

SMART CHOICES



OBJECTIVES

What do we really want?

What do we really need?

What are our goals and hopes and aspirations?

So now that we've defined the right decision problem, before we make our actual decision, we need to think about our objectives. What do we really want? What do we really need, what are our goals and hopes and aspirations? Identifying objectives is important because objectives form the basis for evaluating the alternatives that we will eventually come up with. They become what we will refer to as our decision criteria. One of the things you need to make sure of avoiding is making poor or unbalanced decisions and you can do that by making sure you identify all of your objectives and of course, just like in defining your decision problem if you list your objectives it can help.

Listing all of your objectives can help you think of new and better alternatives, go beyond the obvious solution or the obvious alternative, help you analyze the alternatives, and finally it will also help you justify the choice you eventually make. By their nature objectives are personal. They don't necessarily need to be self-centered. They could reflect the needs and concerns of family, organization and community, as well as yourself. Objectives also help you determine what information you need to seek in order to make your decisions that will help you explain your choices to others and in the process objectives will also help you focus in on

LECTURE NOTES

Chapter 3

Proactive Problems, Objectives,
Alternatives, Consequences
and Trade-Offs

the decisions importance and consequently how much time and effort it deserves. There are some pitfalls you want to watch out for. I'm sure we've all heard the saying, if you don't know where you're going; any route will get you there. Well clearly that's not how you want to go about making your decisions so you need to clearly and completely define your objectives to make sure you have a clear destination in mind and don't wander aimlessly. On the other hand you don't want to take too narrow a focus. What you need to make sure you include in thinking about your objectives is both the tangible and quantitative measures that you want to achieve, which are usually fairly easy to identify.

What are often overlooked are the intangible or subjective things. Tangible, for example, might be to decrease costs by fifteen percent. Intangible might be something like to improve employee morale and is hard to put a dollar figure

to it, but it's important. You need to make sure that you give the task the time and effort it deserves. Getting it right isn't easy. It might require some deep soul-searching and, like with the decision problem, the first set of objectives you come up with may not include all of the objectives that are truly important.



IDENTIFY OBJECTIVES

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Use the following steps:

- 1 Write down all the concerns you hope to address for your decisions.
- 2 Make a wish list and think about the worst possible outcome.
- 3 What do you most want to avoid?
- 4 Consider the decisions possible impact on others.
- 5 Ask others who faced a similar decision what they considered when making their decision.
- 6 Consider a great and maybe even unfeasible alternative. What is so good about it?
- 7 On the other hand, consider a terrible alternative. What's so bad about it?

If you find out what's good. It helps you recognize things are important in a positive aspect. Things that are bad, may lead you to objectives to avoid certain things. And again as before, think about how you would explain this decision you've made to others. How would you justify it? Answering these questions and their questions may uncover additional concerns. Once we thought through these ideas, then you need to convert your concerns into objectives. Objectives are best stated by a short verb phrase such as minimize cost, increase efficiency, retire in two years, etc.

Then once you have established these things you need to separate the ends from the means you need to establish what the fundamental objectives are. Ask why over and over until you reach the root fundamental objective. I want to take this job. Why because it pays well. Why is that important - because I need to establish a retirement fund? Why, because I'm sixty four years old and I don't want to work forever and my retirement fund is low. These are ideas of how you could ask why, and really get to the root cause. In the end, each objective is going to serve as a stimulus for generating alternatives that will meet these objectives, and it will also help you better understand your decision problem. Again those fundamental objectives can be used to evaluate and compare alternatives. Then let us make sure that your real clear on what you mean by each objective. You might have to refine it to get your meaning clear, and then test to see if your objectives capture your interest. Test drive with an alternative. Would you be happy living with the resulting choice? Define what's unclear, what's missing.



Ask Why?



SUMMARY

Objectives are personal.

Different objectives are going to suit different decision problems and different people differently.

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Objectives should not be limited by the availability or ease of access to data. Those objectives that are easily measured may not always illuminate what really matters. What's nice about this is unless circumstances change dramatically; fundamental objectives for similar problems remain stable over time, so many of the objectives you have agonized over will apply to other decisions at other times that are fundamentally the same.

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