PLANNING TOOL

TRAFFIC LIGHT PLANNING PROCESS

ASSESSING STRATEGIC
OPTIONS WITH GREATER
CLARITY

empath◡c
CONSULTING

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GOOD INTENTIONS ARE NOT ENOUGH

DECISION MAKING FLAWS

Searching for a Birthday gift for a friend recently, I came across a site that offered charitable giving. I would make a donation to this charity, and for just over $100 they would purchase 10 repellent-treated mosquito nets and send them to families in Africa to:

"Help ensure children and their families can sleep soundly, without the threat of deadly malaria-carrying mosquitoes. These nets are one of the cheapest and most effective ways to stop the disease, which kills one child under five every minute."

This sounded like a great gift. Instead of simply purchasing them, I did some additional research. After just a few minutes, I became slightly more confused and concerned about my potential present. It seems giving mosquito nets to families might be doing more harm than good.

In countries like Zambia and Mozambique, some studies suggest most of these nets are sewn together with thread into large sock-like tubes. They are then unravelled each morning and used to dredge the rivers or oceans of any aquatic life by poor villagers looking to feed their hunger. The desperately poor families fear starvation more than malaria, so having these tightly woven nets given to them for free is like a gift from the gods.

Sadly, the constant depletion of the youngest fish and even smaller aquatic fauna is having a devastating impact on the ecosystems.

Billions of dollars in donations are being given.

Millions of mosquito nets are being manufactured and distributed to those in need.

Yet instead of malaria rates reducing, they continue to rise, people continue to die from the disease and rivers and oceans are being swept clean causing significant ecological damage. How has such a good idea ended up being a horrible outcome for those they were hoping to help and innocent victims of unintended consequences..

BRAINS LIKE TO KEEP IT SIMPLE

UNDERSTANDING OUR NATURAL BIASES

When making strategic decisions, often leaders and their teams can fall prey to a number of cognitive biases. The human brain is a powerful tool, but it does have limitations. Nobel prize winning psychologist, Daniel Kahneman, has shown through his lifetime of research that we are all susceptible to cognitive biases and this plagues our ability to make decisions in complex environments. Kahneman describes "when faced with a difficult question, we often answer an easier one instead, usually without noticing the substitution."

This oversimplification of the mosquito problem is fairly obvious now in hindsight, but certainly not unique. History is littered with good intended decisions that play out in unforeseen failure.

When an error was detected in the new Smart ATMs of a large Bank, the leadership team was faced with a choice of what to do. Should they stop the project to roll these new ATMs into all their branches and possibly lose customers and revenue or should they try to monitor and fix any issues in the background so customers wouldn't know?

We have run this case study with hundreds of teams in our training programs and the vast majority initially choose to monitor the issues and refund any impacted customers manually as the risk of losing customers is unpalatable. Interestingly, this is what the leaders within the bank decided too, however, as the ATM roll out continued, the manual monitoring became too challenging. The ball was dropped in implementation and around 600,000 customers suffered issues.

Was this just a good decision poorly executed or did the lack of consideration of the implementation issues in the decision making process make it a poor decision? To improve the decision making process and avoid making simplification errors of our own, we need to break down the implementation steps in the decision making process.

The Traffic Light Planning process is designed to help leaders and their teams get a better understanding of the implications of their options **before** making a decision and to increase the clarity of the actions, challenges and risks required for success. This simple process can be adapted to a vast array of decisions and challenges, but its effectiveness relies on team members asking good questions and challenging the groups thinking. We recommend support from a consultant to develop your teams capability in using this tool.

TRAFFIC LIGHT PLANNING TOOL

In implementing any plan, there are generally more things that need to happen than you think. We sometimes get a sense of this when we open a car bonnet and look at the huge number of parts, or try to assemble flat packed furniture with a few black and white diagrams as our guide.

When making a decision, our over-simplification bias can hide the levels of complexity required to be successful. So, the first step to complete before making a decision is to create some clarity on the activities or steps needed to implement.

