Category

Strategy

Strategy for Fiduciary Duties & Litigation-Aware Decision Making Playbook

Building fiduciary discipline into major strategic decisions without letting legal caution paralyze genuine strategic judgment

- Executive
- Advanced
- Template Included

- Mithun A. Sridharan

- 07 June 2024
- 4 minute(s)

Overview

A framework for incorporating fiduciary duty and litigation-risk awareness into major strategic decisions — process discipline, documentation, and informed deliberation — without over-correcting into excessive legal caution that avoids necessary strategic risk-taking.

Does following a good process protect a decision from later

criticism even if the outcome is bad? In most governance frameworks, a well-informed, deliberate decision- making process (often described as the business judgment rule in various legal systems) provides meaningful protection even when outcomes are poor — which is exactly why process discipline matters as much as the substantive decision itself.

Doesn't focusing on litigation risk make boards more risk-averse

than the business needs them to be? Done well, it shouldn't — the point of this playbook is building confidence in the DECISION PROCESS, which allows genuine strategic risk-taking, rather than becoming a general aversion to risk driven by fear of second-guessing.

{ "@context": "https://schema.org", "@type": "FAQPage", "mainEntity": [{ "@type": "Question", "name": "Does following a good process protect a decision from later", "acceptedAnswer": { "@type": "Answer", "text": "criticism even if the outcome is bad?\nIn most governance frameworks, a well-informed, deliberate decision-\nmaking process (often

described as the business judgment rule in\nvarious legal systems) provides meaningful protection even when\noutcomes are poor — which is exactly why process discipline matters as\nmuch as the substantive decision itself." } }, { "@type": "Question", "name": "Doesn't focusing on litigation risk make boards more risk-averse", "acceptedAnswer": { "@type": "Answer", "text": "than the business needs them to be?\nDone well, it shouldn't — the point of this playbook is building\nconfidence in the DECISION PROCESS, which allows genuine strategic\nrisk-taking, rather than becoming a general aversion to risk driven by\nfear of second-guessing." } }] }

Subscriber access

Unlock this playbook

This playbook — including every framework, template, and step-by-step section — is available free to Think Insights subscribers. Enter your email to unlock it instantly and get our weekly insights newsletter. No account needed, and access is remembered on this device.

First Name

Last Name

Email

Country - Select -

- I agree to data processing in accordance with GDPR

Submit

Leave this field blank

References

Related playbooks

Strategy

Strategy for Capital Allocation, Liquidity & Financial Resilience Playbook

A framework for setting liquidity buffers, capital structure targets, and contingency financing plans as deliberate strategic choices, so financial resilience i

- Executive
- Advanced

- Template Included

Read playbook

Strategy

Strategy for Leveraging Cloud, Edge & Composable Architectures Playbook

A framework for connecting cloud, edge, and composable architecture decisions to strategic business flexibility — speed to market, ability to enter new markets,

- Executive
- Intermediate
- Template Included

Read playbook

Strategy

Strategy for Cybersecurity, Digital Risk & Business Continuity Playbook

A framework for setting cybersecurity investment and business continuity strategy at the level of genuine strategic risk trade-offs, connected to business impac

- Executive
- Advanced
- Template Included

Read playbook

Talk to us about governance and decision-making

Tags

- Fiduciary Duty
- Governance
- Strategic Decision Making

Author

Mithun A. Sridharan

I'm Mithun A. Sridharan, Founder of this website - Think Insights - on Strategy, Management Consulting, Leadership, Digital Transformation, and Data Literacy. Follow me on social media or connect with me on LinkedIn for updates.