

# 11: “Doing business” as discourse, decision and action

## What do business people do when they manage a business?

When business people manage a business they make decisions. Business is driven by decisions made by people.

The decisions have consequences. These consequences are typically measured when the accounting system presents the revenue, the costs and the profit. The RCP, - Revenue-CostProfit, - is a result of the “ReCiPe” we have chosen, - simply the result and the combined effect of the decisions made. But the RCP is only useful if we understand and are able to explain how and why we ended up with this result.

## Every time we meet RevenueCostProfit-data we must ask ourselves “how did we end here... what were the causes, the effects and the results?”

As managers and decision makers it is our responsibility to explain the chain of events behind RCP - the cause-effect-result chain. Only by doing this in a rational and scientific manner will we be able to reflect and learn what works and what does not. And only knowing what works makes us able to plan, act and achieve the results we want.

## So, what should we do as managers to improve our ability to plan and get the right result?

To fulfil our ambitions and deliver our success criteria satisfied? In essence the only thing we can do is to think about and discuss what actions to take and how to take them and then we make a decision to act. While we are acting, we can decide to stop action and begin to discuss and think about that action again.

Then we can make a decision to continue action, and then we act. Simply put, either you act or you are in the process of trying to find a solution.

So, in between making decisions business people engaged in discourse and take action. When they do this, they try to create relationships with other people and organizations, they try to create transactions, they try to create value - for themselves and others and, finally, they create new needs and problems.

In saying this, I am saying that the fundamental factor in business is the “decision” - not the “relationship”, not the “transaction”, not the “value”, not the “need”, not the “problem” - they all result from the decisions made by “business people”.

## We are either in discourse (question) mode or action (answering) mode!

In between, we make decisions to enter or exit from the two basic situations. When we are engaged in a discourse we have not yet made a decision. Instead we are trying to find out which decision to make. It is still open. From the moment we make our decision, we are in action mode. Then we can stop acting and reconsider our decision in a discourse. And then we can start acting again when a new decision has been made.

During any business day we act a lot, we make a lot of decisions and we engage in discourse. Business people make decisions concerning many things, big and small, all the time, as seen in figure 2, next page.

As you can see, we are either in discourse mode or action mode - and action is tied to discourse through decisions. During the course of action we are, at some point, prompted to make a decision to stop or continue. This happens when we don’t get what we want.

**The fundamental factor in business is the “decision” - not the “relationship”, - not the “transaction”, - not the “value”, - not the “need”, - not the “problem” they all result from the decisions made by “business people”.**

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“In Search of PROFIT  
- from value chain  
to profit chain”.

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Decisions which lack any argumentation are meaningless and not worth believing in and therefore lack the ability to motivate people to carry out the decision in real life. This is also what decision making is about - the creation of arguments that can mobilise energy and resources and make people able to change things in real life to their advantage.

**So, behind every decision made, we will find a learning process ending in a set of arguments used as pros and cons to the decision made.**

This means that to understand the decision process in detail, we must also understand how arguments are constructed.

But what is a good convincing argument and when is an argument a valid and reliable argument that can be recognised by most people?

- A good argument tells us the true and precise state of the situation.
- A good argument foresees consequences in the future.
- A good argument gives data and conclusions we believe in.
- A good argument delivers some kind of proof to a claim or proposition.
- A good argument is normally (sometimes we are totally wrong) not in conflict with what we know or believe in.

**Good arguments can work together to fortify argumentation.**

Well, this was a lot about arguments. My personal opinion is that we can never end up precisely describing 'the good argument', since good arguments constitute the essence of human experience which is something which develops all the time.

The only thing we can do is to improve our understanding of what constitutes a good argument, through critical debates about the validity and reliability of the arguments proposed to us.

Let us move on and try to understand how arguments are constructed.

**There is one place in the world where we can find the masters in the construction of arguments - the scientists.**

A true scientist works with the ambition to create universal (though most often conditioned) "truths" about the world.

In fact, doing this poses a challenge to everyone else

- since the scientist says;

*"See my universal truth claim - try to criticize it by criticizing my argumentation!"*

Several hundreds of years of scientific practice have developed the "data-based scientific method" that has survived religious, political and many other obstacles to truth.

The data-based scientific method has long proved itself the best way to construct valid, reliable and convincing arguments across cultures, countries, organizations and people.

**Let us investigate what the scientific process can do to improve business decision making and argumentation.**

**Several hundreds of years of scientific practice have developed the "data-based scientific method" that has survived religious, political and many other obstacles to truth.**



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