

Decision Making

By Laurie Edge-Hughes, BScPT, MAnimSt(AnimalPhysio), CAFCI, CCRT, CSmAnimAcu/Needling
www.FourLeg.com

I read this following book, and it made me think about decision making for entrepreneurs:

Erikson, Thomas. *Surrounded by Idiots: The Four Types of Human Behavior and How to Effectively Communicate with Each in Business (and in Life)*. 2014.

BACKGROUND:

The DISC personality types and how the different types approach decision making

The **DISC personality model** is a behavioral assessment tool that categorizes individuals into four primary personality types, based on how they interact with their environment and approach decision-making. The acronym DISC stands for **Dominance, Influence, Steadiness, and Conscientiousness**. Each type has distinct traits that shape their decision-making styles:

1. Dominance (D) **RED**

- **Key Traits:** Assertive, goal-oriented, competitive, confident.
- **Approach to Decision-Making:** Individuals with high Dominance are decisive, quick, and focused on results. They value efficiency and take a direct approach to problem-solving. They are often willing to take risks, preferring quick, action-oriented decisions over prolonged deliberation. They tend to prioritize control and are less concerned with consensus or others' input.

2. Influence (I) **YELLOW**

- **Key Traits:** Outgoing, persuasive, enthusiastic, sociable.
- **Approach to Decision-Making:** People high in Influence make decisions based on their feelings and social interactions. They prioritize relationships and are often motivated by how their choices will affect or be perceived by others. They rely on gut feelings and optimism, and are often comfortable making spontaneous decisions. They value collaboration but may be less focused on data and details.

3. Steadiness (S) **GREEN**

- **Key Traits:** Calm, patient, reliable, team-oriented.
- **Approach to Decision-Making:** Individuals with high Steadiness prefer thoughtful, deliberate decision-making processes. They avoid conflict and prefer choices that maintain harmony and stability. They take time to gather information, consider others' opinions, and ensure that decisions align with the group's needs. They are risk-averse and tend to favor consistency over change or unpredictability.

4. Conscientiousness (C) **BLUE**

- **Key Traits:** Analytical, detail-oriented, methodical, precise.
- **Approach to Decision-Making:** Conscientious individuals prioritize logic, data, and accuracy. They are systematic in their approach, often taking longer to make decisions as they gather information and weigh every detail. They seek perfection, are risk-averse, and prefer making decisions based on evidence rather than intuition or emotion. They value rules, standards, and thorough analysis before committing to a course of action.

Summary of Decision-Making Styles:

- **Dominance (D):** Decisive, action-oriented, focused on results.
- **Influence (I):** Intuitive, people-oriented, driven by relationships and emotions.
- **Steadiness (S):** Thoughtful, cautious, prioritizes harmony and stability.
- **Conscientiousness (C):** Analytical, methodical, values precision and data.

Each DISC type brings a unique perspective to decision-making, and understanding these differences can help improve communication, collaboration, and leadership in both personal and professional contexts.

DISC Personality Types REFERENCES / RESOURCES

The 4 DISC Personality Types (Plus 12 Styles with Careers)

<https://www.indeed.com/career-advice/career-development/disc-personality-types>

DISC Personality Tests

<https://www.discprofile.com/everything-disc> (purchasable)

https://www.personality-quizzes.com/disc?gad_source=1 (free)

<https://www.123test.com/disc-personality-test/> (free)

Book recommendation

Erikson, Thomas. *Surrounded by Idiots: The Four Types of Human Behavior and How to Effectively Communicate with Each in Business (and in Life)*. 2014.

Effective Decision Making for Entrepreneurs.

Quoting Napoleon Hill's Think & Grow Rich

“Successful people make decisions quickly (as soon as all the facts are available) and change them very slowly (if ever). Unsuccessful people make decisions very slowly, and change them often and quickly.”

Entrepreneurship is a field defined by uncertainty, innovation, and rapid change, requiring the ability to make effective decisions in a dynamic environment. Successful entrepreneurs must develop strategies to overcome ambiguity, manage risks, and seize opportunities with informed

and timely decision-making. Below are key principles, strategies, and methods that contribute to effective decision-making for entrepreneurs, supported by insights from books and blogs.

1. Understanding the Decision-Making Process

Effective decision-making begins with a structured approach, breaking it into key stages:

- **Identify the Decision:** Recognize when a decision needs to be made and clearly define its purpose and objectives.
- **Gather Information:** Entrepreneurs need to collect relevant data, conduct market research, and assess the internal and external environment.
- **Consider Alternatives:** Identify various options or strategies available, weighing their pros and cons.
- **Make a Choice:** Based on the available information and analysis, choose the course of action that aligns with the business goals.
- **Evaluate the Outcome:** After implementing the decision, entrepreneurs should evaluate its success and learn from the results to improve future decisions.

