Decision-Making

Video of Emilie Choi (Coinbase President and COO) explaining RAPIDs and Biz Ops (20 min)

Getting Buy-In

One of the core challenges in leadership is how to get your team to buy into a decision. It's often easy to decide, but it can be much harder to get your team to invest emotionally in that decision.

You create buy-in when you make people feel they are part of the decision and that their input contributes to the outcome. The more influence they feel towards the outcome, the more invested they will be in the result.

Broadly, there are three ways to make a decision. Each has a different time requirement and creates different levels of buy-in. There are no free lunches here; unfortunately—the method that creates the most buy-in also takes the most time.

The methods are:

Method 1: Decision-Maker (see Type 1 vs. Type 2 below) makes the decision, announces it to the team, and answers questions.

Pro: Takes very little time.

Con: Creates minimal buy-in from the team and ignores benefits from their collective knowledge and experience.

Method 2: Decision-Maker (or assigns someone) fosters a collaborative environment with the team. This process entails creating a written straw man (a hypothetical answer designed to inspire discussion), sharing it with the team, inviting the team to give feedback (written and verbal), facilitating group discussion, making everyone feel heard by repeating their comments, and coming to a decision.

Pro: Creates more buy-in and gets some minimal benefit from the collective wisdom of the team.

Con: Takes more time.

Method 3: Decision-Maker invites the team to meet and discuss the dilemma from scratch with no straw man using Brainstorming, structured (1min). Team shares ideas. Decision-maker repeats everyone's ideas until they feel heard. She shares her thoughts last because hers is the loudest voice in the room.

Decision-Maker then asynchronously creates her proposed solution (see #2 above) and shares it with the group for feedback. Decision-maker then makes the decision. **Note:** this is not a consensus decision. The decision-Maker creates the buy-in and confirms that she hears all ideas but ultimately does not accommodate all ideas.

Pro: Creates the most buy-in and gets a lot of benefit from the team's collective wisdom.

Con: Takes the most time.

Not surprisingly, the most significant benefits require the most work. If you want more buy-in and a better decision, you need to take more time making the decision.

So, which method should you use? It depends on the significance of the decision and the importance of the team's buy-in. For low-impact issues (e.g., the venue for the holiday party), Method 1 is sufficient. For major, core issues (e.g., Company 10-Year Vision, Company Goals, Product Roadmap), Method 3 is necessary. For everything in between (the vast majority of important decisions), Method 2 is optimal.

Issues and Proposed Solutions

Team members will often want to bring up an issue and discuss it verbally. This step is inefficient (listening takes longer than reading) and ineffective (only forward people speak up and get heard).

Instead, require that anyone who presents an issue at a team meeting do so in writing. The write-up should include both a detailed description of the *Issue* as well as their Proposed Solution.

