EPM 5670 | Basic Terminology
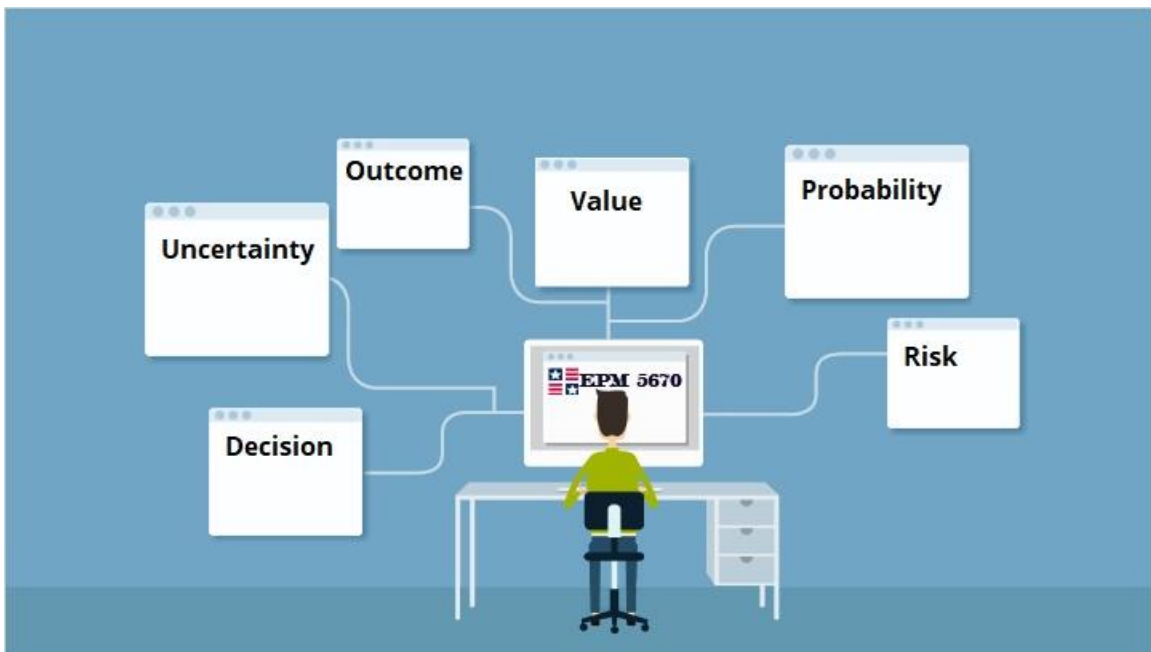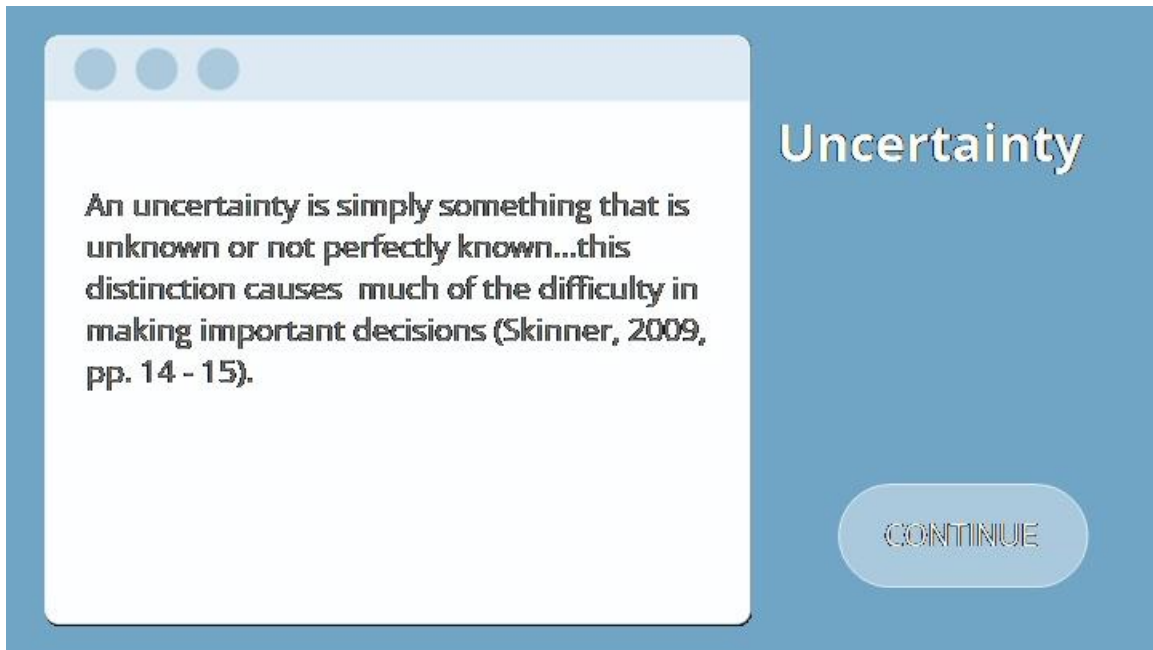

