

A Process for Making Smart Choices in Agriculture

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1. Introduction

Smart Choices in Agriculture (Figure 1) is a decision making process designed to provide agricultural producers with a solid foundation to more consistently make good decisions in a very challenging decision making environment. Besides operating in the presence of an incredible amount of uncertainty, agricultural producers typically make decisions with multiple short term and long term objectives in mind. This process combines the fundamental ProACT steps of Smart Choices (Hammond, et al.) with the desired outcomes of decision quality (Spetzler, et al.) and a good risk management culture to provide a robust framework for processing decisions in agriculture.

The ProACT approach (Problem, Objectives, Alternatives, Consequences, and Tradeoffs) of Smart Choices is used to form the fundamental core of this process.

Components of two risk management processes (Hoag and Parsons; ISO 31000:2009) are incorporated throughout to produce a decision making process that promotes five key principles of a good risk management culture: (1) ability to anticipate decisions; (2) adequate resources and capacity to respond to changing conditions; (3) free flow of information into and throughout the organization; (4) willingness to learn and adapt; and, (5) risk management is embedded in all decision making processes.

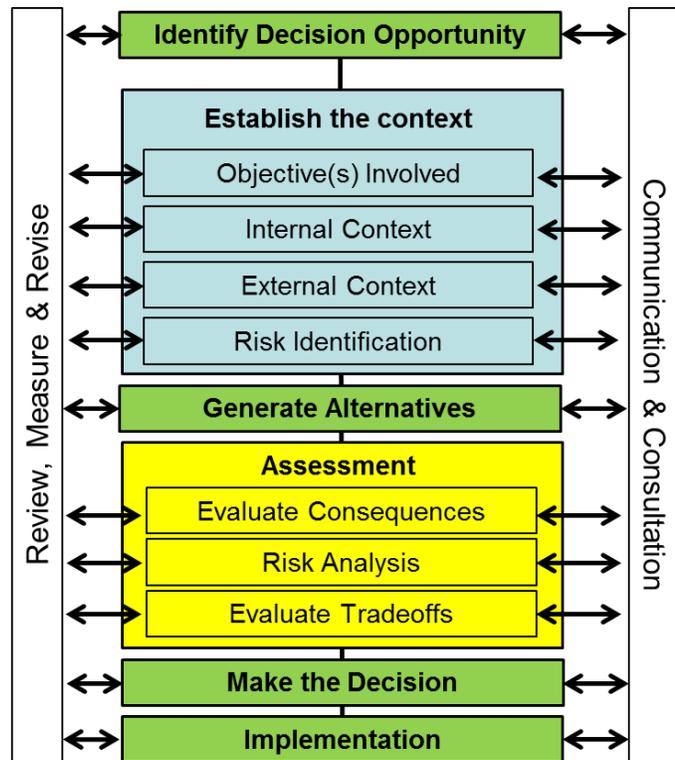


Figure 1: Smart Choices in Agriculture Decision Making Process

2. A process for making smart choices in agriculture

2.1 Identify Decision Opportunity

The process of making a decision starts with the recognition of an opportunity to make a choice. Having choices is a good thing. Recognizing that opportunity early can result in a more difficult decision to make but potentially a decision that leads to very large rewards. The decision can be more difficult because many choices may be available and the future may be filled with a lot of uncertainty. However, waiting until that uncertainty goes away can result in a lot fewer and potentially a lot less rewarding choices remaining. Keeping yourself focused on what you are trying to achieve and training yourself to recognize opportunities to make choices that help you achieve it is a tremendous competitive advantage in the business of agriculture.

2.2 Establish the Context

Establishing the context in which you are making the decision lays the foundation for making the smart choice. It also provides a solid foundation for making more smart choices in the future. It consists of four main components: (1) identify the objectives you are trying to accomplish by making the

decision; (2) clarifying the internal context in which you are trying to make the decision; (3) clarifying the external context in which you are trying to make the decision; and, (4) identifying the risk and uncertainties involved in the making the decision.

2.3 Generate Alternatives

The choice you make can only be as good as the alternatives you consider so it is important to generate a creative and complete list of alternatives to choose from in making the decision.

2.4 Assessment

Assessment of the alternatives consists of: (1) evaluating how well each alternative helps you accomplish your objectives; (2) analyzing the risk and uncertainties involved with each alternative; and, (3) evaluating tradeoffs between the alternatives. This assessment can become quite quantitative if the data exists but it is important to use data wisely and don't let the lack of data hold you back from using sound judgement to decide how well each alternative help you accomplish your goals and objectives.

2.5 Make the Decision

Eventually, you need to make a decision. It is important to remember that not making a decision is making a decision because you have let the opportunity pass you by.

2.6 Implementation

After the decision is made it is important to have a mandate (i.e. the resources) and a commitment to implement it effectively.

2.7 Communication & Consultation

Communication and consultation with people inside and outside your organization throughout the process of making decisions is important because it provides you with the information you need to make smart choices.

2.8 Review, Measure & Revise

As you go through the process of making decisions, it is important to review and revise what you have done to make sure it reflects the most complete and accurate information. Measurement is sometimes difficult but it is an important component of making smart choices as it not only makes the decision you are working on better but it enhances implementation of it and provides the foundation for future decision making opportunities.

References

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