



An Eight-Step Approach to Making Better Decisions

Adapted from Smart Choices by John S. Hammond, et al.

- **Work on the right decision problem.** Be careful in stating the problem and avoid unwarranted assumptions and option-limiting prejudices.
- **Specify your objectives.** Determine what you want to accomplish, and which of your interests, values, concerns, fears, and aspirations are the most relevant.
- **Create imaginative alternatives.** Alternatives represent different courses of action, and your decision can be no better than your best alternative.
- **Understand the consequences.** Determine how well different alternatives satisfy all your objectives.
- **Grapple with your tradeoffs.** Since objectives frequently conflict with each other, it becomes necessary to choose among less-than-perfect possibilities.
- **Clarify your uncertainties.** Confront uncertainty by judging the likelihood of different outcomes and assessing their possible impacts.
- **Think hard about your risk tolerance.** In order to choose an alternative with an acceptable level of risk, become conscious of how much risk you can tolerate.
- **Consider linked decisions.** Many important decisions are linked over time. The key to making a series of decisions is to isolate and resolve near-term issues while gathering information relevant to issues that will arise later.