

Part 2 –

Cut the Guesswork in Vineyard Investments

Tips for making a good decision

Define **decision** (and right process to use)



Identify **critical factors** to consider (tipping points)



Seek **appropriate information** (technology)

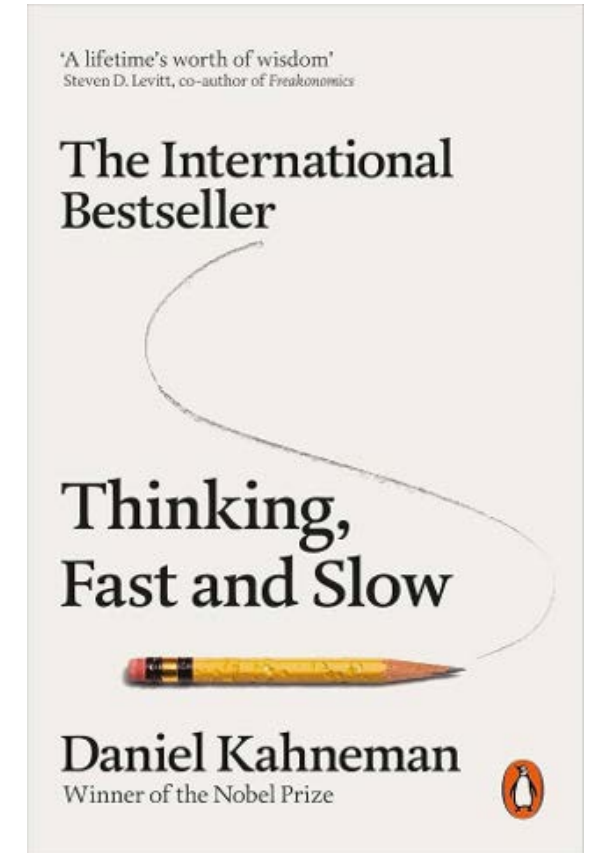
1. Define the decision

A strong decision statement clearly describes the choice you need to make.

- Yes / no (binary) statements are easier.

Tips:

- Write it down (reference, transparent).
- Involve others (question, justify).
- What are the possible answers?

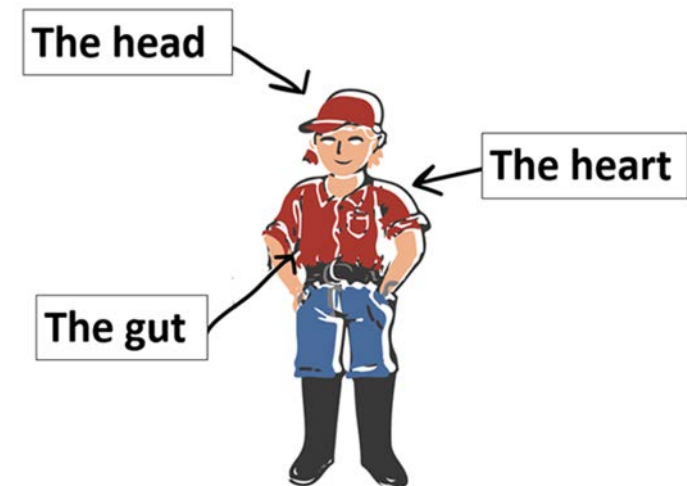


1. Use the appropriate process

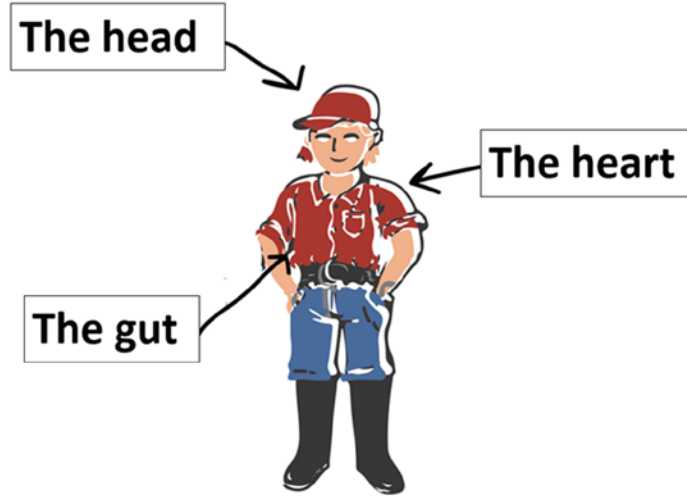
Characteristics	Simple	Complicated	Complex
1. Factors to consider	Only a few	Several factors	Many factors, including personal goals, values, preferences
2. Where to find the answers	Established recipes, rules	Best practice guides, calculations	Experience, other experts, no 'right' answer
3. How much analysis is needed	Very little	Some calculations or analysis, beyond what you can do 'in your head'	Can't be fully calculated, also relies on judgement

Tips:

- Write down the critical factors that should be included in the decision.
- How many are 'heart' and/or 'gut' considerations?



