

# 6 Key Decision Making Techniques

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## Preface

This eBook describes six key decision making techniques that bring structure to the decision making process. These techniques can be used in isolation or can be combined in order to make decisions in a rational way that can be justified later if this is necessary.

It describes the following six techniques:

- The Kepner-Tregoe Matrix
- Decision Matrix Analysis
- The Analytic Hierarchy Process
- Pareto Analysis
- The Futures Wheel
- Force Field Analysis

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## Introduction

This eBook describes six key techniques that managers can use to assist them in decision-making. Each one has its strengths and weaknesses and you will need to select the best technique for the circumstances you face.

The following descriptions provide an overview of how you can use a particular technique in your decision-making.

### 1. The Kepner-Tregoe Matrix

The Kepner-Tregoe Matrix helps you sort out all of the important factors before making your final decision. This matrix guides your thoughts when tackling an important decision. It enables you to frame the question at hand in a number of important ways so that you select the 'best possible' choice available. It consists of four steps, which are - Situational Analysis, Problem Analysis, Decision Analysis and Potential Problem Analysis.

### 2. Decision Matrix Analysis

Making a decision based on weighing up the various options you have identified is common amongst management. The model, Decision Matrix Analysis is ideal because it allows you to create your own matrix rather than have to use a pre-designed one. This means it can be customized to the needs of the organization and can be created relatively quickly.

### 3. The Analytic Hierarchy Process

The Analytic Hierarchy Process applies a mathematic approach to decision-making. This model relies on mathematics to help you make an unbiased, logical decision based completely on the factors that have been identified as important in the selection process. There are three crucial levels to the Analytic Hierarchy

Process tool - the goal, the criteria and the alternatives. It may not be as simplistic as other models but it is accurate in showing you the best available option.

#### 4. Pareto Analysis

Pareto Analysis is based on the famous Pareto Principle - 20% of the work you do will generate 80% of the results you are looking for. There is no direct relationship (1:1) between the work you do and your results. The key is to pick out the right work to do, so that you can attain the majority of your desired results without having to do all the work.

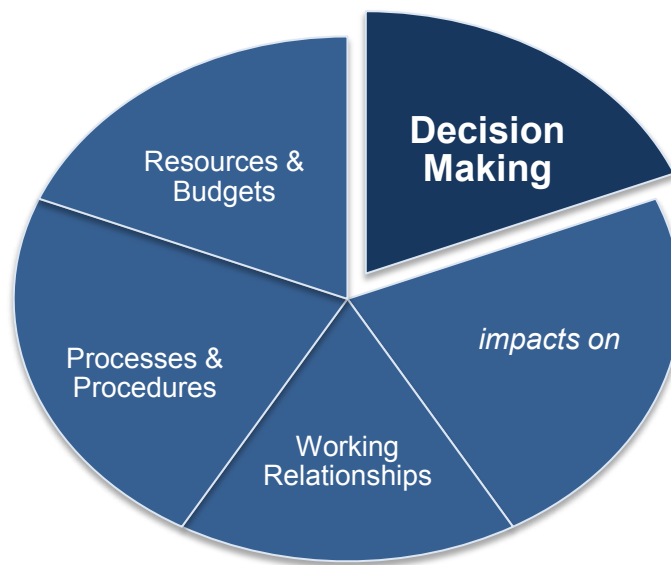
#### 5. The Futures Wheel

Decisions would be easy if we could accurately predict the future. The tool 'the Futures Wheel' was developed to assist management in judging the potential outcomes that are likely to occur as a result of the decisions they have made. It is quite simplistic in its approach and helps to keep your organization on the right track.

#### 6. Force Field Analysis

Force Field Analysis is a popular and powerful decision making tool. It helps management tool to determine whether or not they should continue with their plan or alter its course. This tool is an excellent way to recognize and appreciate both sides of a potential change so that you can see how effective it would be.

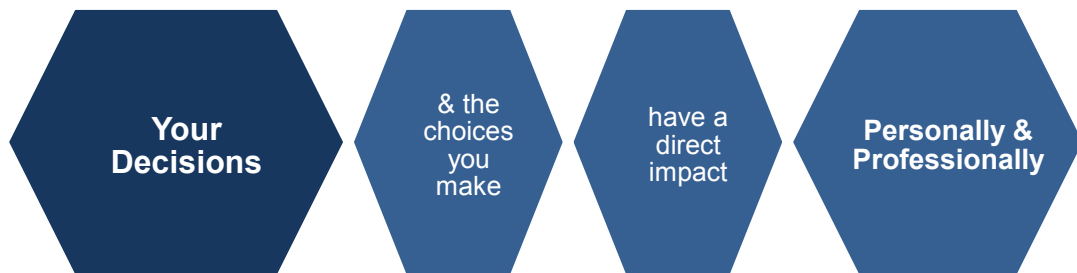
Whether you work in a large multinational corporation or a small organization, understanding how an organization's resources are used across its operations is critical to your decision-making.



It is also important to understand the potential implications of your decisions prior to acting on them to avoid creating more problems down the line. It is essential that management decisions are well thought out and have factored into their implementation the most likely reactions they will have on resources, processes and working relationships internal as well as external.

## The Kepner-Tregoe Matrix

How many decisions do you make in a day? That probably isn't a question that you think about very often, but you might be a little bit shocked when you take a moment to think about how many choices you actually make in a given day.



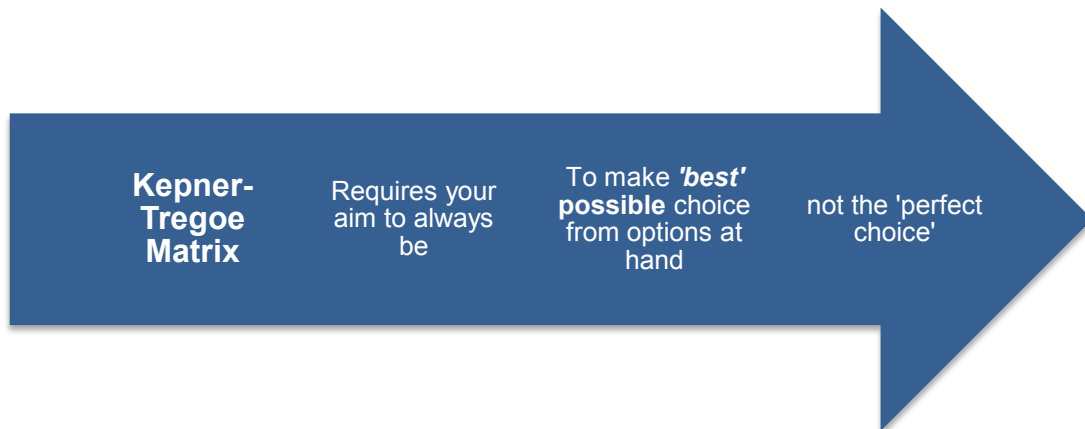
Decisions are a regular part of life, and a regular part of business. The quality of the decisions you make is going to have a profound impact on the success that you are able to achieve on both a personal and professional level.

Given the importance of decisions in business, it only makes sense to use tools like the Kepner-Tregoe Matrix to assist in the process. When you use this matrix to guide your thinking when facing a particularly important decision, you will be able to frame the question at hand in a number of important ways.

Rather than just 'going with your gut', this tool helps you to sort out all of the important factors before making your final choice. No tool can guarantee that you will make the right decision every time – no one makes the right choice every time – but being familiar with tools such as this is a big step in the right direction.

