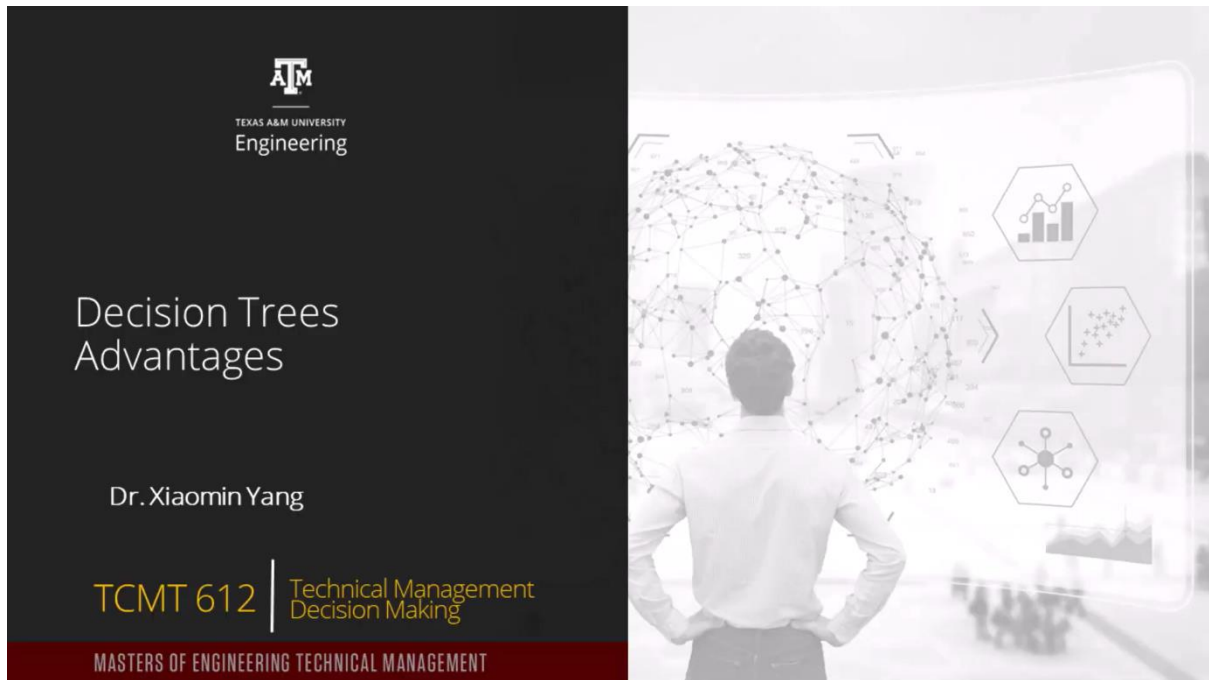


# M4L13. Decision Trees Advantages

## Slide #1



The slide cover is divided into two main sections. The left section has a dark background with white and yellow text. It features the Texas A&M University Engineering logo at the top, followed by the title 'Decision Trees Advantages' and the author's name 'Dr. Xiaomin Yang'. Below this, it identifies the course as 'TCMT 612 | Technical Management Decision Making' and the program as 'MASTERS OF ENGINEERING TECHNICAL MANAGEMENT'. The right section shows a person in a white shirt standing with hands on hips, looking at a large screen. The screen displays a complex network diagram with a globe-like structure and several hexagonal icons containing bar charts, line graphs, and network symbols.

