



Six Steps for Overcoming Analysis Paralysis in Your Firm

Arthur F. Rothberg, Managing Director, CFO Edge, LLC

It's not uncommon for Los Angeles and Southern California business owners and entrepreneurs to suffer from "analysis paralysis." You know what I'm talking about: You spend so much time analyzing a particular situation, problem or opportunity that you never end up taking any action. Or in other words, you become paralyzed by over-analysis of the situation.

Analysis paralysis can be costly and destructive to small and mid-sized firms. Not only can it result in lost business opportunities, but it can lead to the failure to properly diagnose problems in a timely manner. This, in turn, can result in operations breakdowns, cash flow problems, quality control issues, poor customer service, and lost sales and profits.

I recently saw on LinkedIn an organizational chart from Corter Consulting that depicts analysis paralysis in a savvy and good-natured way. Illustrated here, the org chart cleverly renames titles of senior executives to convey their reluctance to take concrete action.



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Do you recognize any of these - not actual titles, of course, but perhaps roles of fellow team members - at your company?

The Enemy of Good

You may have heard the saying that "great becomes the enemy of good." This is another way of looking at what I'm talking about. Businesses and organizations fail to launch initiatives in a timely manner because they want to make sure that the initiative is going to be perfect — that every *i* is dotted and every *t* is crossed before they launch. But every initiative doesn't have to be great. A good initiative is often just that: good enough. And initiatives that start off good can often become great through an iterative process.

One of the keys to avoiding these problems is to implement an iterative process that launches initiatives without delay even if the perfect or great solution isn't apparent yet. Such a process recognizes that every question doesn't have to be answered and every issue resolved before action can be taken. Instead, it's usually best to go ahead and get started on an initiative and then make iterations and improvements along the way — or in other words, to work on the fly.

The 6 D's of Launching an Initiative

We have created a step-by-step process for launching initiatives that can help your organization avoid analysis paralysis and falling into the “great becomes the enemy of good” trap. It revolves around the following 6 D's:

- 1. Define the initiative.** What specifically do you want to accomplish with the initiative? The parameters of the initiative should be well defined up front so there are no surprises later for anyone involved in the launch. This includes setting high-level strategic objectives for the initiative and identifying specific tasks each team member will be responsible for performing, as well as the approximate timeline for completion of these tasks.
- 2. Determine the scope of the opportunity or the cause(s) of the problem.** If the initiative is geared toward capitalizing on an opportunity, what are the potential benefits for your organization? Or if the initiative is geared toward solving a problem, what are the problem's root causes? Answering these questions will lay the groundwork for the next **D** in the process.
- 3. Develop a solution.** With a good understanding of the opportunities before you or the root causes of the problem you're addressing, you and your management team can begin to map out the appropriate solutions. These will provide the structure that's needed for your initiative to succeed.
- 4. Deploy the solution.** Once solutions are identified, they must be executed. This is the point in the process where you're at the greatest danger of analysis paralysis setting in as you over-analyze the solutions you've developed. A great solution not executed in a timely manner will do little if anything to help you capitalize on the opportunities or solve the problems identified in step #2 above.
- 5. Document the solution.** By carefully documenting all the steps and tactics detailed in the solution, you are creating a road map that will provide direction for the initiative every step of the way. This document can be consulted throughout the course of the initiative to keep everyone focused and moving in the same direction toward a successful initiative.
- 6. Debrief the team and repeat as needed.** Once the initiative is complete, gather everyone who was involved in making it happen together to share the results. For example, let team members know whether or not the high-level objectives were achieved, what benefits your company realized from the opportunity pursued, or whether the underlying problem was solved satisfactorily. Apply lessons learned via the iterative process to refine the initiative and improve future outcomes.

Concluding Thoughts

Businesses often suffer from “analysis paralysis,” or spending so much time analyzing a situation that they never end up taking any action. Falling into the “great becomes the enemy of good” trap is a similar problem that can lead to perpetual inaction. One of the keys to avoiding these problems is to implement an iterative process that launches initiatives without delay even if the perfect or great solution isn't apparent yet. By following the 6 D's of launching an initiative, you can avoid the costly and destructive disease of analysis paralysis and get your initiatives off the ground without delay.

About CFO Edge

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives throughout Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we are passionate about helping our clients create, grow and sustain value. For more information, visit www.cfoedge.com or call 800.276.1750 Ext 101.

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