Decision

A decision is a conscious course of action and allocation of resources to achieve a stated set of objectives (Skinner, 2009, p. 14)

A decision maker is anyone with the authority to allocate the necessary resources for the decisions being made (Skinner, 2009, p. 15).
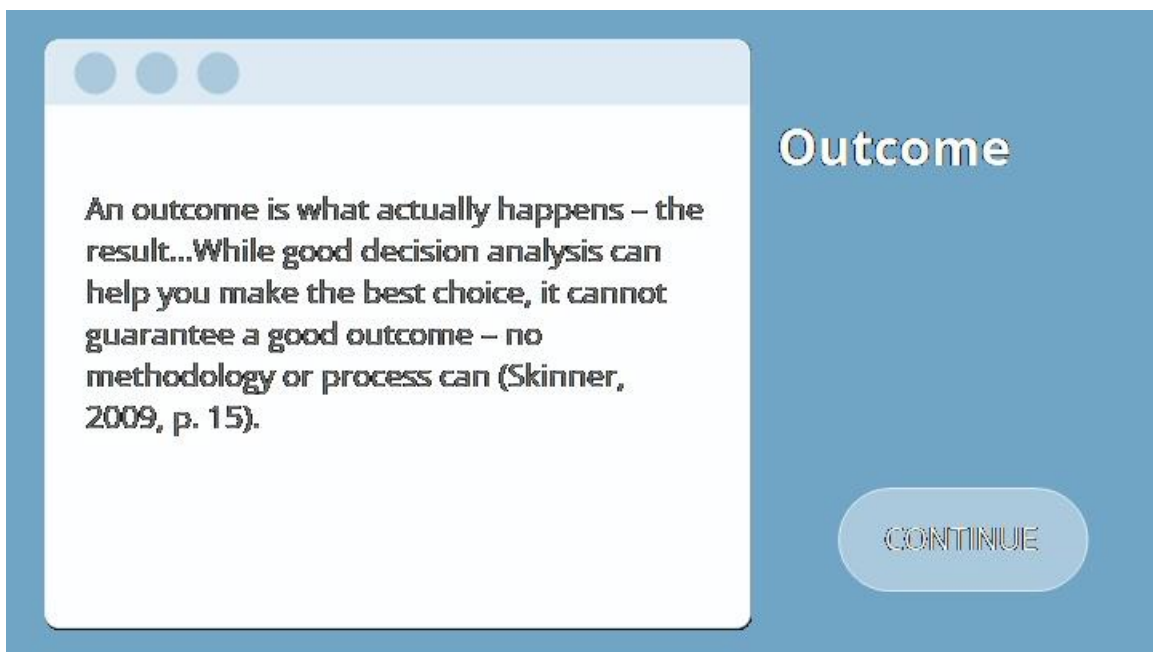
CONTINUE