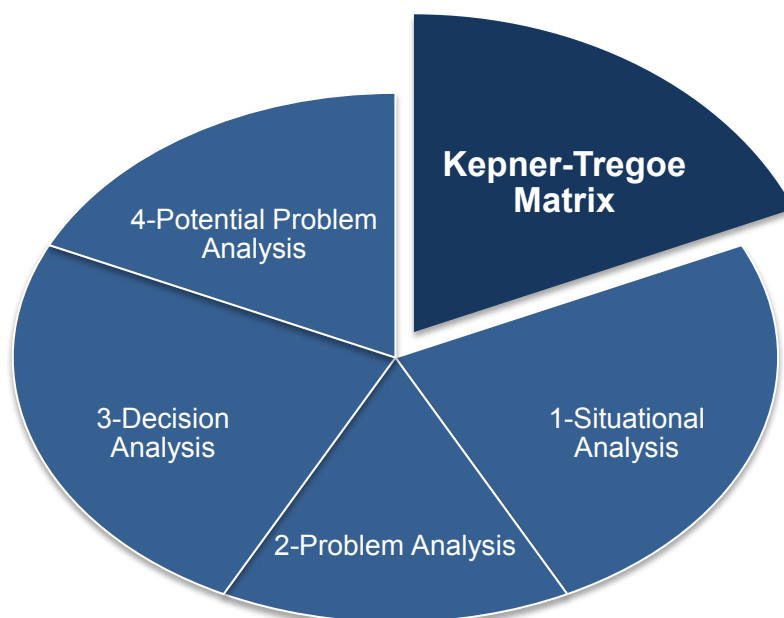
One important point that is made within this decision making model is that your goal should always be to make the 'best possible' choice given the options at hand.





It should be noted that the 'best possible' choice does not necessarily mean the perfect choice. You are always going to be limited in business by a variety of factors, so making the best possible pick given the options at hand should be your goal.

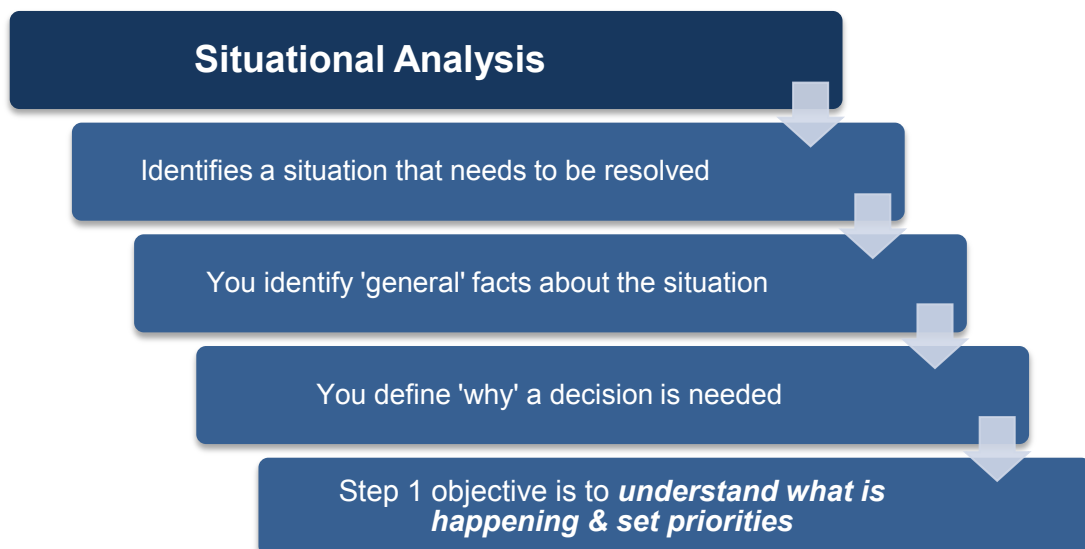
While the Kepner-Tregoe Matrix can become quite complex depending on how many factors are involved in a given decision, the basis of the model comes down to four steps. These four steps, which have been outlined below, can help you to move from start to finish in the decision making process.



## Step One – Situational Analysis

You can think of this as the top-level view of the decision that needs to be made. At this point, you are simply going to identify the concerns that are involved in the decision, and you are going to outline the priorities that you have in this case.

Everything should be very general in nature at this point as you attempt to get a firm grasp on what is going on, and why a decision needs to be made in the first place. There must be some sort of problem or situation existing that requires a decision to be made, so understanding what is happening should always be your first objective.



With a good idea of what exactly is going on, the other matter to deal with here is to sort out your priorities.

*What do you want this decision to accomplish?*

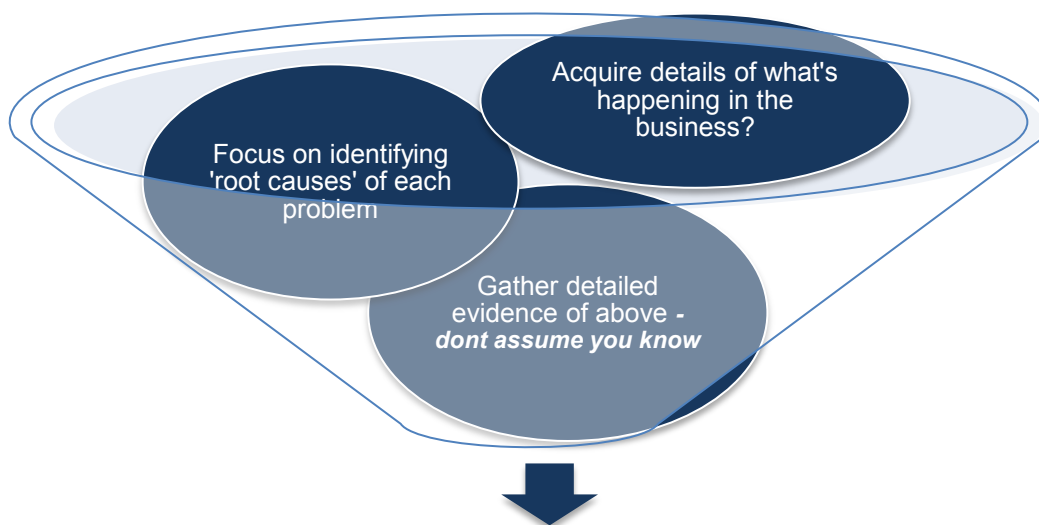
*How will you define success in this case?*

Knowing what you would consider to be a success can help you through the rest of the decision making process. It is important not to rush this first step – taking your time at this stage will likely save you time down the line.

## Step Two – Problem Analysis

This step is where you begin to narrow in on the specifics of what is going on within the business. What problems have come up that require some sort of solution?

Not only should you be concerned with the problems themselves, but more importantly, you should be focused on the root causes of those problems. After all, it is really the causes that need to be solved, not the problems themselves.



## Step 2 - Problem Analysis

Again, this is a point in the process that always contains the risk for taking too little time in thinking through the situation. You might assume that you know exactly what the problem is, so you may just rush through this step in order to start working on solutions.

However, just as was the case with the first step, that would be a mistake. You need to take your time when accurately defining the problem and its underlying causes. Don't presume that you know what the cause of a problem is without digging in to figure out if you are actually correct.

## Step Three – Decision Analysis

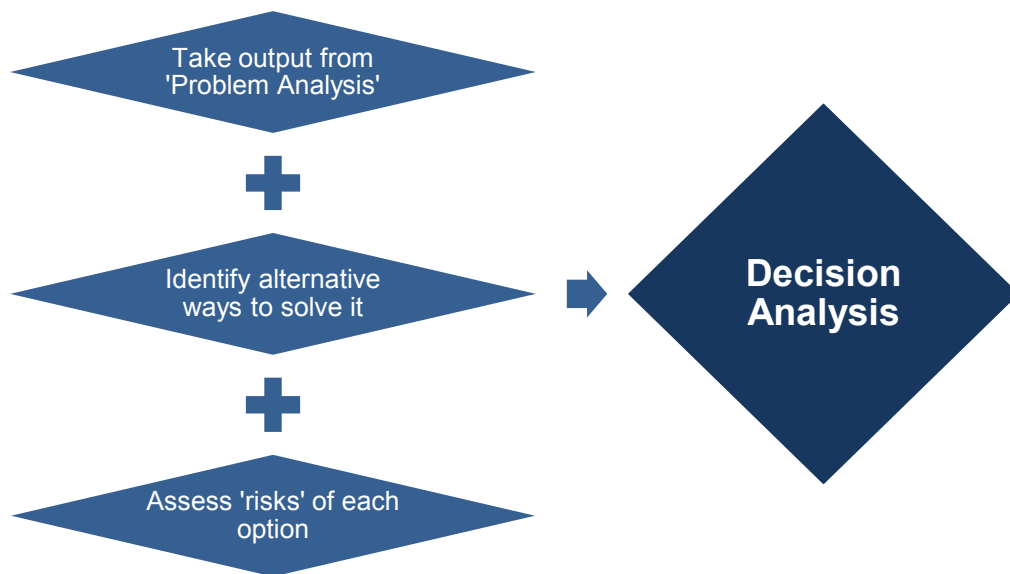
Now it is time to make a decision. First, you will want to collect all of the available alternatives that you could use to solve the problem at hand so

they can each be evaluated equally. This step in the process is all about risk analysis.

