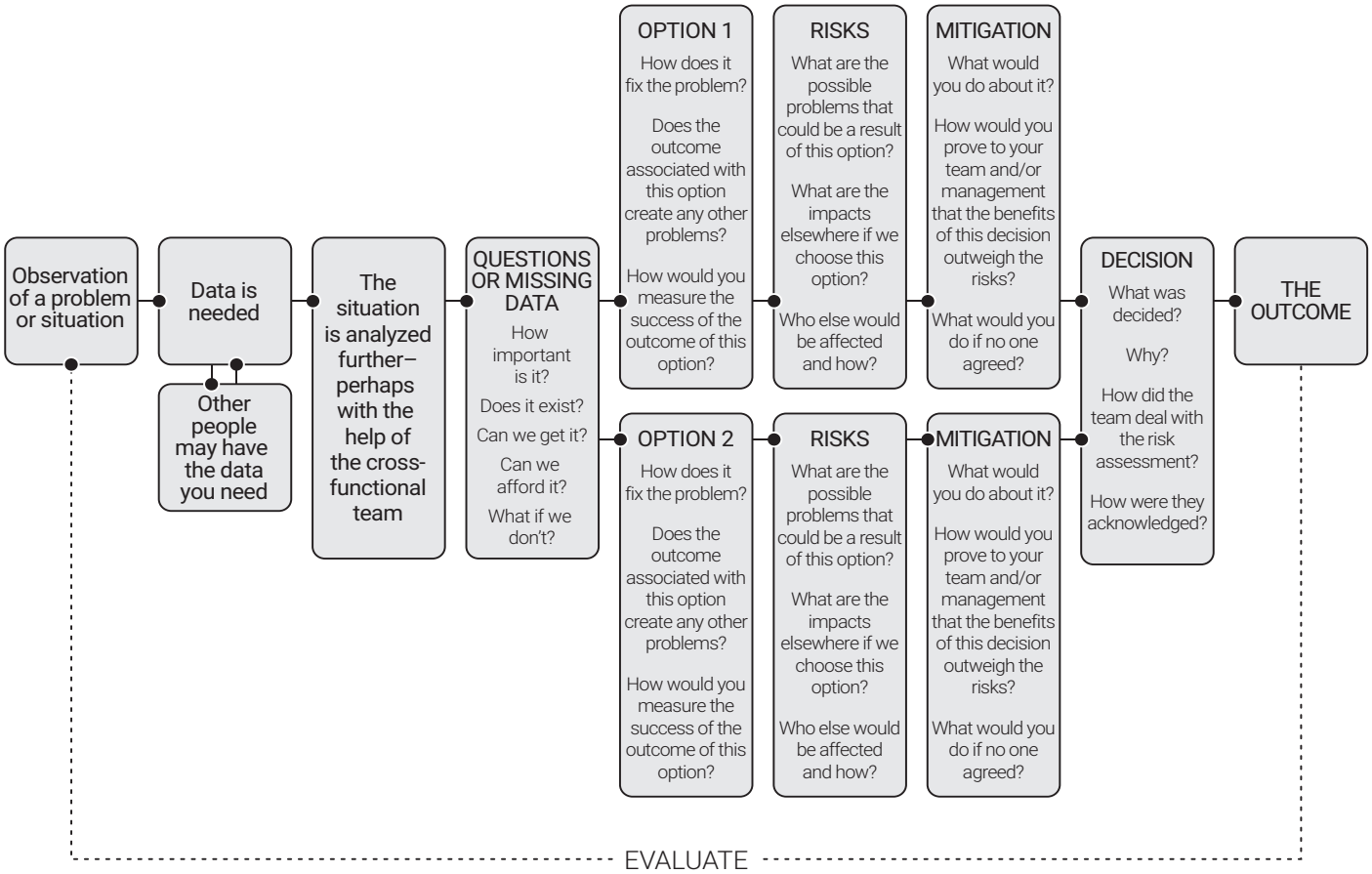
Product Manager's Desk Reference (3e)
Illustration Insights – Chapter 5 - Figures 5.1, 5.2

Problem Solving, Decision Making, and Prioritizing

To identify problems and examine alternatives, you will have to do a lot of research. If you are working on or leading a cross-functional team, you cannot get your team members to listen and participate in problem solving and decision making if you are not the orchestrator of the problem-solving process. In order to smooth the way, you may want to take advantage of a simple model to guide the problem-solving process, as shown in the diagram on this page. This process acknowledges that there is an observed situation followed by an opportunity to clarify and solve the problem. The illustration at the bottom of the page is a more detailed decision process.



Product Manager's Desk Reference (3e)
Illustration Insights – Chapter 5 - Figures 5.3, 5.4, 5.5

Problem Solving, Decision Making, and Prioritizing

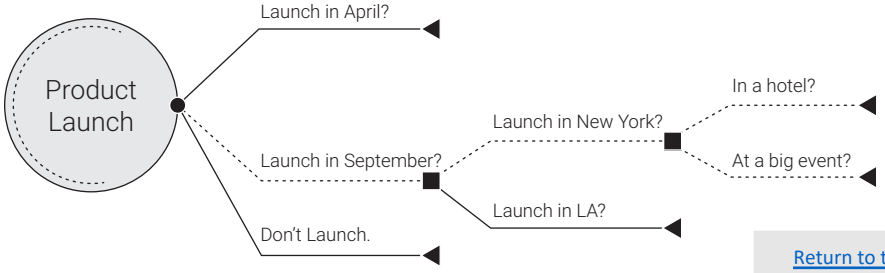
When facing more than a couple of options, you have to look to linkages between individual criteria or some combination of them, or maybe all of them at once. For most decisions, there are just one or two aspects that are important. Sometimes making up your mind is as simple as identifying these aspects, then evaluating each option after you have done so. A "morphologic box," is an easy-to-evaluate form for analyzing a problem and evaluating its possible solutions. The table shown below is a simplified version of the morphologic box – or a simple decision matrix.

	Customer Satisfaction	Customer Retention	Product Revenue
Option 1			
Option 2			
Option 3			
Option 4			
Option 5			
Option 6			

Sometimes options can't be easily reduced by either combination or morphologic analysis, usually because every remaining option has some level of desirable impact on every problem characteristic; that is, they're all good choices. (As a note, an option can include a feature or a product capability— or anything that might involve the utilization of human and/or financial resources.) That's where a weighted decision matrix can be helpful. The decision matrix is constructed similar to a morphologic box, with one very important difference: it assigns a weight to each solution characteristic and asks you to evaluate, on a simple numeric scale (e.g., 1 to 5), how much each option contributes to each alternative. The figure below shows you how to construct this decision matrix.

	Weight 1 Customer Satisfaction		Weight 2 Customer Retention		Weight 3 Product Revenue		Total
	Your Score (1-5)	Rank Times Weight	Your Score (1-5)	Rank Times Weight	Your Score (1-5)	Rank Times Weight	Sum of Rank Times Weight
Option 1							
Option 2							
Option 3							

An effective decision analysis technique used to clarify and visualize decision options and possible outcomes is called decision tree analysis. It uses a diagram that looks like a tree with branches (outcomes) and nodes. It's a good technique when decision analysis is serial; that is, one decision leads to another.



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