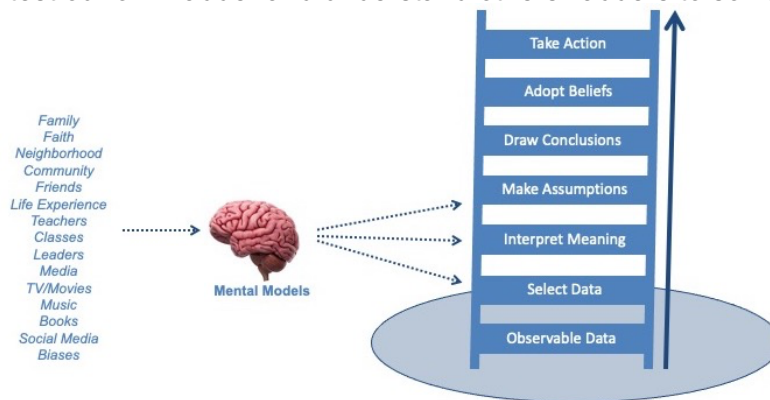


Choice Structuring

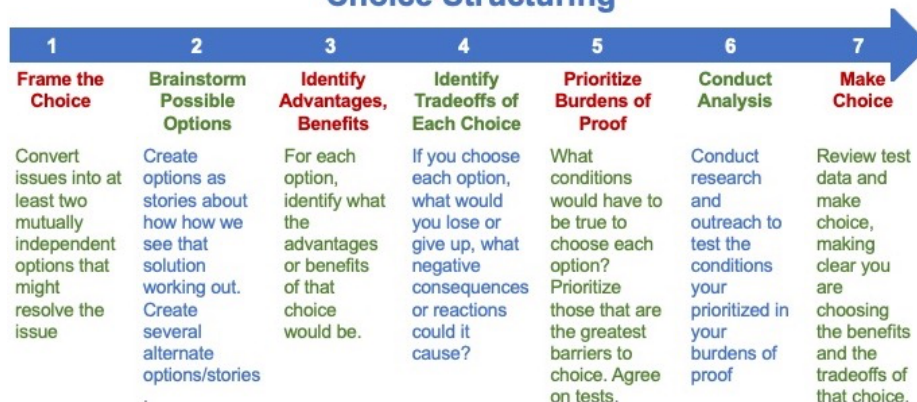
Many organizations are not effective at making choices, or when faced with fork-in-the-road decisions get stuck. **Choice Structuring**¹ enables effective collaboration by surfacing options from multiple perspectives, naming benefits and tradeoffs of each option, identifying conditions that would have to be true to commit to each option, testing the conditions, and making choices everyone can commit to. But first we must understand why seeing different perspectives is so important.

The Ladder of Inference was created by Harvard Business School professor Chris Argyris in 1970. It explains how we often jump to conclusions. It also expresses why we have biases and need to collaborate. In any situation there is a pool of data, we select only some of that data, we interpret the data, make assumptions about it, and then draw conclusions that lead to beliefs and actions. The problem is that the data we select, how we interpret it, and the assumptions we make are shaped by our mental models – our world view, subjective experiences, biases, etc. We need to test our own ladder and understand others' ladders to solve problems well.



Choice structuring helps us do this. By framing the choice, engaging different perspectives, exploring different options, and testing them, we can gain true consensus and commitment. It enables us to re-frame challenges as choices, explore different stakeholders' perspectives, and come to consensus on the path forward. There are rarely perfect options – every option has trade-offs that come with it. After we've identified the benefits and tradeoffs, we set the burdens of proof. This is so important, because instead of people criticizing options, they can only identify the conditions that would have to be true in order to commit to it. We then as a group analyze and prioritize those conditions "burdens of proof" and agree what data, conversations, other information would help us test to see if they can be met. Once we've conducted that research and analysis, then we can make the choice. This enables more honest and forthright collaboration.

Choice Structuring



¹ This model adapts Roger Martin's work in "The Responsibility Virus" along with The Monitor Institute's 1997 "Strategic Choice Structuring White Paper"

1. Frame the Choice

Convert an issue into at least two mutually independent options that might resolve the issue

Example²: We are struggling to sustain our initiative in its current form and have unclear decision making that has reduced engagement. We need to decide how we move forward and what structure will support our success.

2. Brainstorm Options

We have identified three options for moving forward. Ideally we form these options as stories of how we could see each solution working out. If we have too many options, we work to narrow list.

Example: The group came up with three options to move the group forward: (1) Continue to be fiscally sponsored; (2) Form our own 501(c)(3); and (3) Sunset the initiative.

3. Identify Benefits of each option

For each option, brainstorm how that option could benefit our work and impact. Identify as many potential tangible benefits as possible.

Example: (1) If we are fiscally sponsored, we don't need to build overhead capacity, etc.; (2) If we form our own 501(c)(3), we would have more control over our work, etc.; (3) if we sunset, partners will have fewer meetings to attend, etc.

4. Identify the Tradeoffs of each option

What would you give up, sacrifice, or lose if you pursued this option? Identify as many specific tradeoffs as possible.

Example: (1) If we are fiscally sponsored, we may not retain our current leadership, etc.; (2) If we are a 501(c)(3), we would have to raise double what we raise now, etc.; (3) If we sunset, our community is unlikely to achieve greater outcomes at population level on this issue, etc.

5. Prioritize Burdens of Proof

Identify what conditions would have to be true in order to commit to this option. Prioritize those that would serve as the greatest barriers to choice and agree upon what data, research, interviews, etc. would be necessary in order to test this condition.

Example: (1) We can commit to this option if we can form a new fiscal sponsorship agreement that limits role to just fiscal sponsoring, etc. We can test this by gathering

² These examples are of course simplified to briefly illustrate what it might look like in part. Each option would have multiple benefits, tradeoffs, burdens of proof, and tests.

best practice templates from other like initiatives and bringing a proposal to the sponsor and their board for adjustments to the agreement; (2) We can commit to this option if at least three funders agree to anchor fund a the new 501(c)(3)'s budget for 3 years, etc. We can test this by meeting with our funders and sharing our options and seeing what appetite for investment is; and (3) We can commit to this option if another organization will take on and sustain our early childhood initiative's goals and funding for the next two years, etc. We can test this option by meeting with the three organizations we've identified who could potentially manage and assess if they would be willing to take it on.

6. Conduct Analysis

Conduct outreach, interviews, data gathering, best practice analysis, etc., on your burdens of proof. Share the resulting data and learning for each burden of proof.

Example: (1) Our current fiscal sponsor will only sustain us if we increase our overhead fee to them from 15% to 20% and they want 10% of staff time to be devoted to their other programs; (2) We found three funders are willing to invest together 80% of the needed budget for the next three years and we have six other funders in our pipeline that we could approach for the remaining 20%; (3) One organization, Acme Services, would be willing to take on the early childhood work. However, they would need these three conditions met in order to do so.

7. Make Choice

Review the test data on your Burdens of Proof and agree which choice everyone can commit to in order to move forward together. Remember in making a choice, we are choosing the benefits as well as trade-offs and we will likely have to own, be transparent about, and manage change around those trade-offs. We decide the benefits of this choice – in comparison with the others – is worth the trade-offs we must accept.

We have found that groups who use this process often get to fairly quick consensus in the end if done well. The data gathering often clarifies what is really possible.