Uncertainty

An uncertainty is simply something that is unknown or not perfectly known...this distinction causes much of the difficulty in making important decisions (Skinner, 2009, pp. 14 - 15).
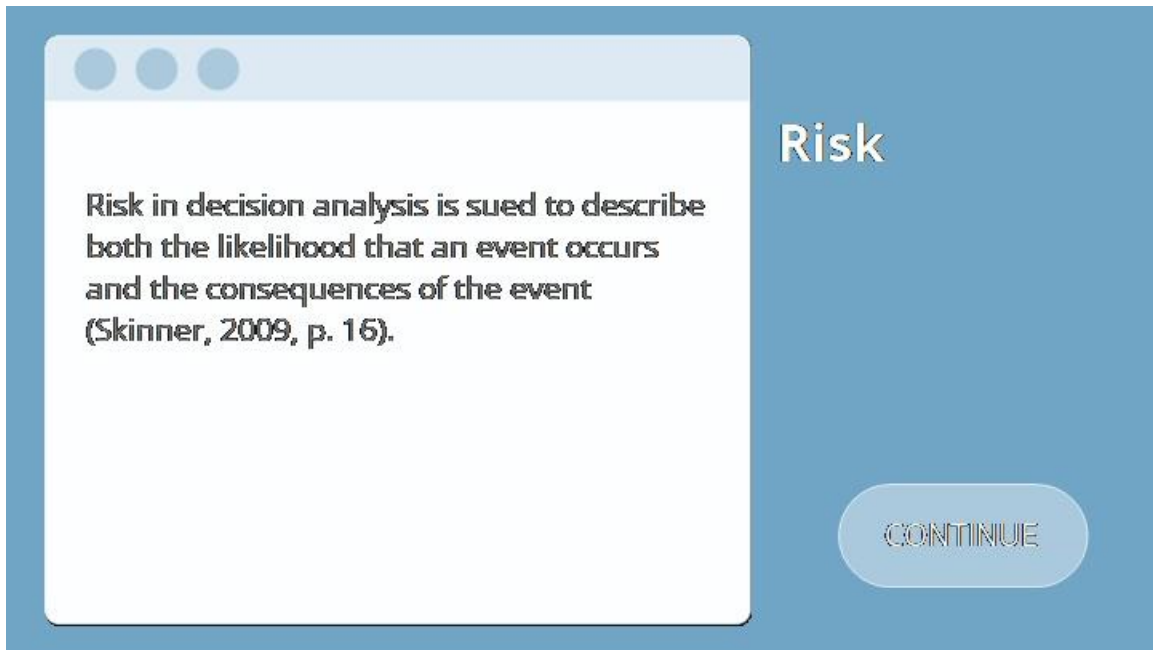
Uncertainty