Any decision that you make is going to come along with a certain degree of risk –

*What are the risks for each decision?*

*Are they risks that you are willing to take, or not?*



Any decision that you make is going to come along with a certain degree of risk –

*What are the risks for each decision?*

*Are they risks that you are willing to take, or not?*

Once all of the options have been laid out in front of you, the final decision can be made.

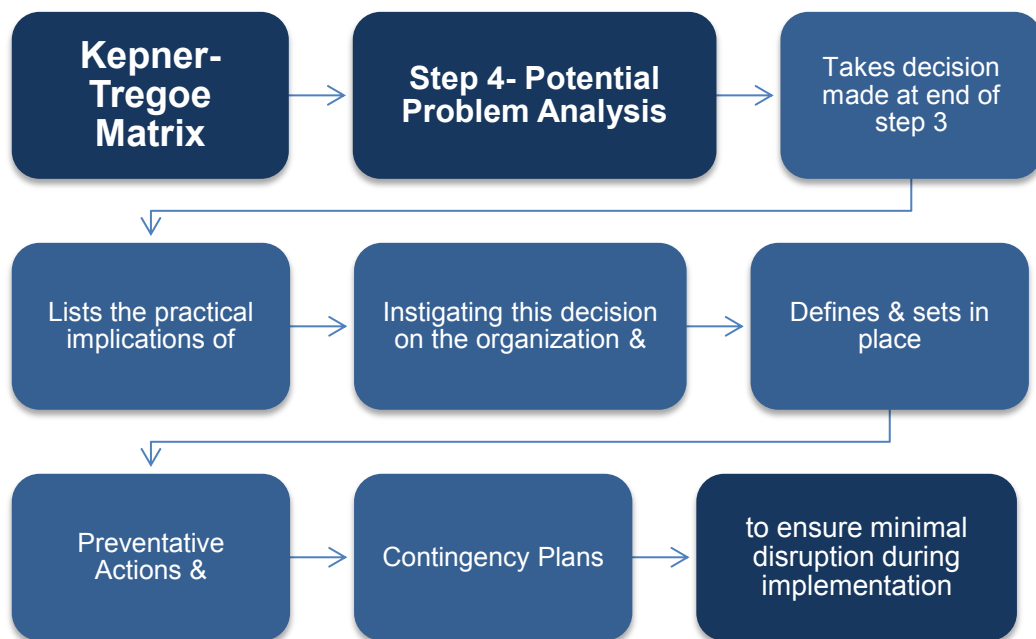
#### **Step Four – Potential Problem Analysis**

With a final decision made, you are going to move into potential problem analysis before you even put the decision into action. Think of this as a preventative step that is going to help keep you out of trouble when actually implementing the decision in the organization.

Before rushing into action making your decision take hold throughout the organization, think about the various issues that may come up and how they will be dealt with.

Every implementation has affects on existing operations and procedures and the impact a new decision will have on them whilst it is being put into action must be identified before proceeding. A list of the practical implications must be complied and for each item, identify the best way to prevent it occurring.

Then an element of contingency must be built into the execution phase to take account of ‘the unexpected’ changes that naturally occur in the real world.



These contingency plans and preventative actions will then be ready to use when the decision is approved for execution and will help to ensure a successful outcome.

You aren't going to need to use this model – or any model – for every single decision that you make. Many of the decisions you face today and every other day are minor in nature, and don't require this level of analysis.

However, for those strategically important choices that you need to be sure to get right, using the Kepner-Tregoe Matrix to aid your decision is a great

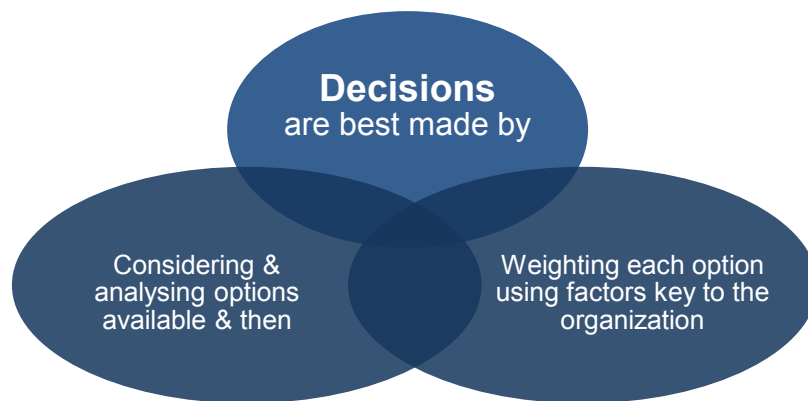
option. Once you have completed the necessary steps in order to think about your choice from a variety of angles, you should have the confidence needed to make the right selection.

### **Key Points**

- The Kepner-Tregoe decision-making model is a four-step process for gathering information and prioritizing and evaluating it.
- Step 1 – Situational Analysis: Clarify the situation, outline concerns and choose a direction.
- Step 2 – Problem Analysis: Define the problem and determine its root cause.
- Step 3 – Decision Analysis: Identify alternatives and perform a risk analysis for each one.
- Step 4 – Potential Problem Analysis: The best of the alternatives is further scrutinized against negative consequences and actions are proposed to minimize the risk.
- Only the most important decisions you face require this level of analysis because of the time required to perform it properly.

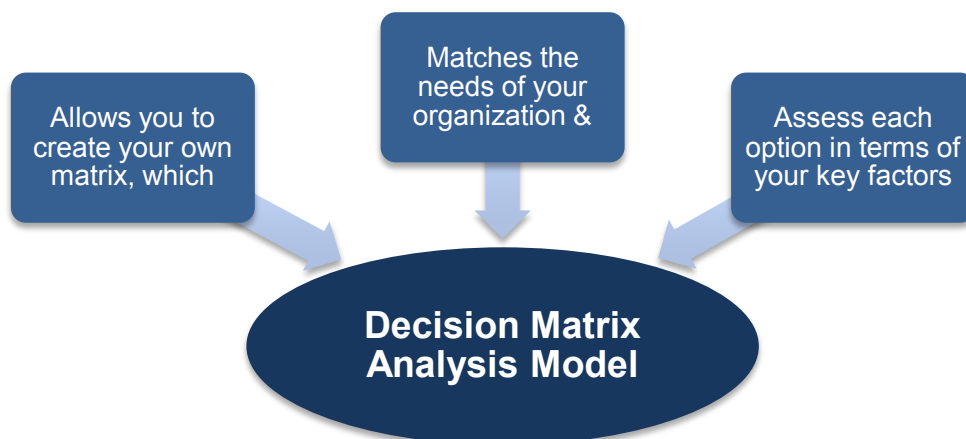
## Decision Matrix Analysis

Do you ever feel a bit overwhelmed when you have to make an important decision? Don't worry – you certainly aren't alone. Making big decisions is the hardest part of being in a management position, and making good choices is usually what separates the successful managers from the rest.

