

# 7 Investment

- ▶ decision-making tools
- ▶ grid analysis
- ▶ roleplay: a decision-making meeting



## 7.4 Management skills Decision-making

### Discussion

**1** In small groups, discuss the questions.

1 Which of the methods in the box do you use to make decisions? For what kind of decisions?

tossing a coin gut feeling sticking a pin in a list seat of the pants  
paired comparisons drawing straws reading cards or tea leaves grid analysis  
talking to a friend/family member/colleague

2 How did you choose your phone, computer or mp3 player? Try to define the steps in the decision-making process.  
3 Compare your findings. What features do they have in common?

### Grid analysis

**2** Grid analysis is a useful decision-making tool, especially in meetings when there are several good alternatives available and multiple criteria to consider.

Match the descriptions a)–h) with steps 1–8 in the decision-making process.

- |                        |                        |                        |
|------------------------|------------------------|------------------------|
| 1 define the objective | 4 quantify the options | 7 monitor performance  |
| 2 identify the options | 5 weight the criteria  | 8 take remedial action |
| 3 define criteria      | 6 make the decision    |                        |

- a) Evaluating performance of the option you have chosen will be easier if you have well-defined criteria. Plot quantifiable measures on a graph over the evaluation period.
- b) Prepare a grid with the options as rows and the criteria as columns. Grade each option from 1 (poor) to 5 (excellent) for each of your criteria.
- c) List the conditions that the ideal solution would fulfil, and all the selection criteria that they imply. Making criteria as quantifiable as possible will facilitate the decision-making process.
- d) Grid analysis does not guarantee good decisions, but is less subjective than a seat of the pants judgement. Make a decision without unnecessary debate. It is easier for a group to accept a controversial decision when all the factors have been visibly quantified and taken into account.
- e) Check that your goal is SMART (Specific, Measurable, Achievable, Realistic, Time-bound).
- f) This step may not be necessary if the optimal choice was made. If adjustment is needed, once again, quantifiable measures will help to see exactly where action is required.
- g) Unsatisfactory decisions are often the result of not considering enough options. Discussing possible options with other people and keeping an open mind at this stage will help to avoid this risk.
- h) Work out the relative importance of the criteria in your decision, and give each a weighting: the higher the weighting, the more important the criterion. On your grid, multiply the score for each option by the weighting, and add up the totals.

**3** Match the sample grids for a new factory site with the appropriate steps in Exercise 2.

A	Cost	Communications	Climate	Workforce	Total
Lille	4	2	1	5	12
Nice	1	2	2	4	9
Lyon	3	4	4	2	13
Nantes	2	3	4	3	12

B	Cost	Communications	Climate	Workforce	Total
<i>Weighting</i>	x3	x4	x2	x5	
Lille	12	8	2	25	47
Nice	3	8	4	20	35
Lyon	9	16	8	10	43
Nantes	6	12	8	15	41