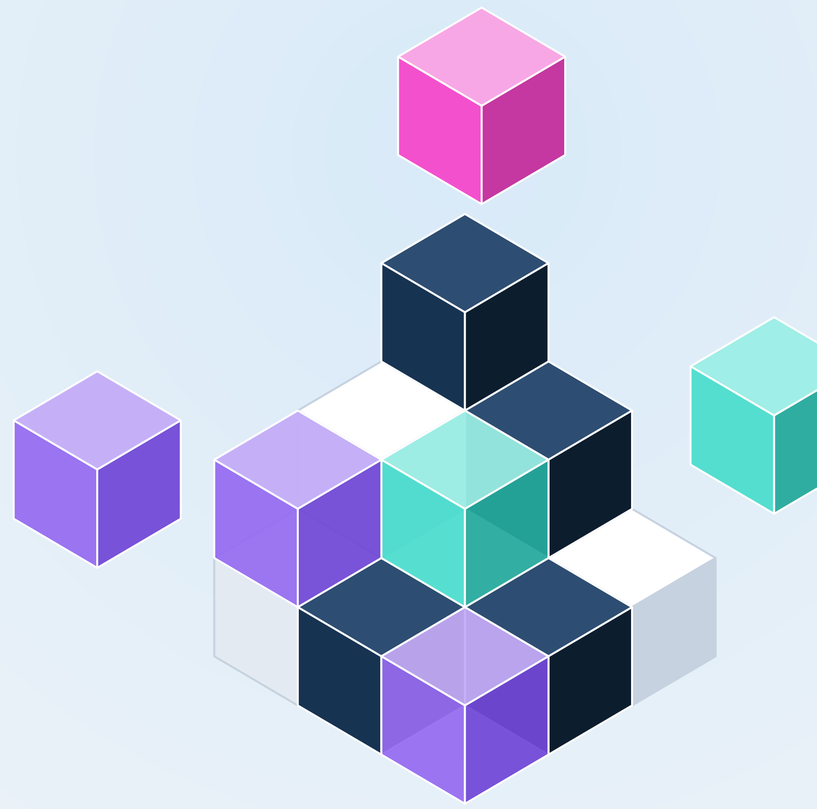
STRATEGY & PERFORMANCE

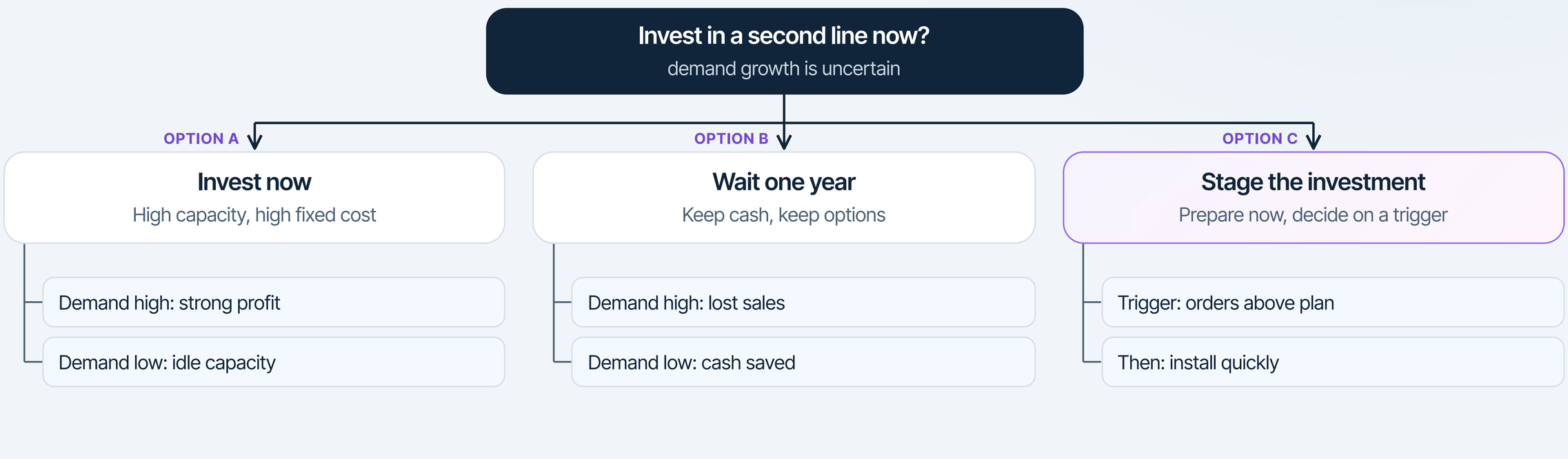
Decision-Making Under Uncertainty



Decision-making under uncertainty compares options across several possible futures, makes assumptions explicit and sets triggers that tell you when to act or change course.

01 THE CORE MODEL

DECISION TREE · OPTIONS, SCENARIOS, TRIGGERS



Options

Real alternatives, including waiting or staging the decision.

Assumptions

Explicit estimates and probabilities for each scenario, with their source.

Trigger

A predefined signal that tells you when to act or switch options.

02 DECIDING WELL

Judge a decision by its quality at the time, not only by its outcome.

GUT CALL — STRUCTURED

COMMON TRAPS

- One forecast treated as certain
- Only two options considered
- No signal for when to revisit

STRUCTURED CHOICE

+ Several scenarios, explicit odds
+ Options to wait or to stage
+ Triggers agreed in advance

03 WORKED EXAMPLE

CAPACITY DECISION FOR A GROWING PRODUCT · ILLUSTRATIVE

ASSUMPTION — Growth likely
estimated at 60 %

→

OPTION — Stage it
buy space, delay the line

→

TRIGGER — Orders above plan
two quarters in a row

→

ACTION — Install the line
within six months

04 MANAGEMENT TAKEAWAYS

01 — Write assumptions down
Make each assumption and its source visible to the team.

02 — Look for staged options
Small steps now can keep big options open later.

03 — Set triggers in advance
Decide today which evidence will change the plan.

05 COMMON MISTAKE

LIMITATION

Judging by outcome alone

A good decision can turn out badly by chance. Review the reasoning, not only the result.