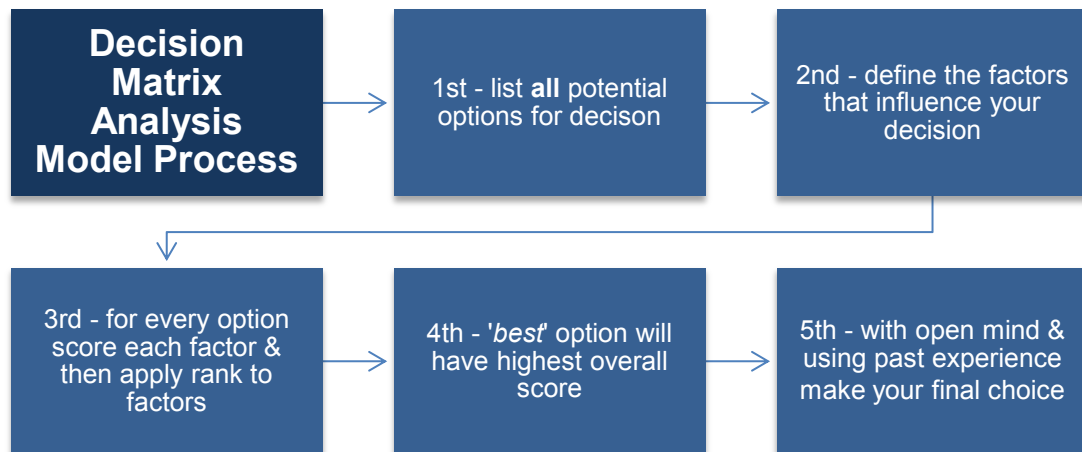


As you are probably aware, the best way to make an important decision is to work through the various options at hand one by one, weighing each based on a number of factors before coming to a conclusion. That style of decision-making is commonly used in business, and it is represented in the Decision Matrix Analysis model.

Rather than using a pre-designed matrix – which may or may not be appropriate for your needs – you are going to create your own matrix when using this model. That way, the matrix will be completely customized to your needs, and it will be certain to help you land on a successful conclusion.



The process might sound like a lot of work upfront, but it is actually relatively quick and easy to perform. Once you have a little bit of practice in building this kind of matrix, you will likely return to it time and time again in order to make your big decisions.



### Getting Started

The first thing you need to do in order to assemble your matrix is to collect a list of the various options that you have for the decision. For instance, if you are trying to:

*Decide on a location for a new office that you are building, you could list all of the potential locations as rows on the left side of your matrix.*

You aren't trying to eliminate anything at this point in the process, so go ahead and list all of the potential options – even the ones that you don't think are going to work out in the end. Keeping an open mind is one of the best things you can do when trying to make decisions.

So, for the purposes of this example, let's imagine that you have five potential locations in mind for your new office. The matrix will then be created with five rows, one for each of the locations that you may pick. Once this initial step is completed, you can move on to finishing off the rest of the matrix.



## Your Factors

Obviously, you are going to need some columns to intersect with your rows if you are going to create a proper matrix. The columns, in this case, are going to be the various factors that you are going to use to influence your decision. You can have as many factors as you would like, but you should try to develop at least three or four if you are going to have a matrix that will tell you something about making the right decision.

Continuing with the example of a location for your new office, there are plenty of potential factors that may influence the decision. For instance, you could rate each location on its distance from the freeway, as proximity to main roads will make the location easier to access for employees, suppliers, etc.



Also, you will want to consider cost, as various locations are likely to come along with different price tags. Other factors, which may play a role in your thinking, are the facilities that are available at each location, the lease terms that would be in place, and more.

Compile a complete list of all of the factors that you want to weigh, and use those as the columns across the top of your matrix to complete the model.

### Putting It to Use

The only reason to make a matrix such as this is to actually put it to use in making your decision. Now that the rows and columns are assembled properly, you are going to place a score in each box as a way of coming up with an overall rating for each location.

You can use a scale that makes sense for your purposes, such as 1-5 or 1-10. While you are free to organize your matrix in any manner that you see fit, most people will use higher numbers to indicate a positive attribute.

*So, for example, a cost score of 5 on the 1-5 scale would mean that the location offers a great value.*

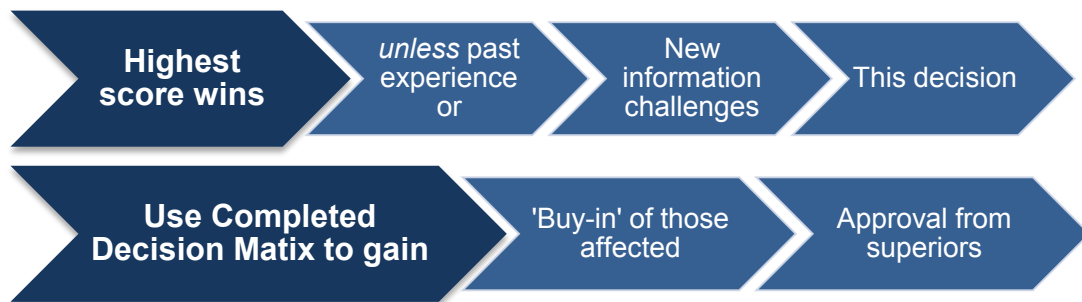
Go through and fill out the entire matrix, carefully giving a score to each location for each of the factors that you have weighed. Once finished, you can then decide how you would like to weight each column based on its importance.

*So, if the cost of the project is the highest priority, you may decide to multiply the cost column by three in order to weight it appropriately.*

On the other hand, if the length of the lease is not something you are particularly concerned with, you may decide to skip using a multiplier in that column.

### Adding It Up

To finish off your use of this model, you are simply going to add up the scores that you are left with when all is said and done. As you would imagine, the highest score is going to win.



Of course, that doesn't mean you absolutely have to pick the location that scores the highest in your matrix, but you will want to have a good reason if you are going to skip over the highest-scoring option for another pick.

At the very least, having a completed matrix to present to your superiors or even other team members is a great way to get the discussion started on which option may be best for your needs.

The Decision Matrix Analysis method is one of the best tools available to help you make good choices – and it couldn't be easier to use. Once you have sketched out one or two of these models in preparation for a big decision, you are likely to make more and more of them going forward.

**Key Points**

- A decision matrix is a list of values in rows and columns that allow an analyst to systematically identify, analyze, and rate the performance of relationships between sets of values and information.
- It can be used when the decision must be made on the basis of several criteria and a list of options must be narrowed to one choice.
- It is useful for looking at a large number of decision factors and assessing each factor's relative significance.
- For example, where there are X alternative options that each need to be assessed on Y criteria, the resulting matrix will have X rows and Y columns.
- Each of the criteria will be assigned a score, which can then be summed in order to produce an overall numerical score for each option.
- A further refinement is to weight each of the criteria depending on its relative importance.

## The Analytic Hierarchy Process

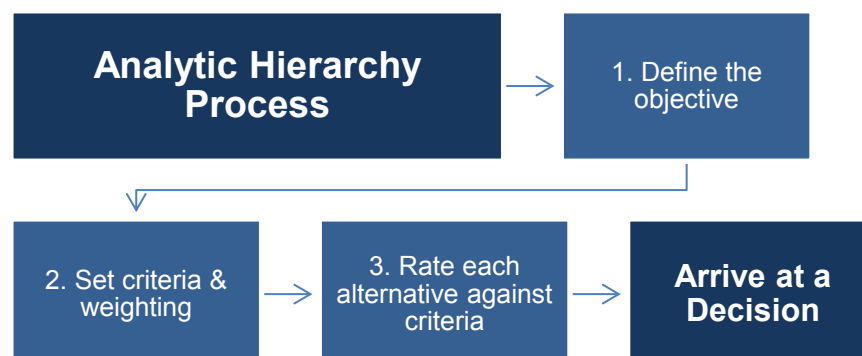
It would be nice if all decisions were simple in nature – you get to pick between a couple of options based on just one or two criteria, and you move on. Life as a business owner or manager would certainly be simpler if that were the case, but of course, that isn't how it works in the real world.