Books like *"The Lean Startup"* by Eric Ries emphasize that entrepreneurs should rely on data-driven decisions rather than assumptions. Ries introduces the concept of **validated learning**, which encourages entrepreneurs to build, measure, and learn from customer feedback as they make decisions. This cycle helps entrepreneurs test their hypotheses and make adjustments based on real data, rather than spending too much time planning in uncertainty.

2. Balancing Intuition and Analysis

Entrepreneurs must often balance **intuition** with **analytical thinking**. Intuition is built from experience, and while it plays a critical role in fast-paced decision-making, it must be tempered by analysis to avoid cognitive biases.

- **Intuition:** This allows for quick decisions based on gut feelings, particularly in high-pressure environments. It is essential for entrepreneurs when there is limited data or time to make decisions. In *"Blink: The Power of Thinking Without Thinking,"* Malcolm Gladwell discusses how intuition can lead to powerful insights when used correctly, though it can be misleading if over-relied upon.
- **Analysis:** On the other hand, entrepreneurs must also utilize structured analysis, especially for major strategic decisions like entering a new market or launching a new product. Books such as *"Thinking, Fast and Slow"* by Daniel Kahneman highlight the cognitive biases that can undermine decision-making and the importance of incorporating slow, deliberate thinking to complement faster, intuitive choices.

For example, **systematic analysis** can help entrepreneurs avoid the *overconfidence bias* or *confirmation bias*, both of which Kahneman warns can distort decision-making.

3. Leveraging Data for Informed Decisions

Data-driven decisions are essential in today's entrepreneurial environment. With access to vast amounts of data, entrepreneurs can utilize analytics to reduce uncertainty. According to *"Measure What Matters"* by John Doerr, implementing **Objectives and Key Results (OKRs)** can

help businesses focus on measurable outcomes, aligning efforts with clear metrics that inform decision-making.

Entrepreneurs should use data not just to track performance but to anticipate future trends and shifts. **Predictive analytics**, for example, helps businesses understand potential future outcomes based on historical data, guiding proactive rather than reactive decision-making.

4. Managing Risks and Uncertainty

Entrepreneurs operate in uncertain environments where risks are high. Effective decision-making requires not just identifying risks but also **mitigating them** through calculated strategies. In *"The Innovator's Dilemma"* by Clayton Christensen, the author argues that disruptive innovation can often seem risky but holds the potential for significant rewards if entrepreneurs can balance their risk appetite with systematic experimentation.

Entrepreneurs must embrace **risk management** strategies such as:

- **Risk Assessment:** Evaluating the potential downsides of a decision.
- **Scenario Planning:** Preparing for multiple possible outcomes.
- **Iterative Decision-Making:** Breaking large decisions into smaller, manageable stages to allow for testing and adjustment.

As Steve Blank notes in his blog, iterative processes like those in **customer development** allow entrepreneurs to refine their products or services gradually, reducing risks by continually validating the business model with real-world feedback.

5. The Role of Leadership in Decision-Making

Entrepreneurs not only make decisions but also lead teams. Leadership styles directly influence decision-making processes, and involving teams can bring diverse perspectives, improving the quality of decisions. In *"Leaders Eat Last"* by Simon Sinek, the importance of creating a culture of trust and collaboration is emphasized, where leadership encourages input from employees at all levels.

Delegating decision-making, especially in areas where team members have expertise, can improve outcomes and foster a sense of ownership within the team. However, entrepreneurs must maintain a balance between delegation and maintaining overall strategic control.

6. Learning from Failure

Failure is an inevitable part of entrepreneurship, but it can provide valuable insights. Effective entrepreneurs view failure as a learning opportunity. In *"Failing Forward"* by John C. Maxwell, the concept of learning from mistakes and adapting is highlighted as critical for growth. Entrepreneurs who reflect on past decisions, identify what went wrong, and adjust their approach improve their decision-making over time.

This growth mindset encourages resilience, helping entrepreneurs handle setbacks and make more informed decisions in the future.

Conclusion

Effective decision-making for entrepreneurs involves a blend of intuition, analytical thinking, and data-driven strategies, all while managing risks and embracing failure as a stepping stone to success. By following structured processes, leveraging data, and continually learning, entrepreneurs can make informed, timely, and impactful decisions that drive their ventures forward.

