PrOACT 31000 Decision-making framework

The PrOACT 31000 decision-making framework incorporates elements from the world-class PrOACT (problem, objectives and measures, alternatives, consequences, and trade-offs) structured decision-making framework and activities from the ISO 31000 risk management process.

**Find the right problem to start with** *(What am I deciding and why?)*
The first step in good decision-making is to define exactly what the problem or opportunity is that requires a decision and who needs to be involved. This is the decision context. Ask yourself: *What is the problem? How big is the problem? Why and when does this problem need to be addressed? What kind of decision does this problem require? What are the key assumptions and constraints? Who needs to be involved and how?*

**Identify your real objectives** *(What do I want?)*
Specifying objectives and measures helps you to: (1) focus and prioritise information and actions; and (2) make the opportunities, risks and uncertainties of each alternative or solution both explicit and comparable. Objectives define what really matters in this decision. They are the foundation of your search for creative solutions. Measures describe the degree to which each alternative meets your objectives.

**Create a range of alternatives tailored to your problem and objectives** *(What can I do?)*
Good informed decisions are not possible without good alternatives. Develop your alternatives to address what really matters to you, as defined by your objectives and measures. Your alternatives should reflect substantially different approaches to the problem and present decision-makers with realistic options. Use first principles thinking.

**Understand the consequences each alternative would have for each of your objectives** *(What do I know?)*
Every alternative creates its own set of consequences. A consequence table (sample shown below) is a useful way to summarise the essential elements of the decision problem, including levels of uncertainty and opportunities about predicted future impacts. The table makes it easier to compare options, narrow your objectives to those where critical trade-offs lie and make an informed decision once you have received general agreement from everyone involved.

**Make trade-offs among conflicting objectives** *(What will I do?)*
Trade-offs are difficult but may be unavoidable. Structured decision-making requires you to make explicit choices about which alternative is best. Consider each trade-off carefully. Compare what will be gained or lost by each option with the help of a ranking table (sample shown above). Make a decision and move on. If you are not ready to decide, return to the previous steps to further review and refine your problem definition, objectives, alternatives or consequences.

**Review your problem definition, objectives, alternatives and consequences** *(How am I doing?)*
At any stage of the decision-making process, you may need to check, recap, or reconsider your problem definition, objectives, alternatives and consequences. Be willing to stop, reassess, and reformulate your actions and plans. If you are not satisfied with the preferred choice and ranking, then you need to reconsider and review whether you have captured your decision problem adequately. The omission of an important objective can lead to an unsatisfactory result.

**Identify opportunities and uncertainties that may affect your decision or objectives** *(What opportunities and uncertainties impact my decision or objectives?)*
Decisions invariably involve taking calculated risks, many different opportunities and uncertainties, and of varying levels of importance. Understand the outcomes that might unfold, their likelihoods, and their consequences. Decisions made under uncertainty can only be judged by the quality of the decision making at the time it is being made, not by the quality of the consequences after the outcome of the decision making becomes known. The International risk management standard, ISO 31000, sets out the risk management process to identify, assess, evaluate and treat any known uncertainties – threats opportunities – that may affect your decision and achievement of your objectives.

**Take account of your risk-taking attitude** *(What is my tolerance for risk-taking?)*
A conscious awareness of your willingness to accept risk (or your risk tolerance) will make your decision-making process smoother and more effective. It will help you choose an alternative with the right level of risk that is suitable for you. Given the same uncertainties, different people would prefer different outcomes.

**Plan for linked decisions over time** *(How this decision can impact my future decisions?)*
Understanding how decisions are linked combined with a little foresight will help you make better choices. The essence of making smart linked decisions is planning ahead. Think ahead and work backward in time until you reach the individual alternatives for the basic decision. Many decisions will require you to select at the time of making the decision alternatives that may greatly influence your decisions in the future.

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