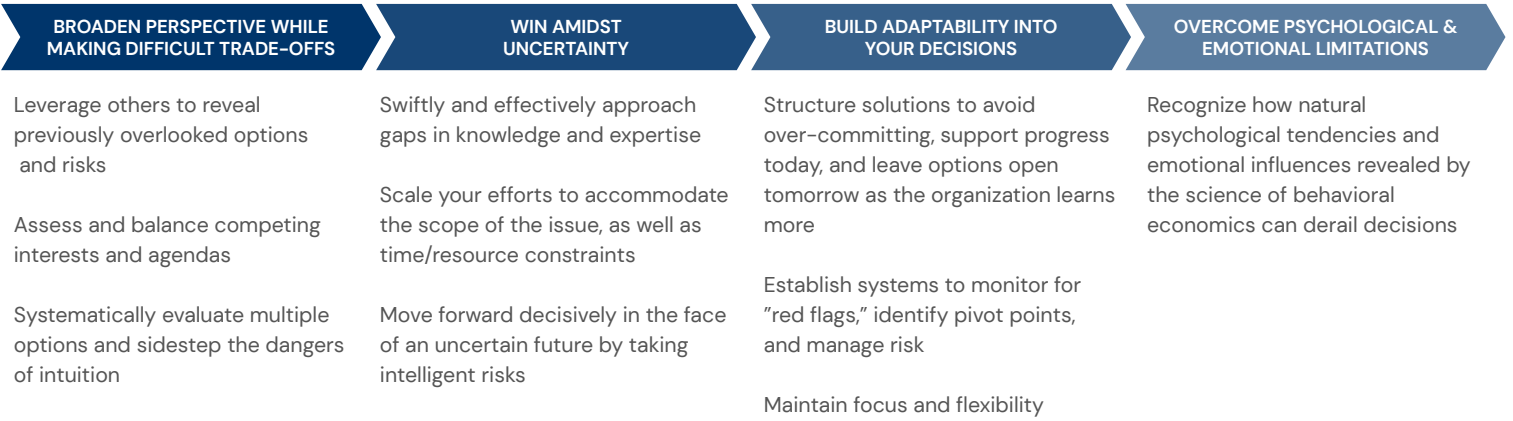




Leading Effective Decision-Making

Program Overview

Leaders must make pivotal decisions while contending with an ever-expanding range of considerations within a quickly shifting landscape. This program prepares executives to confront complex decisions with confidence, adjust decision velocity to situational demands, and enable intelligent risk-taking.



PAUL
BRACKEN



DAYLIAN
CAIN



NATHAN
NOVEMSKY

Leading Effective Decision-Making

Lessons from the Front Lines:

Former PepsiCo Chairman and CEO Indra Nooyi

- **Led global PepsiCo product portfolio**
 - Including brands such as Frito-Lay, Gatorade, Pepsi-Cola, Quaker, and Tropicana
 - Generated \$63B+ in net revenue in 2017
- **Directed global strategy for 10+ years**
 - Divestiture of restaurants into successful YUM! Brands
 - Acquisition of Wimm-Bill-Dann (largest international acquisition in PepsiCo's history)
- **Served as PepsiCo President and CFO beginning in 2001 (prior to becoming CEO, 2006) and named to PepsiCo's Board of Directors**
 - Responsible for corporate functions: finance, strategy, business process optimization, corporate platforms and innovation, procurement, investor relations, IT
- **Chief architect of Performance with Purpose, PepsiCo's pledge to do what's right for the business by being responsive to the needs of the world around us**
 - This transformative initiative made her one of the most successful CEOs of her generation



Indra K. Nooyi

Former Chairman and Chief Executive Officer



In a series of exclusive video discussions, Mrs. Nooyi takes us step-by-step through the decision-making process that led to the "Performance with Purpose" pledge, including how she:

- Identified the challenges confronting her business
- Elicited multiple perspectives on the issue
- Dealt with conflicting interests and priorities
- Identified and assessed risks
- Weighed ethical considerations
- Evaluated her options and eventually chose a winning path forward



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Key Conceptual Models

- ✓ **Environmental Scanning:** A mechanism for gaining a quick understanding of key developments and trends relevant to a critical decision.
- ✓ **Multi-Framing:** A powerful conceptual tool that enables you to identify new perspectives on a challenging issue, revealing previously overlooked ideas and solutions.
- ✓ **Scenario Analysis:** A method of structuring the chaos that is the future, in order to isolate the most relevant risks to success.
- ✓ **Decision Modeling:** A quantitative approach to assessing key factors in a decision in order to hone-in on a favored option while avoiding the pitfalls of intuitive judgements.
- ✓ **Consider the Opposite:** A series of tactics that bring others into the decision-making process in order to find potential holes in a favored path forward.

Additional Program Features

- ✓ **Practitioner Focus:** An exclusive series of video interviews with PepsiCo Chairman Indra Nooyi. Mrs. Nooyi takes you step-by-step through the decision-making process that led to the development of her revolutionary “Performance with Purpose” strategy.
- ✓ **You Be the Judge!:** A series of interactive exercises drawn from the science of behavioral economics that demonstrate common decision-making tendencies and biases.
- ✓ **Sample Assignment Deliverables:** Model fictional deliverables that serve as illustrative examples of high-quality finished assignment submissions.