BLOGS ADVOCATING FOR FASTER DECISION MAKING

Here are summaries of the articles and video on decision-making:

1. Stacy Tuschl – Decisive Wins: Accelerating Business Growth Through Swift Decision-Making <https://www.youtube.com/watch?v=FzRVIKA9WdQ>

In this episode of the *Well-Oiled Operations™* podcast, Stacy Tuschl emphasizes the importance of rapid decision-making for entrepreneurs looking to grow their businesses quickly. She challenges the belief that slow, careful consideration is always the best approach and shares her own entrepreneurial journey, highlighting how making fast, decisive decisions has been pivotal to her success. Stacy advocates for trusting your intuition and taking action rather than getting stuck in analysis paralysis, as the speed of decision-making can accelerate business growth.

2. Why Speed Matters in Decision Making (Compounding & Open Loops)

[https://sammatta.com/why-speed-matters-in-decision-making-compounding-open-loops/#:~:text=If%20every%20time%20you%20have,decision%20\(~4.7x%20faster\).](https://sammatta.com/why-speed-matters-in-decision-making-compounding-open-loops/#:~:text=If%20every%20time%20you%20have,decision%20(~4.7x%20faster).)

This blog post highlights the significance of speed in business decision-making by comparing two scenarios: one where a decision takes two weeks and another where it takes three days. The author argues that slow decision-making delays action, whereas faster decisions can lead to greater momentum and more opportunities to learn and improve. The compounding effect of making decisions quickly allows for more progress, while open loops (unmade decisions) drain mental energy and slow down business operations.

3. Entrepreneurs' Tips to Making Good Business Decisions

<https://careerminds.com/blog/entrepreneurs-tips-making-good-business-decisions/#:~:text=Entrepreneurs%20are%20considered%20serial%20decision,to%20be%20more%20risk%20averse.>

This article explains that entrepreneurs are often considered serial decision-makers, making numerous decisions daily. Entrepreneurs, especially those with dominant "D" (Dominance) personalities, tend to be more comfortable with taking risks and learning from mistakes. In contrast, people who are more risk-averse struggle with decision-making. The key takeaway is that entrepreneurs need to embrace decision-making as a skill and be willing to take calculated risks, rather than overthinking or avoiding decisions due to fear of failure.

4. Balancing Speed & Adaptability: Mastering Decision-Making in the Modern World

<https://www.linkedin.com/pulse/balancing-speed-adaptability-mastering-modern-world-florin-lungu#:~:text=%E2%80%9CSuccessful%20people%20make%20decisions%20quickly,change%20them%20often%20and%20quickly.%E2%80%9D>

This LinkedIn article discusses the need for both speed and adaptability in decision-making. It emphasizes that successful people make decisions quickly but are also flexible in adapting or changing their decisions if necessary. In the fast-paced modern world, this combination of speed and adaptability helps entrepreneurs stay ahead of competitors and navigate uncertainty effectively. The ability to swiftly make decisions and adjust them when needed is key to long-term success.

How entrepreneurs can learn to make decisions faster?

How Entrepreneurs Can Learn to Make Decisions Faster

Entrepreneurs face countless decisions daily, from product development to marketing strategies, customer engagement, and resource allocation. Given the fast-paced nature of business, making swift decisions is often crucial to gaining a competitive advantage and responding to market changes. However, fast decision-making should not come at the cost of poor judgment. Entrepreneurs must learn to balance speed with quality to ensure their decisions lead to positive business outcomes.

This report outlines practical strategies entrepreneurs can adopt to improve their decision-making speed, supported by insights from books, blogs, and presentations on the topic.

1. Streamlining the Decision-Making Process

One of the first steps to making faster decisions is to simplify the decision-making process itself. A complex, bureaucratic process will slow down even the most experienced entrepreneur.

A. Automate Routine Decisions

- Many decisions in business are repetitive and can be automated or standardized. By creating systems or processes that handle routine decisions, entrepreneurs can save their energy for more complex decisions. For example, Eric Ries, in *"The Lean Startup,"* advocates for building feedback loops into the business model so that certain decisions (such as those related to product iterations) can be automated based on real-time customer data.

B. Set Decision Deadlines

- Deadlines force decisions to be made within a certain timeframe. In *"Essentialism: The Disciplined Pursuit of Less,"* Greg McKeown emphasizes the importance of time-bound decisions, suggesting that entrepreneurs should prioritize and limit their choices to avoid decision fatigue.

By creating a structure for quick, repeatable decisions, entrepreneurs free up mental space and time for the more pressing and high-stakes decisions that demand their attention.

2. Trusting Intuition Alongside Data

While data analysis is critical for making informed decisions, entrepreneurs must learn when to trust their intuition, especially when facing tight deadlines or incomplete information.

