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Overcoming the Two Major Dysfunctions of Decision-Making

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Livingston Update



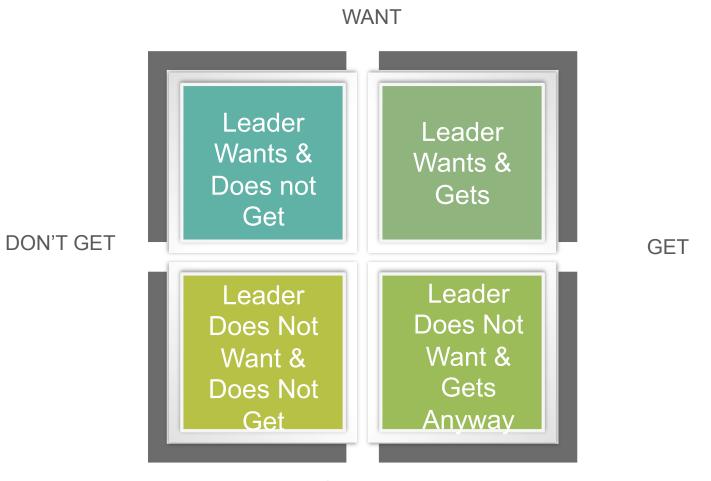


Dysfunction #1: Super Chickens





Overcoming Dysfunction #1:Cultural Change Quadrant



DON'T WANT

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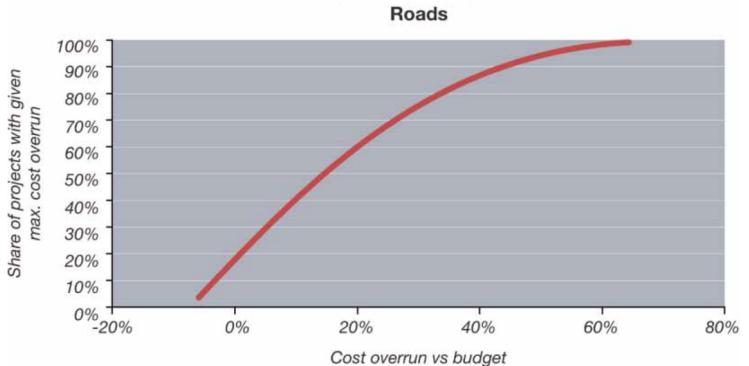
Overcoming Dysfunction #1:Not Delivering to Expectation

- Balanced Decision-making
- Stakeholder Engagement
- Shared Visual Understanding
- Learning and Improvement
- Team Collaboration
- Informed Commitment



Dysfunction #2: Optimism Bias

Curbing Optimism Bias and Strategic Misrepresentation in Planning



Distribution of Cost Overruns

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Overcoming Dysfunction #2

The Outside View

- Select a Reference Class
- Assess the Distribution of outcomes
- Make an intuitive prediction of your decision in the distribution
- Assess the reliability of your prediction
- Correct the intuitive estimate



Thank You!

For More Information on Portfolio Prioritization



Engage with Decision Lens <u>decisionlens.com</u>



Check Out the Demo Videos on YouTube <u>youtube.com/DecisionLens</u>

