Decision making methods and helpers

Making decisions can be hard sometimes. If you feel stuck or want to structure your decision process the below methods may be helpful.

Pre-Face

The below methods are only working under the assumption that you have gathered some data and input beforehand. In general this data can be boiled down to:

- *importance:* Knowing how much change in the desired direction is made by a change or new thing. Basically: "How much does the needle move?"

- *urgency:* Knowing how fast something needs to be implemented.

- *investment:* Knowing how much time, money, knowledge must be spent on something to make it happen.

- *risk:* Knowing the worst-case scenarios if something is done or not done. Both are important to know.

- *value:* Knowing how much value is generated in form of personal development, possible revenue, customer satisfaction, etc.

Afterwards, the below methods may help you to structure your decision making process and help you deciding if something should be done, skipped or delayed.

1) 10/10/10

We all are guilty to underestimate long term consequences. To avoid this, we can start a decision process by asking three simple questions.

- How will I feel about this 10 minutes from now?

- 10 months from now?

- 10 years from now?

2) Pre-Mortem

A pre-mortem involves that the assumption that your decision has failed and that you need to work backward.

This process benefits from:

- removing overconfidence

- reveal blind spots
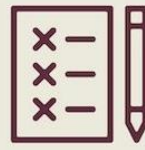
- simplify thought process

Gary Klein's process for conducting a pre mortem involves some simple stages:

Accept that the plan has failed + Consider the reasons for failure + Assess and prioritise the reasons for failure → Strengthen the plan to address potential points of failure

3) Regret Minimization Framework

Jeff Bezos (AMZN) introduced a framework into Amazon which is meant for long-term decisions (12+ months). The idea is to ask yourself:

- Will my 80-year old self be happy with the decision or regret it?

This method was known beforehand as tomb-stone method, too. There you ask yourself:

- What should be written on my tombstone?

Both can be easily adapted to company decisions.

4) Devil's Advocate Position

This is the anti-dot to confirmation bias. It involves forcing yourself to view a decision from the opposite viewpoint. It is easier to find people that are against the idea and let them challenge the decision heavily. It forces you to find compelling arguments and refine the idea.

If the "other side" has better arguments, it may be for a reason.

5) Inside-Outside View

We have a natural tendency to favor our inside view (our own solution to a problem that incorporates only our experiences). To make better decisions, we should include and maybe favor the outside view (most often data and experiences from others).

6) Decision Trees

Decision Trees are tree-like graphs with branches showing results of possible choices for a given decision or action. This allows a better structured comparison of the outcome for both, risk and return.
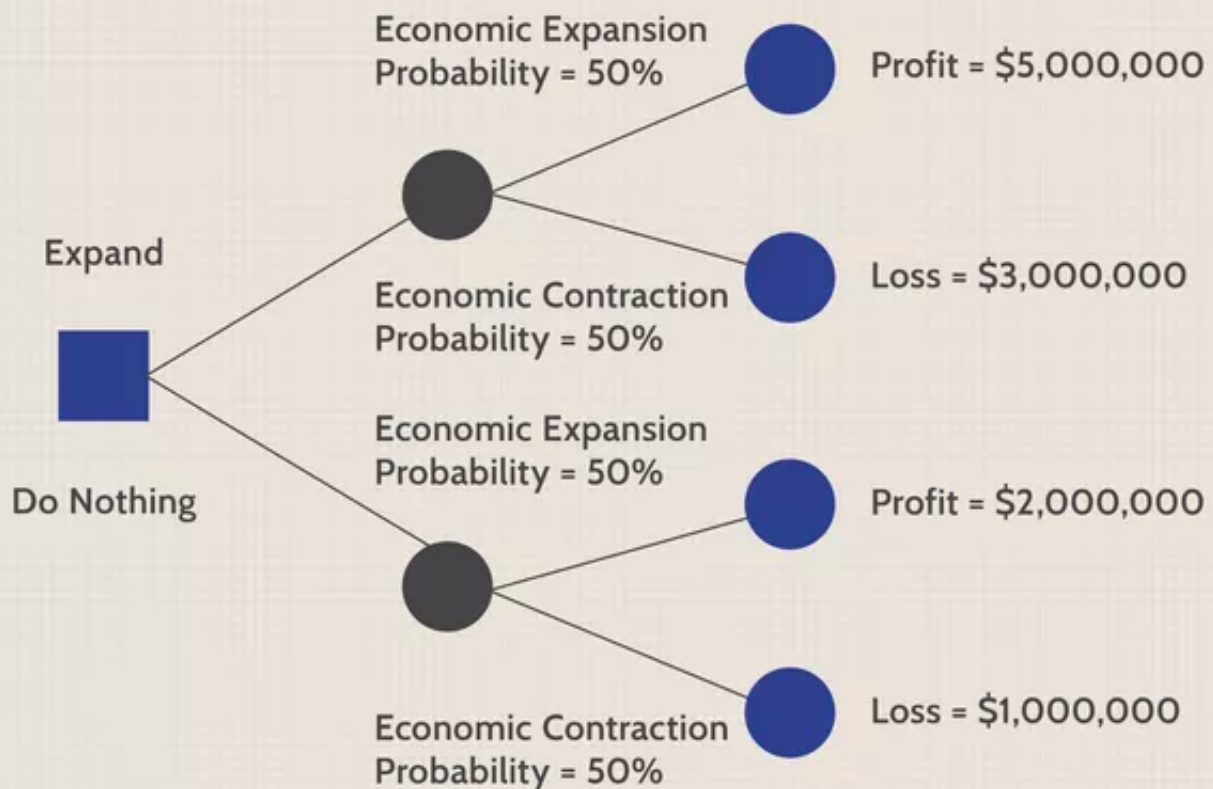
7) Reversible vs. Irreversible

There are two type of decisions. Irreversible decisions are one-way doors, and must be taken slowly and deliberately. Reversible decisions are two-way doors, which can be undone and should be made quickly.

In Amazon, reversible decisions and changes are not discussion worthy, but will be made as fast as possible.

8) Satisfying vs. Maximizing

Satisfying: Picking the first option that satisfies an acceptable threshold -> typically doesn't result in the best solution.

Maximizing: Spending time and effort to ensure you've solved something optimally -> typically results in the best solution.