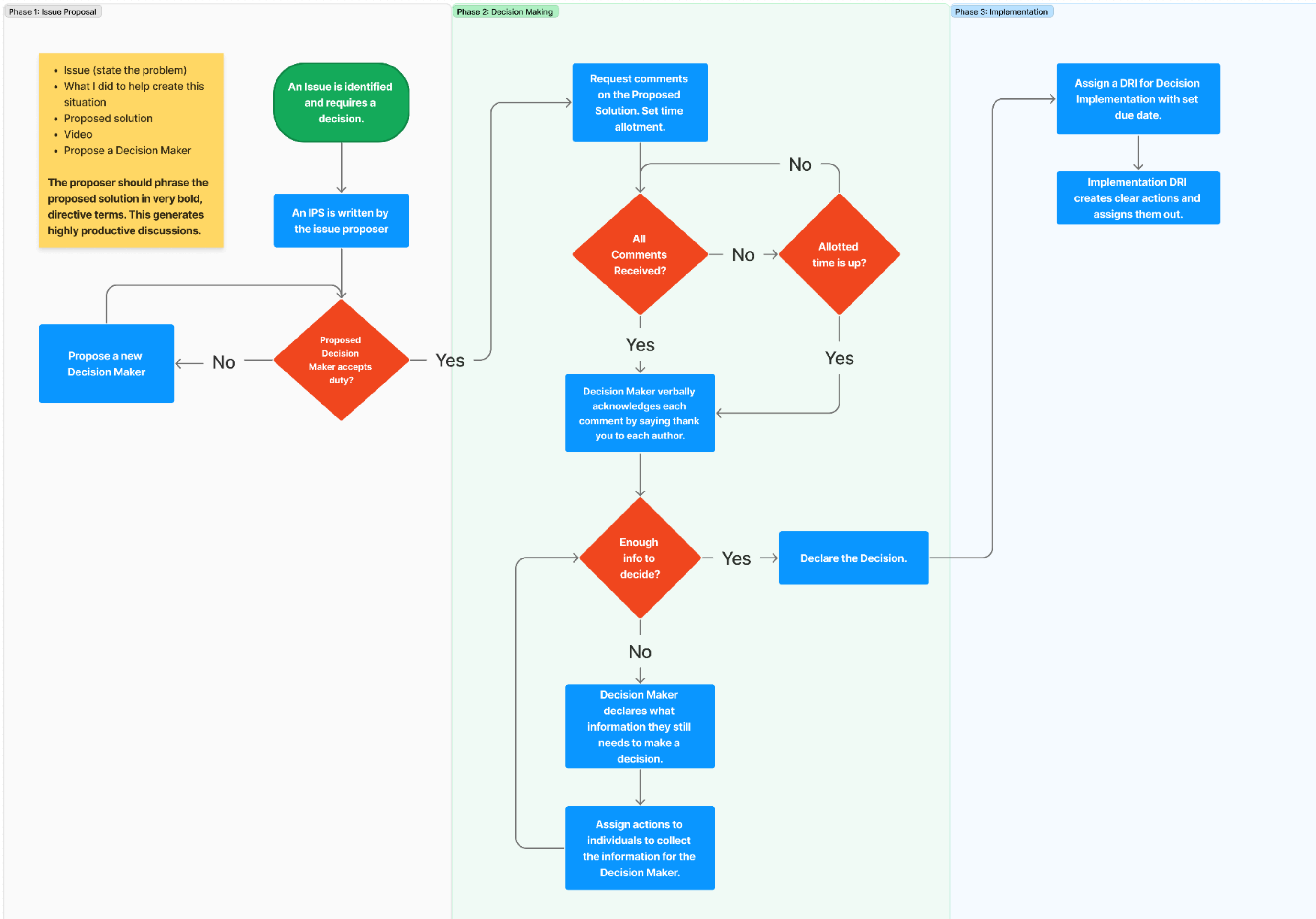
(I also like to include a section on “What I did to create this issue” just after the Issue description and before my Proposed Solution. This makes others not feel blamed, and also usually points out a way that I can solve the issue on my own by unwinding the steps that I took to create it.)

The proposer may say, "I don't know the answer." It doesn't matter. Even if they only have 10% confidence in their answer, they should guess that their answer is the right one. And they should phrase the Proposed Solution in very bold, directive terms. ("Do this ….") This step may seem aggressive but creates a flag in the sand, which generates a highly productive discussion and quicker decision-time, which ultimately is more important than appearing to be humble.

I recommend that the team present all Issues and Proposed Solutions at the weekly Team Meeting. Allow up to 5 minutes of discussion for each tactical (short-term) Proposed Solution and as much as 20 minutes for each strategic (long-term) Proposed Solution. If the Decision-Maker feels that they have enough context to decide in that time, great. The decision-maker turns the Solution into a Next Action with a DRI (Directly Responsible Individual) and Due Date.

If not, **DO NOT** spend more time talking about the Issue. Instead, turn to the RAPID framework described below.

