Decision Making

Which house should we purchase? Objectives need to create. What do you want in this house? What do the other people in my family want in this house? Create a wish list of all the things everyone is looking for in this house. The group of individuals providing input are the stakeholders. The list may have 20 things, which would need to be narrowed down to a reasonable number of objectives (wish list) by deciding what is most important and what sacrifices you are willing to make. Let us narrow it down to six objectives, which is a reasonable number for this example. At least 3 bedrooms At least 2 bathrooms2 car garage A basement area No more than 5 miles from the elementary school (no school commute for kids)An up-to-date kitchen All of these objectives are measurable because the houses we are considering either have these things or they do not. There are no gray areas or subjectivity as each of these is quantifiable. Even the realtor is clear on what you want. None of those houses have all six of these objectives, which is reason we are trying to decide using the MDQ Model. If one of the houses did have all six objectives, there would be no decision to make nor a need for a decision making model. To buy a house cannot be one of the objectives! Any alternative (all six of the houses) would or should accomplish the objective of buying a house. The decision statement of “which house do we purchase?” already implies you are buying a house. It is obvious you are looking to buy a house based on your decision statement because the decision you are trying to make is which house to buy - not whether you should buy a house. Therefore, to buy a house cannot be one of the objectives, because all alternatives will presumably satisfy this objective. You should not create an alternative that does not satisfy buying a house. If you do, that means you applied the model incorrectly or misunderstood your decision statement. This is the reason in this course students spend four weeks on the MDQ. You need to go step by step, understanding the reasons for the decision statement and specific objectives. After justifying the objectives, you need to create a list of alternatives that will be used to accomplish the objectives. Brainstorm, research online, ask the realtor for applicable listings (houses that have some of your objectives) and go see some of these houses. In considering many alternatives, you decide to narrow down six possible alternatives (houses with street addresses or nicknames such as 123 Main Street, 456 Clark Road, etc.) to choose from and apply to the MDQ model. Once you know your objectives and alternatives, it is time to create the decision matrices. The first decision matrix would include six objectives and six alternatives. That would be a reasonable decision matrix to use in evaluating the situation. The complexity in having six objectives and six alternatives is the reason you are using the decision making model. In creating the first matrix, rate each of the alternatives against each of the objectives in terms of their importance. In other words, come up with numbers for each of the boxes in the first matrix. Only the decision maker knows how or why an objective was rated with a specific number for each of the alternatives. Your logic as the decision maker may vary from a different decision maker. This is the reason in your project you have to explain how the numbers were derived and support them so that your logic is clear to someone looking at the matrices. Matrices are not self-explanatory. For example (first decision matrix table), using a scale of 0 – 3, you would rank 123 Main Street (alternative) to at least 3 bedrooms (objective). How well does 123 Main Street meet the objective of at least 3 bedrooms? 123 Main Street has 4 bedrooms. Therefore, you might rate it as a “3” and in your explanation express the fact you gave it this ranking because the house has 4 bedrooms. This house meets the objective very well because it has one additional bedroom beyond what the wish was and it more than satisfies the family