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Decision Balance Sheet

Sometimes when you are faced with an important decision, you spend a lot of time looking for a solution hoping to avoid making the wrong choice. One of the



Balance Sheet. It is a simple but effective decision-making method that enables the team to make more confident and balanced decisions. It uses a tabular record to represents the advantages and disadvantages of an idea or situation for the purpose of reaching to a decision quickly. This situation might be a problem that needs to be solved or a condition that needs to be changed.

The decision balance sheet helps decide whether to go for or against a given problem or a proposed change, improves the understanding of the idea or situation, helps avoid decision-making paralysis and speeds up the decision-making process. It is particularly useful in a team working environment when you need to encourage team members to consider multiple perspectives to reach a consensus. However, when you have

to compare different options or explore some options in more details, other decision-making techniques may be more appropriate.

A decision balance sheet is simply a table of two columns labeled as **Pros** and **Cons**. This table is used to record all the pros and cons for the given idea or situation. You may use a scoring system by giving numerical weights to the different pros and cons. The

P (+)	М	(-)	I
Short-to		52	t-term
Long-term Pros		Long-term Cons	

result will help you decide whether to go ahead with the decision or not.

A simple extension of this tool is the **PMI** which stands for Plus, Minus and Interesting. The Interesting column is used when the elements of the idea are not particularly of positive or negative effect. It can also be used to record what you consider interesting and the future implications of the idea. You can also represent the decision balance sheet in a fourcell matrix consisting of the pros and cons in the short and long term. This is especially useful when the decision is of strategic nature.

How to Use the Decision Balance Sheet:

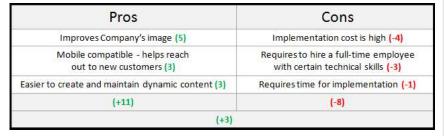
The following steps describe how to use the decision balance sheet:

 With your team, clearly write the situation or idea at the top of a flip chart or whiteboard.

- Draw a table of two columns, label one "Pros" and the other "Cons".
- Record all possible benefits in the pros column and all possible negative effects in the cons column.
- Give numerical weights to the pros and cons by assigning a score from one to five. Be objective while scoring.
- Add up the scores in each column then subtract the total cons from the total pros.
- Consider the overall score to decide whether to go ahead with the decision or not.
- Take time to identify other factors that you may have missed. Remember to use your common sense when you suspect that the reached result is not appropriate.

Example:

As an example, let's say that your team wants to decide whether to go for a new website for the company or keep the old one.



The final score here suggests that you should go for a new website.

Example:

The decision balance sheet can also be used for personal decision-making. The following is an example of a personal decision balance sheet where the challenge is to decide whether to accept a new job offer in another city.

Plus (+)	Minus (-)	Interesting
Gain new experience (2)	Relocate to another city (-4)	Networking (+1)
Get a higher salary (4)	Be more prone to stress (-3)	Pollution and traffic (-1)
Meetnew people (1)	Uncertainty (-2)	Live in a new place (+1)
		New schools (-1)
(+7)	(-9)	(0)
	(-2)	







