Insights, Tacit Thought | Weekly Investment Insights

Making the Right Decision

Published on: 20 July, 2018 | Author: Investment Team

Decisions, decisions. It's a daily dilemma. Whether you're saving lives or livelihoods, you want to get it right.

In our world we're under orders from The Chartered Institute for Securities and Investment to undertake and I quote: "continuous professional development."

The CISI rightly expects us to maintain our skills and capacity to practice in our fiscal fields. So, we undergo periodic examinations, attend investment conferences and undertake private study. It also involves us listening to presentations from non-financial experts. The idea is to make connections and draw inspiration from different perspectives with respect to non-specific but key skills applicable across most industries.

The ability to make good decisions based on sound evidence is key to the work that we do for our clients at Tacit Investment Management. Making these choices though can be harder than it seems because egos and biases sometimes get in the way.

Sound decision making is clearly important when you're flying at 500 mph in a Tornado GR4 in a combat zone over the Gulf. Especially if you're the commanding officer, the youngest member of the squadron you're leading and only the second female officer to fly the Tornado.

In a thoughtful presentation Mandy Hickson talked us through her career history as a front-line, fast-jet pilot and presented the RAF's approach to getting critical decisions correct. Her over-arching theme was a focus on planning, information, expertise and a contingency she called "what-if?"

Squadron Leader Hickson emphasised teamwork, training and trust. She supported her team, they supported her, they're all highly trained and they shared confidence in each other's work.

She emphasised a desire to eliminate personal bias and to accept criticism. And possibly with a break in RAF protocol she revealed that in post-op briefings official rank was put aside. Each team member was referred to by a number only; 1,2,3 etc. The idea is to depersonalise the briefing so that mistakes can be aired, solutions proposed, responses agreed and critically, these can be incorporated into the next operation.

This effort to eliminate a range of potential damaging biases such as authority, false consensus, attribution error and so on is impressive. And to reflect and recognise the cross-over to our own work couldn't be ignored. It's unlikely that a poor decision on our part will put lives at risk, but livelihoods are certainly at stake.

Financial analysis is paramount to us but learning to make better decisions is a vital skill whether you're on the ground or flying at 40,000 feet.