

How to make wonderful decisions

To make wonderful decisions, companies need to strike the right balance between effectiveness, attractiveness and unity, and then hone their strategic, executive and leadership abilities. These diagnostic tools may help.



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One of the hardest things for companies to do is to make good, sound decisions on a consistent, long-term basis. As many as two-thirds of corporate decision-makers rely on failure-prone tactics, research has shown. This may explain why roughly 4 out of 5 corporate mergers fail to deliver their anticipated revenue synergies, and why around 80% of startups

don't make it to their second year.

One of the main reasons why companies are prone to bad decision-making is their blind obsession with short-term results. When you get down to it, the basic purpose of any company is to deliver a product or service that meets a customer's need. But to do that, it needs to have not just the necessary minimum effectiveness to survive in the short term but also the maximum possible attractiveness and unity to guarantee future longevity.

To make "[wonderful decisions](#)" -- the title of a book we've written on the subject -- companies first need to strike the right balance between effectiveness, attractiveness and unity. The reason they fail in that endeavor is often because of a lack of discipline. To regain their footing, managers need to hone three key abilities: their strategic ability (to enhance effectiveness), their executive ability (to generate attractiveness) and their leadership ability (as the basis for unity). A deficit in any one of these three should set off alarm bells, signaling that urgent action is required before organizational quality begins to suffer.

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