Product Manager's Desk Reference (3e)
Abstract – Chapter 5

Problem Solving, Decision-Making, and Prioritizing

Executive Summary

1. The building blocks of good decision-making consider agility of thought plus the rapid assessment of opportunities and their consequences.
2. For product managers, decision-making is a nonstop series of pivotal inflection points across the life of a product.
3. When resources are scarce, product managers can apply decision-making techniques to better prioritize their work.
4. Effective product managers are adept at problem solving, which is at the heart of all decision-making.

Effective product managers are adept at problem solving, which is at the heart of all decision-making. When considering different options, or solutions, to a problem, decision-making tools that can be employed include combining options (considering different options and weighing the costs and benefits of each, with an eye toward possibly combining two or more options), a morphological box (a graphic representation of the possible solutions to a multidimensional, complex problem), a decision matrix (a table that lists options and problem criteria, or characteristics, with each characteristic weighted in terms of importance), and a decision tree (a treelike diagram with branches [outcomes] and nodes [decision alternatives]).

Over-analysis, or analysis paralysis, is an easy trap to fall into when the possible negative impacts of a bad decision (the opportunity cost) seem much greater than the potential gains made by deciding. Another trap is rational ignorance, when gathering facts to make an informed decision might cost more than any benefit that can be gained from getting those facts. Often a well-rounded decision requires "going with your gut," otherwise known as gut-feel decision-making.

In order to make optimal decisions, product managers and their teams must digest ever-increasing amounts of data—both historical and real-time. Data-gathering techniques continue to evolve. Vast amounts of data from transactional systems and business applications may be combined with data from clickstreams, system logging tools, publicly available data, and the like.