To manage well, you need both to make good decisions and to implement them efficiently. You are not managing well if you make bad decisions that you implement well or if you make good decisions that you implement badly.

The 2 processes, decision making and implementation, are incompatible. Which system fosters open discussion and vehemently protects the freedom of information - democracy. And totalitarian regimes usually make bad decisions because of efficient implementation is carried out by forbidding freedom of the press, dissension and discussion. Good management is democracy in decision making and dictatorship in implementation (democratship). Many people have it backwards - dictatorial in decision making and democratic in implementation. In contrast to the democratic style, which is effective but not efficient, the totalitarian style is efficient but not effective. You must decide and implement, be open-minded and resolute at different times.

1. Quality of decisions  
2. Efficiency of implementation

You have just discovered the key factor in the managerial or leadership process. In order to manage well you have to manage the people who write what is in the envelope instead of managing the problem itself that is in the envelope. Leaders should get paid more for knowing how to find the right people, and for managing them to the right answers.

The Four Roles of Decision Making

If a decision can make an organization both effective and efficient in the short and long run, the decision is a good one.

Long run effectiveness means the organization is achieving the purpose for which it exists. Short term effectiveness means that doing whatever we are doing propels us toward the satisfaction of that purpose.

Managing by results is mechanistic. It should be management for results and by the right process. Managing by results is only focusing on the organizational output. No primary attention is given to the means of achieving the goals. Marksmanship is a good example of paying attention to the means of achieving a goal, which is to hit the bull's-eye. To hit the bull's-eye you must align the sights of your gun with the target. The sights are the means by which you hit the target. You must focus on the sights and accept the relative haziness of the target. Train your mind to focus on the means, in the direction of the goal or the results you want to achieve. In the long run, we should focus on how to contribute to the bigger system the organization belongs to. And that means we must focus on how to accomplish the purpose for which the organization exists.

Roles

The (P)erforming role focuses on what to do now and is derived from why we do what we do. The (E)nrepreneuring role focuses on why we do something - the what for of our actions. It focuses on satisfying our long-term need. But both in the short and long run whatever we do is a
call for interrelationship. Behind every problem there is a relationship that does not function, and the solution is to make the relationship functional. In personal live this need to interrelate is called the need for love. Every problem is a manifestation of a lack of love, and the solution is to experience it. The ultimate why we do anything, the interrelationship is the (I) role. That is the ultimate and constant need, (I)ntergration. The process of identifying a new need that will help encourage and express that interrelationship is (E)ntrepreneuring. The act of satisfying the need is to (P)rove a needed service.

### Purpose of Decision Making

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<thead>
<tr>
<th>Role</th>
<th>Purpose of Decision Making</th>
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<tbody>
<tr>
<td>I</td>
<td>For whom, Who are the Clients, Why we exist</td>
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<td>E</td>
<td>Why do we do anything</td>
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<tr>
<td>P</td>
<td>What we do to satisfy those needs</td>
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<td>A</td>
<td>How do we satisfy those needs repetitively with minimum energy</td>
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The drive comes from the ultimate purpose. The profits come from the opportunity to make profits. That tells you that you have to focus on the opportunity, and if you exploit the opportunity correctly you will reap profits. From the previous analogy you can see that the profit is the bull’s eye and the opportunity the sights. You must focus on the opportunity, and if you do it efficiently, you will make profits.

In managing, leading, parenting, interrelating in a marriage, and interrelating in general, always ask yourself: What is the purpose of the relationship in the first place? What are you committed to first and above all? The answer, if you are conscious, is love. Next, ask yourself how you should satisfy those needs without undermining the interrelationship itself. An organization is born when those needs cannot be satisfied by any single individual. If they could be, there would be no need for an organization whether it be a family, business, state or global society. The purpose of any organization is to satisfy its clients' needs that cannot be satisfied by an individual alone.

To make effective decisions in the short and long run, you must satisfy the immediate reasons for your actions and satisfy the long-term needs for why you do what you do. And it has to be done within the reason of your existence. That reason is to functionally interrelate and that means, to love and be loved. You do that by satisfying your clients' needs. Simply stated, analyze your clients. Identify what it is that they need and expect from you that you can and should provide. Then go and do it.

You want to be effective in the short term? Identify the clients, the (I) role, then their needs, the (E) role, and satisfy those needs, the (P) role and your clients will return to you.

### Efficiency and Effectiveness

The (P) role make the organization effective in the short run, because it satisfies the present needs of the present clients. To be efficient you need to systematize an organization. The right things must be done at the right time, in the right order, at the right intensity, and in the right sequence. You must do things right, rather than just do the right things. (A)dminister role.

