

What is the Decision-Making Process?

Worksheet

The decision-making process is a systematic series of steps—from defining the problem and gathering data to evaluating alternatives and implementing the chosen solution. Good decisions balance analysis, intuition, and organizational values.

Questions

1. The first step in the decision-making process is

- A) Evaluate options
- B) Define the problem
- C) Gather information
- D) Implement the decision

2. What is 'confirmation bias'?

- A) seeking information that confirms pre-existing beliefs
- B) making decisions too slowly
- C) always choosing the cheapest option
- D) analyzing too many alternatives

3. Which is a benefit of group decision-making?

- A) faster decisions
- B) fewer ideas considered
- C) diverse perspectives and reduced bias
- D) one person's vision always wins

4. After implementing a decision, the next step is

- A) make a new decision
- B) review outcomes and learn from results
- C) forget about it
- D) blame others if it failed

5. A manager must decide whether to hire a new employee or promote internally.

6. A startup must choose between two funding offers: VC at \$5M valuation vs. Angel at \$3M.

7. A company must decide on a new product feature: build in-house or outsource.

8. Define: What is decision-making?

9. Define: What is rational decision-making?

10. Define: What is decision bias?

Answer Key

1. B) Define the problem - Clearly defining the problem ensures the team focuses on the right issue and doesn't waste time on symptoms.
2. A) seeking information that confirms pre-existing beliefs - Confirmation bias leads people to ignore contradictory evidence and favor information that supports their view.
3. C) diverse perspectives and reduced bias - Groups can spot blind spots and reduce individual biases-if the process is structured well.
4. B) review outcomes and learn from results - Reviewing outcomes allows leaders to improve future decisions and adjust course if needed.
5. 1. Define: Need a senior analyst by Q3 2. Gather: Review internal candidates' performance, external market salaries 3. Alternatives: Hire external, promote Sarah, hire contractor 4. Evaluate: External brings fresh ideas but needs onboarding; Sarah is proven but delays backfill 5. Select: Promote Sarah (retain talent, faster ramp) 6. Implement: Announce promotion, hire for backfill, onboard contractor 7. Review: Track Sarah's performance, team morale, hiring success
6. 1. Define: How to fund growth while keeping control 2. Gather: VC dilution %, investor value-add, angel terms 3. Alternatives: VC (\$5M), Angel (\$3M), bootstrap, bank loan 4. Evaluate: VC: more capital but less control; Angel: less capital but maintains autonomy 5. Select: VC funding (need scale speed) 6. Implement: Sign term sheet, hire team, scale product 7. Review: Track burn rate, milestone progress, investor ROI
7. 1. Define: Launch feature in 8 weeks 2. Gather: In-house cost (\$50k, 4 people-weeks), outsource cost (\$40k, 2-week delivery) 3. Alternatives: In-house, outsource, delay launch 4. Evaluate: In-house: control, learning; outsource: speed, cost savings 5. Select: Outsource (faster, cheaper, focuses team) 6. Implement: RFP, vendor selection, integration plan 7. Review: Feature quality, team adoption, time vs. budget
8. The process of identifying a problem, gathering information, generating alternatives, and selecting the best course of action.
9. A logical, data-driven approach: define problem gather info compare options choose best alternative based on analysis.
10. Systematic errors in thinking-like confirmation bias, anchoring, or groupthink-that distort judgment and lead to poor choices.

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