The Hierarchical Decision Model or HDM for short is a formulaic blueprint model for selecting target markets. It allows the user of the HDM to take the metrics of the HDM and adjust them as needed to estimate what if scenarios playing with the datapoints as if they were variables instead of reconstructing the entire model each time from scratch which you would need to do under other decision models. This is accomplished by breaking every metric of the HDM into smaller segments each with a measurable score. Once broken down into the smallest segment you are left with a quantifiable measurement which you are able to use for your decisions, for instance what market to focus on, If Market Objectives play a larger roll in the overall project then you Financial Objectives and what variables effect these overall goals.

Another important aspect of the HDM is your survey of both industry and company experts. Its important to use both type of experts because your company experts may have tunnel vision on corporate only long term goals and may miss out on a bigger picture analysis, while the industry analysts may miss out on smaller picture items that effect your company’s strategic goals in particular. By aggregating both of these groups together and looking for a consensus you can outline strategic future markets that fit well both in the industry and in your company. If the experts can not agree it is usually because there is not enough data for them to make a well thought out and thorough decision and you can try presenting them with more information in order to help them understand the problem better, however if they still disagree you may be dealing with individual biases and even though these people are experts, they are still human and not perfect. In this scenario it is better to gather more experts until you can find a consensus. When it comes to designing your survey it is better to keep the survey between one and two hours long. Longer then two hours you risk losing the attention of the people your asking to take the survey. If it is shorter then one hour you may not be gathering enough information from the experts to make the survey matter. The questions should be asked so that they are not up to interpretation from the survey takers but rather that each individual comes to the same understanding of each question being asked.