

FIELD GUIDE TOOL #12

# The Strategic Tradeoff Framework

*Chapter 12: Strategic Tradeoffs: The Discipline of Saying No*

DATE \_\_\_\_\_ COMPLETED BY \_\_\_\_\_

SITUATION \_\_\_\_\_

Use this tool when making any significant resource allocation decision: budget cycles, initiative prioritization, talent deployment, or strategic planning. Work through all five parts before finalizing the decision.

**When to use it.** Best used during strategic planning or initiative prioritization.

## Part A: The Portfolio Inventory

*List all current active initiatives, projects, and strategic commitments competing for the same resource pool.*

| Initiative           | Resource requirement | Current status and momentum |
|----------------------|----------------------|-----------------------------|
| 1.                   |                      |                             |
| 2.                   |                      |                             |
| 3.                   |                      |                             |
| 4.                   |                      |                             |
| 5.                   |                      |                             |
| 6.                   |                      |                             |
| (continue as needed) |                      |                             |

## Part B: The Five Framework Questions

Work through each question before making the allocation decision.

| Question                                                                                 | Your answer |
|------------------------------------------------------------------------------------------|-------------|
| What is actually scarce? Name the specific constrained resource.                         |             |
| What behavior will this decision reinforce in the organization?                          |             |
| What will explicitly stop? Name the initiatives being paused or closed.                  |             |
| What leading indicators will tell you early whether this is working?                     |             |
| Can you explain the rationale clearly to the people affected? Write it in two sentences. |             |

# Part C: The Distortion Check

Review the five common distortions before finalizing the decision.

| Distortion                                                                                                                     | Is this affecting the current decision? How? |
|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Recency bias:</b> Am I overweighting recent performance or events?                                                          |                                              |
| <b>Availability bias:</b> Am I missing information that is less immediately accessible?                                        |                                              |
| <b>Escalation of commitment:</b> Am I continuing something because of past investment rather than future prospects?            |                                              |
| <b>Activity bias:</b> Am I approving action because it feels productive rather than because it moves toward a defined outcome? |                                              |
| <b>Metric myopia:</b> Am I overweighting initiatives with clear metrics at the expense of ones with harder-to-measure value?   |                                              |

## Part D: The Pre-Mortem

Assume it is twelve months from now and this decision has failed significantly. What are the most likely causes?

| Likely failure cause                                           | Mitigation or monitoring response |
|----------------------------------------------------------------|-----------------------------------|
| 1.                                                             |                                   |
| 2.                                                             |                                   |
| 3.                                                             |                                   |
| 4.                                                             |                                   |
| Which assumption is most fragile, and how will you monitor it? |                                   |

## Part E: The Decision Record

Complete this entry at the time of the decision for your decision journal.

| Element                                               | Record |
|-------------------------------------------------------|--------|
| Decision made:                                        |        |
| Key assumptions on which it rests:                    |        |
| Alternatives considered and why they were not chosen: |        |
| Primary risk and mitigation plan:                     |        |
| Leading indicator to watch:                           |        |
| Recalibration date:                                   |        |

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### Before moving to Part Three, confirm:

- ☐ You have inventoried your current active portfolio against the resource constraint.
- ☐ You have worked through all five framework questions and named explicitly what will stop.
- ☐ You have checked the decision against all five common distortions.
- ☐ You have run a pre-mortem and identified your most fragile assumption.
- ☐ You have completed a decision journal entry with a committed recalibration date.