Long-run effectiveness means that your present decision will satisfy future client needs. What we want is a decision that produces effectiveness in the long run, one that can predict and satisfy new needs we believe will emerge. For that, a decision needs to make the organization proactive. The (E) role identifies the needs of tomorrow today. The test or evaluation of the
effectiveness of the (E) role is not in when you are deciding but in when you are achieving. (E) identifies the needs of tomorrow, which (P) validates by actually satisfying those needs. This process of positioning yourself for future needs is called being proactive. A proactive approach will make you effective in the long run. If you're in the right place when the next ball arrives, you will be ready to hit it again. What makes you effective in the long run is you positioning now, for which we need the (E) role. The (P) role satisfies present client needs. The (E) role identifies future needs and positions the organization to deal with them. (E) precedes (P). First you identify clients’ needs, then you go and satisfy those needs.

In order to be proactive, you need two things. First you have to imaging what the future will look like. You have to build scenarios of future client needs, the competition, the environment, and anything else that might affect the organization (you have to predict where the next ball is going to land). Second you have to take risks.

In order to be efficient in the long run, one must (I)nTEGRATE, which means to transform the consciousness of the organization, its personality, value systems, behavior patterns, and philosophy - from mechanistic to organic. First you must start with definition of organization. Sam Armacost, who was president of Bank of America, had the best response, "you don't need to own a highway in order to drive on it. You need only a token to get on it." Start with looking at the clients for whom the organization exists. That's your (I) role. That means being conscious of your responsibility to others. No one exists for oneself only. So beginning any organization, society, or community means being conscious of the interdependence. It is this spiritual consciousness of Who am I? which is always answered by the question, For Whom and For What am I? There is no healthy organization without a sense of common destiny linking it to a larger scheme. There must be a consciousness of interdependence, whether the organization is a nation, a business, a marriage, or an individual. After you identify for whom the organization exists (the clients), you should identify the people whose cooperation you need in order to satisfy the needs of those clients. As far as your organizational responsibility is concerned, you should look at the "rock" you are responsible for lifting. These people are not all on the payroll or organizational chart.

**Look at the (PAEI) codes.** Start by asking, *"Who are my clients?" For whom do I exist?* This is the first group of people you need to know of- the first part of your (I) role. Next, identify the needs of those clients. That's your (E) role. The next question should be, *What specifically should the organization do and how does it go about doing it?* Those are your (P) and (A) roles. What needs to be done (P), and how it needs to be done (A), will then lead you to analyze who should do it, which is the second part of your (I) role. *"Who do I need in order to satisfy my clients' needs?"*. Then ask, *"What do the people needed for lifting the rock want from the organization? What is in it for them if they cooperate?* To some, the organization has to take them to dinner and massage their egos. Others are paid commission. How they get paid is irrelevant, as long as it is ethical and legal. Your job is to find out how the organization should reward them so that they cooperate in satisfying the needs of your clients. The people you need to satisfy the clients' needs are called stakeholders. When the stakeholders recognize that their needs are satisfied by satisfying client needs, that they need each other to satisfy each other's needs, the organization is (I)ntegrated. When everyone is integrated, then no one is indispensable, and the organization is going to be efficient in the long run. The bottom line is that you should focus on self-interest and common interest. When self-interest equals common interest you have succeeded in (I)nTEGRATING

The organization does not become effective and efficient in the short and long run by itself. Someone needs to make (PAEI) decisions that will then make the (PAEI) organization produce (PAEI) results. These results produce short and long-term value added, which certain types of organizations measure by profits. Whose role is it to see that (PAEI) decisions are made? That is the role of leadership.

**Summary**
To manage change a decision has to be made and implemented. What are good decisions? Good decisions make the organization effective and efficient in the short and long run. They make the organization functional, systematized, proactive and organic in consciousness.

To be effective in the short run, the organization has to (P)rove for clients’ needs. The (P) role can be measured by repeat sales. Efficiency in the short run means using the least amount of resources, including managerial time, to accomplish something. For that the organization needs to be (A)dministered, systematized, and organized. In order to do that, the organization needs discipline. For effectiveness in the long run, the organization has to be (E)ntrepreneurial, to proact. It has to imagine the future clients’ needs and position itself to be able to satisfy those needs. In order to do that, it has to be creative and willing to take risks. For efficiency in the long run, the organization needs to be (I)ntegrated by creating a climate of cooperation between and among all stakeholders to satisfy the needs of the clients. If all stakeholders cooperate and no one is indispensable, the organization can be efficient in the long run. For that the organization has to identify and be sensitive to the needs of all the stakeholders and clients, and design a system, a climate that mutually satisfies those needs.