Leading Effective Decision-Making

Curriculum: Week by Week



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MODULE

One: Frame Your Problem

Video Lectures: 60 Minutes
Assignments: 60 Minutes

Two: Broaden Your Lens

Video Lectures: 80 Minutes
Assignments: 120 Minutes
Live Virtual Events: 90 Minutes

Three: Assess Your Risks

Video Lectures: 90 Minutes
Assignments: 90 Minutes

Four: Narrow Your Options

Video Lectures: 90 Minutes
Assignments: 90 Minutes
Live Virtual Events: 90 Minutes

Five: Consider the Opposite

Video Lectures: 80 Minutes
Assignments: 90 Minutes

Six: Implement in an Uncertain World

Video Lectures: 60 Minutes
Assignments: 120 Minutes
Live Virtual Events: 90 Minutes

LECTURES [VIDEOS]

- Why Problem Framing Matters
- Fundamentals of Problem Framing
- Useful Alternative Framing Approaches
- Practical Aids to Better Problem Framing
- Some Ways to Multiframing

- What Are Group Discussions Good For?
- The Power of Averaging
- Influences During Group Discussions
- Prediction Markets: A New Way to Share Information

- Why Scenarios?
- Fundamentals About the Future
- Scenario Methods
- Natural Risk Taking Habits
- Taking More Good Risks
- The Broad Portfolio Approach

- The Limits of Intuition
- Why Linear Models Outperform People
- Moneyballing vs. Expert Intuition
- Implementing the Excel Sheet
- Ratios and Relative Judgments
- Making Tough Trade-Offs

- Avoiding Overconfidence
- Confirmation Bias
- Corrective Methods
- Red Teaming
- Scaling Your Efforts

- Signposts
- Assumption-Based Planning
- Trip Wires
- Ethics and Conflicting Interests
- Political Risk
- Decision Fatigue and Cognitive Load

KEY LEARNING

Decision-Making Pitfall #1: *Setting for your own limited view of the issue.*

Professor Paul Bracken will introduce the process of Multi-Framing, a powerful tool that will help you see beyond the perceptual limitations that typically confront us when we attempt to address a challenging issue. You will choose a key business decision confronting your organization, identify your own "first frame" on that decision, and reach out to others to get multiple perspectives – or "frames" – on the issue.

Decision-Making Pitfall #2: *Convening a group too early.*

You will then translate these new "frames" into potential options, revealing previously undiscovered avenues, and ensuring you're not only making the right choice, but considering the right options. Meanwhile, Professor Nathan Novemsky will discuss when and how groups can improve decision making, so you can better integrate groups into your process at the right time and in the right way.

Decision-Making Pitfall #3: *Viewing risk as a challenge to be overcome instead of an intelligent gamble.*

You will then identify and assess the key risks associated with your various options. Professor Bracken will introduce Scenario Analysis, a proven method of structuring the chaos that is future, in order to isolate the most relevant risks to success. Then Professor Novemsky will discuss the often flawed ways we typically approach risk. He'll then introduce corrective measures to help you more accurately assess the likelihood of each risk, ensuring that you're taking "more better" risks.

Decision-Making Pitfall #4: *Going with your gut.*

Leveraging the latest insights from behavioral economics, Professor Novemsky will explain why intuitive judgments, even those of experts, are often hindered by biases that can lead to sub-par decisions. Then, Professor Daylian Cain will then introduce simple modeling techniques you will use to hone in on a favored decision option, while avoiding the pitfalls of intuitive judgements.

Decision-Making Pitfall #5: *Confirmation bias*

Professor Cain will then introduce some additional decision making tendencies, such as overconfidence, and confirmation bias, which can blind us to key aspects of the total situation, and prevent us from adequately challenging our assumptions. He'll then present a series of tactics that not only bring others into the process in order to find potential holes in your decision, but also preserve the independence of opinion of those involved. You will then use these tactics to "stress test" your favored option before committing to a decision.

Decision-Making Pitfall #6: *Ignoring changes in the landscape during implementation*

You've made your decision. But how do you implement it in a way that maintains flexibility and agility? Professor Bracken will address these questions by introducing two key implementation tools: Assumption-Based Planning and Signposting. These will provide a systematized method to monitor for emergent risks, and allow you to pivot quickly and effectively to adapt to a changing world.

* Module = 1 Week **Live Events may be subject to change

NOTE: Orientation Pre-Requisite Work (60 minutes) and Final Presentation at end of program (90 minutes).



Leading Effective Decision-Making

Project Examples



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NAME	DESCRIPTION	PROJECTED BUSINESS IMPACT	PROJECTED FINANCIAL IMPACT
Improve Customer Experience	A Director of Customer Experience at a Healthcare company believes customer experience is hurting because of backorders. They are proposing to change how the company forecasts the need for products in order to improve the customer experience.	Increased Customer Loyalty	\$65,000,000
Internal Career Development	The Chief Data Officer at a Software Development company believed the internal opinion of data access is poor, causing fragmentation of groups and priorities. They feel this friction and confusion is causing wasted effort and incorrect analytical results – causing ineffective and suboptimal decisions to be made. They would like to reframe this problem and drive positive change to help increase efficiency.	Increased Efficiency	\$8,200,000
De-centralized Access Control	An Operations Manager at a Financial Services company wants to address the increasing demand for tighter security, by replacing the current centralized access control with a de-centralized access control system. They believe that with the rapid expansion of the company, and the increasing complexity of computer systems, the current centralized access control is unsustainable.	Reduced Risk	\$500,000
Decrease Production Cost	To reduce the cost of the production, an Engineering Manager at a Digital Technology company wants to begin outsourcing certain projects and tasks to contractors that don't require much interaction with the rest of the organization.	Production Cost	\$450,000