

*The CEO's Guide: How To
Increase Profitability Through
Critical Decision Making*

*A checklist for leaders to better
improve both their strategic
decisions and their strategic
decision making process.*



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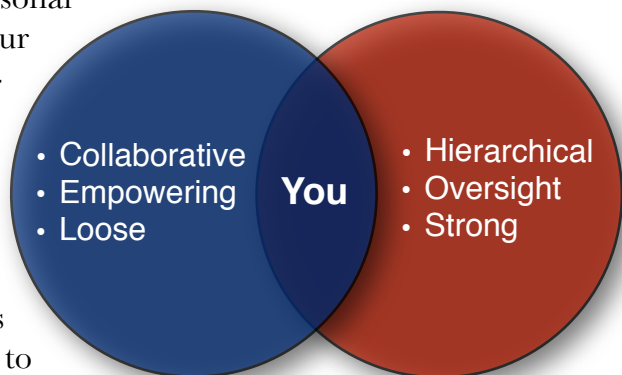


The CEO's Guide: How To Increase Profitability Through Critical Decision Making

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The challenge of the modern executive is not only how to make the best business decision possible, but also how to communicate that message in the most expedient and effective way possible. Unlike the days of old, when executives could ponder the problem for a while before making an official announcement of their decision, today's leaders must execute critical decisions in real time. So how do you, as a leader, go about this decision making process? How can you execute a decision while also leading people at the same time?

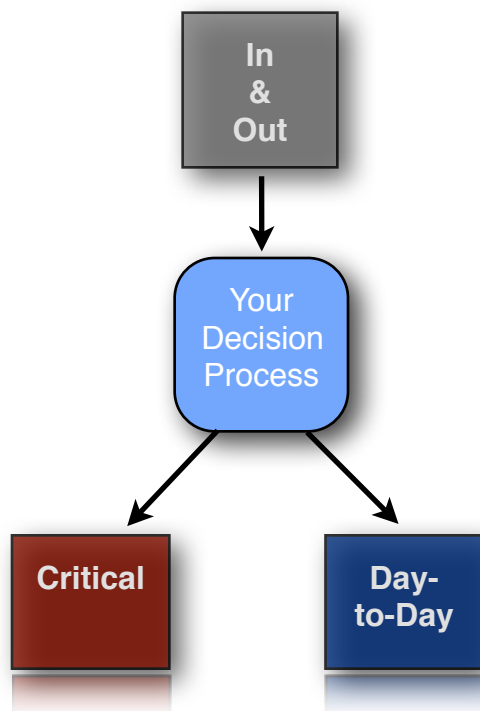
The first step is understanding your personal decision-making comfort level. What is your leadership style? Do you believe in a top-down, hierarchical system, or one of collaboration, regardless of position? Do you prefer to empower others to make sound decisions, or do you believe in a stronger sense of oversight? No one strategy is better or worse than another, but the key is to acknowledge your own style and play to your strengths. If you attempt to apply a strategy that is not consistent with your personal comfort level, then your employees will inevitably question you and your leadership decisions.



Second, you need to assess the internal process for how your organization will make decisions. Long gone are the *Looney Tunes* days when you shift your papers from the in- to



the out-pile. Now you must separate and define your processes for non-critical and highly-critical decisions. For example, you must create a “sandbox” for how you make the day-to-day tactical choices. If your daily sales meeting requires you to decide which leads to pursue first, you could ask your salespeople to assemble reports on which potential clients called, accessed the website, downloaded a whitepaper, etc.



For a very strategic decision that could have a major impact on the organization, however, you should build a Business Case outline template in an executive summary format. In this report, you’ll collect all necessary data on how the decision aligns with your company’s priorities, both short- and long-term. You’ll analyze the direct and indirect costs of the decision; the benefits and risks; the success measures and opportunity losses; and the best timing to execute the decision. By researching and uncovering all the data available, you will find yourself able to make a more informed — and likely more successful — decision.