ATM  
TEXAS A&M UNIVERSITY  
Engineering

Decision Trees  
Advantages

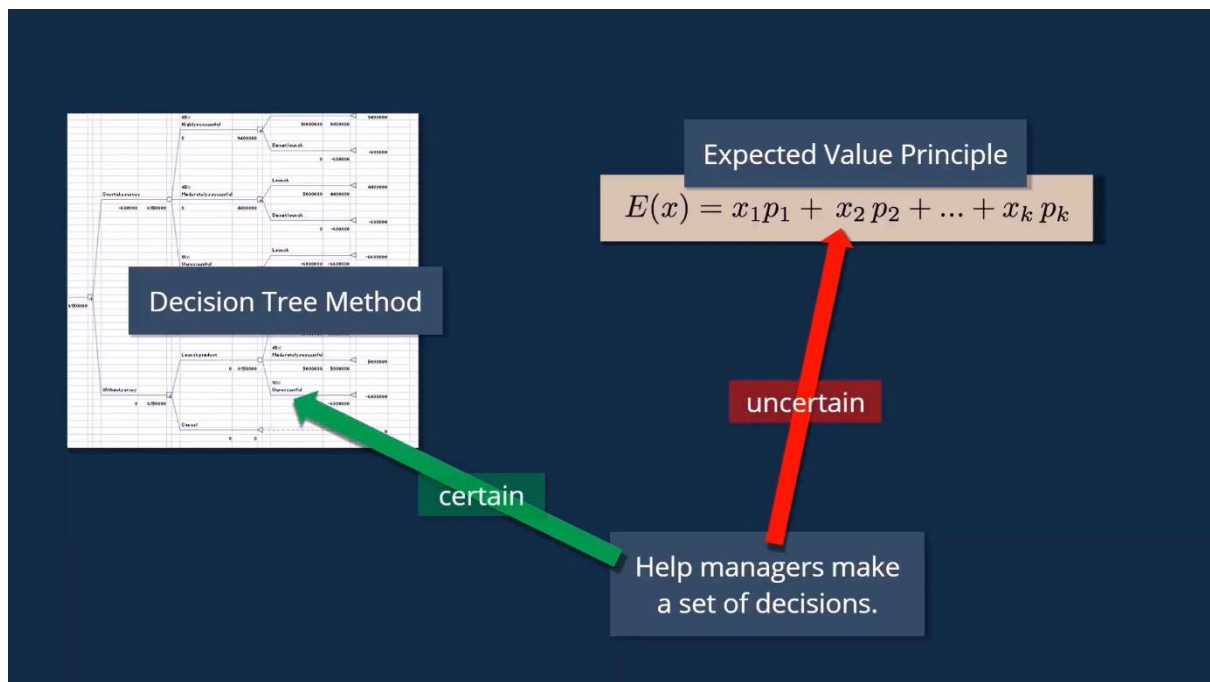
Dr. Xiaomin Yang

TCMT 612 | Technical Management  
Decision Making

MASTERS OF ENGINEERING TECHNICAL MANAGEMENT

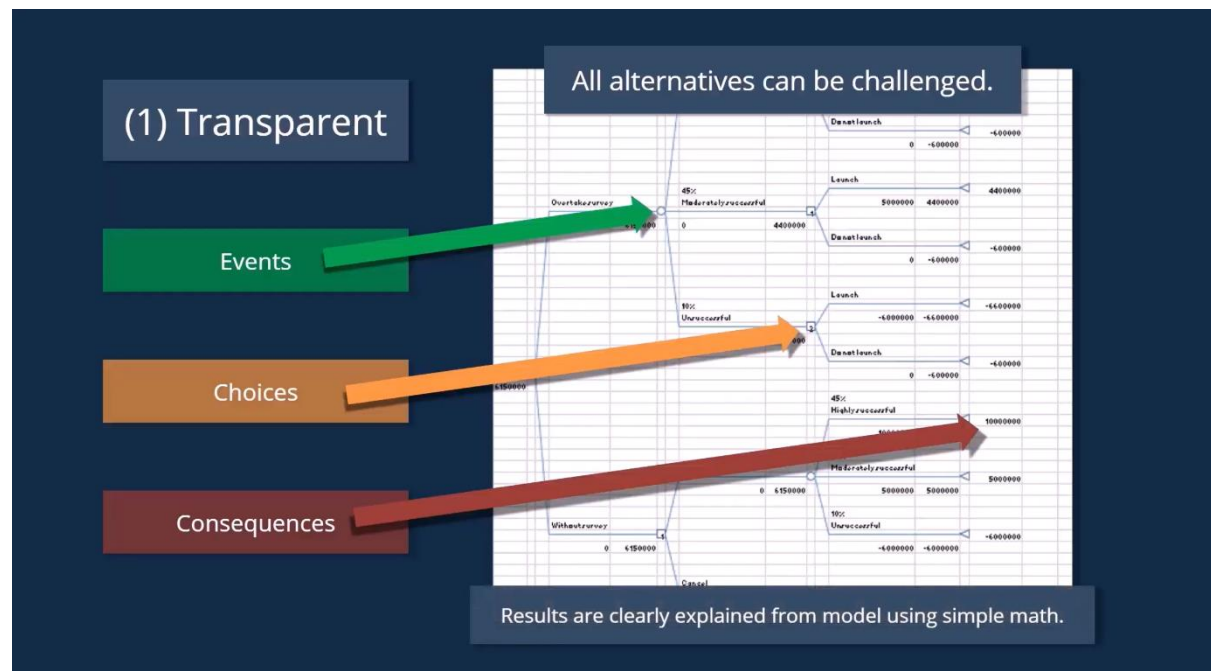
I would like to point out some advantages of the decision tree method.

