

# SMART CHOICES



**Consequences:** the results of each alternative and what effect it would have on your objective.

**CONSEQUENCE**

If you do this well, often your decision is obvious so:

- Really understand the consequences of your alternatives before you make that choice
- Have the appropriate accuracy, completeness, and precision of the consequences
- Include all pertinent information
- Have a complete set of the consequences

## LECTURE NOTES

### Chapter 5

PrOACT stands for Problems, Objectives, Alternatives, Consequences and Trade-offs

Well-Defined Consequences = Smart Choices



# CONSEQUENCE

## Establish a Consequence Table

- 1 Mentally put yourself into the future, imagine you've chosen the alternative and ask yourself: are you happy with the result?
- 2 Create a description of the consequences of each alternative.
- 3 Gather your facts to understand the pros and cons of each alternative or the consequences of each alternative.
- 4 Check this description against the list of objectives that you had established previously.

Fill in the gaps with any objectives that you might have missed. Did you discover any previously unstated objectives as you started filling out the consequences? At this point we're still trying to get our facts together. We don't want to fill out a table with unnecessary data. Let's look at our alternatives and if they are clearly inferior let's eliminate them.

## Play King of the Mountain

Make a list of the pros and cons, establish a king to start out with arbitrarily, and compare that king to one other alternative. If the alternative emerges as clearly superior, eliminate the other one. Otherwise, keep them both, retain the king and continue comparing them against other alternatives. Continue to do that until only one

alternative remains as the obvious selection. In many cases, you end up with more than one alternative. Organize those remaining alternatives into the consequence table to eliminate a lot of the work by doing this king of the mountain routine.

### Create Consequence Table by:

1. List the objectives down the left side and the alternatives across the top.
2. Write each cell a really short, concise description of the consequence that each alternative will have on a given objective, as you probably will have more than one objective.
3. Be consistent in your terminology when writing these out.
4. Compare the alternatives.

The completed table will concisely and orderly format your alternatives so that you can easily compare alternatives objective by objective. It will also force you to bring together all your data about the alternatives, imposing some discipline to get your objectives and the consequences in a single precise framework; because **if you can't visualize it, if you can't see it, then it is going to be very hard to make your decision.**



Objectives	Alternatives				
	Job A	Job B	Job C	Job D	Job E
Monthly Salary	\$2,000	\$2,400	\$1,800	\$1,900	\$2,200
Flexibility of Work Schedule	Moderate	Low	High	Moderate	None
Business skills development	Computer	Manage People, Computer	Operations, Computer	Organization	Time Management, Multiple Tasking
Vacation	14	12	10	15	12
Benefits	Health, Dental, Retirement	Health, Dental	Health	Health, Retirement	Health, Dental
Enjoyment	Great	Good	Good	Great	Boring

## Describing the Consequences

If you are not really sure what the consequences are: suggestions are try before you buy, seek out ways to experience the consequences. For example, if you are interested in buying a car go rent one for a weekend and try it before you buy. You want to use common scales to





## Choosing Scales

Choose scales that are relevant regardless of the availability of hard data.

**Subjective scales:** the seven point scale where we start at very dissatisfied to very satisfied or A through F for grades, good, fair, poor.

**Choose subjective scales if hard data or hard numbers are not available. Make the most of the available data but if the data is not available, use your best judgment, best guess and best logic.**

There is information out there, you just may not be able to precisely define it, but you should include those items in your consequence table. Seek the advice of experts and use it wisely. When seeking the judgment of others make sure you understand the consequences that they project and how they derived them and make sure that that applies to you as well.

**Common scales:** when hard numbers or data are available. For example, if you're looking at millions of dollars you wouldn't want to do something to the penny so choose a round number and then add or subtract a percentage from that. If there is a major uncertainty, address it head on. We'll talk about how to do that in later chapters. If it is a minor uncertainty, you can always represent with it with an estimate.

describe your consequences include both intangible as well as tangible consequences so don't use feet and inches for one alternative and meters for another alternative. You want to be able to compare apples to apples. Don't rely only on hard data, a lot of times things aren't easily described by hard data.



3

## SUMMARY

Consequences need to have the appropriate accuracy, completeness, and precision.

Build a consequence table to pare down the information to things that really need to be represented.

Mentally put yourself into the future and play king of the hill to eliminate those objectives that are clearly inferior.

Uncover ways to describe the consequences.

