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Decision Quality

- Decision Quality (DQ) is a practical way to make better strategic choices. It tests whether six parts of a decision are strong enough for what is at stake: framing, alternatives, information, priorities and trade-offs, reasoning, and commitment.
- DQ keeps a team both quick and thorough, so you can weigh real options and gather the evidence that matters without losing pace.
- It builds habits that guard against bias, using tools such as influence diagrams and decision trees to keep the reasoning transparent.
- DQ will not make a decision perfect; no process can. But strengthening even a few of these parts, to the level the stakes demand, sharpens the choice. That matters most when the stakes are high and the uncertainty is real.

In my experience, poor strategic choices follow a familiar pattern: a team argues for a favored plan, supports it with selective evidence, and leaves the meeting with each participant holding a different interpretation of what was decided. This is a problem of **incomplete decision-making**.

Decision Quality (DQ) is a systematic process that addresses it directly. It asks whether each part of the decision is strong enough for what is at stake. There are six parts: (1) an **appropriate frame**, (2) **creative and feasible alternatives**, (3) **relevant and reliable information**, (4) **clear priorities and trade-offs**, (5) **sound reasoning**, and (6) **commitment to action**. On the DQ standard, the quality of the decision is set by its weakest part, so that is the part to fix first.[1]

Exhibit A — Decision Quality

DQ helps decision-makers and their teams clarify preferences, identify hidden assumptions, find genuine alternatives, reason through the choices, and secure commitment. Used appropriately, it can reduce the relitigation of decisions, mitigate analysis paralysis, provide leaders with informed choices to debate, and speed up decision-making.

The theory in brief

Herbert Simon argued that individuals do not make optimal, utility-maximizing decisions. Their choices are constrained by complexity, information availability, computational and cognitive power, and time constraints.[2] Simon's own response was procedural rationality: when you cannot reason your way to the best answer directly, you rely on a sound process to get close.[3]

DQ is one such process. A central principle is the distinction between decision quality and outcome quality: under uncertainty, a decision should be judged by the quality of the thinking and information available when it is made, not simply by how it eventually turns out.[1,4] Howard's decision-analysis work provides an important foundation for this view and explicitly develops the concept of decision quality.[4] Strategic decisions also rarely unfold as a simple sequence. In their field study of 25 strategic decision processes, Mintzberg, Raisinghani, and Théorêt found an underlying structure of phases and routines, but also repeated revisiting of earlier activities as decision-makers incorporate new insights and feedback.[5] This is consistent with treating DQ's six requirements as conditions that must ultimately be satisfied rather than as steps that must always be completed once, in order.

Rather than trusting a capable team to reason well under pressure, DQ builds in a set of habits that ease Simon's constraints: it reframes the question to defuse framing effects,[6] anchors estimates in base rates to check overconfidence,[7] and prompts a brief bias review before you commit.[8]

Studies show that teams that follow a disciplined process tend to make more effective strategic choices,[9] and even in fast-moving environments, the best teams manage to be both **quick and thorough**, using more information and weighing more options.[10] In a study of 1,048 major strategic decisions, Lovallo and Sibony found that process quality, including explicit discussion of uncertainty and consideration of perspectives that contradicted senior leaders, was much more strongly associated with decision effectiveness than the amount and detail of analysis.[11] These findings support the value of disciplined decision processes and many of the practices used in DQ.

From theory to practice (the six links of Decision Quality)

1) Appropriate frame

Why it works.	What good looks like.
Frames shape preferences; even equivalent descriptions of the same choice can produce opposite preferences.[6] Starting from your underlying objectives, rather than from a set of options someone has already drawn up, produces more relevant and more creative choices.[12] DQ makes this concrete by settling the question, the definition of success, the scope, and the owner before any analysis begins.[1]	You've named the decision, the success criteria, the time horizon, decision rights, constraints, and what's **out of scope.** You have also tried at least one deliberate **reframe**, whether that means widening the question, narrowing it, or turning it on its head.

2) Creative, feasible alternatives

Why it works.	What good looks like.
You cannot choose the option you never generated. Organizations default to focusing on a single solution, which is one of the more reliable predictors of decision failure.[13] Value-Focused Thinking shows that articulating objectives first systematically creates better options.[12] DQ insists on alternatives that are genuinely different from one another and genuinely feasible.[1]	You have 3–5 **materially different** options, including a baseline of *Do Nothing / Wait-to-Learn* and at least one staged or real-options pathway. What you do not have is an approval deck built around a single recommendation.

