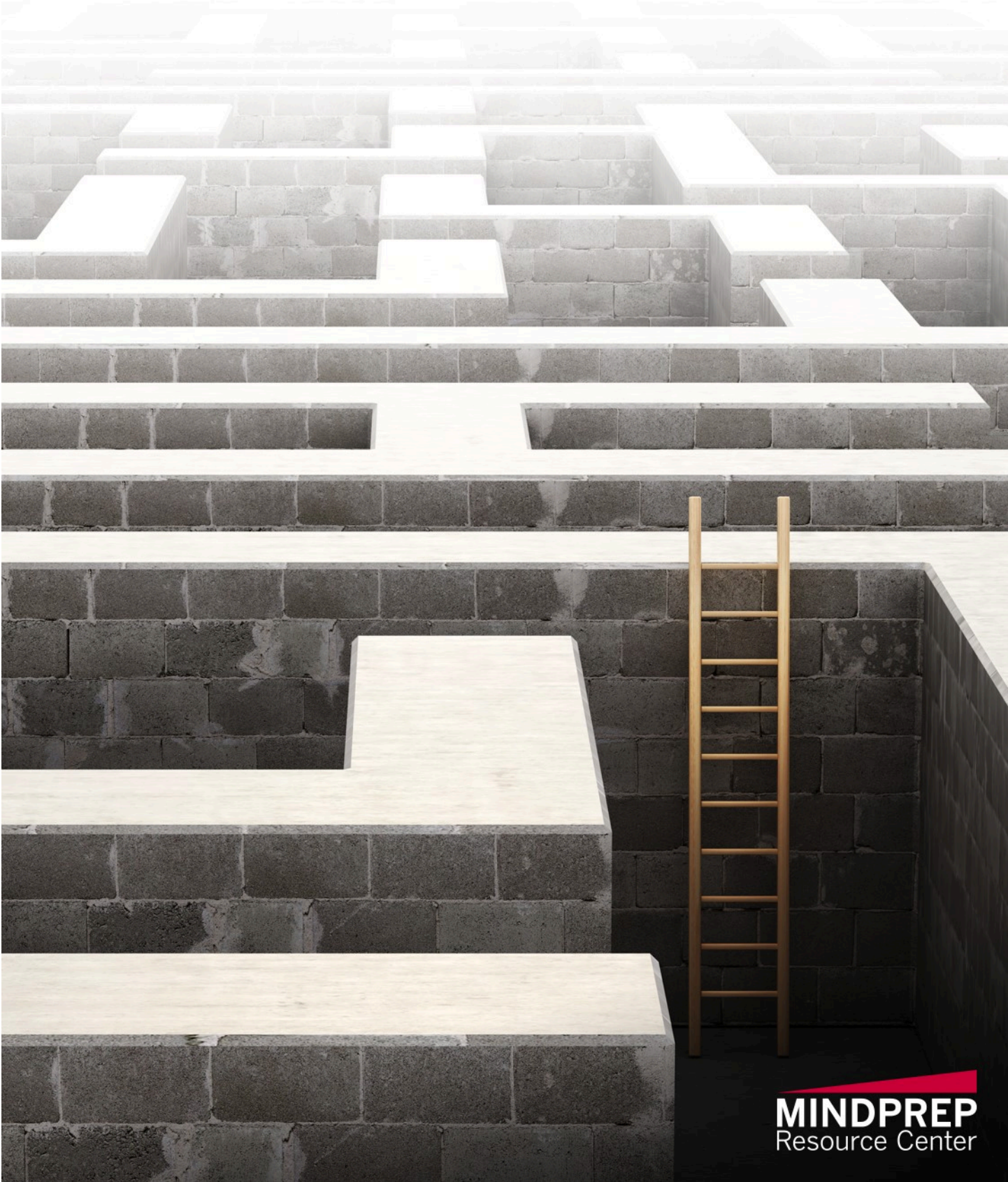


Vetting Strategic Alternatives

A MindPrep Essentials Workbook



Business is filled with challenges that require a response. Some of these challenges are problems to be solved and some of these challenges are opportunities to be exploited.

If the challenge is simple, then we should go ahead and apply “the” solution that will resolve it.

However, the great majority of business challenges are complex and, therefore, there are multiple ways they can be resolved.

Sometimes the temptation is to find the first solution that will work and apply it. This approach is called satisficing and, although expedient, it is usually less effective than a solution that has been carefully explored.

So, before making an important decision spend some time vetting four alternatives.

- **Do nothing** – Stay with the status quo, make no changes and “see what happens.”
- **Safe** – Do what you or others have done in the past and know will work to some degree.
- **Wild** – Do something you or your organization have never done before.
- **Risky** – Do something that may have a big upside, but also may have a big downside if you fail.

Use the matrix on the following page as a guide and spend some time considering each cell before you decide which of the four approaches is best for the challenge at hand.

	Status Quo	Safe Option	Wild Option	Risky Option
Proposed changes	Nothing changes			
Expected outcome				
Pros				
Evidence in support of pros				
Cons				
Evidence in support of cons				
Key assumptions				
Perceived risk				

Step One: Define four options (The Status Quo option is easy – just keep doing what you’re doing.) What changes to your business or operation will you have to make for each of the other options? What outcomes do you expect from each option if these changes are implemented successfully?

Step Two: List the pros and cons and evidence in support of each option. It will be easy to list the pros of your favorite option but be sure to look for the cons as well. Nothing is perfect.

Also, be careful not to confuse opinion with evidence. If you do not have evidence in support of a pro or con, then the pro or con is actually an assumption. And assumptions can be very dangerous.

Step Three: List the assumptions you are making for each option. What “must be true” for each of the options to succeed? Be very careful here, assumptions are the weak link in most plans and strategies.

Step Four: Identify the risks associated with each of the options. What might cause an option to fail? What unintended consequence of implementing the option might damage your business?

Step Five: Discuss the four alternatives with your team and pick the one that, in your best judgement, will have the best balance of risk and reward.

WARNING: Blank cells in the matrix are an indication of intellectual laziness or rushing to decide.