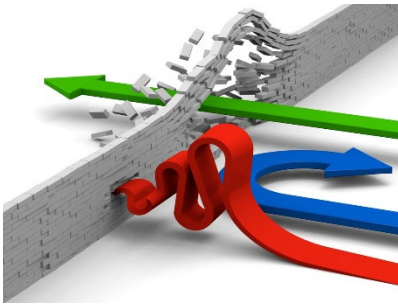


Leadership Barometer 182 Evaluate Alternatives

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Are you happy with your process to evaluate alternatives? Leaders make decisions every day, and they rarely stop and think of the alternatives that are left behind. That practice can be devastating to the business. This article shines a light on the practice of evaluating alternatives and suggests some improvements.

Always consider and evaluate alternatives

You owe it to yourself and your organization to consider the alternate path. Don't jump to the one that seems most appealing at first. When you fixate on the most logical path forward, you exclude all possible alternatives.

When you elect to take an action, let's say "buy a new packaging line," you have a choice. Clearly, one alternative is to do nothing. The null hypothesis is always available, and it may be the best choice.

In our example, let's suppose we have been contracting with another firm to package some of our products because we are out of capacity. The cost of hiring another firm to package our product has severely cut into the profit margin.

Why we tend to jump to the "obvious" course of action

We are so close to the issue that a logical solution practically tackles us. The easy answer is always the case to beat. Few leaders ask for specific alternatives that were considered but rejected.

We concern ourselves with the short-term solution that eases the pain. In doing this, we tend to overlook an option that has far greater appeal in the long run. We also fail to evaluate a more creative solution that might have many side benefits.

For example, in the case we described above, the obvious solution was to buy a packaging line. It would handle the razor line we have been selling. It is a specific machine for that purpose. We don't realize there is an alternative. For very little extra cost we could purchase a line that could handle razors, batteries, and light bulbs. That would provide the factory with a significant advantage in flexibility.

Evaluate alternatives as a conscious process

Before making a major decision, always ask if we have considered at least three different solutions. That way we can confidently say that we did not make a snap judgment. Be sure to look at the options from all angles, not just the obvious ones.

When evaluating alternatives, avoid analysis paralysis

You can study alternative ways to do anything until you are old and grey. That is clearly a waste of resources in a different way. Grab onto three or four different courses of action and evaluate the long and short impacts of each one. Make a reasonable decision and sleep soundly knowing you made a fair comparison.

Conclusion

The flow of ideas will steer you toward solutions that may not be the right ones for your business. Be sure to take the time and energy to evaluate alternative approaches.

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