Some of the decisions you have to make are incredibly complex, and they require a complex approach in order to settle on the right solution. If you are faced with a difficult choice with an upcoming decision that must be made, turning to the Analytic Hierarchy Process is a very viable option.



Basically, the Analytic Hierarchy Process applies a mathematic approach to any decision that needs to be made. By using math at its core, this model is able to help you make an unbiased, logical decision based completely on the factors that have been determined to be important in the selection process.

What this system lacks in simplicity it does make up in accuracy and conviction – the numbers don't lie, and the best available option will be identified when AHP is used properly.



There are three levels within the Analytic Hierarchy Process, and each is essential to the overall success of the mission at hand. If any of the three levels are overlooked while planning out your strategy, the whole process is

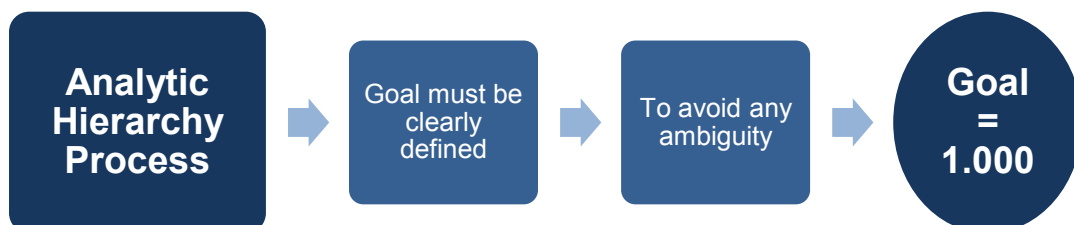
going to fail to yield positive results. Below, we will take a closer look at each of these three crucial levels.

### The Goal

The first level of this process is the goal, or objective, that is at hand in the decision making process. At first, you probably will think that this is an easy level to complete – and in many cases, it is. However, you do have to be careful to ensure that your goal is properly defined before you move on to the next stages.

If you are unable to clearly define exactly what it is that is the goal of the decision, everything else you do will have a degree of ambiguity that undermines the entire process.

In many cases, picking out your goal is going to be easy. For example, if you are using the Analytic Hierarchy Process to hire a new manager or department head, you know right off hand what your goal is going to be – to hire the best person for the job.



You will work through all of the remaining steps in the process with that single objective in mind. As long as you get the best person, you will be successful. In situations that are not so clear-cut, but sure to spend at much time as necessary to arrive at a well-defined, specific goal.

As far as the math is concerned, your goal is always going to be assigned a value of 1.000. Everything that takes place below your goal – which will be outlined in the next section – is going to have to add up to a total value of 1.000.

### The Criteria

This is where the math side of things really starts to kick into effect. With your overall goal being given a value of 1.000, it is time to create some

criteria and assign them weights in order to arrive at the total of 1.000 for the final decision.

The following example will help you better understand the idea behind this process.

You are going to be hiring a new department manager; you will have a number of attributes that you will want to look for in that person. You will want to know how much:

*Experience they have in the work at hand*  
*Level of education they have that will help toward their duties*  
*Number of years they are likely to stay in this position,*  
*and more.*

As you are getting ready to use the Analytic Hierarchy Process, you will need to list out all of the important criteria that you are going to use for your decision.

Objective	AHP Value
<b>Hire new department manager</b>	<b>1.000</b>
<b>CRITERIA</b>	
Salary & benefits expectations (SAL)	0.22
Management experience (EXP)	0.25
Experience directly related to our market (MEX)	0.15
Indirect, but transferable experience (IEX)	0.13
Level of education (EDU)	0.18
Length of service track record (STR)	0.07

Once all of the criteria are collected, each will be given a weight such that the total of all criteria used adds up to a total of 1.000.

For instance, in the previous example, you could weight the six criteria as shown in the table above.

Of course, in the real world, your model will likely be much more complicated and involved.

However, the basic idea is the same – the criteria are weighted, the total adds up to 1.000, and the alternatives for your decision are compared based on the framework you have created.

### The Alternatives

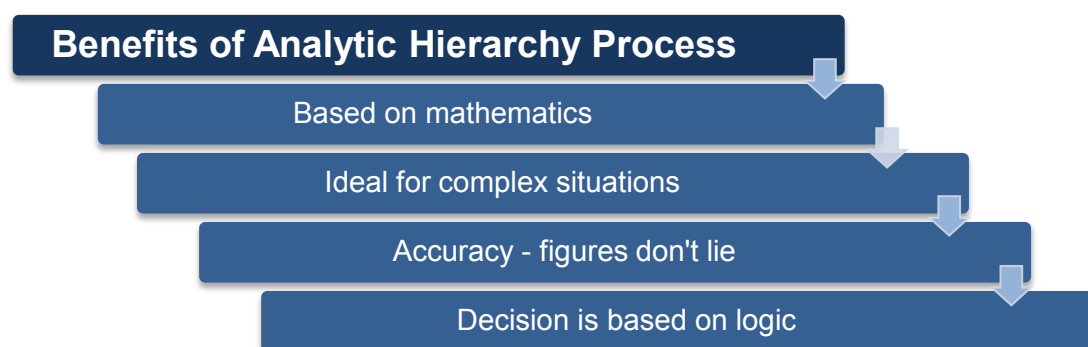
Speaking of your alternatives, this is the last level in the process. All of the potential choices that you could make are going to be listed in the alternatives section, and they are going to then be rated on the criteria that you have established.

By using the rating scores that you issue for each alternative, along with the weights that you have given the criteria in question, you can derive a score for each option that will help you declare a winner.

In the example of hiring a manager that we used early, your alternatives would be people – such as the three or five finalists for the position that you have settled on after a first round of interviews.

Or, in the case of a different type of decision, your alternatives could be various suppliers or vendors, product development options, or just about anything else.

Anytime you are making a decision where there is more than one alternative available, you can turn to the Analytic Hierarchy Process for assistance.



Using the AHP to assist in your decision-making is a powerful, albeit slightly complicated, way to make a sound choice. This isn't a model that you are likely to use for basic day-to-day decisions – instead, this is a process that is to be brought out when you have an important choice that you simply have to get right.



**Key Points**

- The Analytic Hierarchy Process applies a mathematic approach to decision making.
- There are three levels within the Analytic Hierarchy Process: the goal, the criteria and the alternatives.
- Choose a goal and assign it a value of 1.000. Everything that takes place below your goal is going to have to add up to a total value of 1.000.
- Decide on the decision criteria, each will be given a weight such that the total of all criteria used adds up to a total of 1.000.
- All of the potential choices that you could make are going to be listed as alternatives to be rated on the criteria that you have established.
- By using the rating scores that you issue for each alternative, along with the weights that you have given the criteria in question, you can derive a score for each option that will help you declare a winner.

## Pareto Analysis

There are plenty of skills that you need to possess as a business professional, but perhaps none are quite as important as time management. The ability to manage your time properly is one of those things that is non-negotiable in the professional world – if you fail on this point, you will be a failure overall. That might be harsh, but it is the truth.



