

Whose Decision Is It, Anyway?

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Salespeople sell, administrators organize, engineers create, and executives decide. We decide to recruit new talent, to open or close facilities, to enter new lines of business or leave old ones. Through our decisions, we influence other peoples' lives and spend other peoples' money. Our decisions determine our companies' fortunes. Our decisions get us lionized and demonized.

So if our decisions carry so much weight, why don't we make it easier on ourselves to make good decisions?

Effective decision making is rare in the corporate world, even though most companies contain the necessary elements. Corporate infrastructures have drifted from their original purpose, which was to put decision making close to customers and resources. Now, our structures tend to move decision making so far up the corporate ladder that the person ultimately responsible has no direct knowledge of the situation. The lines of accountability are also blurred.

The limited accountability bred into many corporate structures encourages decision making without facts, the least effective brand. If people are not accountable for the quality of their decisions, then there is no incentive to ferret out all of the necessary facts.

There are as many decision making styles as there are golf swings, but aggressive fact finding and consideration are common to them all. I make decisions quickly because I've always felt that if I put events in motion as soon as possible, I can modify and reverse what doesn't work. Fast, however, is not synonymous with hasty. I don't proceed until I'm sure I've pursued and weighed all of the pertinent facts. I expect the same diligence from my team.

This sounds like a luxurious approach to decision making. How, you might ask, can executives spend enough time gathering and weighing facts on each decision when they must have dozens of important decisions to make every week? Don't they have to rely on instinct at least some of the time?

No. Instinct and experience have their roles in decision making, but they are a poor substitute for facts. My team and I have the time to consider the facts of every situation because we limit ourselves to very few critical decisions each day. The rest of the decisions



that keep our company thriving are made by the people closest to the decision – the people who know the facts. Performance guidelines provide both the structure and latitude to resolve situations to the customers' satisfaction. With fewer decisions to weigh, my executive team and I can concentrate on the decisions we alone can resolve. And our decision-making organization is more responsive on the front lines, which leads to better relations with customers, vendors and shareholders.

There's nothing revolutionary about this approach. It simply recognizes the purpose of an organizational structure, which is a decision-making system by its very nature. The problem occurs when decisions are made at the wrong level. I've held executive positions at seven companies and have been involved in acquiring 90 others, and unnecessary decision elevation occurred at every one of them. Its most obvious hallmarks are multiple sign-offs and overgrown policy manuals.

I've been at companies that require as many as 15 signatures on a decision. I guarantee that no one from number five up had any direct knowledge of this decision's facts. The sign-offs did nothing more than diffuse accountability. A person's initials on a document should be because they have knowledge of the situation, not just that they happen to hold a position above another decision maker.

Policy manuals are often a partner in crime to the sign offs. I have a healthy disdain for bloated policy manuals; they're reservoirs of excuses. One of my most satisfying decisions was to trash the seven-volume policy manual at a company where I once worked and replace it with two pages of clear, yet flexible guidelines. They turned everyone in the company into a decision maker by giving them clear responsibilities.

Once the organizational structure is re-defined to include clear lines of responsibility, a few additional elements will complete the decision making support framework: guidelines, objective measures and rewards; value-based leadership that requires people to meet goals rather than following procedures; and the tools, training and development people need to be successful.

Decision-making organizations aren't a threat to you as an executive. Just because you're not making every decision, that doesn't mean you aren't in control. When everyone is making the decisions his or her position demands your company is more flexible and responsive. So are you. You're more in control, not less. Ultimately, you will be a better executive because you'll have time to effectively make the decisions only you can.