

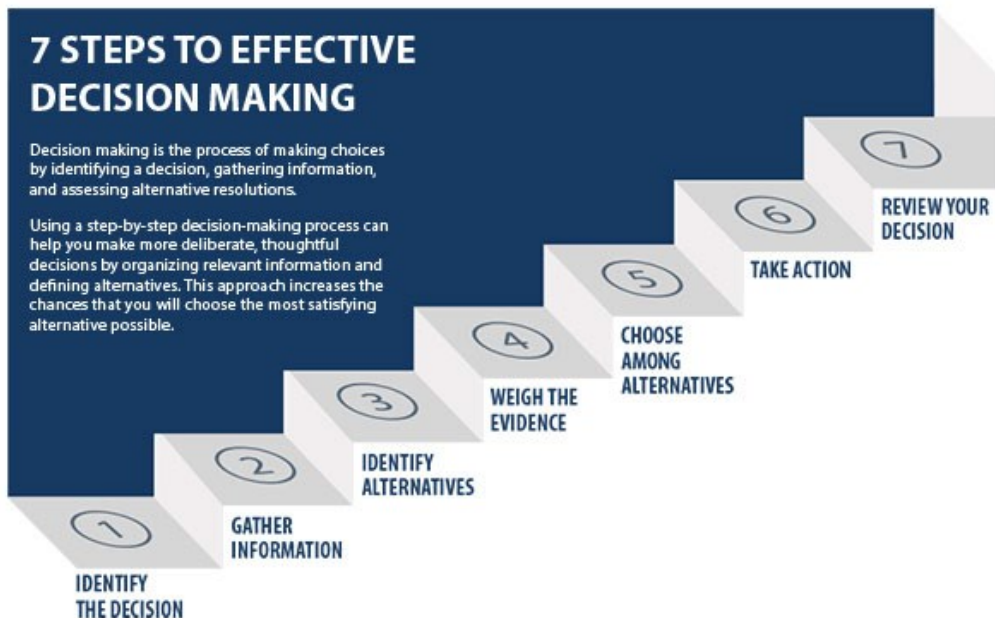
Tasks for the 4th seminar – Develop partial parts (2.1 – 2.4) of your project according to the template of the seminar work

2. Project structure

- 2.1. Managerial Summary - Highlights key points that should include important benefits and return on investment
- 2.2. Reasons for the project - explains the reasons for the implementation of the project, and how the project can achieve business strategies and goals
- 2.3. Variants (solution options) - listing options such as doing nothing / doing a minimum / doing something. State the rationale and implications of each option.
 - 2.3.1. Do nothing - the current situation (referred to as the zero variant)
 - 2.3.2. Doing a minimum - minimal change, one of the solutions to the problem (not essential)
 - 2.3.3. Do something - a fundamental change that will be addressed by the project, variant, which is decided as the main solution of the project
- 2.4. Expected disadvantages - characteristics / results that one or more stakeholders perceive as negative. These are not risks, but negative characteristics associated with the option / variant.

TIPS for decision making

Decision making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions. Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives.



Step 1: Identify the decision

You realize that you need to make a decision. Try to clearly define the nature of the decision you must make. This first step is very important.

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Step 2: Gather relevant information

Collect some pertinent information before you make your decision: what information is needed, the best sources of information, and how to get it. This step involves both internal and external "work." Some information is internal: you'll seek it through a process of self-assessment. Other information is external: you'll find it online, in books, from other people, and from other sources.

Step 3: Identify the alternatives

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

Step 4: Weigh the evidence

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in Step 1 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you'll begin to favor certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

Example of the evaluation criteria (basic PROS and CONS with values on the scale can be used) or financial indicators - ROA, ROE, ROS; payback period, CBA analysis, etc.)

Step 5: Choose among alternatives

Once you have weighed all the evidence, you are ready to select the alternative that seems to be best one for you. You may even choose a combination of alternatives. Your choice in Step 5 may very likely be the same or similar to the alternative you placed at the top of your list at the end of Step 4.

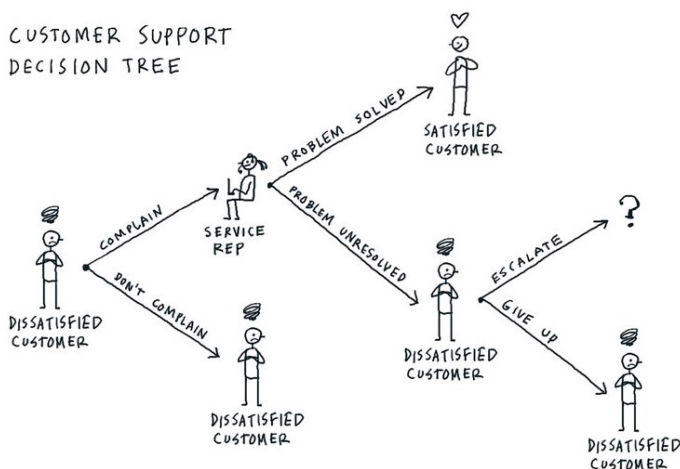
Step 6: Take action

You're now ready to take some positive action by beginning to implement the alternative you chose in Step 5.