CONTINUE

Outcome

An outcome is what actually happens – the result...While good decision analysis can help you make the best choice, it cannot guarantee a good outcome – no methodology or process can (Skinner, 2009, p. 15).
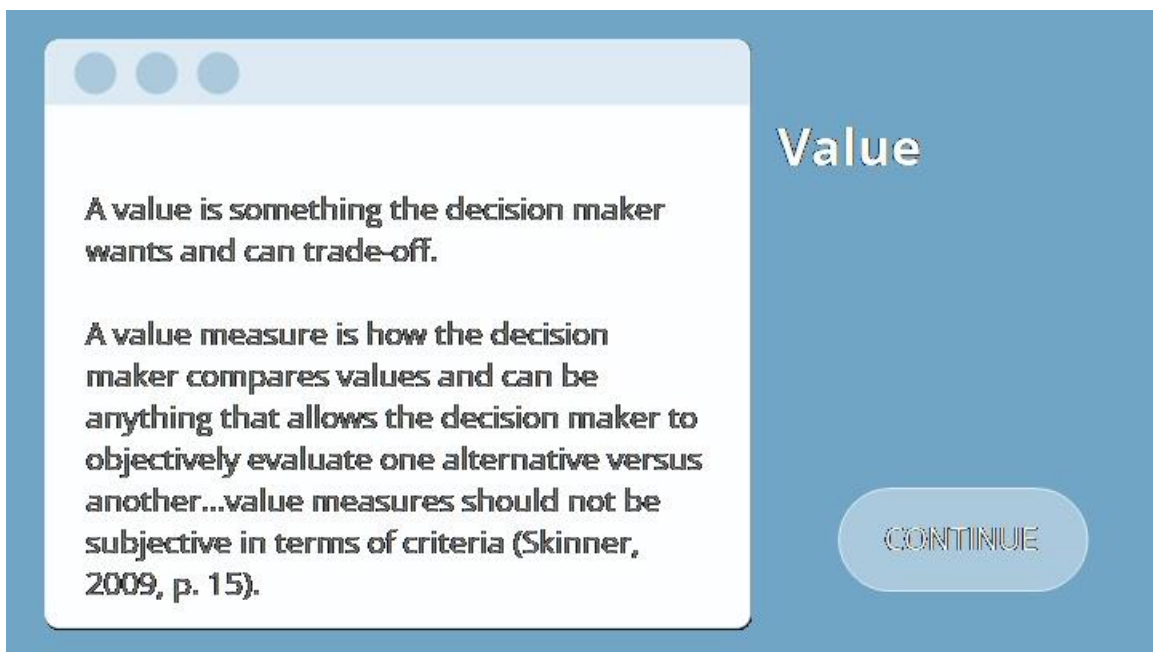
Outcome

CONTINUE

Risk

Risk in decision analysis is sued to describe both the likelihood that an event occurs and the consequences of the event (Skinner, 2009, p. 16).
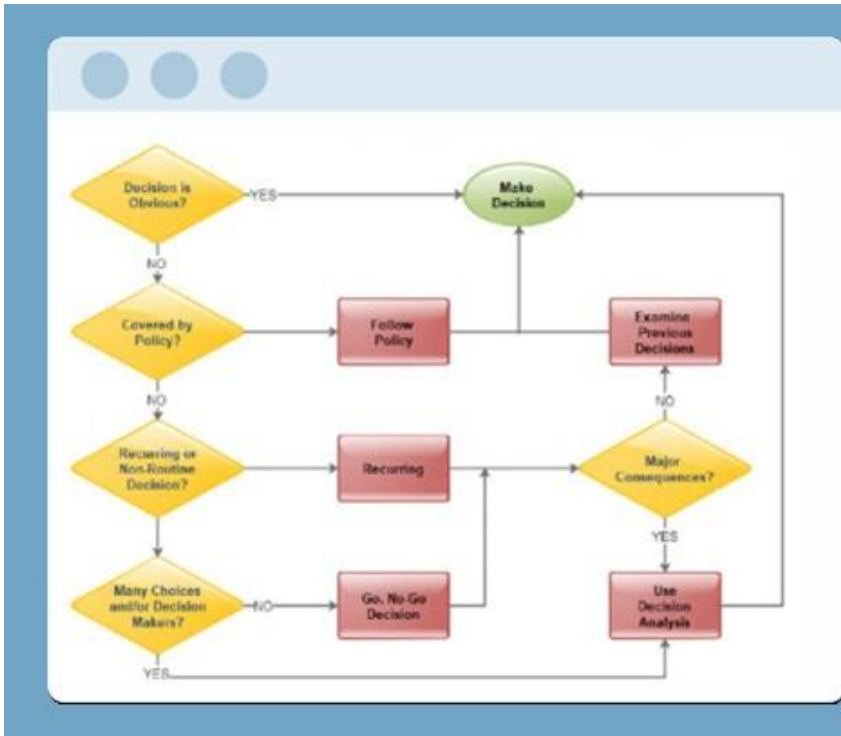
Risk

CONTINUE

Value

A value is something the decision maker wants and can trade-off.

A value measure is how the decision maker compares values and can be anything that allows the decision maker to objectively evaluate one alternative versus another...value measures should not be subjective in terms of criteria (Skinner, 2009, p. 15).

Value

CONTINUE

FLOW CHART