

# How we use CAT to develop policies

Setting policies involves thinking through different options and their benefits and trade-offs, then selecting an option, in a process we call Critical Analytical Thinking or “CAT” for short. A CAT approach, with different options (analytical thinking) and pros and cons (critical thinking), provides concise and clear reasoning on how a decision was made. To prioritize clarity when sharing our policies, we typically only display the final policy decision. However, in making a policy decision a CAT process is often used, either informally or formally. Everyone at Mattermost is encouraged to write and share CAT analyses to speed transparency, decision-making and alignment.

As an example, here we'll walk through the following policy question:

***Can credit from a canceled, non-refundable company reservation be gifted by the company to a staff member for personal use, such as a holiday, if the credit would otherwise expire and be unused (e.g. non-refundable air ticket)?***

Here's CAT recommendation and analysis to illustrate the analysis and critical thinking process:

Our recommended answer to the policy question is:

***No. For a number of reasons, including complexity, compliance, and risk of self-dealing, our policy is to not gift credit from unused company expenses that would otherwise expire for personal use. Read [How we develop policies](#) for more context.***

The benefits of this policy approach include a) simplicity, b) separating company and personal expenses, which is common in corporations such as Mattermost with a material number of shareholders and governance processes (this model is different from family-owned businesses, where personal and company expenses may be more mixed), c) the avoidance of unintentional self-dealing (if a team planned an event followed by personal holidays, then canceled the event, and benefited from the gifted cost of flights and accommodations due to the team's decisions, it could appear as unintentional self-dealing, or even intentional self-dealing). The trade-offs of this policy include potential morale impacts, and the impression that our policy is “unfair” or “wasteful”, as well as the need to explain our policy reasoning to staff members who have worked under different policies (such as in family businesses, where personal and work expenses may be more mixed).

However, in this policy decision ***we also considered an alternate policy to gift all non-refundable credits for company expenses that would otherwise expire to staff members for personal use.***

The benefits of this alternate policy include increased morale and personal benefit for staff members receiving financial gifts for personal use. The trade-offs for this alternate policy include a) complexity in identifying non-refundable credits that would otherwise expire and timing the pre-expiration gifting event with a staff member's ability to effectively deploy them for personal holidays, b) increased cost of oversight and governance required for reviewing gift transactions, c) risk of unintentional self-dealing, as well as the risk of intentional self-dealing.

Finally, we considered **a case-by-base decision process**, where the company would define a process to decide on whether to gift non-refundable credit that would otherwise expire for personal use.

The benefits of this alternate policy include increased morale and personal benefit for staff members receiving financial gifts for personal use. The trade-offs of a case-by-case policy include all the trade-offs of automatic gifting plus i) the added complexity of a decision-making process, which can take attention away from customer and business priorities, ii) the risk of favoritism or appearance of favoritism, iii) morale issues and feelings of unfairness from individuals were not receiving gifts after decisions are made.

In reviewing the three policies listed and the benefits and trade-offs, it was clear the recommended policy was the most appropriate given the material benefits and acceptable trade-offs relative to the other options.