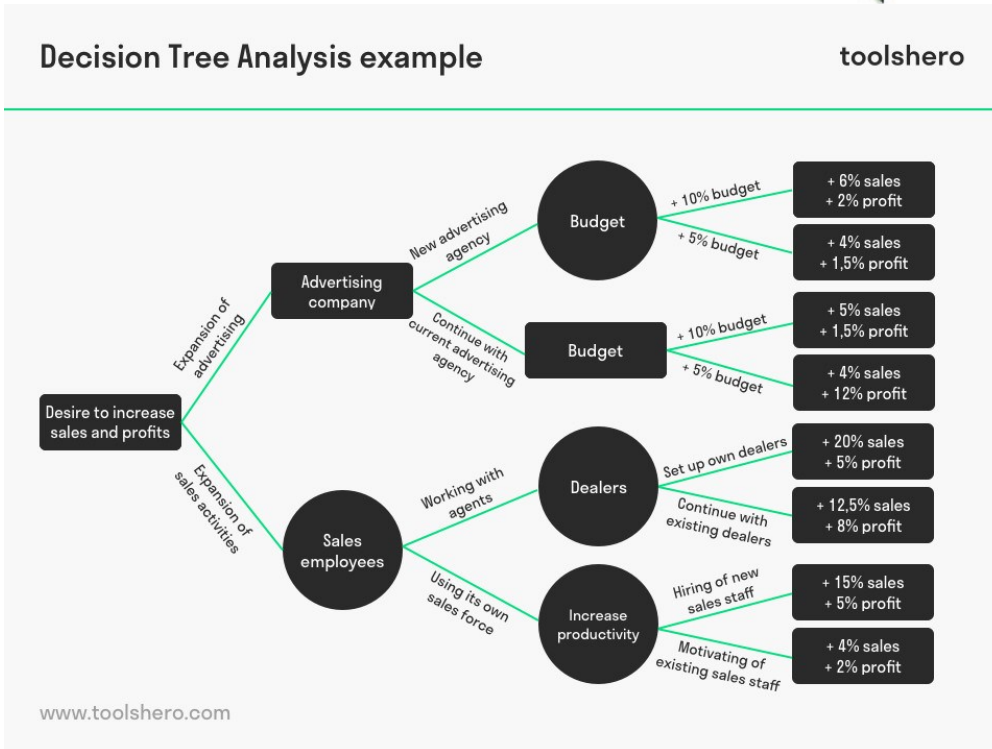
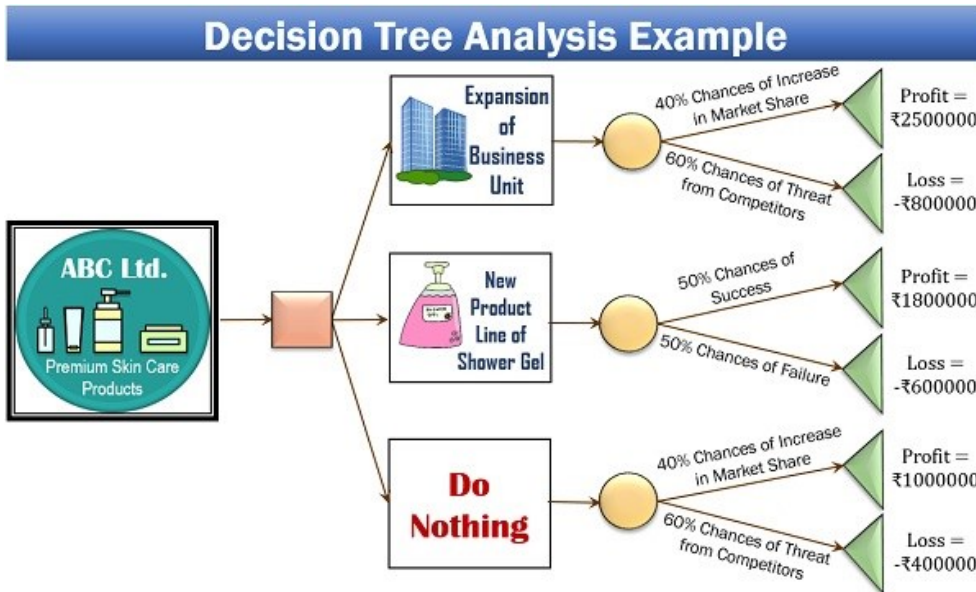
Step 7: Review your decision & its consequences

In this final step, consider the results of your decision and evaluate whether or not it has resolved the need you identified in Step 1. If the decision has not met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

Decision tree – is a simple diagram that illustrates the series of options involved in making decision. It is used as a decision support tool to visualize the decision-making process.



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Examples of decision criteria

Decision Criteria

Cost	Opportunity Costs	Return on Investment	Time
Quality	Customer Experience	Performance	Reliability
Efficiency	Risk	Functions	Features
Style	Convenience	Comfort	Usability
Terms	Quality of Life	Sustainability	Resilience

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Example of house purchase – a decision matrix may be used to consider a personal decision such as the purchase of a house. This may be weighted by assigning a different maximum score to each criteria.

Decision Matrix: House Purchase

	Max	<u>Elm Street</u>	<u>Kennedy Ave</u>	<u>Maple Street</u>
Size	10	3	9	7
Architecture	10	5	9	7
Interior	10	6	9	7
Location	25	22	6	17
Features	15	6	14	13
Cost	30	28	16	22
Totals	100	70	63	73
Score		70%	63%	73%
Rank		2	3	1