

# WHY DECISIONS FAIL

## Avoiding the Traps and Blunders That Lead to Debacles

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**MAIN IDEA**

To make better decisions and avoid the debacles – those costly wrong decisions which become end up becoming public knowledge – you need to avoid the three blunders (which are present in all debacles) and the seven traps which can lead to bad decisions.

The three blunders are:

1. Rushing to judgement – before all the requisite information is at hand.
2. Misusing resources – thereby squandering the opportunity to apply those resources more intelligently.
3. Consistently applying failure-prone tactics rather than best practice tactics.

These blunders in turn generate seven traps which can collectively or individually underpin bad decisions. The seven traps are:

1. Seizing the first idea that comes to mind – even if it doesn't quite fit the circumstances.
2. Ignoring potential problems and barriers – and plowing ahead in the belief everything can be sorted out at a later stage.
3. Failing to specify clear-cut objectives – thereby allowing ambiguity to dilute organizational effectiveness.
4. Being unwilling to look for better ideas and approaches than those already in use.
5. Being selective in the collection and analysis of information – and only emphasizing the data which supports the decision.
6. Leaving ethical questions in the background – to be sorted out later rather than sooner.
7. Ignoring the opportunity to learn from previous mistakes – and making the same mistakes over and over.

It is a quirk of human nature that for some reason, many decision makers consistently apply the tactics which have a poor track record of success. Just the simple act of replacing the widely adopted error-prone tactics with better tactics which avoid these seven traps would increase the chance of success by as much as 50-percent.

*“My research shows that half of the decisions made in business and related organizations fail. The true failure rate may be higher because failed decisions that avoid a public airing are apt to be covered up. Considering the vast sums spent on these decisions and the benefits forgone, finding ways to avoid failure is vital.”*

– Paul Nutt

**1. The Three Blunders . . . . . Page 2**

The three blunders which are made most frequently in commercial decisions are:

1. Using failure-prone decision practices which have a poor track record of success.
2. Making a premature commitment of valuable resources before all the facts are available.
3. Spending time and money trying to show that what is being done will work eventually.

It's very easy for people to make these blunders. To illustrate that fact, when 400 business decisions were collected and analyzed over a 20-year period, it was found these three blunders had resulted in bad decisions being made in 50-percent of these cases. And this analysis was limited to decisions which were publically discussed.

**2. The Seven Traps That Can Catch Decision Makers. . . . . Pages 3 - 7**

The three blunders create seven traps which can ensnare decision makers and force them to make the bad calls which can ultimately lead to debacles.

The seven traps are:

1. Failing to reconcile the claims with the facts.
2. Ignoring potential barriers or forces stirred up by decisions.
3. Allowing ambiguous directions to stand.
4. Failing to look for better, more innovative ideas.
5. Collecting only that information which supports an action.
6. Overlooking the vital ethical questions and considerations.
7. Failing to learn from previous mistakes and bad decisions.

If managers can be aware of these traps, they can then find a way to navigate around them which, in turn, will significantly increase their chances of success in the future.

**3. How to Improve Your Chances of Success When Making Decisions . . . . . Page 8**

To make better decisions in the future:

1. Personally take charge of all decision-making efforts.
2. Bring your personal ethics into each decision.
3. Understand the issues that merit attention.
4. Deal decisively with barriers to implementation.
5. Use objectives to establish your desired direction.
6. Think deeply about making rational decisions.
7. Always identify more than one option for each decision.
8. Treat all decisions as learning experiences.

