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## **DECIDING HOW TO DECIDE**

Consider this classic story narrated by John Sculley in his autobiography 'Odyssey'.In the 1970's when he was the Vice-President marketing at Pepsi, Coke dominated the soft drinks market. Sculley recalls that his executives were certain that Coke's distinctive hour-glass shaped bottle was Coke's most important competitive advantage The bottle design, they felt had become the product. Easy to grip and stack, more sturdy to withstand a vending machine's drop, a part of American culture and the only company logo which a person could pick up in his hand. Trying to compete with Coke's bottle, Pepsi had spent millions and many years in studying new bottle designs.

In tackling the issue of how to compete with the Coke bottle, Sculley made what is called a 'metadecision'. He asked himself a few crucial questions like "What is the crux of the issue? How should problems like this be approached?" He realized that the heart of the problem was not to compete directly with Coke's bottle [Pepsi's focus in the past] but to nullify its strengths. He decided to approach the problem by shifting the ground rules to alter the whole playing field, 'pulling back and asking what the customer really wanted'.

Realizing that his people did not know enough about consumers to identify what they really wanted in order to take marketing decisions correctly, he launched a careful test to study how families actually consumed Pepsi and other soft drinks in their homes. It became obvious that what the customers wanted was packaging that made it easier for people to get more soft drinks into their homes. Then Sculley moved into the first of the four stages in decision making----framing the issue, which was in this case—launching of new larger and more varied packages. Pepsi began a new intelligence gathering stage, and then, based on the findings, launched a new group of larger packages and thereafter continued to refine the packaging. The results were dramatic and Pepsi's market share expanded substantially and almost

drove the Coke bottle out to extinction. Coke could not convert its famed hourglass silhouette bottle into larger containers.

What Sculley did is of immense significance to decision makers—take time for an initial assessment, in which you ask yourself how this kind of decision should be made. This activity of deciding how to decide is called Metadecision.

In the metadecision phase ask yourself these questions

1. What is the crux or primary difficulty in this stage Which of the four stages in the decision making process will be the most important?
2. In general how should decisions like this be made? Where do my own strengths and weaknesses lie? Where do I need help?
3. Can I draw on feedback from related decisions and experiences that I have faced in the past?

The four stages of decision making are

- ⇒ Framing—determines the viewpoint from which you look at the issue and set the parameters as to which aspect of the subject will you consider important
- ⇒ Gathering intelligence---gathering knowable facts and options and evaluation of un-knowables.
- ⇒ Coming to conclusions—a systematic approach to taking a decision
- ⇒ Learning from experience.

Metadecision should take place *before* you frame the issue.’ Plunging in’ to the various stages of decision making can lead to disastrous consequences. Not devoting sufficient time and effort to this phase may lead to you solving the wrong problem thereby exacerbating the actual problem.

Take the case of a bank branch that was losing market share to its rivals. The branch management decided that the only way out was to aggressively plunge into a marketing exercise .The officers were asked to jump headlong into a ‘deposit mobilization’ exercise and virtually three quarters of the branch staff were in the field all day. At the end of the two-month exercise the deposits actually fell further. When I was asked for advice I sat with the branch officials and initiated a study involving customers who had closed their accounts during the last year The study revealed that they were dissatisfied with the quality of customer service at the branch .The Branch thereafter decided to stop their outdoor marketing exercise and devote their efforts to improving the level of customer service to existing customers. This led to a significant growth in deposits.

In another instance a consumer durables maker approached me with his problem—falling market share. His company was benchmarking against its

nearest competitor on all the major parameters and despite his quality and other initiatives he could not improve his market share. I asked him to do a metadecision exercise involving a survey of existing and potential buyers of the durable. This metadecision exercise turned out a new and profound understanding of the market. The company implemented a plan of action to solve the many hassles the buyers faced ***before and after buying the product.*** The results were astounding. The company had as a consequence of the insights from the metadecision, ***by-passed the competition.***

A few insurance marketers approached me with a request to guide them on how to market their insurance products in the face of growing competition from the LIC and several other private sector players. They educated me on the marketing strategy they had been taught and which they had been following with limited success. It was apparent that they had followed a strategy of 'have product will sell'. They had been taught to plunge into action after gathering enough product knowledge, and follow the usual marketing and selling tactics. I told them to take the metadecision approach. They interviewed several existing and potential policy holders. This metadecision stage revealed several insights as to what people expect from an insurance policy---something that these advisors had not been told about. The entire strategy had to be revamped and the majority of them have met with commendable success.