? (Had they never recognized the problem, they never would have made—and regretted—the decision.)
- Issue 2: Mode. *Who (or what) will make this decision, and how will they approach that task?* Example: How will it be determined who will recommend and choose the next chairman of Goldman Sachs?
- Issue 3: Investment. *What kinds and amounts of resources will be invested in the process of making this decision?* Example: Ford

Table 1.1. The Ten Cardinal Decision Issues

Issue	Description
1. Need	Why are we (not) deciding anything at all?
2. Mode	Who (or what) will make this decision, and how will they approach that task?
3. Investment	What kinds and amounts of resources will be invested in the process of making this decision?
4. Options	What are the different actions we could potentially take to deal with this problem we have?
5. Possibilities	What are the various things that could potentially happen if we took that action—things they care about?
6. Judgment	Which of the things that they care about actually *would* happen if we took that action?
7. Value	How much would they *really* care—positively or negatively—if that in fact happened?
8. Tradeoffs	All of our prospective actions have both strengths and weaknesses. So how should we make the tradeoffs that are required to settle on the action we will actually pursue?
9. Acceptability	How can we get them to agree to this decision and this decision procedure?
10. Implementation	That's what we decided to do. Now, how can we get it done, or *can* we get it done, after all?

Motor Company has seemingly countless suppliers. Does it spend too much time and money choosing those suppliers—or too little?

- Issue 4: Options. *What are the different actions we could potentially take to deal with this problem we have?* Example: When Boeing was facing the problem of where to relocate its headquarters, it considered only certain cities. Why? Should it have considered others?

- Issue 5: Possibilities. *What are the various things that could potentially happen if we took that action—things they care about?* In the language of Chapter Two, the "they" in this question refers to the decision's beneficiaries and stakeholders. Example: A local public organization negotiated substantial signing bonuses for members of one of its unions. Only later did the board realize that "me too" (benefits-matching) clauses in other contracts obliged it to pay hundreds of thousands of dollars to its other unions as well. Why did the board completely overlook this possibility before approving the contract?
- Issue 6: Judgment. *Which of the things that they care about actually* would *happen if we took that action?* Example: A Borders official attributed Phil Pfeffer's difficulties as the company's CEO to his not being "a good fit" with the company.[3] Why did the Borders board of directors fail to recognize this before Pfeffer was hired?
- Issue 7: Value. *How much would they* really *care—positively or negatively—if that in fact happened?* Example: The managers at a service facility were worried about rising personnel costs. They therefore sought to reduce their older staff by about half. So they crafted a buyout plan and offered it to employees beyond a certain level of seniority. To their surprise, virtually *all* the eligible employees took the buyout, leaving the facility so badly understaffed that they had to hire expensive contract workers to fill in. Why were the managers so far out of touch with the older employees' feelings, their values?
- Issue 8: Tradeoffs. *All of our prospective actions have both strengths and weaknesses. So how should we make the tradeoffs that are required to settle on the action we will actually pursue?* Example: The engineers at a major auto parts manufacturer had to choose between an old flange design and a new one that was stronger but required greater assembly time. Which consideration should have taken priority?

- Issue 9: Acceptability. *How can we get them to agree to this decision and this decision procedure?* Example: A local grocer decided to extend its hours to increase profits. To the surprise and dismay of the proprietors, the neighbors complained and threatened a boycott because of the resulting late-night commotion. What should the company have done to avoid this unfortunate turn of events?
- Issue 10: Implementation. *That's what we decided to do. Now, how can we get it done, or* can *we get it done, after all?* Example: The information technology director of a global manufacturer eagerly agreed to develop a product tracking system internally. Only later did he discover that his unit could not deliver. Why only then?

For each of these ten issues, facilitating better decision making involves being aware of how people usually resolve these issues, common errors that people make, countermeasures you can take to prevent these errors from occurring, and steps you can take to encourage exceptionally effective ways of resolving the issues. This book will give you principles and techniques that can help you ensure that the decision processes in your company work to produce the best decisions possible.

■ Your Strategy

I have just described the strategy of the book. But what about *your* strategy? What approach can you take to substantially improve the way people in your company make decisions? Here are some ideas that work.

