



Making informed choices that move us beyond our default future

The choices we make today will determine our future, and the choices we made in the past have defined our present.

When it comes to delivering major change, research suggests that we haven't always made the right choices. All too often we hear stories of programmes overrunning or, in extreme cases, being cancelled. For example, Oxford's Said Business School recently reviewed 1,500 global projects worth \$245bn, and found that 27 percent went over budget and 55 percent overran. So what can be done to improve the chances of success?

Is it that we need to get better at 'doing things right', or do we need to get better at 'doing the right things'?

In my view organisations have, over the past 20 years, got much better at doing things right. Developments in project and programme management, change management, process management and service delivery have all helped organisations get better at doing things right – but not necessarily doing the right things. Doing the right things is essentially about making the right choices: choices on what to start, stop, retire, reshape and reschedule.

One of the challenges in making choices today is that we are faced with too much choice. We are continually fed with ideas from the Internet, social media, TV, colleagues, competitors or consultants.

A second challenge is that making the right choice is complicated by the legacy of past choices. No more so than in the world of IT, where the complexity of past choices has resulted in technical architectures that are so intricate it's often impossible to predict the consequences of making any changes.

A third challenge is accepting that the world we live in is non-linear and the simple (linear) models that we use to plan and predict the future are essentially unsound. The financial crash of 2008 is a prime example of where choices based upon linear models came significantly out of line with non-linear reality. The result was a correction that we continue to feel today. In a recent Formicio [article](#) my colleague Peter



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The hidden traps in decision making

Back in 1998 John S Hammond, Ralph L Keeney and Howard Raiffa published their seminal article in the *Harvard Business Review* where they described six psychological traps that are particularly likely to undermine business decisions, and offered advice on how to avoid or overcome these traps.

The six traps are the anchoring trap; the status-quo trap; the sunk-cost trap; the conforming-evidence trap; the framing trap; and the estimating and forecasting trap.

They argue that at every stage of the decision-making process, misperception, biases and other tricks of the mind can influence the choices we make. Also, highly complex and important decisions are most prone to distortion because they tend to involve the most assumptions, the most estimates and the most inputs from the most people. The higher the stakes, the higher the risk of being caught in a psychological trap.

The six hidden traps are described in their [article](#), which was republished in 2006.

Testing the trajectory

[Jane Northcote](#) offers two simple, yet powerful, tests to determine if an organisation is on course to an improved future.

The first test asks "*Taken together, will our change programmes produce change?*" This test encourages leaders to classify which of their change programmes are essentially about 'housekeeping' and which are aimed at creating an improved future.

The second test asks "*Does our portfolio of staff development programmes match our intention for an improved future?*" This test encourages leaders to ask whether they have learning programmes in place that will develop the capabilities needed to 'pull' their organisation into an improved future.

These two tests, though not by any means

Cochrane argues that our world is becoming increasingly non-linear and, as a result, more complex.

Making the right choices is difficult, but we're more likely to make better choices if we are informed, and being informed requires:

Facts: on such things as markets, customers, assets, initiatives, architecture, risks, suppliers and current strategy.

Analysis: that gives answers to 'what-if' questions.

Context: that defines the future we aim to achieve.

Judgement: based upon experience.

If organisations are serious about doing the right things they need to develop it as an organisational capability. A capability based upon shared mental models, frameworks, language, processes, tools and beliefs. A capability that supports and documents the process and discipline of choosing what the enterprise will do – and by implication what it will not to do. The payoff of having such a capability can be significant as it eliminates the waste resulting from initiatives that were always destined to fail.

If you would like to view the presentation on which this article is based, click [here](#).

I welcome your thoughts.

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complete, can give leaders an indication of the trajectory of their organisation.

To read Jane's full article, click [here](#).

About Formicio

We work with people who want to improve their organisation's future by delivering successful transformational change.

We help leaders understand their organisation's default future, and support them to put in place the conditions that will lead to an improved future.

Using innovative experiential learning techniques, we also develop the capabilities needed to 'pull' an organisation into its improved future.

More details can be found on our [website](#).

Parting thought

"Destiny is no matter of chance. It is a matter of choice. It is not a thing to be waited for, it is a thing to be achieved."

William Jennings Bryan, 1860 – 1925
41st United States Secretary of State