Executive Decision Making

“Inspiring Executive Excellence Beyond the Pace of Change”

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Specialized Management Consulting firm

Global expertise working with top Fortune 50/100/500 organizations within the public and private sectors

World-Class Executive Coaching, Leadership Development, M/A Integration, Performance Management, Career Transition, Personal Branding


Seasoned consultants with international expertise

Hundreds of participants served annually
Executive decision making components
- The decision making process
- Data versus analysis
- Fundamentals of decision making styles
- Effective decision making
“Sir, What is the secret of your success?” a reporter asked a bank president.
“Two words.”
“And, sir, what are they?”
“Good decisions.”
“And how do you make good decisions?”
“One word.”
“And sir, what is that?”
“Experience.”
“And how do you get Experience?”
“Two words.”
“And, sir, what are they?”
“Bad decisions.”

- Anonymous
Perception

Do you consider all dimensions and angles when making decisions?
“Think Around the Corner”

Don’t MSU!
The Impact of Change

Quarterly reporting

Financial Controls

Technology & Science Automation

Pace of Change

Threat of terrorism

Globalization Obamacare

Credit Tolerance

Pressure on short term performance

Union Negotiations

Gov’t Intervention & Controls

R&D Trad Agreements

Taxation Corporate Governance

Stockholder Equity

Middle East Growth

National Security DEBT

Debt

Politics

Compliance Bail-Outs

Leadership

Innovation

Labor

Quality China

Credit Controls

Funding DEBT

Debt

Corporate Scandals

Recession

R&D Risk Profitability Cost of Money

Leadership

Compliance Bail-Outs

Innovation

Quality China

Credit Controls

Funding DEBT

Debt

Corporate Scandals

Recession

http://www.youtube.com/watch?v=0eUeL3n7fDs&feature=related
The New Normal

- The Paradigm of Global Business has Changed
- Clear Leadership Communication is Vital to Success
- Pressure of Short-Term Performance
- Risk & Uncertainty (Bad Debt/Charge-Offs)
- Global Credit / Foreign Currency (Devaluations)
- Cash Optimization
- Global Logistics & Supply/Chain (Off-Shoring)
- Power of Strategic Vision is Key (Alliances)
- Social Media: Differentiation is an imperative
- Quantum Technological Advances
- Unleashing the Power of People
- Change Agents will Thrive
It is important to differentiate between problem analysis and decision making. The concepts are completely separate from one another. Problem analysis must be done first, then the information gathered in that process may be used towards decision making.
Definition

decision

noun  \di-ˈsi-zhen\\

An authentic decision entails a tangible commitment of resources and effort.

An authentic decision is based on 1) awareness of a full range of responses, and 2) selection of the best option.

An authentic decision arises from the perception of an imbalance among the needs, goals and resources available to an organization.

Authentic decisions are made under conditions of uncertainty or risk.

The enactment of a choice among alternative courses of action, made in response to a perceived change in circumstances and conducted in a context of ambiguity.
Components to Effective Decision Making

Experience (art)  Equilibrium  Analytics (science)
D.M. Qualities & Characteristics

- Metrics
- Risk Tolerance
- Values
- Culture
- Leadership

Accountability

Confidence

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Authenticity
Values Foundation

**Trust**
- Positive Intent
- Confidentiality
- Win-Win (Empowerment)
- Direct to Source
- Truth & Information
- Innovation & Creativity

**Respect**
- Listening
  - Inquiry vs. Advocacy
  - No Blame/No Fault
  - Collaboration (Diversity)
- Mentoring
- Empathetic
- Understanding

**Integrity**
- Authenticity
- Commitment
- Roles & Responsibilities
- Consistency
- Accountability
- Dependability
- Credibility

**Communication**
- Clarity
  - Solutions-Focused
  - "No Surprises Rule"
  - "Buy-In"
  - Relationships (Inclusivity)
  - Follow-Through & Closure
- Social Media

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Decision Making Model

1. Identify the problem
2. Establish decision criteria
3. Weigh decision criteria
4. Generate alternatives
5. Evaluate the alternatives
6. Choose the best alternative
7. Implement the decision
8. Evaluate the decision
Decision Making Roadmap

PROBLEM ANALYSIS
- Describe Problem: State the problem, specify the problem
- Identify Possible Causes: Use knowledge and experience
- Evaluate Possible Causes: Test possible causes, determine most probable cause
- Confirm True Cause: Verify assumptions, observe, experiment, or try a fix and monitor

DECISION ANALYSIS
- Clarify Purpose: State the decision, develop objectives
- Evaluate Alternatives: Develop objectives into MUSTs and WANTs, weigh the WANTs
- Assess Risks: Identify adverse consequences, assess the threat
- Make Decision: Make the choice

SITUATION APPRAISAL
- Identity Concerns: List concerns, separate and clarify concerns, create action statements
- Set Priority: Consider current impact, future impact and time frame
- Plan Next Steps: Determine resolution approach
- Plan Involvement: Determine help needed

POTENTIAL PROBLEM ANALYSIS
- Identify Potential Problems: State the action, list potential problems, identify key causes, identify key effects
- Set Priority: Assess the threat
- Prepare Preventive Action: Identify preventive actions, install and test preventive actions
- Prepare Contingent Action: Identify contingent actions, set triggers, prepare and test contingent actions and triggers