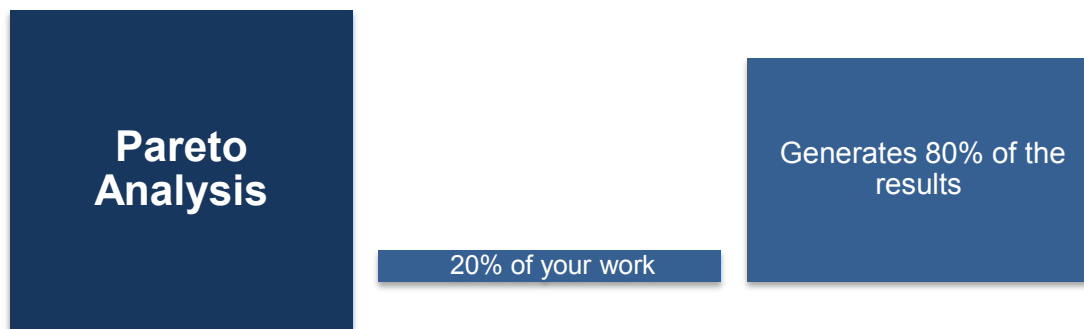
If you aren't managing your time effectively, someone else will – and that person is almost certainly going to beat you in the market. Learning how to get the most return on the time you invest in your work is a skill that should never be taken for granted.

When talking about time management, you are really talking about managing your priorities successfully. During any given day, you will have a number of things that you could be doing – likely, more things than you could possibly get done in your eight or more hours at the office. Therefore, you have to prioritize on an ongoing basis.

If you are good at prioritizing your work, you will first complete the tasks that have the biggest influence on your business. This is exactly the concept behind Pareto Analysis.

Pareto Analysis is based on the famous Pareto Principle, which states that 20% of the work you do will generate 80% of the results you are looking for. In other words, there is not a direct 1:1 relationship between the work you do and the results you get. If you pick out the right work to do, you can

achieve most of your desired results without doing anywhere close to all of the work.



Obviously the 20% - 80% relationship is not an exact measurement, but it does highlight the lopsided nature of the connection between work and results.

If you would like to use Pareto Analysis to make sure you are getting the most from your time in the office, consider using the following steps before getting down to work for the day.

### **Step One – Find Your Problems**

Unfortunately, you usually don't have to look very far to find problems in business. The act of managing a business is basically about solving one problem after the next, day after day and year after year. So, you shouldn't have to think very hard in order to come up with a list of problems that you would like to solve.

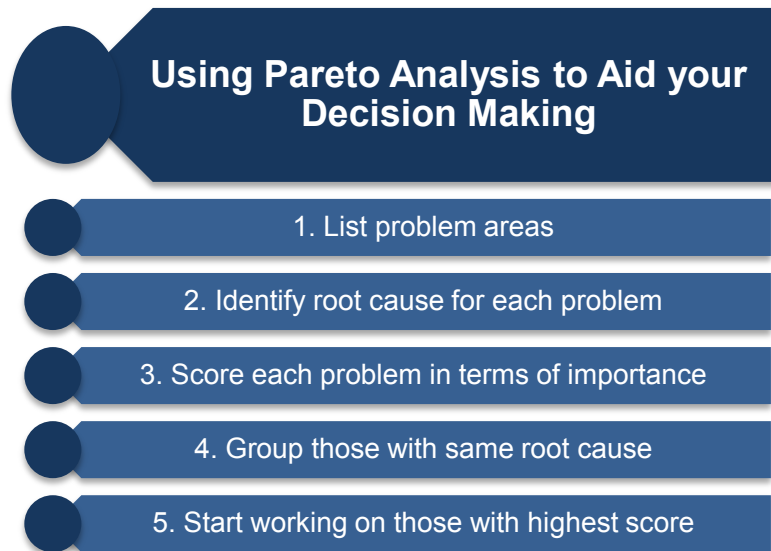
However, you want to do your best to make this list as exhaustive as possible, so take your time and talk to others if necessary until you are satisfied that you have included all of the significant problems in front of you and your organization.

### **Step Two – Match Up Root Causes**

With your list of problems in front of you, work through the list one by one while giving each problem an assigned 'root cause'.

*This root cause should be the main issue that is leading to the existence of the problem.*

For example, if your production line is consistently running behind schedule, the root cause of the problem could be suppliers who are delivering materials late. Whatever the case may be, you need to be sure that every problem on the list is assigned to an accurate root cause.



### Step Three – Give Each Problem a Score

This step is the most subjective in the process, but it is still very important to the overall success of the analysis.

*Go through your list of problems and give each one a score based on its importance.*

For this, you will want to have a scale established when you get started, such as 1-5 or 1-10.

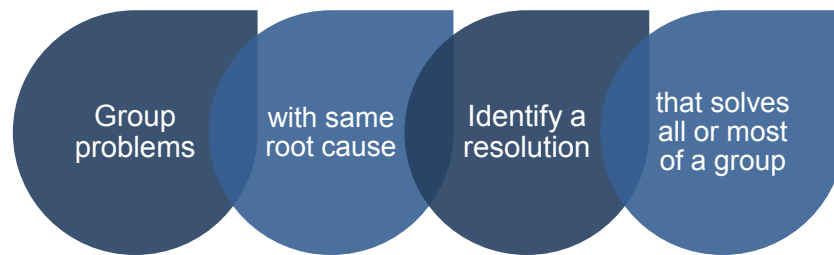
Think carefully about each problem and decide how helpful it would be to have that problem fixed. With just a bit of critical thinking, it will probably be pretty easy to give all of your problems a rational score.

### Step Four – Create Groups

This is where the exercise really starts to pay off. Once you have done a good job of giving all of your problems a specific score, you will then place them into groups which all have the same root cause.

*Look down your list and find problems that you feel will be fixed by the same solution.*

For instance, to continue the example from above, you may notice that more than one problem is being caused by the late deliveries from your suppliers. If that root cause is present next to more than one problem, it will become a group.



Continue with this process until you manage to get all of the problems into a group (some will inevitably be in a group by themselves).

### **Step Five – Do the Maths**

To complete the analysis, all you need to do is simply add up the scores and see where you stand. Which group has the highest score? That is the group that you should be addressing first.

*By solving the root problem that is associated with the group that has scored the highest, you should be able to fix the largest number of your problems in the shortest possible amount of time.*

This is exactly the kind of thing you should be doing if you wish to be as efficient with your time as possible. Once you have taken care of the top-scoring group, you can continue to move down the list. Hopefully, you will find that a majority of your problems have been solved relatively quickly through a modest amount of work.

Using the Pareto Principle, and Pareto Analysis, in your day-to-day work is a great way to be as productive and efficient as possible. Many people are willing to put in long hours at the office in order to get ahead, but many of those hours are wasted when they don't work on the right things. Don't let

that happen to you. Instead of just working to work, take some time to prioritize your work and get a great return on the hours you log.

### Key Points

- Pareto Analysis is based on the famous Pareto Principle, which states that 20% of the work you do will generate 80% of the results you are looking for.
- It is a useful technique for prioritizing problem-solving work, so that the first piece of work you tackle simultaneously resolves the greatest number of problems.
- Step One: Identify the Problems: Make a list of problems that you would like to solve.
- Step Two: Match Up Root Causes: give each problem an assigned 'root cause'; this is the main issue that is leading to the existence of the problem.
- Step Three: Give Each Problem a Score: Go through your list of problems and give each one a score based on its importance.
- Step Four: Create Groups Place them into groups which all have the same root cause. Look down your list and find problems that you feel will be fixed by the same solution.
- Step Five: Complete the Analysis: Add up the scores and see where you stand. Which group has the highest score? That is the group that you should be addressing first.
- Whilst Pareto Analysis appears to be totally objective, you need to be aware of its limitations.
- It takes no account of the relative difficulty of tackling each underlying cause.
- It can be difficult to quantify each problem using an objective score.
- It only looks at historical data.

## The Futures Wheel

No one can see the future – right? Well, no, nobody can actual predict the future with perfect accuracy, but that is exactly what you are asked to do as a business manager. You have to make decisions on a daily basis based on a future that you can't possibly know for sure.

So, how do you deal with that challenge? Well, you do the best you can to foresee the outcomes that will result from changes that you make. You aren't going to be correct 100% of the time to be sure, but even being right most of the time can lead to excellent results.



Of course, predicting the future is never an easy task, which is why you may choose to use the help of a decision making tool such as the Futures Wheel. This is a tool that was created in the early '70's and remains very much relevant today.

