

TROJAN

T O D A Y

www.trojanonline.com

Making Good Decisions

BY MARK DUNN, CPA, MBA, CBM



We make decisions every day. Some are easy no-brainers while others may require quite a lot of data or research. No one can guarantee a decision will be correct and – to muddy the waters even more – decisions often have more than one satisfactory solution, so it's important to reach the best solution for each situation.

So, what are the factors to making the right decisions? Judgment is a primary one. The quality of one's judgment (the logical thought process to make a decision versus jumping to a spontaneous choice) can be improved upon by adding structure to the decision-making process.

The starting point of a decision-making structure is to have alternative solutions or choices. The one most frequently used is: "Will this – or will this not – benefit me?" This approach suffices for low-end choices that can be made easily and quickly, such as subscribing to a magazine or purchasing office supplies. On the other hand, more complex and "important" decisions are often limited to, and affected by, constraints such as time or budget. Usually, more important decisions, such as purchasing a practice management system or intra-oral camera, involve consideration of more variables.

Another critical factor in decision-making requires enough of the right kind of information to enable you to evaluate the alternatives. The quality of a decision can only be based on the best information available at that time.

We make many personal and business decisions every day. Fortunately, the decision-making model is the same for all. Whether it's a business issue (operations, marketing, resource allocations, management) or personal issue (whether to buy a new car or computer, what restaurant or vacation), the process is the same.

There are six steps to follow in making a good decision:

1. Define your Objective:

Ask yourself, "What problem am I trying to solve?" and "What am I trying to accomplish?" Break it down. It's important the problem and objective are defined correctly; make sure you are trying to solve the right problem.

2. Search for Alternatives:

Decisions require more than one option. Try to come up with three to five alternatives and make sure they are based on your objective. For example, consider a patient with a cavity. The first objective is to remove the decayed portion of the tooth. The alternatives are to use a: a) high-speed dental drill, b) high-tech dental procedure called air abrasion, or c) cavity prep laser. During this step, you would gather the appropriate information in preparation for the next step.

3. Compare and Evaluate Alternatives:

Here's where you consider all the relevant factors affecting the objective and alternatives. Relevant factors are those that differ between alternatives. For example, will the additional use of the cavity prep laser provide greater revenues to offset the higher cost? If the options are the same between products, then those options are not relevant to the decision. Also, when comparing alternatives, both qualitative and quantitative factors must be considered. Quantitative factors are expressed

continued on page 3

continued from page 1

in dollars or other quantities, such as costs or efficiencies recorded in a numerical form. Qualitative factors include non-numerical attributes such as customer satisfaction. The following is a simple matrix comparing three alternatives for removing the decayed portion of a tooth, demonstrating both quantitative and qualitative components.

	High-Speed Drill	Air-Abrasion	Cavity-Prep Laser
Cost	\$500	\$1,000 to \$20,000	\$40,000 to \$70,000
Anesthetics	Yes	No	No
Pain	High	Low	Low
Patient Experience	Low	High	High
Technology	Old	New	New
Additional Use	None	None	Gum Treatment

4. Select the Best Alternative:


This is the culmination of the process. As mentioned earlier, the best alternative may not be readily apparent. However, now you have better information to reduce the risk of making a poor decision. The best choice will be the one that meets your objective while staying within the discernible constraints.

5. Implementation:

Execute the decision by taking action. This is best summed up by Tony Robbins, who said, “A real decision is measured by the fact you’ve taken new action. If there’s no action, you haven’t truly decided.”

6. Follow-up:

You won’t know if you have made a good decision until you evaluate your actions. The proof is in the pudding. It’s important not to skip this step. You must determine if the objective was met. If it wasn’t, then either you need to revise your objective to one that is more accurate or you will have to implement another alternative.

To make better decisions, structure your decision-making process to give you enough information on which to base an effective evaluation which, in turn, will allow for better judgment when making decisions. 



Trojan Today provides a forum for industry professionals to offer a diversity of information and to provide ideas and suggestions in the area of practice management. These articles are meant to be informative and do not necessarily represent the opinions of Trojan Professional Services, Inc.