IPS Flow Chart



Type 1 vs Type 2 Decisions

In his iconic [2016 Shareholder Letter](), Amazon's Jeff Bezos introduced us to light-weight, distributed decision-making. He wrote:

"Some decisions are consequential and irreversible or nearly irreversible – one-way doors – and these decisions must be made methodically, carefully, slowly, with great deliberation and consultation. If you walk through and don't like what you see on the other side, you can't get back to where you were before. We can call these Type 1 decisions. But most decisions aren't like that – they are changeable, reversible – they're two-way doors. If you've made a suboptimal Type 2 decision, you don't have to live with the consequences for that long. You can reopen the door and go back through. Type 2 decisions can and should be made quickly by high judgment individuals or small groups.

As organizations get larger, there seems to be a tendency to use the heavy-weight Type 1 decision-making process on most decisions, including many Type 2 decisions. The result of this is slowness, unthoughtful risk aversion, failure to experiment sufficiently, and consequently diminished invention. We'll have to figure out how to fight that tendency."

Each time there is a decision to be made, rate it as Type 1 or Type 2. If Type 2, allow one of your reports to be the D (Decision-Maker in the RAPID process). Your report will make a faster decision, they will get the chance to exercise their decision-making muscle, and you will have the opportunity to gain confidence in their ability to make decisions well.

And note that, as Mike Vernal, Partner at Sequoia and former VP of Platform at Facebook, shared with me: "Decisions are almost never Type 1."

RAPID Decision-Making

Emilie Choi, President at Coinbase, introduced me to a tool developed by Bain Consulting to make fully-informed decisions with buy-in when:

- A team has become too large to get all the needed voices in one room
- A team cannot reach a consensus within 5-20 minutes of discussion

It is called RAPID. Here is an example of a RAPID. In this process:

1. The identifier of an issue or decision writes the following:
    a. The Issue
    b. The Proposed Solution
    c. The list of people required to make and implement the decision:
        i. **R** (Recommend) = the one who first proposed the Issue and Solution
        ii. **A** (Agree) = Include colleague whose input is vital to the decision
            1. This group is usually Legal, who are ensuring that no one is breaking the law!
        iii. **P** (Perform) = those people who will have to enact any decision and, therefore, should contribute
        iv. **I** (Input) = those people whose input is worth considering
        v. **D** (Decide) = the one who will make the decision
            1. (See section below for an explanation of this Amazon modification.)
                a. If Type 1, this should be the CEO.
                b. If Type 2, this should be someone other than the CEO.
2. Create a section on the document for each person to write their comments.
3. The R then reaches out to all the As, Ps, and Is to solicit their input. Once this input is received, the document is ready to be reviewed by the D.
4. The R schedules a Decision Meeting and invites the D, As, Is, and Ps.
    a. If the issue is urgent, the R schedules this Decision Meeting as soon as it needs to be.
5. If the issue is non-urgent, the R can use the next Team Meeting as the Decision Meeting. (This option is much more efficient and is best when the issue is non-urgent.)
6. At the Decision Meeting, the D reads through the document and asks any questions. If the participants can answer her questions in 5 minutes, she decides. If the team cannot answer in 5 minutes, she asks for another round of written responses on the document

to answer her questions. At the next Team Meeting, she reviews these responses and decides.
7. Once the D decides, she writes up the Decision (or asks the R to do so) and all the Next Actions (each with a DRI and Due Date). The D then publishes this decision to the company.

