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Why Decisions Fail

This summary is from the book "Why Decisions Fail" by Paul Nutt. ISBN 1-57675-150-3. http://www.amazon.com/Why-Decisions-Fail-Paul-Nutt/dp/1576751503. I thought that the book was well written book with an analytic orientation that uses a variety of known business failures to explain the common sources of failures. The author used 400 decisions over the last 20 years in his analysis.

The author states that at least half of all decisions fail. The failures are traced to 3 primary blunders:

A. Using failure prone practices and tactics / not thinking about the best decision practices

B. A rush to judgment / premature commitments

C. Misusing resources / wrong-headed investments

Further, these blunders are further complicated by 7 main traps that decision makers fall into:

1. Failing to understand root issue

2. Ignoring barriers to action

3. Providing ambiguous direction

4. Limiting solution search

5. Misusing evaluation

6. Overlooking ethical questions

7. Failing to learn

These work together into the following table of blunders…

	Failure prone practices	Rush to judgment	Misusing resources
Failing to understand root issue	Support for issue assumed by decision maker	First issue that seems important is accepted	Failure to look for hidden concerns.
Ignoring barriers to action	Power / persuasion used to implement decisions	Action before social / political forces understood	Stakeholders interests unexplored
Providing ambiguous direction	Direction assumed and never clarified	Unwilling to acknowledge issues without solution	Little time spent specifying desired results
Limiting solution search	Quick fix or common solution is accepted	Time pressure makes easy solution look right	Little time or effort spent on alternatives
Misusing evaluation	Measuring costs but	Defensive evaluation used to justify easy	Evaluation spent defending ideas but not

	ignoring benefits	solution	their risks
Overlooking ethical questions	Values behind ethical questions overlooked	All decisions seen as ethically equal	No investment in defining / uncovering values
Failing to learn	Process and incentives cover up outcomes	Ignoring actual outcomes because of expectations	No investment in learning from failure

The author suggests using a decision making process. The general outline that he suggests is:

1. Understand claim/issue/area of action
2. Set a direction
3. Uncover ideas
4. Evaluate ideas
5. Implement the preferred idea

He goes on to recommend a discovery-process as a best practice (as opposed to an idea-imposition as a bad approach).

1. The author wraps up with some suggestions:
2. Personally manage your decision making efforts (don't just delegate).
3. Keep ethics in mind.
4. Uncover the area of action/issue (get to root cause).
5. Deal with barriers to action.
6. Establish the direction with an object (clarifies direction and opens up options).
7. Stress political and logical rationality.
8. Identify more than one option.
9. Insist on learning.

I think Agilent has been susceptible to all three types of blunders.   I think that Agilent has been especially susceptible to 1) failing to understand root issue, 2) providing ambiguous direction, and 3) failing to learn.