

# Making better decisions – the roll of intuition

The wisdom of trusting your gut suggests unparalleled value in making decisions. But your gut can mislead - intuition isn't as reliable as you may think.

## So what's wrong with intuition?

There is a role for intuition in decision-making. For intuition to work, two conditions must prevail.

The first is that the system itself has to be stable, which is to say it doesn't change over time. A chessboard is a perfect example. It's eight by eight, the rules are always the same, and no one's throwing any curves.

The second thing is that it has to be linear — A causes B the same way every time. If your system is unstable and non-linear, then your intuition is going to lead you astray.

**What is business? What are markets?** They're not totally stable and linear, but also not totally unstable and non-linear.

So the key for a business owner is to think about the nature of their problems. To the degree the problems are unstable and non-linear, intuition *isn't* going to serve well. To the degree they are stable and linear, intuition *is* going to serve well.

## When do you need intuition?

Decision-making situations where an intuitive approach can help include at least some of the following criteria:

1. The problem requires expedient decision-making and a rapid response. The circumstances leave you no time to go through a complete rational analysis.
2. Fast paced change. The factors on which you base your analysis change rapidly.
3. The problem is poorly structured.
4. The factors and rules that you need to take into account are hard to define and articulate.
5. You have to deal with ambiguous, incomplete, or conflicting information.

6. There is no precedent – you have no similar circumstance or base of information to compare to.

### **How can you use intuition effectively?**

The first important thing to keep in mind is that even when you rely on intuition it is still very important to do your homework. Intuition will help you navigate faster through much of the unstructured data and can work around certain gaps and conflicts in the available information. Yet, even intuition can be misled if too many of your facts are wrong or missing.

Pay attention to your emotional state. If you are stressed or in a bad mood, your true inner voice will be distorted or lost in the background of your strong negative feelings. A similar effect may happen with strong positive feelings. If you want to hear your inner voice, get over the background of your strong feelings. Feel them through or let them go. Take a walk. Do something refreshing. Forgive and accept. Sigh. Unclutter your mind.

Finally, you can greatly increase the quality of your intuitive decisions if you include certain elements of the analytical approach. In particular, try to follow the procedure of the rational analysis first. As much as you can, capture on paper the ideas on the main options and the criteria for evaluating your choices. Write down the key facts and factors you need to keep in mind.