In our mosquito net example, what are all the major steps in successfully rolling out nets to say 30 villages across a country. For example, they may include:

- Gaining permission from Governments
- Estimating the number of nets required
- Budgeting and securing adequate funding
- Sourcing and contracting production of nets
- Distributing nets to each village
- Training recipients in correct use of nets
- Reporting and measurement of impact of nets

In developing this list, be sure to find the balance between too detailed and too high level. If you have more than 10 steps, you might consider grouping some, if you only have 3, you might need to expand your thinking.

GREEN LIGHTS ALL THE WAY

Now that we have our high-level steps, what would success look like? The first part of the traffic light planning tool is to understand what would need to go right in order to deliver each of these steps.

This is our Green Light track. Here we can break down the steps of our plan with an emphasis on unearthing the assumptions we often make.

For example, Gaining permission from Governments involves finding the right people, scheduling a
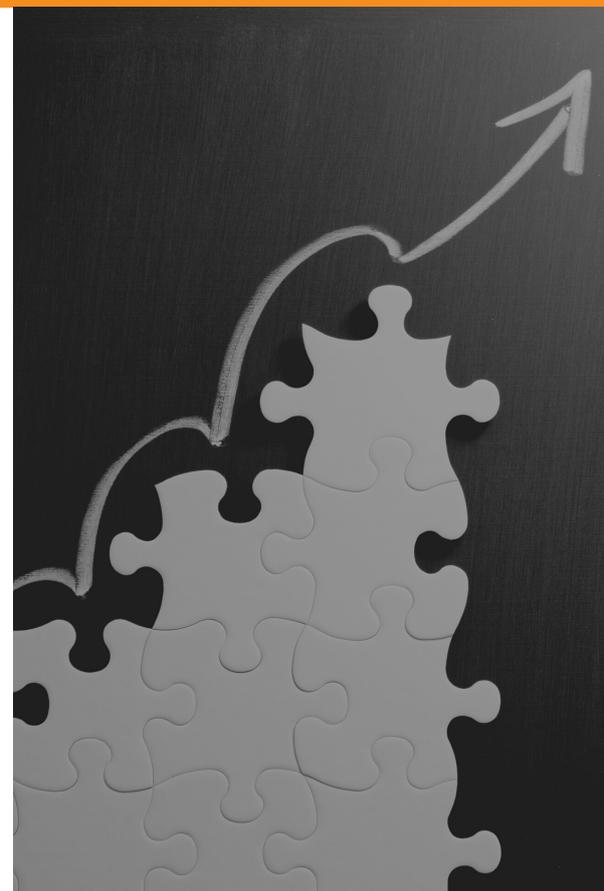
meeting, building a compelling presentation regarding your proposal, drafting an agreement and obtaining official sign off. In this example, what at first might seem like a pretty simple step actually requires a lot of green lights to be achieved.

If each of these steps proceeds well, you will be on track and speeding through the green lights to success, but, as we all know, green lights are not what we should expect.

WHAT COULD SLOW US DOWN? AMBER LIGHTS

Next we want to consider any known challenges at each stage. The Amber Light track is an opportunity to explore the possible issues you might face, pinch points you expect or focus areas for the team to consider. There will always be a few hurdles that need to be overcome in any step.

For example, it could take some time to secure a meeting with the right officials, they might require a long time to review your proposal or give access to certain locations within their country.

These Amber challenges give each of the members in your team the opportunity to not only share any concerns and considerations they might have, but also to hear from others as to challenges they might not have considered. This process allows individuals to expand on their concerns in a systematic process and ensures that challenges are understood in appropriate steps that can be discussed individually.

This avoids one of the cognitive challenges we see so often in decision making, that when several people share a concern or challenge, it can appear like a bigger problem than it possibly is. If a decision has only one step with significant challenges, even if everyone agrees, it doesn't mean it is unmanageable. However, if another decision has challenges across a number of different steps, even if only a few people were aware of them, it may mean this is a more challenging option to be considered.

