SECTION A

1. Using material from all areas studied in this module, give specific examples of what Rebekah might need to do at each stage of this analysis.

Decision analysis is a systematic, quantitative, and visual approach to addressing and evaluating the important choices that businesses sometimes face. When you encounter personal or professional decisions, you can conduct a decision analysis to aid your process. This method requires using various decision-making tools to understand all aspects of the problem you aim to solve. By implementing its associated techniques, such as decision trees and expected value calculations, you can compare several options against one another for a more comprehensive decision. In this article, we explain the decision analysis process and provide examples you can use for guidance.

Recognize the problem and scope the decision: Rebekah needs to be aware of the problem in hand causing the revenue of the company to decrease revenue which is ageing population in recent years eg, the company is unable to meet the needs of ageing customers. By identifying this problem a Rebekah scope her decision.

Rebekah should plan an integrated approach that takes the roles and goals of all key people involved in complex problems into consideration.

Rebekah’s aim is to focus on the cause, its key drivers, and their effect, so it’s important to define the boundaries. These boundaries should be sufficiently open to include all the relevant cause-effect relationships, but sufficiently narrow to avoid generalization and a loss of focus. Rebekah should use these boundaries to create a new, clear description of the problem she is solving.

Identify causes, effects, and key stakeholders. Within these boundaries, it’s time to focus on the causes and potential solutions. She should define the root causes of the problem the possible effects of those causes, some potential solutions, and the effects of those solutions. The key stakeholders who stand to benefit from a change in the system and how they be part of the solution, keeping in mind that a single effect can be the result of multiple causes, and a single cause can have multiple effects on a system.

Analyze future developments.

Understand the problem: Rebekah must understand the problem causing the revenues to go down, if the problem is old age in the organization she needs to appoint new young hardworking and motivated workers in the company.

Determine options: Rebekah need to come up with options on how to handle the problem at hand she must understand the many facets and nuances of this population.

She must come up with options to meet the needs of old consumers she can decide to give discounts on the products they are offering and she must interview the senior citizens on what they would like improved in their services.

Evaluate this options: Rebekah needs to look for the pros and cons for the options she comes up with, that is determining how that option will be of use to the company and how can it also affect the company in other ways.

Rebekah should avoid delays while making decisions and also dedicate a day or block of time to go through the advantages, disadvantages and outcomes of your decision.

Rebekah should make decisions based on logic rather than emotions and also focus on facts. She should get advice from experts on the decision she is making because she might make a decision made before, experts will support her in the decisions she makes.

Using customer feedback is a great way to get data. Rebekah should explore other great ways of gaining data such as through research reports, industry trends and asking experts. Having reliable data will help Rebekah make the best decisions for the company.

Understanding the risks during this stage is very important because it will help Rebekah to make the right choices.

Select the options: Rebekah needs to choose from a list of options such as

Affinity diagrams. Key use: brainstorming/mind mapping

Analytic hierarchy process (AHP) Key use: complex decisions

Conjoint analysis

Cost/benefit analysis

Decision making trees

Game theory

Heuristic methods

Influence diagrams approach (IDA)

To make the right decision and handle the problem at hand.

Test the options: she needs to test her options by getting feedback from the customers and experts on where there might need an improvement.

Impliment her decisions: she should now put her decisions into work.

Conclusion: Part of the decision analysis process requires examining potential uncertainties surrounding a decision. Rebekah may need to conduct research or other analysis to determine the probabilities of different outcomes. You can assess your decision based on the likelihood of its success and its ensuing potential value—or the likelihood of its failure and the corresponding potential loss.

2. Explain in detail the advantages of the decision analysis approach.

Decisions: When it comes to decisions they can be build, modelled or even abandoned.

Rebekah can decide to abandon the decision if it does not meet the customers’ needs.

One can come up with a decision and consult experts for modelling it.

Uncertainties: Most uncertainties are modeled with discrete outcomes. Probabilities and values are assessed.

Dependencies: Dependence between uncertainties are usually handled explicitly. The Value of information: importance of an uncertainty (& the value of learning more about it) can be calculated and shown in a tree.

Solution method: Results come from a decision policy tree, whose paths are specific scenarios that can be inspected.

Results: A key result is a Policy Tree both part of the solution method and a strategic road map for making decisions and managing value going forward. The other main result is a Risk Profile showing the overall range of outcomes.