## Slide #2



We have discussed the decision tree method and the expected value principle to help managers make a set of decisions under certain and uncertain situations, respectively.

### Slide #3



First, the decision tree method is transparent.

The diagrams of a decision tree clearly lay out the events, choices, and the consequences so that all alternatives can be challenged.

The results are clearly explained from the model using simple math.

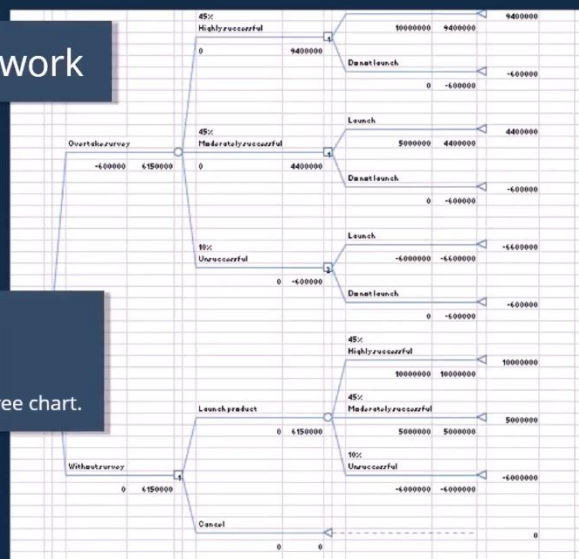
## Slide #4

### (2) Evaluation Framework

(1) Payoff

(2) Likelihood of outcomes

can be quantified directly on the tree chart.



Second, it also provides an evaluation framework.

The payoff and likelihood of outcomes can be quantified directly on the tree chart.

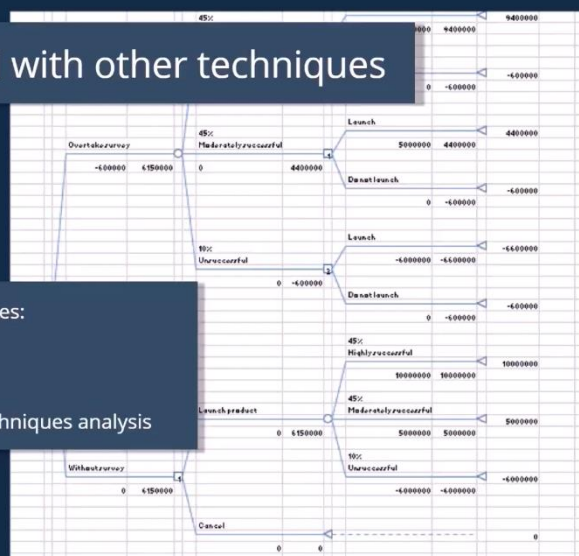
## Slide #5

### (3) Can be combined with other techniques

Other decision-making techniques:

(A) net present value

(B) project evaluation review techniques analysis



This can help determine how much to spend on additional research to improve assumptions.

## Slide #7

### (5) Well-suited to collaborative environment

The structure of a decision tree can be combined with other trees to make bigger trees.

Combine decision trees from reporting departments  
and make bigger decision tree for higher level organization.

Easily done with a copy and paste functions of any decision tree software.

Another advantage of the decision tree method is that it is well suited for collaborative environments.

The structure of a decision tree can be combined with other trees to make bigger trees.

So the managers at different levels of the company can combine the decision trees from their reporting departments and make a bigger decision tree for higher level organization.

The combination can be easily done with the copy and paste functions of any decision tree software.