

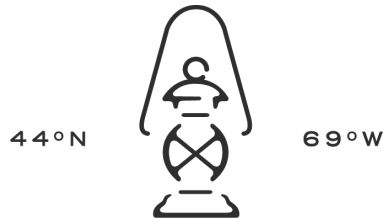
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# 5 Ways to Stack the Odds in Complex Decisions

HERE ARE 5 SIMPLE STRATEGIES TO MAKE CLEARER DECISIONS WITH LESS RISK

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## Welcome!

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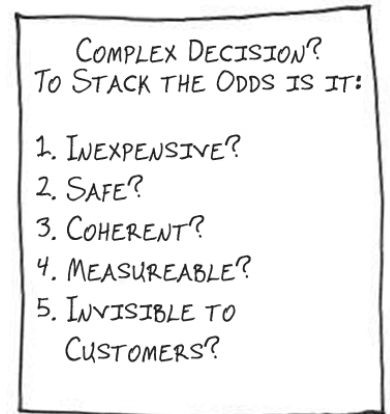
It can be paralyzing just trying to understand what you're deciding on, let alone making the decision!

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Business decisions are a gamble of sorts. Let's learn how you might stack the odds in your favor! When we can make better business decisions, we reduce anxiety and stay relevant in a rapidly shifting environment.

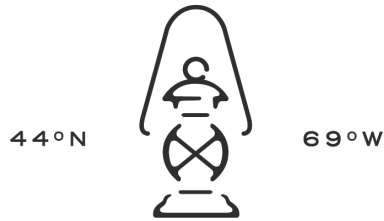
Today the speed of business is fast and getting faster. There's so much information and SO many options that it's often hard to see a path forward to make changes to grow your business. Do I pivot? Do I persist? Do I A/B test? Do I open a pop-up shop, re-org, rebrand, or hire consultants? How do I decide? And how do I know my choice will be relevant in a week? A month? A year?

It can be paralyzing just trying to understand what you're deciding on, let alone making the decision!



Here are 5 simple strategies to make these decisions clearer with less risk:

- 1. Inexpensive.**  
Small bets buy valuable information.
- 2. Safe.**  
Have high confidence that bad things won't happen.
- 3. Coherent.**  
Ask tough questions that probe to the heart of the matter.
- 4. Measurable.**  
Start paying attention to real dynamics.
- 5. Invisible to Those Affected.**  
Don't make your learning harder for your customers to get what they want.



## Inexpensive

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**Easy on the wallet. When uncertainty is high, small bets buy information that is valuable.**

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The less we know in a situation, the less we should commit. Our choices must be affordable in terms of money, time and effort. When change efforts are inexpensive, we can afford many of them. Inexpensive things tend to be smaller and easier to implement so that we can learn faster. Even when we get unexpected results, that information can be immensely beneficial if we're not spending a ton of resources and time.



When uncertainty is high, small bets buy information that is valuable.

## Safe

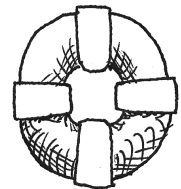
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**You can afford to play and lose. Have high confidence that bad things won't happen as a result.**

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Learning is fun; failing is scary. When faced with a challenge, do your best to find smaller solutions you can learn from regardless of the outcome rather than big solutions that might have considerable benefits, though they are also dangerous to fail.

The results from our decisions should be safe to acquire. Safety applies to financial, physical, and psychological safety, protecting customers, and more. Among other things, this means we have high confidence that bad things won't happen as a result.



It also means that we can easily undo or recover from whatever we did in the first place.

## Coherent; Withstands Inquiry

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**Bet on a Good Horse. Ask tough questions that probe to the heart of the matter.**

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Talk and empty promises are cheap and dangerous. When someone lays out a potential way forward, be wary of future tense and qualifiers. Don't just listen to the sales pitch; go out and kick the tires yourself to make sure what's being said is accurate and makes sense.

Ask tough questions that probe to the heart of the matter. Questions that seek information that is not obvious. Questions that challenge your assumptions and help to highlight them. Look for the sweet spot between flying blind and addressing every contingency. In complexity, all the important details are not knowable. However, we can hopefully identify enough of them to increase our confidence.





If the decision is already both *inexpensive* and *safe*, we can have confidence that even if we don't have as much information as we might like, we can still proceed within acceptable levels of risk.

## Measurable

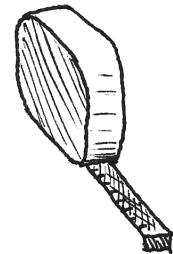
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**Know what to track and why. Lose the lucky rabbit foot and start paying attention to real dynamics.**

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Gambling is full of superstition, and so is business. Professionals learn to lose the lucky rabbit foot and start paying attention to real dynamics.

Figuring out what to measure is tough because not everything important is measurable. Choose metrics that are *coherent* that make sense to track. Understand that what *has* happened may not have any influence on what *will* happen. Sometimes you can get visibility into unmeasurable things through proxy metrics.



Finally, metrics effective in one area may not work in another. Generally, the people being measured or having their work measured need to have a voice in creating and using the metrics.

## Invisible to Those Affected

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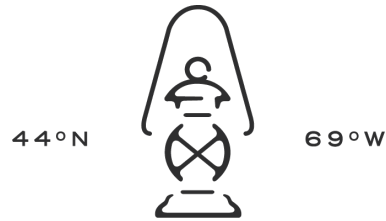
**Don't make your learning harder for your customers to get what they want and need from you.**

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Keep the burden of improvement inside of your business, not on your customers. As you make these small, inexpensive, safe, coherent, measurable moves, don't make it harder for your customers to get what they want and need from you.



Business exists to create value for customers, so much value that they'll exchange their hard-won money in return.



## All of These Can Be Disregarded!

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### Suggestions are not ironclad.

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While these strategies can be helpful, they might not always be possible to follow. Or a specific situation may be worth actively disregarding one.

What matters when not following one of these strategies is *WHY* it is not being followed. Perhaps there is truly a crisis, and action is the most important. Perhaps the most important direction is worth the risk it carries.

In complex situations, we constantly learn. It may be the best decision if we have valid information that points us beyond one of these principles.

## Conclusion

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### Keep the risks you do control within acceptable levels.

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Business is a risky venture full of dangers outside of our control. The five simple ideas outlined here can help keep the risks you control within acceptable levels. For more information, visit [www.kevin-callahan.com](http://www.kevin-callahan.com).