

# 5 ways to make better decisions



## Intuition is not always right



A cup of coffee and a biscuit costs £3.30.  
The coffee costs £3.00 more than the biscuit.  
How much does the biscuit cost?

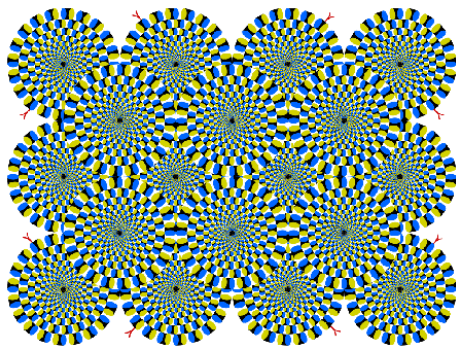
Intuition says £0.30, but does it add up?

Hint: If the biscuit costs £0.30  
then the coffee must cost £3.30!

Answer: The biscuit costs £0.15

**tip** Try to notice conflict between your intuitive decision making and your rational decision making.  
Double check intuitive decisions by rational reasoning.

## Too much data



Does the diagram appear to move?

Too much data can overload our brains.

**tip** Try to reduce the amount of data needed to make a decision.

## Emotion v Rationality



Someone is given £10 and has to make you an offer of some of the money.

If the offer is rejected both of you lose everything.

If the offer is accepted you both get the agreed amounts.

What would you accept?

[ Most people will reject offers of less than £5. ]

**tip** Try to remove emotion from your decision making.

## The framing effect



You are thinking of betting £1 on the toss of a coin.

You are told that if you get it wrong you will lose £1.

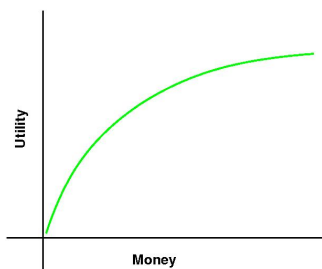
Or you are told that if you get it right you win £1.

Do you think these statements will affect your decision?

[ Fewer people bet when they are told they might lose, more people when they are told that they might win.]

**tip** When trying to make a decision reverse the question and see if that makes a difference to your decision.

## The utility of money



Our perception of the utility of money is not linear.

If you had 100% chance of winning £1500  
or 50% chance of winning £3000  
which would you choose?

**tip** Think about what your decisions would be if the consequence was bigger and smaller.

## Interested in finding out more?

Click on this text to join us on the Linked In group: 'The Decision Space'.

Or click here to see [www.unthinkablethinking.com](http://www.unthinkablethinking.com)

Or if you are interested in the workshops that I run  
click here to email [ian@unthinkablethinking.com](mailto:ian@unthinkablethinking.com)

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