

The Decision-Driven Organization

The defining characteristic of high-performing organizations is their ability to make good decisions and to make them happen quickly. The companies that succeed tend to follow a few clear principals.

Some decisions matter more than others.

The decisions that are crucial to building value in the business are the ones that matter most. Some of them will be the big strategic decisions, but just as important are the critical operating decisions that drive the business day-to-day and are vital to effective execution.

Action is the goal.

Good decision making doesn't end with a decision; it ends with implementation. The objective shouldn't be consensus, which often becomes an obstacle to action, but buy in.

Ambiguity is the enemy.

Clear accountability is essential: Who contributes input, who makes the decision, and who carries it out? Without clarity, gridlock and delay are the most likely outcomes. Clarity doesn't necessarily mean concentrating authority in a few people; it means defining who has responsibility to make decisions, who has input, and who is in charge with putting them into action.

Speed and adaptability are crucial.

A company that makes good decisions quickly has a higher metabolism, which allows it to act on opportunities and overcome obstacles. The best decision makers create an environment where people can come together quickly and efficiently to make the most important decisions.

Decision roles trump the organizational chart.

No decision-making structure will be perfect for every decision. The key is to involve the right people at the right level in the right part of the organization at the right time.

A well-aligned organization reinforces roles.

Clear decision roles are critical, but they are not enough. If an organization does not reinforce the right approach to decision making through its measures and incentives, information flows, and culture, the behavior will never become routine.

Practicing beats preaching.

Involve the people who will live with the new decision roles by having them participate in designing them. The very process of thinking about new decision behaviors motivates people to adopt them.

A Decision Diagnostic

Consider the last three meaningful decisions you've been involved in and ask yourself the following questions:

1. Were the decisions right?
2. Were they made with appropriate speed?
3. Were they executed well?
4. Were the right people involved, in the right way?
5. Was it clear for each decision:
 - who would recommend a solution?
 - who would provide input?
 - who had the final say?
 - who would be responsible for following through?
6. Were the decision roles, process, and time frame respected?
7. Were the decisions based on appropriate facts?
8. Were the decision makers at the appropriate level in the company?
9. Did the organization's measures and incentives encourage the people involved to make the right decisions?