

Steps of Decision Making Process

Following are the important steps of the decision making process. Each step may be supported by different tools and techniques.

Step 1: Identification of the purpose of the decision

In this step, the problem is thoroughly analyzed. There are a couple of questions one should ask when it comes to identifying the purpose of the decision.

- What exactly is the problem?
- Why the problem should be solved?
- Who are the affected parties of the problem?
- Does the problem have a deadline or a specific time-line?

Step 2: Information gathering

A problem of an organization will have many stakeholders. In addition, there can be dozens of factors involved and affected by the problem.

In the process of solving the problem, you will have to gather as much as information related to the factors and stakeholders involved in the problem. For the process of information gathering, tools such as 'Check Sheets' can be effectively used.

Step 3: Principles for judging the alternatives

In this step, the baseline criteria for judging the alternatives should be set up. When it comes to defining the criteria, organizational goals as well as the corporate culture should be taken into consideration.

As an example, profit is one of the main concerns in every decision making process. Companies usually do not make decisions that reduce profits, unless it is an exceptional case. Likewise, baseline principles should be identified related to the problem in hand.

Step 4: Brainstorm and analyze the different choices

For this step, brainstorming to list down all the ideas is the best option. Before the idea generation step, it is vital to understand the causes of the problem and prioritization of causes.

For this, you can make use of Cause-and-Effect diagrams and Pareto Chart tool. Cause-and-Effect diagram helps you to identify all possible causes of the problem and Pareto chart helps you to prioritize and identify the causes with highest effect.

Then, you can move on generating all possible solutions (alternatives) for the problem in hand.

Step 5: Evaluation of alternatives

Use your judgment principles and decision-making criteria to evaluate each alternative. In this step, experience and effectiveness of the judgment principles come into play. You need to compare each alternative for their positives and negatives.

Step 6: Select the best alternative

Once you go through from Step 1 to Step 5, this step is easy. In addition, the selection of the best alternative is an informed decision since you have already followed a methodology to derive and select the best alternative.

Step 7: Execute the decision

Convert your decision into a plan or a sequence of activities. Execute your plan by yourself or with the help of subordinates.

Step 8: Evaluate the results

Evaluate the outcome of your decision. See whether there is anything you should learn and then correct in future decision making. This is one of the best practices that will improve your decision-making skills.