

From: *The Chronicle Herald* – February/08

Leadership and judgment

Each day a business leader enters the workplace they are required to make decisions. And whether their decisions are good or ineffective influences how colleagues rate their business judgment capacity.

Leaders grow by making mistakes and, in fact, great leaders teach others to fail fast and learn from their mistakes fast. However, the wrong kinds of mistakes, regardless of where a leader is in their development, can be career ending.

The business judgment model outlined below will assist leaders to make good decisions on mini, medium and major issues.

All business judgment is influenced by a leader's capacity to consider variables such as risk, opportunity, influences, drivers and urgency. The combination of these affects the leader's judgment to take action and the direction and expectation of the action.

A leader's ultimate success in business often comes down to their ability to think strategically and critically and to be decisive and clear when they make a final decision.

The model outlined below is straightforward. It describes an element to be considered and then lists questions to facilitate making a decision. When faced with making a decision, run it through each of the four elements.

Once you complete the process you will have done strategic business decision due diligence. Keep in mind that as a leader you always will be held accountable for your final decision, so it's worth discovering a model to assist you in making sound decisions. The more you practice a model like this, the more you will stay strategic and make decisions based on facts, not emotion.

Fear – Human beings got to the top of the food chain because they understood the power of fear. In the business world, fear can influence emotions, so to be an effective leader you need to be able to manage emotion and not allow it to manage you.

Questions: Why does this decision have to be made? If you make a mistake, what are the risks, and how do you know? What support systems can you use to ensure you are separating facts from emotion?

Facts – Thinking and knowing are two different things. Making the right decisions requires having correct information. Remove assumptions and be willing to take the time to get your facts right.

Questions: What process are you going to use to get the facts? What are the facts? How can you be sure you have them right?

Future – A leader's business judgment impacts their future and that of others. Be mindful of the consequences of a decision to all people directly and indirectly impacted by it.

Questions: Knowing the facts, what is the best decision? Why is this the best decision? Test the decision: Would you want to see it on the front page of this newspaper? If not, why?

Fulcrum – The time constraints and urgency of a decision influence when it has to be made. Know what levers are moving the decision along so you are aware of the best time to take action. Timing a decision correctly can be the difference between its being accepted or rejected.



Questions: What's the right time for the decision (immediate, wait for an event to happen, etc.)? Not taking action is a decision: What time and date are you committed to take action? What's the cost of doing nothing?

