

# The Power of the Decision-Making Organization

As an executive leader, you know the struggles to move your organization forward to achieve your goals. This is especially real when facing missed quarterly goals, slow growth, the high cost of attracting and retaining talent, and a team that is already taking-on ambitious goals.



Creating a decision-making organization (DMO) is the first practical move you can take to address these issues. A DMO is powerful because it can quickly identify your most pressing issues—and execute the right decisions at the right times to move your organization forward. High-functioning DMO's create an empowered work force, react quickly to marketplace changes, and grow quarter over quarter.

## All Businesses Make Decisions

All businesses make decisions, but very few are optimized decision-making organizations (DMO's). DMO's are a special designation for organizations that have a language and tools to:

- Create focus on key decisions
- Harness the full participation of management and staff to make these decisions
- Rebound quickly if they make a mistake
- Think creatively
- Grow the business

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The process of creating a DMO also offers practical answers to difficult management questions:

- How do you use the resources you have right now and still advance quickly?
- How do you create focus for yourself when so much is coming at you every day?
- How do you guide your company into the future—knowing that “getting things done” requires decisions that must reflect more factors, more data points, and more perspectives?
- How do you keep a spirit of innovation alive when you have real deadlines to hit?

Without jumping immediately to the details, let's take a step back and look at what “work” is in these modern times and the historical roots of it. It's worth considering.

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## Decisions Drive The Business

Unlike our agrarian past, the majority of 21st century work has much more mental overhead. Our “work” today requires: meetings, emails, phone calls, discussions on priorities, disagreements, target dates, missed target dates, confusion, negotiations, who has what, what needs to be reassigned...and who dropped the ball.

To get anything done in our modern day requires constant communication and real decisions—across multiple people and often multiple time zones. You can think of decisions as “key moments” in the life of a company when all the intellectual processing comes to a fork in the road—a turning point—at which a left or right choice needs to be made.

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## Outdated Models

But our ideas about decision-making are still stuck in the past. Despite the need to increase employee engagement, most organizations are run with a decidedly 20th century decision-making orientation.

In these systems, a small number of people are tasked with making the key decisions and the rest of the team makes these decisions happen. It’s not a system that gets the most out of an organization’s human capital investment.

Decision-making systems are so woven into the fabric of work, that when most people join companies they try to learn who has power in their organization and how decisions are made.

These are the biggest questions new employees initially face (and the answers are never in the employee manual). Rarely do employees new to an organization feel they have the flexibility to change how these practices work.

As an executive leader, it’s important to understand that your ideas and biases about how decisions get made drive the decision-making practices in your business. Your own personal ideas determine which people in your organization get to make decisions, who they consult, and how these decisions get made.

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Your ideas show up in who is granted power and how that power is wielded. Even more interesting is the fact that even though the benefits of being transparent about decision-making are gigantic, we rarely have thoughtful conversations about these practices.

If we were encouraged, many of us would have ideas about how to improve the decision-making systems in our companies. We just don’t think to surface them or challenge the status quo.

## Decision-Making Culture Drives Innovation

A company’s culture of decision-making operates in an ever-present but hidden fashion. It determines:

- Who is empowered to make the key decisions
- Who contributes to these decisions
- How communication is filtered around these decisions
- What kinds of “new ideas” are allowed (and not allowed)
- How much responsibility employees are allowed to take on
- How much initiative employees can take for spearheading their own interests
- How much mentoring and growing leadership “from the inside” can take place.

A company's culture of decision-making can be a driving force propelling the business forward, or a road-block to effectiveness, innovation and employee engagement. Understanding the existing strengths and challenges of your existing decision-making culture is the first step to becoming a DMO.

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### What Exactly is a DMO?

A DMO is a new way that allows your team to view themselves as part of the process for making decisions that make a difference. It is not a pie-in-the-sky vision for the future, but a real and tangible transformation that many companies have already made with moderate effort and modest expense.

Stakeholders in a DMO take an active view of participation rather than a passive one. They are vocal about which key decisions they want to make or contribute to, and they have explicit permission to advocate for what they want. This shift from passive to active is one aspect of the power of a DMO.

In addition, all staff in a DMO are trained to make effective decisions quickly—and these decisions follow a specific set of criteria. Decisions in a DMO are:

1. Identified and defined
2. Clearly communicated
3. Made just by the people responsible for each decision
4. Made in prioritized sequence, and
5. Made in a timely manner.
6. Involve the most relevant people

In a DMO, there is an explicit, shared language for talking about decisions that make them clear, executable, and

accountable to their maker. This explicit language cuts through the all of the jockeying for power that happens with typical decision-making processes, so that the key decisions that will advance your organization are well-researched, thoroughly supported, and made as quickly as possible.

### Developing a Decision-Making Muscle

The path to developing the DMO culture is a five-step process to mobilize everyone in your company. Lasting change starts at the top, so mobilizing the company starts with the leadership team and replicates out through the organization.

Our research has shown that in any business, there are approximately 12 to 24 key decisions that are central to taking the business from where it is to where it needs to go, depending on the size and complexity of the organization.

With a process to first identify these key decisions, and then a clear path to communicate who will make these decisions and how they will be made—the effect generated works somewhat like a flywheel. The process itself creates its own energy so that staff feel engaged, decisions get made, and the enterprise gets more done with less employee churn.

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### Employee Engagement: The Added Bonus

The most dynamic aspect of a DMO is how it keeps employees engaged to shape the future of the company. When employees are empowered as decision-makers and encouraged to exceed even their own expectations, a new level of contribution starts happening. A shift to a DMO releases the latent talent that often sat untapped,

and the opportunity to grow leaders from within becomes more tangible.

This kind of process and culture-driven investment pays off for years to come in achieving your goals, lowering turnover, faster innovation cycles, and better employee satisfaction. In some ways, this is common sense; most people want to be engaged in work that matters to them. What's key about a DMO is that it offers the path to make this a reality.

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## Measurable Results

In 8 years of showing companies how to become DMO's, we have seen consistent and measurable results. Most recently:

- In a trainee pool of 150 middle managers from an organization of 2500 employees, 45% reported using the DMO training to make decisions that advanced the organization...a full 90 days after the training. This gain was far above the 10% adoption rate that the organization had hoped to achieve.

Here's what our client said about the work:

*"After experiencing the training, our participant evaluations indicate that our supervisors and leads possess more clarity, awareness and empowerment—and are more confident in their leadership roles. This work is another step forward in developing our frontline leaders."*

**Robert L. Armijo, NorthBay HealthCare**

In addition, we regularly receive emails from executives, managers and directors who happily tell us how they are using the language and tools in innovative and novel ways to achieve their goals.

Becoming a DMO is a lasting transformation that affects the bottom line, and miraculously, the commitment employees feel to their companies...and their work.



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