



The 40-70 rule

By Steven L. Anderson, Ph.D., MBA

Making tough decisions is the hallmark of an effective leader. Many leaders struggle with the fear that they will make a mistake when making a decision that will either embarrass them or hurt other people.

Colin Powell has a rule of thumb about making tough decisions that I feel is helpful when facing such situations. He says that every time you face a tough decision you should have no less than forty percent and no more than seventy percent of the information you need to make the decision. If you make a decision with less than forty percent of the information you need you are shooting from the hip and you will make too many mistakes.

The second part of the decision making rule is what surprises many leaders. They often think that they need more than seventy percent of the information before they can make a decision. But, I explain to them, if you get more than seventy percent of the information you need to make the decision then the opportunity has usually passed and someone else has beaten you to the punch.

A key element that supports Powell's rule is the notion that intuition is what separates the great leaders from the average ones. Intuition is what allows us to make tough decisions well, but many of us ignore our gut. We want certainty that we are making the right decision, but that is not possible. In my experience, people who want certainty in their decisions end up working for other people, not leading.

So, the next time you have a tough decision to make, do what Colin Powell does, get enough information to make an informed decision and then trust your gut. You'll be glad you did.