DEAL BREAKERS - RED LIGHTS

The next consideration in the traffic light planning it to consider what would be the deal breakers. What could happen in each step which, if it occurred, would completely derail the decision entirely.

For example, if a government you were working with demanded a large financial bribe for you to deploy the nets, it would stop your program in its tracks. Deal breakers can

be hard to anticipate and considered, not with certainty, but with due consideration. As with the Amber challenges, it is important to explore what the show stoppers might be possible at each stage of the process.

Having this detailed discussion and exploring the possible deal breakers ensures everyone has as much clarity of the possible issues before a decision is made. Where Amber challenges might cause delays or concerns, Red lights would mean the decision would be untenable if these things were to occur.

For added depth, each of the Red Lights might be considered across a traditional risk management matrix: what is the likelihood of this occurring, and if it did occur, what would be the magnitude of the impact. If you would rate an issue as high likelihood but low impact, this might be considered differently to an issue that is medium likelihood but a high impact if it did occur. While subjective and hard to anticipate, the value is in the awareness and conversation to be factored into decision making.

MITIGATION AND MANAGEMENT

Once the Amber and Red Light tracks have been considered, a discussion can be held regarding the options available to the team to mitigate and manage these issues. If there are deal breakers that can not be mitigated, this should be factored into the decision making process.

While a decision might look ideal across the Green light track, a series of significant challenges and likely deal breakers might be cause for consideration of less perfect but also less risky choices. If there are risks that are easy to mitigate, with contracts for example, this might provide comfort in the decision making process and provide insight into the implementation planning once the decision is made.

If however, a number of challenges and deal breakers are identified with little or no way of mitigating the risk, it may be that considering different options is a better path to take. At very least, you can make a decision with eyes wide open as to the potential challenges ahead.

TRAFFIC LIGHT PLANNING TEMPLATE

Steps					
Green					
Amber					
Red					
Mitigates					

Homer said "After the event, even a fool is wise".

So often, in business, politics and other facets of our life, decision makers are criticised for their inability to see the flaws that are obvious in hindsight irrespective of their invisibility in the moment.

Traffic Light Planning is not a guarantee that you won't make mistakes in making decisions. Undoubtedly, there will be red and amber issues that arise that you didn't have the ability to foresee. I suspect few people making decisions in June of 2019 would have predicted a global pandemic would put an end to their plans. However, better decision making is not about being perfect.

The weaknesses this process looks to support are not those of perfection and pure foresight, but instead of more structured and explicit considerations before the decision is made to improve this most challenging artform.

Using this process, particularly within teams, will provide decision makers with greater clarity on not only which decision to choose, but what we can expect to occur in implementation and unearth some of the challenges that can derail seemingly good ideas, before they come back to bite us.

You, your organisation and the world as a whole, don't need more well intentioned decisions that leave a trail of unintended disasters. We need people to be working together, with collective foresight, to make decisions that help us all move forward.

PAST CLIENTS

Hear from our

"Thought inspiring, provoking and interesting. Took you through the emotional journey of using empathy in your business"
Robbie Cooke, CEO, Tyro Payments

"Fantastic both in content and delivery. I was looking for someone to open up other ways of approaching leadership and looking at our business environment and they delivered!- Michaela Flanagan, Head of Branch Operations, Swiss Re

"I can honestly say it was one of the best sessions I have been a part of. The content was unique & very interactive. I highly recommend Empathic Consulting to build empathy & understanding to drive performance." - Daniel Markovski, Group Sales Manager, Nova

"They engaged people who I didn't think would ever respond, let alone take-away actions. Post this session, I observed genuine behaviour changes . This was one of the best things I have done for the team." - Rochelle Eldridge, Executive Manager, CBA

For more information on how Empathic Consulting can support with specific programs and the key steps to implementation, contact:
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