Before you make your next big decision, consider putting together a Futures Wheel to decide if you are heading in the right direction. The content below will help you understand exactly how to use this simple tool.

### It All Starts with Change

The whole reason to think about how the future is going to be affected is the fact that you are considering a change of some kind. Maybe this is a change that is:

*Forced upon you by market factors or other conditions.*

*You are initiating as a way to improve your organization.*

Whatever the case, you need to have a change in the middle of your wheel to make this tool work for you.

To get started, take a piece of paper and write your proposed change in the center of the sheet. It doesn't particularly matter what the change may be, as long as it is going to have an impact on the organization in a number of ways.

For the purposes of this article, we will use the example of a salary increase for your employees as the proposed change. In the center of our Futures Wheel will be the potential change of increasing salaries by 10% across the board.



### The First Level of Consequences

With your change in the middle, you can now begin to list out the changes that you expect to occur as a result of this change. At first, this can be a bit overwhelming. To be successful, you need to take a deep breath and slowly go through all of the major outcomes that you can foresee.

Don't go into too much depth at this point – simply think of the biggest things that you would expect to happen if you do go ahead with the proposed change. These are known as the first-order changes in the context of the Futures Wheel.

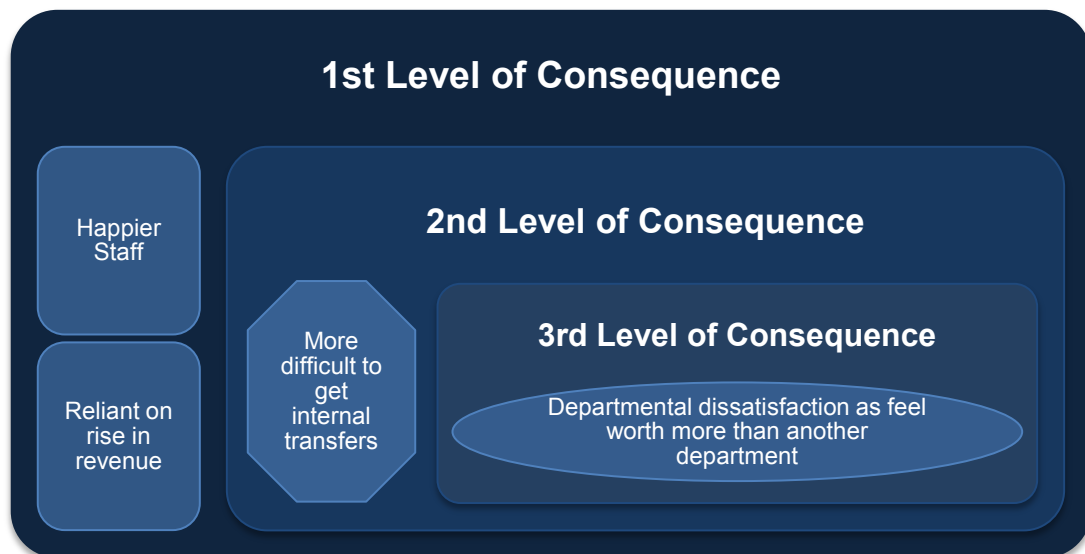


So, if you decided to proceed with a wage increase for your team, what kind of first-order changes would be expected? Well, happier employees for one thing. With a more satisfied team, you might be able to expect an uptick in productivity in the office.

Of course, there would also be the impact that this change would have on the finances of the organization, as you would be spending more on payroll. Another potential first-order change could be an increase in job applications from people who have learned that you are now paying a higher wage.

### Moving On

Once you have a kind of first-order consequences around your main change, you can then proceed to go into deeper and deeper levels. From each first-order consequence, try to find some second and third-order consequences to list as well. You can go out to as many levels as you would like depending on the complexity of the situation.



Take your time as you go through the process, and try to think of every possible eventuality. To make the chart easier to read, you may wish to do something like color or shape coding the various levels as you go.

You might be surprised to find just how large this 'wheel' can become once it is completed, so keeping things as organized as possible is a good idea.

## Do Some Analysis

With the wheel completed, it is time to take a look at what you have created.

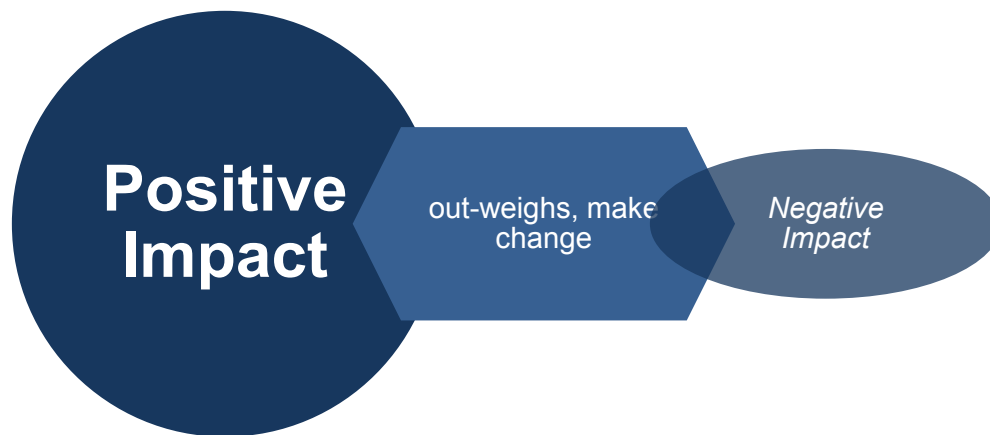
*How is this change looking overall?*

*Are there more positive or negative consequences expected if you decide to go ahead with the change?*

Specifically, you want to think about exactly how you are going to deal with the negative consequences that you expect to follow.

*Are you prepared to handle those negative outcomes in a way that mitigates their impact on the business?*

If you decide that the negatives simply outweigh the positives around the wheel, it may be best to take a pass on implementing this particular change. Or, at least, you may need to modify the change you are making up front in order to take away some of the negative potential.



You aren't always going to like what the Futures Wheel has to say – but it is important to be honest and open with yourself while going through the exercise. It isn't going to do you any good to manipulate the results in order to have the wheel tell the story that you want to hear.

Think thoroughly about the outcomes expected and assess the change overall from both the positive and negative perspective. Whatever your choice happens to be in the end, you can feel good about the homework you have done by going through this process.

The Futures Wheel is a helpful tool whether you are planning a change that is going to have long-lasting effects, or one that is only going to impact the business for a short period. Since it should only take a modest amount of time to prepare a Futures Wheel, this is a tool that you should feel free to use in a variety of situations when a potential change is on the table.

### **Key Points**

- The Futures wheel is a method for graphical visualization of direct and indirect future consequences of a particular change or development.
- It consists of a term describing a change that is positioned in the center of the page.
- Consequences following directly from the change are positioned around the change and linked to it.
- The consequences of those first level direct consequences are positioned at the next outward level and linked to the first level consequence.
- The result is usually a series of concentric circles that are interconnected.
- The use of interconnecting lines makes it possible to visualize interrelationships of the consequences of the change.
- The Futures wheel can help you to develop concepts about possible change by offering a futures-conscious perspective.

## Force Field Analysis

In business, it is often the simple tools that are the most effective. That is certainly true in this case, as Force Field Analysis has been around for many decades and yet it remains a powerful tool to this day. When you are faced with making a decision that is going to impact the way your business moves forward, you might want to consider preparing a Force Field Analysis in order to determine whether or not you should continue with your plan.



Doing this type of analysis is a great way to see both sides of a potential change, which is key in deciding how effective the change is going to be. Mistakes are made when only one side of a decision is considered, but that won't happen when Force Field Analysis is used properly.