Aggressively Pursue Opportunities

Successful decision managers are constantly and aggressively on the lookout for opportunities to improve how the company's people decide. The decision management portfolio in Figure 1.1 provides a good reminder of the opportunities available to you. "Influencing" and "Providing" opportunities are especially obvious when the company is faced with an unusually big decision, such as a strategy shift, a major product launch, or a change in compensation policies. "Supervising" and "Shaping" opportunities are easy to neglect because they do not hit you in the face with their urgency (despite their enormous significance, given that the pertinent decisions are so numerous). Instead, you must regularly, actively, and systematically examine decision routines and practices throughout your part of the company. For instance, suppose that you are heavily involved in supplier relations in the company. Then, as you go about your normal duties in that arena, you can constantly ask yourself questions like these: "How are we picking these suppliers? Couldn't we be doing better? How?"

Review the Ten Cardinal Issues

A straightforward, thorough, and reliable way to approach improving any decision-making process starts with the list of ten cardinal decision issues. For each issue in the list, ask yourself: "How are we naturally inclined to deal with this issue for this kind of problem? Is that *really* the best we can do?" You would then make the appraisal vis-à-vis the standards developed in the heart of this book. Often what people are already doing about an issue is good enough—that is, either sufficiently effective or at least not so far from optimal as to be worth the trouble of trying to change it. But the investment you make in examining how people in the company deal with each issue will be more than repaid by the times when you discover an opportunity to substantially improve on what they do. One reason this is so is that in many decision situations, people never even recognize that particular issues exist. This means that those issues must resolve themselves by chance or default. And that is unacceptably risky for your company.

Exploit Sound Principles

Throughout this book you will learn numerous principles that provide the basic logic for addressing the cardinal decision issues effectively. When you detect that the company's approach to an issue needs to be improved, review the relevant principles. They will provide a sensible starting point for your efforts.

Draw on Your Experience, Creativity, and Colleagues

The ideas in this book are only a starting point. You have three other critical sources of ideas for improving the handling of the cardinal decision issues on which you can—and indeed, *must*—draw.

The first source of ideas is the experience you have accumulated as a manager and as a member of your company. No outsider can possibly know vital particulars about your company as well as you do.

The second source is your creativity. For every decision management problem that presents itself, ask yourself, "What might work here?" As I will have occasion to note later in the book, each of us is capable of considerable creativity, especially if we pay attention to some of the factors known to facilitate that quality.

The final idea source is your colleagues (and *their* experience and creativity). There really is something to the old adage that "Two (or more) heads are better than one." As long as you observe the principles governing interpersonal collaborations discussed later in the book, you will be able to profit from the potential embodied in the people around you.

Create a Plan for Implementation

The best decision improvement ideas in the world would be utterly worthless if you failed to put them into action. Thus an absolutely essential element of your decision management strategy is to develop a workable plan for implementing any idea you come up with and for *sustaining* that implementation. Implementation requires lots of different things, one of which is skill at persuading other people to cooperate with you. Chapter Eight, which discusses the implementation issue, will provide further insight on this aspect of your strategy.

Anticipate and Deal with Resistance

The point about cooperation brings up a potentially serious hazard you will probably face as a decision manager. For the most part, decision management is about getting other people to decide better and hence differently than they did before. The problem is that people seldom eagerly embrace new ways of deciding. Indeed, more typically, they actively resist attempts to get them to decide differently. This can be highly discouraging for a decision manager. ("This is making everybody hate me," you may well think. "Why am I beating my head against this brick wall?") It is easy to just give up in the face of such opposition. You need to plan for resistance. Otherwise you will be sorely tempted to give up on your decision management efforts.

A big reason that people resist changing how they decide is that they see no need to do so. That is, people generally believe that their own decision making is just fine. They say things like, "I've been making decisions my whole career—my whole life—and I'm obviously doing OK, right? So why mess with a good thing?" Moreover, when they observe others making bad decisions, they tend to dismiss those incidents as holding no lessons for themselves. Suppose you were to describe the disastrous Borders CEO selection story to the leaders in your own company and then ask what it might mean for your company. Based on research findings (some of which I will discuss later), I would be willing to bet that they would say "Nothing," because they could not even imagine themselves making such an "obvious and silly" mistake.

A related reason for resistance to new ways of deciding is the enormous variety in the ways people decide naturally. When you step back and think about it, this variety makes a lot of sense. Consider other everyday behaviors, such as talking and eating. We each have our own styles of speaking and our own peculiar likes and dislikes in foods. These varied and deeply ingrained styles and tastes arise from the fact that from birth we have grown up in different households and have been exposed to and shaped by people with their own distinctive styles and tastes. The same is true of decision customs. So when someone comes along and says, "This is the right way to decide," people are understandably skeptical and even hostile. To a point, their skepticism is well founded. That is because for most of the tasks that must be accomplished to make a good decision, there really is no uniquely *right* way of achieving those tasks; any number of tacks could work.

