



# CEOS MAKE DECISIONS QUICKLY

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Practice Production Whitepaper Series



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How do some of the most successful CEOs in the country think? What do they do differently that allows them to achieve what most others cannot? Fortunately, I have had a unique opportunity to find out.

In 2004, I was honored to win the Ernst & Young Entrepreneur of the Year Award in Maryland. During part of this overall process, I came in contact with many top CEOs, including those of several Fortune 500 companies. Sitting at a dinner one evening and talking to one of these high-profile CEOs I asked the question that was most on mind, "What single trait—more than anything else—has allowed you to be where you are today?"

## The 98% Decision Factor

The CEO thought carefully for a moment. His response was very simple and very life-changing. He said that he believed that 98% of all the decisions he ever made in his life did not actually matter a great deal. Whether he had agonized over them or not, he would still be where he was today.

He explained that all of his success was really about what he called the "2% decisions." A 2% decision he explained really mattered. If you get it wrong, you will be significantly hurt in your life or career. His approach was similar to the old expression, "Don't sweat the small stuff" but taken to an entirely new level.

The CEO further explained that 98% of the time he makes decisions very quickly and rarely changes his mind. He does not dwell on them or second-guess himself. He makes the decision and then moves on. Two percent of the time, however, he takes the decisions extremely seriously, gives himself time to mull them over, and always engages outside expertise as he goes through the final thought process.

"When you get a 98% decision wrong," elaborated the CEO, "it doesn't really make much difference in the overall scheme of things. Whether it is the loss of an hour, an unsatisfactory meal or a nominal financial investment gone bad, an incorrect decision doesn't really matter in the long run."

Two percent decisions are another matter entirely. These could include:

- Moving an office
- Bringing a partner on board
- Investing 20% of your net worth in a deal

Any of these will have an enormous negative impact on you if they go wrong. As the CEO explained, he had made plenty of 98% decisions correctly and some of them incorrectly. The ones he got wrong did not affect him very much or at all. Conversely, he said that he had made very few 2% decisions incorrectly, which was why he had risen to the level of CEO of a Fortune 500 company.

## Living the 98% Decision Factor

Greatly impressed by his philosophy, I immediately began to adopt his approach. I noticed that on certain days, we might make hundreds of decisions. I also observed that those decisions rarely matter. What to eat for lunch, what movie to see, when to call a friend, what vacation to take or even minor investment decisions where the money could be lost... in the long run, none of those would matter a month later, a year later and certainly not delay personal success, financial success or retirement.

The 2% decisions have to be approached carefully. A quick decision on these could be devastating to either myself or my family. Once I learned this lesson, my batting average on 2% decisions became extremely high. One of the reasons is that I never make them alone. Whenever I am faced with what I decide is a 2% decision, I always engage an expert to assist me. Whether it is working with a consultant, an attorney, an accountant, a certified financial planner or others, I never hesitate to spend money for advice on a 2% decision—even when I am confident of my decision.

Dentists have the same challenges as CEOs in other business fields. They make decisions all day. Remarkably, most of these decisions are the 98% decisions. The situation is similar in the practice as well. A team member is not performing well... a patient

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wants to come in immediately even though there is no time... a sales rep tries to sell a small order of something the dentist might be interested in... there is a course that costs more than others do and the doctor has to decide whether to take it and whether to take staff... these are all 98% decisions.

One example of a 98% decision Levin Group consultants are frequently asked is, "Who from my staff should I bring to the consulting program when I come for my phase training?" This is a good example of trying to turn a 98% decision into a 2% decision. Doing so wastes time, slows down progress and ultimately diminishes the doctor's energy.

## What is a 98% Decision? What is a 2% Decision?

The truth is that only 2% of the decisions in a dental practice actually matter. I am not talking about clinical decisions. Clinically, almost every decision is important as it goes to the heart of what is in the best interest for patients. However, most managerial decisions fall into the 98% category.

Look at the following practice concerns. Some are 98% decisions and some are 2% decisions:

1. Did a patient show up on the wrong day?
2. Does the practice have a minimum of 15 internal marketing strategies functioning at all times?
3. Does the practice have an internal marketing coordinator working 4 – 6 hours a week to carry out the internal marketing program?
4. Does the practice have step-by-step documented systems?
5. Does the practice have proper insurance in place?
6. Does the supply closet need to be reorganized?
7. Does the doctor have a budgeting system to organize and monitor practice financial performance?
8. Does the doctor have a certified financial advisor who works with many dentists from all over the country?
9. Does the practice have patient financing available?
10. Do two key staff members want off on the same day?

Which is which? In fact, only #1, 6 and 10 are 98% decisions. In the midst of a busy day in the practice, doctors often cannot easily differentiate between the 98% and the 2% decisions. In seminars, I often offer the example of going to Las Vegas. How much would they have to lose in a casino before it becomes a 2% decision? For example:

**\$50?** ..... Obviously, that is a 98% decision.

**\$500?** ..... Although unpleasant to lose, this is also a 98% decision. \$50,000? Very much a 2% decision.

Notice how the comfort zone changes as the dollar figure gets higher. Debating the loss of \$50 or \$500 is not very helpful. If that money is lost, a doctor's life is not going to change. On the other hand, the potential loss of \$50,000 warrants serious debate.

## Conclusion

CEOs make many of their decisions quickly, an approach that can be very beneficial to dentists and specialists as well. Too many doctors tend to dwell on each and every decision regarding the practice, no matter how inconsequential it may be.

Doctors need to ask themselves throughout the day... "Is it a 98% decision or a 2% decision?" If it is a 98% decision, then make it quickly. Don't agonize over it. This simple advice can lead to greater professional satisfaction and a more profitable practice as a result.

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### Dr. Roger P. Levin

Dr. Roger P. Levin is a third-generation general dentist and the Founder and CEO of Levin Group, Inc., the largest dental practice consulting firm in North America. A keynote speaker for major dental conferences, Dr. Levin presents more than 100 seminars per year. He has authored 68 books and more than 4,000 articles. In 2014, he received the Dental Excellence Award for Best Practice Management Consultant from *DrBicuspid.com*. For the past 12 years, he has been named one of the "Leaders in Dental Consulting" by *Dentistry Today* magazine.



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