

What is the 2% Decision Process and How Do You Know When to Use It!

A Steady Stream of Choices

According to a widely-cited statistic, American adults make as many as 35,000 decisions a day. That includes the mundane “Should I bring an umbrella?” to higher impact matters that might include, “Is this candidate the best choice for this position, or should we keep looking?”

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Making a decision makes progress possible; indecision and procrastination can be stagnating and costly. No decision means no action, no progress, no movement forward. Putting aside the decision about a new hire might mean losing the best candidate to another firm in the meantime.

Of course, it's easy to overthink things and make simple choices more complex than they need to be. The key is breaking down each choice into the simplest of questions. If you have a framework in place for weighing your options, you should be able to move quickly.

How to Decide

Out of the 35,000 decisions you make in a day, 98 percent should be made instantly. For example, should I wear a black shirt or red, should I brush my teeth or not (yes, you should), and do I want cream in my coffee are all simple, split-second decisions. Just as decisions like whether you should buy a \$100 pair of tennis shoes should also be instant; don't waste time deliberating over such small purchases.

Only 2 percent of your daily decisions should not be made instantly. You should make them quickly, but you may need to spend some time weighing your options. For harder decisions, consider:

- **Whether you will be put in any physical danger**
- **Whether the cost of the decision is more than \$1,000**

For example, should you bungee jump or skydive, or should you hire a new employee that will add \$5,000 to your monthly payroll or sign a six-year multimillion dollar office space lease? These types of decisions fall into the two percent but still need to be made quickly. Below I've created the two percent decision-making process.

The 2% Decision-Making Process

To start, break down your decision to improve the quality and quantity of decisions you make. Here are some guidelines to follow:

What do you really want? When faced with a decision, no matter how trivial or how critical, start by getting clear about your ultimate goal.

Do you really want to hire more employees to grow your company, or is your true goal higher revenue? If higher sales is your goal, not empire-building, you may not need to add head count.

Make sure your decision will support, not hinder, your business goals.

Gather supporting data. What is it you need to know to make an informed decision? Odds are good you already know enough, or close to it. You probably have an inkling of what to do next, but if you feel you don't, quickly pull together key pieces of information to help you make your decision.

In evaluating products, you might investigate must-have features. In considering services, you might weigh the vendors' track record or proximity to your office.

"Don't make a project out of it," as copywriter Bob Bly has been known to say when cautioning against making a mountain out of a molehill. Decide what you need to know and then find it, delegating as needed to team members for speed.

Lay out pros and cons. Sometimes it helps to visually break down the advantages and disadvantages of each choice, especially when you have more than two.

Create two columns, one for the pros and one for the cons associated with each choice. This exercise isn't about automatically choosing the one that has the most pros and the fewest cons—it's about helping you become more objective about your decision. Make a list and compare the upsides and downsides of each choice:

Pros	Cons

Go with your gut. Most decisions come down to gut feel. Fortunately, your gut is pretty accurate. It represents all that you currently know about the topic. So what is your gut telling you?

In situations where multiple people are impacted, you may want to consider two more steps in your decision-making process:

Align key stakeholders. Even when you're the CEO or founder, it's smart to involve others when your decision is likely to cause some employees, customers, vendors, or community partners discomfort. Getting buy-in can boost understanding and enthusiasm and help others start thinking ahead to what comes next.

In cases of widespread organizational change, having a posse or entourage alongside you who support your decision ups your odds of success.

Communicate. The worst thing you can do is fail to share information about your decision in a timely manner. Good or bad, your employees want to know what's going on. So as soon as you know what your next move is, tell them.

Then tell them what it means for them. You're merging with a competitor? Will there be cuts? How about promotion opportunities? Will anyone have to relocate? Will you be adding staff? Share what you know and tell them when you'll know more.

Set the timer for nine minutes. Many experts advocate putting a time-limit on the decision-making process and I agree. Some decisions you should be able to make in seconds—which route to take to work, whether to renew your annual Lifelock protection or not, or donating to your alma mater are all fairly easy calls. Don't spend more than 10 seconds on these.

And then there are the decisions that require some weighing of factors, like cost, opportunity, risk, and time. You may need to gather some more input to understand the pros and cons of some decisions, or to reach out to team members for their perspectives. But once you have all that, nine minutes is enough time to make an informed choice. You have a good idea of what to do right now, so go with it. Move on from your current decision to something else. The more decisions you make, the bigger your potential for success.