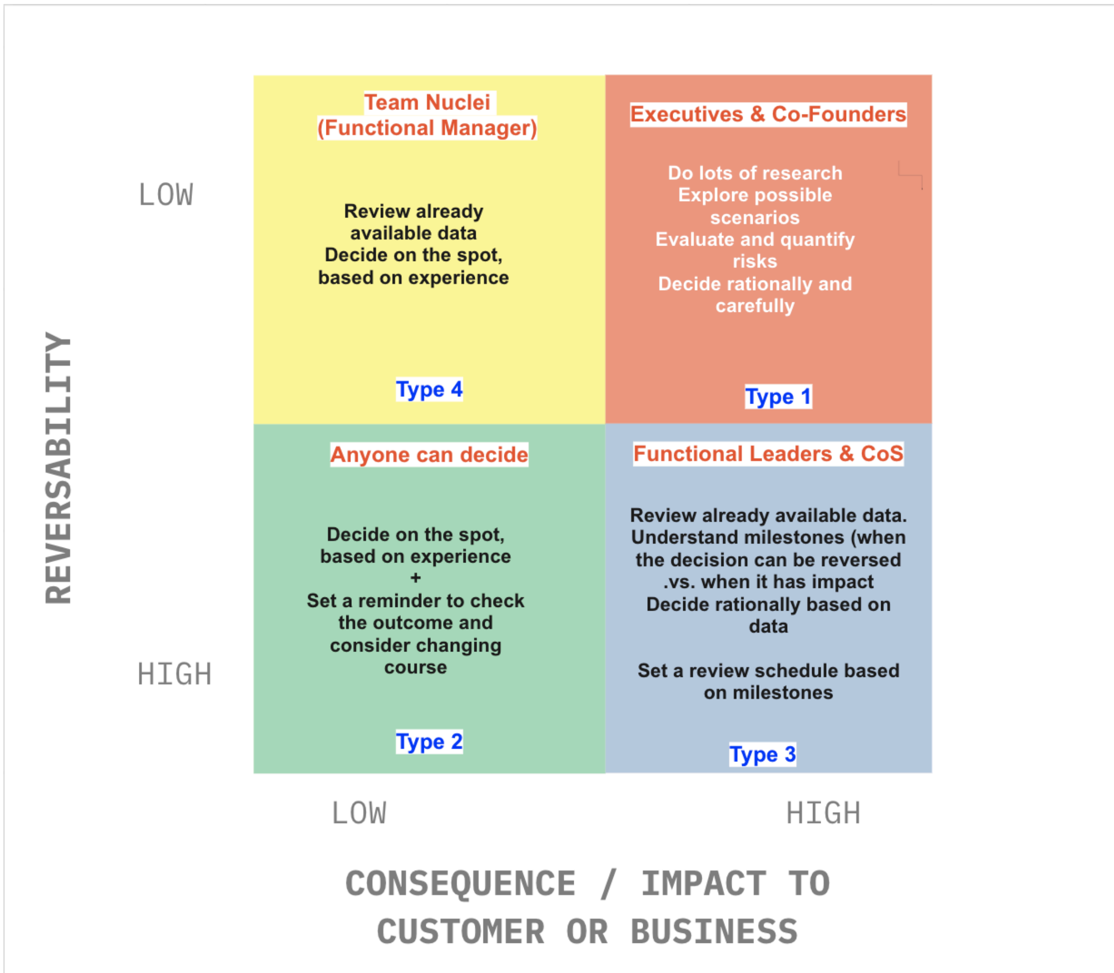
Once a company starts this process, it is helpful to track all the RAPIDs that are in process and collect feedback on how to improve the process. For each of these, I recommend a doc:

1. Create a Sheet to track each RAPID (with a link to the RAPID document), which R and D are responsible for, when the Decision Meeting will take (or has taken) place, and finally, when the team completes all the Next Actions.

2. Create a Doc for Feedback (Like/Wish That) on the RAPID process. After each Decision Meeting, ask the participants to write their feedback until the process is working smoothly.

Decision-maker matrix

Paul Meister, former Chief of Staff at BioRender, created this helpful matrix to help any team decide who the appropriate decision-maker should be in any given situation. He has generously agreed to share his matrix with the world.



⭐Interested in coaching or software to help implement the Mochary Method at your company? Please fill out our interest form here, or book a discovery call with Nancy Xu here.