DECISION-MAKING:
The Organizational Speedometer

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Speed of action in organizations is often limited by speed of decision making. In many organizations, the slowest cycle time is management's ability to size things up and finally make decisions. A 2009 study by The Economist Intelligence Unit identified ***slow decision-making*** **and** ***existence of silo's*** as two of the key constraints that keep organizations from being able to stay competitive in today's fast paced race for success. This is in part due to the rapidly increasing level of complexity which burdens and slows the decision-making process but also because of the more limited time available to make these decisions. We are operating in a world with only one time zone … **NOW!** There is a growing intolerance for waiting for anything … especially decisions. Yet, there are **RISKS** in most decisions with sometimes unclear consequences … personally and corporately.

Imagine YOU are a NASCAR driver zooming around the daily business track at nearly 200 mph – weaving in and out of cross-functional collisions and customer-driven near misses. Suddenly you realize that it is the track that is moving at high speed and even when you take your foot off the accelerator … things don't really slow down that much … you just have less control over the steering. Our decision-making pace and effectiveness is one of the key factors to determine the speed at which we can move our organizations forward or if we will be left behind!

Anyone who has played fluid, free flowing sports like basketball, soccer, lacrosse or ice hockey at more competitive levels can attest that one of the most profound differences versus more recreational amateur competition level … is the speed of play. The game just gets faster and faster and the skill level of players must increase at the same rate or they become ineffective or obsolete. Anticipation, decision-making, creativity all must flow naturally at this stepped up pace in order to compete effectively in the "major leagues". The same scenarios apply in the corporate context depending at which tier of the competitive world you are trying to operate … amateur, minor leagues … or the major leagues of business?

From our work and research, three of the keys for enhancing decision-making speed and effectiveness relate to improving clarity on decision-rights, reducing fear and consequences of decision-making failure and most importantly adopting and effectively using more disciplined tools to enhance decision-making quality which also enables decision-making at lower levels in the organization. Decision rights are something that is often a causality of organizational turbulence. There may have been a point in time when business processes where first established and the first team was trained within an organization that it was clear to everyone who had the "right" to make which decisions. Then along came re-organization to matrixed structure followed by three more rounds of downsizing or right sizing over a three to five year period. That is actually a pretty mild description compared to some organizations … is it any wonder that ambiguity and confusion over decision rights handicaps most organizations? Ensuring role clarity and rebooting the decision matrix each time major change happens is an absolute for agile leaders today.

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