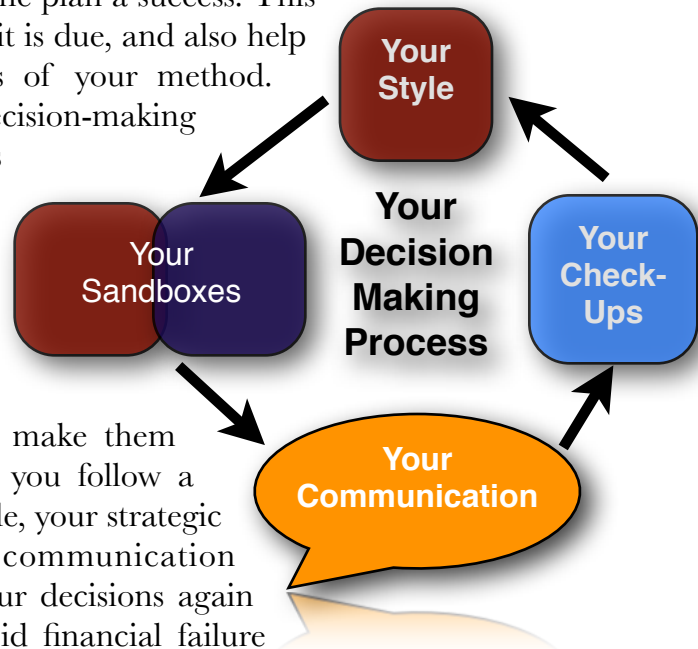
The most difficult part of the process, in turn, is crafting and defining your decision to your organization. It’s no longer possible to make a decision without transparency and support within your organization. Try using a “town-hall forum” to share your decision with your employees. Not only does this provide them an opportunity to ask questions and better understand your thought processes, but it also guarantees that all of your employees hear the same information at the same time. You might also establish “lunch-and-learn” sessions with your departmental managers so you can discuss the decision-making process for your organization. Listen to their feedback and allow them to invest themselves further in both the decision and the decision process.

Lastly, you must, must, must plan “decision check-ups” during your monthly or quarterly review meetings. This piece of the puzzle is all too often forgotten or ignored. You should evaluate your decisions on a report card, grading yourself on how the company is doing,



what is/isn't working, what returns the organization is receiving, and how responsible were other team members for making the plan a success. This will allow you to give credit where credit is due, and also help you uncover the success and failures of your method. You'll be able to reinvent your decision-making process, discovering which employees offer the best insight and execution and which part of the process needs the most refining.

There is no single way to make a good decision, but there is a process that will give you the opportunity to make them more often and more consistently. If you follow a checklist about your own leadership style, your strategic decision process, your executive communication strategy, and your ability to review your decisions again and again, your organization will avoid financial failure and internal strife. Good decisions can be hard to make, but with a good process bad decisions can be easy to avoid.





PBG Decision Making Process

Check List



Define your personal decision-making comfort level.

- Is your leadership style one of empowering others to make sound decisions?
- Or is your style stronger oversight – no budget spend or decisions move forward without your approval?



Define the internal process for how your organization will make decisions?

- Create a sandbox for non-critical decisions/more day to day tactical needs
- Create the sandbox for very strategic decisions that could have major impact on the organization
- Build a Business Case outline template (executive summary format) for decisions to be based on. Example:
 - How does this decision align with our company's day-to-day priorities? Or long term strategic plan
 - Outline the direct and indirect costs associated with this decision
 - How will this decision impact others in the company? What roles will other members play?
 - Define the best timing for executing this decision. Explain why this recommended timing?
 - What are the success measures? Highlight the milestones that show success
 - What returns/benefits will this decision have on the organization
 - What are the risks associated with making this decision?
 - What is the opportunity loss should we not execute on this today?
 - How will you know when to cut and run?



Create, define and communicate your organization's decision-making culture to all members of the organization.

- Using a town hall forum to share this info guarantees all employees here the same information at the same time.
- Create lunch and learn sessions with departmental managers to discuss the decision process for your company.

Note: your decision making culture may shift depending where you are in your growth process.

Plan "Decision Check-Ups" during your monthly or quarterly review meetings!

- This is a decision report card of sorts:
 - How is the company doing?
 - How are the individuals that put forth ideas doing on their plans as they execute?
 - What is working, what is not working?
 - What returns is the company receiving?
 - How well did the business case actually live up to it's promise?
 - How enrolled were other team members responsible for making the plan a success?

Celebrate successes and use failures as lessons for the entire company! Failures are the stepping-stones to great success.