So what should you do—and *not* do—about resistance? First of all, anticipate it. Expect people to be firmly wedded to their particular ways of deciding. Then try to uncover what their customs and preferences are. (I have seen skillful committee chairs do this by starting discussions with remarks like: "So, how do you folks think we ought to proceed?") Now, suppose that you detect flaws in what you discover. Probably the worst thing you could do is say, "That doesn't make sense" or "Let's do it this way instead" or anything along those lines. The resistance will be immediate and insurmountable. A wiser course is to negotiate a consensus about how the pertinent decision tasks will be accomplished, given the variety of opinions, including your own. With practice, you will develop your skills of gentle persuasion, making liberal use of comments such as: "I can see why you feel that way, but how about . . . ?"

Recruit Collaborators and Keep Their Eyes on the Payoff

Suppose that everybody within your circle of influence in the company is as committed to outstanding decision management as you are. That is, *everyone* is constantly seeking better ways of managing the company's decision processes. Then much of the resistance you would experience otherwise would simply not exist. More positively, your company's progress toward developing a "stellar decision management culture" would explode and sustain itself, largely without your continuing personal efforts. This is the ideal of all true leadership and should be your goal here.

How can you achieve this ideal? You must recruit collaborators in your decision management campaign. Start with the people in your immediate office as well as your closest peer managers. Then urge them to draw in others until the ambition of constantly improving decision management practices is simply a natural way of thinking throughout the company. To recruit these collaborators, you need to point to (and keep pointing to) the payoffs of better decision management for the company and for them personally. Right now, you have only an abstract promise of what those payoffs are. But by the time you are finished with this book, you will have seen many concrete illustrations, one after another, and will know where to find (and will create) many of your own. You will have no trouble citing familiar and compelling cases, as in observations like these: "Remember the Smith fiasco? There's virtually no chance that something like that could happen the way we deal with the possibilities issue these days."

CHAPTER SUMMARY

All managers are *decision managers.* That is, intentionally or not, they take actions that affect how and how well the people in their companies make decisions. From this perspective, decision management is a core managerial responsibility, but one too few managers recognize as such.

The portfolio of decision management activities includes influencing specific decisions, supervising decision routines, shaping decision practices, and providing decision resources. There are several reasons why decision management is often inadequate: managers do not recognize that they are responsible for managing their companies' decisions; they possess only a vague appreciation for the true character of decision problems and decision processes; there are significant gaps in their understanding of how people decide naturally; and they have only limited awareness of useful decision principles. In effect, this book mounts a concentrated attack on each of these drivers of poor decision management. The cornerstone of that attack is a characterization of decision processes as ways that deciders seek to resolve each of ten cardinal issues that arise in virtually all decision problems.

A manager's chances of improving decision processes are enhanced significantly if guided by a coherent strategy. Some key elements in such a strategy include aggressively pursuing decision improvement opportunities; drawing on one's experience, creativity, and colleagues; creating a plan for implementation; anticipating and dealing with resistance; and recruiting collaborators.

Questions for Consideration

1. Take a few moments to bring to mind managers with whom you have worked over the years. Which of those managers do you consider to have been the best *decision* manager? Label this manager *BDM,* for obvious reasons. Which of those individuals do you regard as the worst decision manager of the whole group? Call this person *WDM.*

   Now construct a small table. Label each row of the table with one of the four classes of activities in the decision management portfolio: influencing specific decisions, supervising decision routines, shaping decision practices, and providing decision resources. Label one column of the table BDM. In each cell in that column, briefly note an incident that best illustrates how BDM approaches the given decision management activity. For instance, in the influence row of that column, note a prototypical instance in which BDM took actions that significantly affected how several people collaboratively made a decision that had major consequences for your company. In another column of the table, record reminders of similar incidents for WDM.

When you are done with your table, simply reflect on it. Ask yourself questions like these: "What's different about how BDM and WDM manage decisions? Why do they do things so differently? Suppose I were supervising both BDM and WDM. How could I get WDM to function more like BDM?"

2. What was, in your view, the worst decision made in your office within the past year? Now consider each of the ten cardinal decision issues sketched in this chapter. Which one of those issues was most critical in the sense that the deciders' mishandling of that issue was most responsible for the decision turning out so badly? What did the deciders' bosses do—or fail to do—that was, in turn, most responsible for the deciders' ineffectiveness?