

NAVIGATE

MANAGEMENT CONSULTING

That Nagging Decision, Part II

by Bill Sharer, Partner



Part One of our discussion about decisions addressed how managers should approach them. Part Two raises some ideas and questions for further consideration about who should make them: you or someone else.

A decision is the course of action you intend to take when it isn't obvious what to do. This means decisions are only needed when you don't have information that would make the intended action obvious...because if all the desired information is available, the decision would "make itself". So, when you hear "I made the best decision I could based on the information I had", understand that the exact opposite is true. The decision was made not on what was *known* but on what was *not known*. It's the **absence of information** that creates the risk in decision-making.

Embedded here is a basic case for delegation, which most managers don't do very well. Most managers make decisions they don't need to make, ones that could be made better by someone else; someone closer to the situation. That someone doesn't have all the information either, but they probably have more information than you do, and more information is better than less. The fewer the unknowns, the less risky the decision, right?

You may argue that some decisions are too important or too risky to delegate and you'd be right. So here's how to limit or contain that risk using three factors that measure it.

First, the **cost**: A \$500-decision is less important (risky) than a \$5,000 decision whether the dollars are gained or lost. So when delegating, set the limit. For example, an experienced tech should be able to make a decision with opportunity-cost of a couple hundred dollars. A Project Manager might have a limit of a couple

thousand. Now you have defined the worst that could happen if they are wrong...and they probably won't be.

Next, the **people affected**: A decision that affects only one person, one department, or one client is usually less important (risky) than one which affects many-or all. You can you safely allow an Account Executive or a Department Manager to decide certain things if they are so "fenced in".

Finally, the **impact on policy or precedent**: If a single decision means you will have to live with it for a long time, or that it sets precedent to future decisions, or that it violates policy, or that it is difficult to reverse should you discover it's "wrong", then it's more important (risky) than a simple delegated decision. Again, it isn't hard to set these criteria and teach them, you just need to make them clear.

Experience shows that **allowing others to make decisions** that affect their work within these boundaries has several benefits: 1) You will usually get a "good" decision from a good employee; 2) You will often get a faster decision since we don't have to wait for you; 3) You will develop your people to take on greater responsibility; 4) You will foster ownership of the decision by the person who made it; and 5) You will free your time for things only you can decide. Try it. You will be pleasantly surprised.

Questions? Other viewpoints? We'd love to hear them. Contact us at:
answers@navigatemc.com

Navigate In Action

In 2017 Navigate partners will be involved in speaking and training at many industry events. Look for us as you make your plans for the year.

NSCA Business and Leadership Conference
"KPIs and Workflows for Maximum Efficiency and Productivity"
March 2-4, 2017 - Chandler, AZ

This was great, so don't miss it next year!

ProSource Summit
"Proven ways to Reduce Drama, Eliminate Waste, and Boost Profits"
March 6-7, 2017 - Orlando, FL

Met so many new friends who have become clients! Welcome!

InfoComm IC2017 ***Registration is now open!***
June 10-19, 2017 - Orlando, FL
"Project Management for AV" - 3-day course
"Contemporary Sales Management" - Workshop

"Key Metrics for Managing a Profitable Business" - Workshop
"Project Management for Executives" - Workshop
"Employee Performance Management: Enabling Aligned Productivity" - Seminar
"Solution Selling for Channel Partners" - Seminar
"Project Management for Sales" - Seminar
"Lean / Cost of Quality Principles" - Seminar
"Solution Selling for Manufacturers" - Seminar

See you next in Orlando!

[Visit Our Website](#)

Navigate Management Consulting | [Email Us](#) | [Website](#)

Navigate Management Consulting, 739 E 5th Street, Brooklyn, NY 11218