3) Relevant and reliable information

Why it works.	What good looks like.
People consistently ignore base rates, and it costs them.[7] Simple statistical methods often outperform unaided judgment.[14] The Value of Information tells you when another study or pilot is worth funding and when the decision is already clear enough to make.[15,16] Influence diagrams and decision trees are useful in making assumptions visible before you start calculating.[16]	Your forecasts are **calibrated** against **base rates** and benchmarks. Key uncertainties have explicit ranges rather than single point estimates. You run a quick **Value of Information** check before funding more research and where the data are thin, your scenarios are at least credible.

4) Clear priorities and trade-offs

Why it works.	What good looks like.
Most real decisions force a trade-off between things you care about, such as growth, margin, and risk. **Multi-attribute value theory** gives you a rigorous way to make those trade-offs explicit, and Keeney's value-focused approach improves both the quality of the options and the alignment behind them.[12,17]	You have set out your objectives and how you will measure each one, and you have either weighted them into a scorecard or written threshold rules (for example, ruling out any option that pushes net debt to EBITDA above 2.5 times). Where stakeholders value different things, those conflicts are out in the open rather than buried.

5) Sound reasoning

Why it works.	What good looks like.
An influence diagram sets out the causal structure of a decision and shows exactly where judgment is entering the picture.[16] Expected utility under uncertainty remains the benchmark for what coherent reasoning looks like.[18,19]	Your reasoning connects alternatives to drivers to outcomes through a model someone else could follow, whether that is an influence diagram, a decision tree, or a spreadsheet. A sensitivity analysis shows which few assumptions move the answer, and you have combined your probabilities and your preferences in a way that holds together.

6) Commitment to action

Why it works.	What good looks like.
When decision roles are clear, execution speeds up and the politics subside.[20] Implementation intentions, of the form "if X happens, then we will do Y," noticeably improve follow-through.[21] A premortem surfaces the failure modes while you can still act on them,[22] and exit triggers set in advance guard against the familiar trap of throwing good money after bad.[23]	Decision rights are explicit (e.g., RAPID: **R**ecommend, **A**gree, **P**erform, **I**nput, **D**ecide); owners, budgets, and dates have names against them. You have run a short premortem, and you have agreed in advance what would make you revisit or exit the decision.

Practical limitations (and how to work with them)

DQ draws on decades of research in decision theory and behavioral science. Like any framework, it has limits, and knowing them is the difference between using it well and over-trusting it.

- **Complexity is a signal to simplify** — Real strategic choices can involve several objectives and dozens of uncertain drivers. In the idealized math of multi-attribute utility, we might evaluate an explosive number of combinations.[17] DQ does not try to model everything. It surfaces the few levers that matter most.
- **We are boundedly rational** — Simon showed that judgment runs on limited information, time, and computational capacity.[2] Working memory holds only a few meaningful elements at once,[24] our probability estimates cluster at round numbers,[25] and we are generally overconfident about our own forecasts.[26] DQ gives us a structure to work within, in the same way a pilot's checklist covers for the gaps in attention that everyone has.
- **DQ needs estimable odds** — DQ depends on your ability to provide reasonable estimates of probabilities and outcomes. Knight separated risk you can put odds on from uncertainty you cannot.[27] Where the critical uncertainties fall on the far side of that line, reach for a different instrument: scenarios, staged commitments, and triggers that convert what you learn into a decision.
- **Organizational dynamics undermine good process** — Paul Nutt's research tracked 356 strategic decisions over 20 years: half failed, and the failures were linked to managers who imposed solutions, limited the search for alternatives, and used their power to push plans through.[13] Politics, time pressure, and groupthink can overwhelm a good process.[28] So, in practice, much of DQ's value comes from resilience rather than from optimization: even a partial pass surfaces hidden assumptions and prevents avoidable mistakes.
- **Right-size the rigor** — DQ is not free, and not every decision deserves the full process. The best teams in fast-moving markets were able to move quickly while using more information and considering multiple alternatives.[10] Match the rigor to how reversible the decision is and how much rides on it; a hard-to-reverse choice with large consequences warrants the whole framework, while a reversible bet rarely does.

Bottom line

Decision Quality will not make your decisions perfect; no process can. What it offers is clearer, more systematic thinking, and that matters most when the stakes are high, time is short, and the uncertainty is real. Strengthening even a few of the six links to the level the stakes demand sharpens a decision.

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