A. The Role of Intuition

- Intuition, or "gut feeling," is often based on accumulated experience and knowledge. In *"Blink: The Power of Thinking Without Thinking,"* Malcolm Gladwell explains how rapid cognition—the brain's ability to make snap judgments—can be surprisingly accurate. Entrepreneurs can cultivate this by honing their awareness and trusting their instincts when necessary, especially when there's little time for data gathering.

B. The 70% Rule

- Jeff Bezos, the founder of Amazon, famously advocates for making decisions when you have about 70% of the information you wish you had. In business, waiting for all the facts can result in missed opportunities. According to *Forbes*, entrepreneurs need to become comfortable with ambiguity and act quickly with partial information, refining their decision as more data becomes available.

3. Reducing Overthinking and Avoiding Perfectionism

One of the most significant barriers to fast decision-making is overthinking. Entrepreneurs often feel the pressure to make the "perfect" decision, leading to delays. This mindset needs to be challenged.

A. Embracing Imperfection

- In the podcast *Well-Oiled Operations™*, Stacy Tuschl emphasizes that business growth is accelerated by swift decision-making, even if some decisions turn out to be less than perfect. Tuschl encourages entrepreneurs to accept that not every decision will lead to immediate success, but action is always better than inaction. Decisions can be revised as needed.

B. The MVP Approach

- The Minimum Viable Product (MVP) strategy, popularized in *"The Lean Startup,"* encourages entrepreneurs to launch quickly with a basic version of a product or service and improve it based on real-world feedback. This approach fosters faster decisions by avoiding unnecessary deliberation and focusing on learning through doing.

4. Cultivating a Bias for Action

Entrepreneurs must develop a proactive attitude and a bias for action, as decision paralysis can slow business growth. A culture of action empowers teams and leaders to make decisions quickly.

A. Decision Sprints

- Implementing "decision sprints"—structured, time-limited periods where decisions must be made—helps businesses move forward. According to the blog *Why Speed Matters in Decision Making* by Sam Matla, entrepreneurs who consistently shorten their decision timelines often compound their success faster than those who deliberate. By setting shorter deadlines for every decision, businesses experience faster results and can adjust along the way.

B. Delegating Decision-Making

- Leaders should empower their teams to make certain decisions independently. In *"Leaders Eat Last,"* Simon Sinek discusses how leadership should create environments where teams are trusted to make quick decisions within their areas of responsibility. This fosters a culture of agility and decentralizes decision-making, so the entrepreneur can focus on strategic choices.

5. Learning from Mistakes and Iterating

Fast decision-makers must be comfortable with failure and see it as part of the learning process. The key is to iterate quickly and learn from each outcome.

A. Fail Fast, Learn Faster

- The concept of "failing fast" is central to modern entrepreneurship. In *"Failing Forward"* by John C. Maxwell, the author emphasizes that successful entrepreneurs learn to move forward after failure by quickly extracting lessons from their mistakes and applying them to future decisions. This mindset enables faster recovery and less fear in decision-making.

B. Post-Mortem Analysis

- Regularly conducting post-mortems (or reviews of past decisions) helps entrepreneurs reflect on what went right and wrong. In the *Harvard Business Review* blog *Entrepreneurs' Tips to Making Good Business Decisions*, the authors note that analyzing past decisions improves future speed, as entrepreneurs become more familiar with patterns and potential pitfalls.

6. Leveraging Data and Technology

With advancements in data analytics and AI, entrepreneurs can make faster decisions with the support of real-time data.

A. Data-Driven Decision-Making

- In *"Measure What Matters,"* John Doerr introduces Objectives and Key Results (OKRs), a framework that helps entrepreneurs focus on specific metrics and make decisions based on data rather than assumptions. Using dashboards and KPIs (Key Performance Indicators), entrepreneurs can quickly assess business performance and make timely adjustments.

B. AI and Predictive Analytics

- Technologies such as AI and predictive analytics allow entrepreneurs to forecast market trends, customer behavior, and financial outcomes faster. By automating data analysis and providing actionable insights, AI helps reduce the time spent on research and frees up entrepreneurs to focus on strategic decisions.

Conclusion

To thrive in a competitive, fast-paced business environment, entrepreneurs must learn to balance speed and accuracy in decision-making. By simplifying processes, trusting intuition alongside data, reducing overthinking, fostering a bias for action, learning from mistakes, and leveraging technology, entrepreneurs can significantly improve their decision-making speed. Ultimately, the goal is not to make perfect decisions every time, but to make timely, informed decisions that propel the business forward and can be adjusted based on real-world feedback.

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