**Objective:** *Participants will be able to make informed recommendations in the following two situations:*

1. *Recommending a “portfolio” of evidence appropriate for making a particular decision.*
2. *Recommending a decision based on available data sources.*

**Participants will be able to…**

*Apply the principles proposed in “How to make effective business decisions” to their project work when they need to prepare for an upcoming decision or making the best decision.*

**Materials**:

* *“How to make effective business decisions” (pgs. 1-5)*

**Time:**1 hour

**Preparing (10 minutes)**

1. **Review Principles:**

Hey all, so thanks for sending your responses to my quiz. Everyone was able to pull out the key points.

One thing I wanted to stress from the reading is that the proposed guiding principles based on the overarching principle that when making decisions under uncertainty and limited resources we need to match the risk of making the wrong decision to the types of evidence we want to collect. So applying these principles starts with first being clear how important this decision is to the entire organization. Another way to put this is the risk that making the wrong decision could pose to the organization. Some ways to think about that risk could be:

* + - 1. Potential for harm to farmers.
      2. Difficulty of rolling back the decision.
      3. The cost and complexity that a decision would introduce to the program.

So with that lets split up into groups and jump into the exercise.

**Case Study 1: Identifying Information Requirements (45 minutes)**

**CASE STUDY**

|  |
| --- |
| **>>> Hypothetical: What mix of evidence would we want to see before making the following hypothetical decisions? Would following the** [**proposed guiding principles**](https://docs.google.com/document/d/1dE7PceCgPFMtQ6azborqv6JjXk8zpVBwrq7GrBsTqDo/edit#heading=h.3znysh7) **get us there?**   1. Should we eliminate the FM role or we drastically increase the FO:FM ratio from 4.5:1 to 10:1 to radically decrease costs of program? 2. Should we have FOs leading impact trainings or should we explore other ways of disseminating “best practices”? 3. Should we change the repayment so that clients pay an increasing amount for each additional month/quarter they take to repay their loan? 4. Should we create a repayment system that allows clients to make payments and withdraw from them? 5. Should we create a loyalty program were we offer certain products and increased credit limits for re-enrolling clients? |

* **SAY: We will do this exercise in groups. Choose a hypothetical and use the “proposed guiding principles” (pgs. 1-2) to** 
  1. **Come up with a “portfolio” of evidence needed to recommend a decision on the hypothetical using the table of types of evidence (pg. 3-5). Be prepared to present how you applied the principles and why.**
  + **SAY: The group assignments are**:
    - Group 1:
    - Group 2:
  + **SAY: You will have 15 minutes to work together in groups, followed by about 20 minutes to walk through what your group decided. Please make sure that you do not choose the same hypothetical as the other group.**