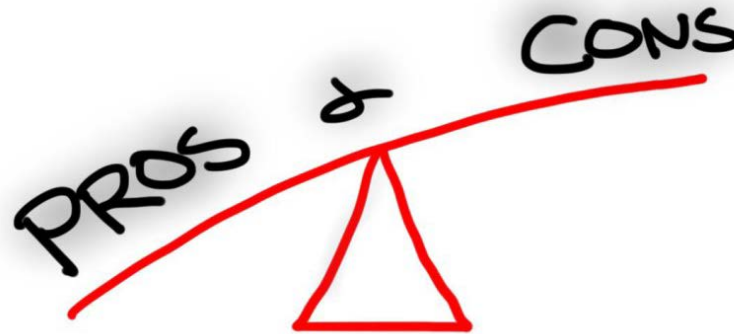
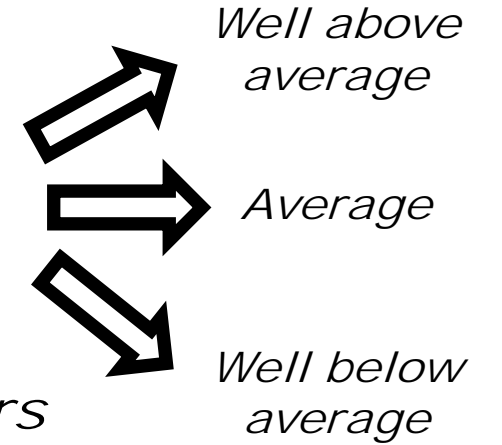
2. Steps in a complex decision



Critical factors



Critical factors have "tipping points"



Make decisions 'on balance'





Decision	Score
Sell Rokewood, buy Kennedy's Creek	Greater than 32
Stay as is	Less than 32

Decision: Do we sell Rokewood cropping country to buy Kennedy Creek dairy country?

Critical consideration	Point where we think differently	Score
Impact on debt/ <i>opportunity to sell high buy low.</i>	Reduce debt (selling high, buying low)	8
	No significant change	4
	Increase debt (buying high, selling low)	0
Capital growth on land	Appreciates quickly (5 yrs.)	7
	Moves slowly or flatlines	3
	Goes down	0
Productive potential of Rokewood country	Hitting current limits (unless big investment in unproven technology)	6
	Small gains	3
	Still big potential to improve	0
Ongoing opportunity to lease land at a 'fair' price	Becoming harder (from price & competition)	3
	Easy	0
Assist in livestock trading enterprise	Greatly enhances trading opportunities (can use different feed sources better)	8
	No change	3
	Makes it harder	0
Ability to run sheep	Yes	3
	No	0
Can some operations be managed remotely	Yes	5
	No	0
Degree of challenge	High - need to apply new thinking	6
	Low	0
		46

3. Where will technology help?

Decision: Do we sell Rokewood cropping country to buy Kennedy Creek dairy country?		
Critical consideration	Point where we think differently	Score
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	No significant change	4
	Increase debt (buying high, selling low)	0
Capital growth on land	Appreciates quickly (5 yrs.)	7
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What I like about the decision matrix

- *It slows down your thinking*
- *It makes it transparent for others to contribute / follow*
- *Refine over time*
- *Narrows down what information you require and the skills you need*



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Dashboard

Dashboard / Decision and Timing / Considerations / Conditions / Relative values / Decision Table / Decision Scores / Scenario Testing

If You haven't defined any decisions yet appears, then no decisions have been saved.

Clicking on Define a decision starts the process.

Define a decision

These are your previous decision matrices. Click on the appropriate decision to reload the matrix. Once loaded the decision matrix can be printed, exported or modified. If adjustments are made make sure you save the changes. If you wish to save the original as well as a changed version, then the new version needs to have a slight difference in the decision description. This could be as easy as a (2) after the decision description.

<https://sfs.org.au/tool/decision-wizard>



Building a decision matrix