Gene Decision Method

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Appendix E – Gene Decision Method

1. The Gene Decision Method is a structured decision management process that decomposes the problem to be solved into a sequenced series of sub-judgments for independent consideration before a final intuitive decision is made.

2. This approach is appropriate for complex decision-making which requires weighing up multiple technical, financial and behavioral dimensions. For instance:

> The Gene Decision Method is a structured decision-making process which enables the independent weighing up of multiple technical, financial and behavioral dimensions in a sequenced manner before the exercise of intuition.

   a) The need arises in a corporate decision where strategic options should be evaluated when hiring candidates.
   b) Or, when a business is being purchased or major capital expenditure is being considered, and in other situations where a strategic decision is being made.

3. The sub-judgments are independent assessments that address different aspects/dimensions of the decision to be made. In a way, they are intermediate goals that are addressed one by one on a stand-alone basis but in a specific order.

4. The Gene process drives the structure of the meeting agenda. Each dimension requiring a sub-judgment is discussed first and followed by an intuitive decision made after careful consideration of the assessments.

5. The objective of the assessments is to maximize the value of information by keeping the evaluation dimensions independent of each other. The problem with an unstructured approach is that intuition and biases creep in too early thereby contaminating the proper consideration of each dimension. Inherently, the structured approach provided by the Gene method postpones the use of intuition in deciding until all assessments are addressed.

6. In designing the assessments, the relevant facts or information that may influence the outcome should be identified and then allocated to one of the assessments to keep them independent of each other.

7. Each assessment should be separately addressed by the decision leadership team in its own right as to whether it is a yes or no for the decision. However, an overall final answer should not be provided.

8. The decision leadership team evaluations should be factually based and include an outsider's view – what independent statistical analysis is available on comparable transactions that have taken place? Are there expert opinions available? The evaluations should be expressed in relative terms and not absolute terms.

9. Ideally, each team member should make assessments independently so they do not influence each other's thinking. This can go as far as different team members making one of the assessments but not participating in the other assessments.

10. The analysts providing the information for a decision do not need to "sell" a conclusion but rather be as transparent as possible and express their confidence level.

11. Discrepancies between the evaluations or judgments made between each assessment can vary – and that then creates room for robust discussion by the final decision-makers (e.g. the Board) – this stops decisions from being rammed through by a person with authority bias and accepted by those with conformist bias.

12. When it is time to make final decision (e.g., by the Board), each assessment is treated as a specific agenda item.

13. To aggregate diverse views and achieve a level of convergence, each sub-judgment can be the subject of multiple rounds of anonymous voting with group discussion between each round of voting.

Executing the Gene Decision Method at a Meeting

14. The objective is to enable a complex decision to be made in a single meeting without the decision-makers forming an overall intuitive opinion until the end when there has been an appropriate level of cognitive reflection.

15. This is achieved by building into the meeting facilitation process and agenda the Gene Decision Method steps of: "Estimate – Profile – Review – Estimate".

   a) Estimate: Each decision-maker independently votes on each assessment (using an online tool) before the discussion to get the initial room temperature. This also can take place before the meeting starts when the "meeting package" is sent out.

   b) Profile: The decision-makers and key members of the review team complete the DNA Natural Behavior Discovery which provides the individuals, the leader and facilitator with greater awareness and clarity on the biases expected to be exhibited.

   c) Review: Has there been a robust review discussion by the decision-making group of each key factor with the points below managed?

   d) Estimate: The problem being addressed is again independently voted on by the decision-makers post the review discussion to get the new room temperature (consensus). This is where you would expect to see more convergence.

   e) Decide: At the end, once all the data is reviewed, the decision-makers apply their intuition to make a judgment.

> The Gene Decision Method has 5 key steps:
>
> 1. Estimate – independent vote before discussion to get early impressions
> 2. Profile – complete DNA Natural Behavior Discovery to identify biases
> 3. Review – moderated group discussion
> 4. Estimate – second independent vote to test consensus
> 5. Decide – make final intuitive decision

16. Along the way, the decision-makers only see the average vote of the group for each assessment and not that of each individual.

17. All assessments are treated equally – that is one is not weighted more than the other.

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18. The use of intuition should not be banned as everyone will want to use it. This prevents the dangers of social influence and information cascades, bringing preconceived thinking and biases ahead of an objective review.

19. If executed properly, the Gene Decision Method can quickly allow the decision-makers to express insight and creativity. The process enables the following decision hygiene techniques:
    a) Sequencing information.
    b) Structuring the decision not independent assessments.
    c) Using a common frame of reference grounded in the outside view.
    d) Aggregating the independent judgments of multiple individuals.

To learn more about DNA Behavior International and the solutions we offer, please visit:
www.dnabehavior.com

If you have any questions or would like to discuss with an executive on our team, please email us at:
inquiries@dnabehavior.com