POTENTIAL OPPORTUNITY ANALYSIS
- Identify Potential Opportunities: State the action, list potential opportunities, identify key impacts
- Set Priority: Assess the benefit
- Prepare Promoting Action: Identify promoting actions, install and test promoting actions
- Prepare Capitalizing Action: Identify capitalizing actions, set triggers, prepare and test capitalizing actions and triggers

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Fundamentals of Differentiation
## Choosing Your D.M. Model

<table>
<thead>
<tr>
<th>Decision Making Model</th>
<th>Use This Model When:</th>
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| Rational              | - Information on alternatives can be gathered and quantified.  
                        | - The decision is important.  
                        | - You are trying to maximize your outcome. |
| Bounded Rationality   | - The minimum criteria are clear.  
                        | - You do not have or you are not willing to invest much time to making the decision.  
                        | - You are not trying to maximize your outcome. |
| Intuitive             | - Goals are unclear.  
                        | - There is time pressure and analysis paralysis would be costly.  
                        | - You have experience with the problem. |
| Creative              | - Solutions to the problem are not clear.  
                        | - New solutions need to be generated.  
                        | - You have time to immerse yourself in the issues. |
Obstacles to Executive Decision Making

10 Behaviors that interfere with effective decision making:

1. Lack of confidence, vision & strategic thinking
2. Inability to understand business goals/others’ needs
3. Communication: Closing the “Misunderstandings Gap”
4. Inability to find common ground (Ego vs. Trust)
5. Withhold (Exposure/Vulnerability)
6. Timing: No sense of urgency
7. Appreciation of diversity in thinking
8. Failing to create “Buy-In”
9. Inability to manage data & information
10. Indecision
Executive Decision Making
Decision Making Styles

Decision-making Approaches

**Directive**
- **RISKS**: Requires absolute authority, Fosters dependence
- **RECOMMENDED USES**: Emergency situations, Need for speed, Need for secrecy

**Consultative**
- **RISKS**: Only decision-maker accountable, Fosters “Yes-man” mentality
- **RECOMMENDED USES**: Deadline driven, Potential for stalemate

**Democratic**
- **RISKS**: Win-lose, Minority disenfranchised, Active resistance
- **RECOMMENDED USES**: Large groups, Individual commitment irrelevant

**Consensus**
- **RISKS**: Time required, Facilitation skills
- **RECOMMENDED USES**: Individual commitment required, Buy-in essential
- **RECOMMENDED USES**: Highly interdependent group

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# Decision Making Efficiency

## Individual Decision Making

**Pros**
- Typically faster than group decision making
- Best individual in a group usually outperforms the group
- Accountability is easier to determine

**Cons**
- Fewer ideas
- Identifying the best individual can be challenging
- Possible to put off making decisions if left alone to do it

## Group Decision Making

**Pros**
- Diversity of ideas and can piggyback on others’ ideas
- Greater commitment to ideas
- Interaction can be fun and serves as a team building task

**Cons**
- Takes longer
- Group dynamics such as groupthink can occur
- Social loafing—harder to identify responsibility for decisions

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Decision Making Follow-Up

- Share your results and opinions
- Provide feedback to others
- Give instructions or direction
- Announce the change
- Get information from others
- Build credibility
- Nurture relationships
- Measure success
Leaders have to make countless decisions each day.

For decisions that greatly impact the organization’s overall strategies and goals, leaders must know themselves – their strengths and weaknesses, as well as be able to build trust with team members through open dialogue and debate.

At the same time, leaders must know how and when to take the reigns, turn ideas into actions, and be accountable for the resulting consequences.

Because decision making skills are such an invaluable asset for leaders and managers to possess, it is essential that they continue to develop and sharpen these skills throughout their careers in order to ensure their organizations success.
Conclusion

- Know your audience
- Don’t MSU
- Build credibility & trust
- Remember:
  - Assume Positive Intent
  - Validate data
  - Be Grounded in Clarity
  - Serves VMVG
Upcoming Events:

- April 20th - Adapting to New & Demanding Roles
- May 25th – Thinking Strategically
- July 27th – Building Relationships with Key Stakeholders
- August 31st – Executive Decision Making
- September 28th – Driving Accountability
- October 26th – Driving Change and Executing Plan
- November 30th – Conflict Resolution
The Core Competencies Required to Lead a Team in International Credit Management

“Creating Greater Significance in a New Era”
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Leadership Competencies

**Precision. Agility. Resilience ®**

**Precision**

- Thought Leadership
  - Plan: Self-Assessment
  - Change Optimization
  - Vision, Mission Values, Goals
  - Cultural EQ (Diversity)
  - Int’l Growth Objectives
  - Emotional Intelligence
    - "Personal Brand" (Authenticity / Integrity)
  - Your Business Story

**Agility**

- People Leadership
  - Build & Sustain Teams
    - Problem Solving
      - Credibility (Audience Buy-In)
  - Interpersonal Relationships
  - Internal Partnerships
  - Technology/Innovation
  - Adaptability
  - Networking

**Resilience**

- Results Leadership
  - Customer Service
  - Solid Business Acumen
  - Solution Results
  - Closing Knowledge Gaps (Continuous Improvement)
  - Drive Performance
  - Minimize Exposure
  - Mentoring
  - Leadership Influence

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Thank You!

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It’s not about doing different things, but about doing things differently
– Syntesis Global