

DYNAMIC DECISION MAKING



by Johan de Villiers | Enspire Consulting

Johan balances the demands of corporate life with outdoor adventure travel and as a result has summited Kilimanjaro, met mountain gorillas in Rwanda and has overlanded through Africa. Johan is also a qualified helicopter pilot.

A respected personality in the IT world, Johan has been in the marketing and corporate game for 20 years. His drive and business acumen led to his holding two positions simultaneously – CEO of Enterprise Connection Cape and group marketing director.

Johan has featured in CEO Magazine, SA Millionaire, Brainstorm and ITWeb, has been a speaker for companies such as Capestorm, Vox Telecoms and BDO, and he has contributed to a range of business publications. He currently consults on business development and marketing to a range of corporate and SME clients. His next adventure will be trekking to Everest Base Camp in 2010.

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What makes for good decision making? Is it based on academic qualifications and intelligence or does business experience have overriding merit in the equation?

Today's business environment requires more than just an academic knowledge of strategy planning, but rather a mindset change in terms of tactics and just-in-time operational execution. General George S. Patton once said, "A good plan executed today is better than a perfect plan executed at some indefinite point in the future."

Interacting with corporate clients and suppliers on a daily basis highlights the companies where the simple act of making a decision seems to be hamstrung by management's procrastination, as opposed to dynamic organisations, where decision making is executed with military precision.

A number of popular business books currently deal with the science of decision making in business. Some of them use scenario planning as a tool, where careful forethought is given to strategically preparing for known and unknown situations at some point in the future. Clem Sunter's Mind of a Fox series of books is a good example of this.

Historically, most business schools advocate the typical SWOT analysis and/or the balanced scorecard system, invented by Robert Kaplan, which advocates 'strategy focussed execution'.

None of them, however, teaches you how to differentiate between a decision that's important to your business, rather than a decision that is urgent but not necessarily important and thus less of a priority.

The diagram below illustrates a matrix for more effective decision making. With the vertical axis being the level of urgency and the horizontal axis being importance, it becomes clear that a normally urgent matter may, in fact, be put in a secondary position to issues that are actually important to the organisation.

The resultant action is described in each box. For the record, just saying no does not necessarily indicate that action in a literal sense. It is indicative that the issue can be either delegated or delayed for instance.



Whether the speed at which management makes a decision is a reflection on the underlying proactiveness of the culture within the organisation is debatable. The fact remains that a less than perfect decision today is infinitely better than no decision at all.

Leadership should take cognisance of the fact that business today moves at the speed of light and that the cost of a wasted opportunity through procrastination far outweighs the potential cost of an incorrect judgement call. After all, an incorrect, but timeous decision can be changed but an inability to make a call under pressure is surely worse. This is especially true where customer service comes into play and for first mover advantages within a sales environment.

There is an old business maxim that says anybody can steer a ship in calm. I believe that the true difference between good management and great management is the ability to execute under pressure, without self-doubt or delay. Dynamic businesses today will survive where line managers are given the freedom of executing difficult business calls without having to request authorisation and/or escalation on a continual basis. The simple but effective key criteria for making a decision in the heat of the moment are:

- Does it make financial sense for the company?
- Is the decision ethical?

Providing that the answer is a resounding yes to both and that the accountability of management's responsibilities is made clear, the company and, by virtue, their customers will benefit.

In conclusion, to end with another quote of General George S. Patton: "Pressure makes diamonds."