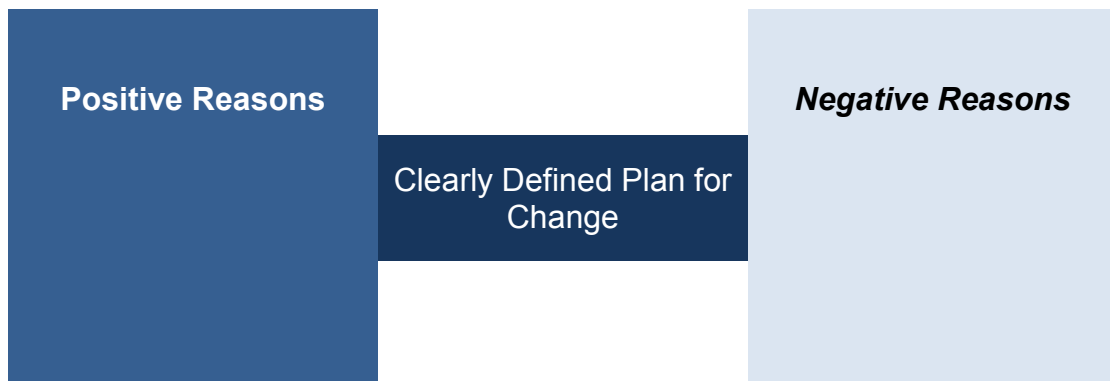
### Centered on a Plan

To get started using a Force Field Analysis, the first thing you are going to do is write down your plan in the center of a sheet of paper. You should have clearly defined this plan before even getting started, as having an ambiguous plan from the beginning is going to make it extremely difficult – if not impossible – to make an accurate assessment of the forces at play.

Any business decision making tool is only going to be as good as its inputs, so take the time to make a clear and well-defined plan before getting started on this process.

With your plan listed right in the center of the paper, you are now going to add two columns. On the left side of the paper, you are going to make a column which will included all of the forces in favor of the change you are

proposing. On the right side, naturally, will be a column that includes the forces working against the potential change.



You will list as many forces as you can think of in both the ‘for’ and ‘against’ columns.

### **Ideas for Forces**

What kind of forces do you need to consider when working through this process? There are nearly unlimited options out there for forces that could wind up impacting the choice that you have made.

First, you may wish to consider the other people within your organization and where they stand on the issue.

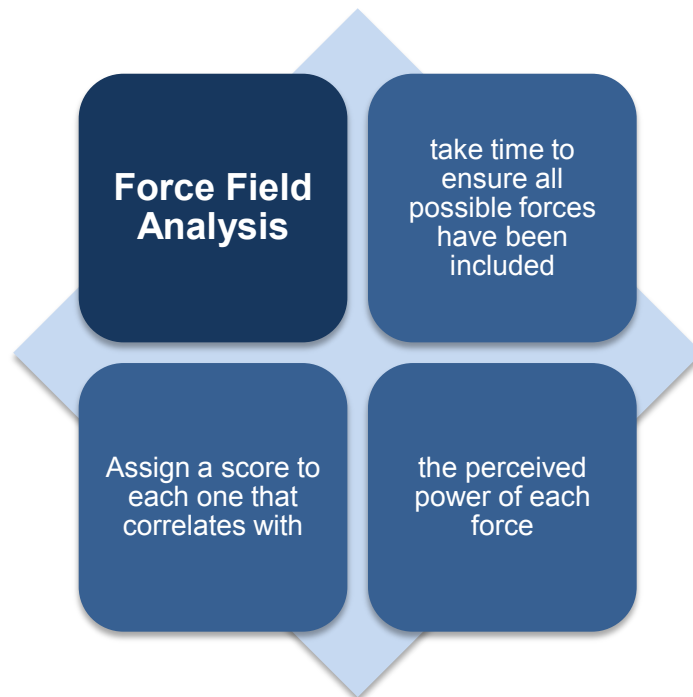
*Will you have powerful people on your side, or will you have to be winning people over as you go?*

The human element is a powerful force, especially when those with power have a strong opinion on your idea. Other potential forces to think about include the difficulty that will be experienced in making the change, the cost of the change, and what exactly the potential benefits will be.

### **Keeping Score**

You should take as much time as necessary, and talk to as many people as necessary, in order to built out your Force Field completely. Come back to the piece of paper from time to time over the course of a day – or even a week – to make sure you aren’t missing anything that could wind up being

important. When you have finally reached a point where you are satisfied with the state of your model, you can then move on to keeping score.



In this case, keeping score refers to the assigning of a score to each of the forces on your list. Go down your list of the points in the 'for' and 'against' columns and assign each one a score based on a scale that you will need to create. You could use a small scale such as 1-3, or a larger scale like 1-10. The score that you assign will correlate with the perceived power of each force.

For example, if the president of the company was in favor of your idea that would likely receive a high score because of the power that it offers. On the other hand, if there is a small ancillary factor that you perceive as a negative force, that point would likely receive a score near the bottom of the scale.

### Add It Up

When you have finished assigning scores to each of the forces on your list, the next step you will want to take is to add up those scores to see which side 'wins'.

*Are there more total points on the 'for' side of the equation, or on the 'against' side?*

You are going to use the results of this scoring system to largely decide on whether or not to go ahead with your idea. Obviously the score that you wind up with doesn't have to be the final word on the matter, but it may be a mistake to go ahead with a plan that loses by a significant margin in this analysis.

### **Changing the Maths**

If you are not ready to give up on your idea just because it hasn't 'passed the test' when it comes to Force Field Analysis, the best thing you can do is to find ways to change the math in question. In other words, you need to be able to alter the scorecard to a point where the numbers break in your favor.

*For example, if you had to include points on the negative side because some of your supervisors are against the idea, you may want to spend some time trying to bring them over to your side.*

Once you have done so successfully, you can then move those points onto the 'for' side of the ledger, and your overall picture may start to look a bit brighter.

Using Force Field Analysis is a great way to give yourself confidence going into a big decision. If your analysis indicates that you are on the right track, you can move forward knowing that things have a strong chance of working out nicely.

On the other hand, if the analysis shows your idea to be a poor one, you can avoid making a mistake and instead get to work on other ideas, which may be more productive.

Either way, doing a Force Field Analysis is a productive use of time that may help you to make improved decisions moving forward.

**Key Points**

- In this model there are forces that drive change and forces that resist change.
- In order for change to occur the driving force must exceed the resisting force otherwise there will be no change.
- Start with your plan listed right in the center of the paper; you are now going to add two columns.
- On the left side of the paper, you are going to make a column which will included all of the forces in favor of the change you are proposing.
- On the right side, naturally, will be a column that includes the forces working against the potential change.
- You will list as many forces as you can think of in both the 'for' and 'against' columns.
- Go down your list of the points in the 'for' and 'against' columns and assign each one a score based on a scale that you will need to create.
- By adding up the totals for and against, you can see how strong resistance is, where it is coming from and what you will need to address to get the change to happen.



## Other Free Resources

The Free Management eBooks website offers you over 500 free resources for your own professional development. Our eBooks, Checklists, and Templates are designed to help you with the management issues you face every day. They can be downloaded in PDF, Kindle, ePub, or Doc formats for use on your iPhone, iPad, laptop or desktop.

**eBooks** – Our free management eBooks cover everything from accounting principles to business strategy. Each one has been written to provide you with the practical skills you need to succeed as a management professional.

**Templates** – Most of the day-to-day management tasks you need to do have already been done by others many times in the past. Our management templates will save you from wasting your valuable time re-inventing the wheel.

**Checklists** – When you are working under pressure or doing a task for the first time, it is easy to overlook something or forget to ask a key question. These management checklists will help you to break down complex management tasks into small controllable steps.

**FME Newsletter** – Subscribe to our free monthly newsletter and stay up to date with the latest professional development resources we add every month.

**Social Media** - Share our free management resources with your friends and colleagues by following us on LinkedIn, Facebook, Twitter, Google+, and RSS.

Visit [www.free-management-ebooks.com](http://www.free-management-ebooks.com)

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