



# PROBLEM ANALYSIS AND DECISION MAKING (PADM)

Course Outline



## Program Overview

The course is designed to run for 21 hours (3 days at 7 hours each). The course is heavy on group work. Each group will be given cases and/or problems that they will be required to solve collectively using the tools and techniques discussed during the lectures. After each group work, the entire class will reflect on how each of the groups arrived to their decision, how they managed to collectively agreed despite different (and sometimes antagonistic) points of view.

## Duration

3- Day Program

## Learning Objectives

Primary: By the end of the program, participants should be able to: (1) apply rational methods to analyze issues, and identify and solve problems; (2) properly assess the situation, classify and evaluate risks and consider potential opportunities to seemingly adverse events; and, (3) generate, qualify and quantify alternatives to solve problems.

Secondary: Participants will learn group facilitation techniques to effectively generate alternatives and ideas in solving problems.

## Target Audience

Functional or Project Managers (of varying levels), or management trainees who are expected to solve business issues and whose decisions impact company goals and objectives are perfect candidates for this course.

## Program Structure and Outline

This course is a combination of instructor-led lectures and group activities.

### DAY 1

- Introduction
  - Common Issues and Problems in Decision Making
    - Rational versus Spontaneous Decision Making
  - Overview: Introduction to Kepner-Tregoe Methodology (1960):
    - Situation Analysis (SA)
    - Problem Analysis (PA)
    - Decision Analysis (DA)
    - Potential Problem Analysis (PPA)
    - Potential Opportunity Analysis (POA)



- Situation Analysis (SA)
  - Definition of Situation Analysis and when it is used
  - Classifying Situations based on the Severity-Urgency Grid (SUG)
  - Seatwork: identify, classify, and analyze at least 10 situations confronting your current department or division.
  - Analyzing if any of the other problem analysis methods can be further applied in specific situations.
  - Group Work: Case Study 1 – What’s the Situation?
  
- Problem Analysis (PA)
  - Definition of Problem Analysis and when is it used.
  - Overview of the steps in doing Problem Analysis
  - Step 1: Define the problem (the specifics of the deviation)
  - Step 2: Describe the problem in terms of what, where, when, and extent.
  - Step 3: Analyze the Problem
  - Step 4: Generate Hypothesis
  - Step 5: Design Experiment (test to destroy hypothesis).
  - Common pitfalls in Problem Analysis
  - Correlation vs. Causation
  - Step 6: Trimming down to the most probable root cause
  - Step 7: Take Action
  - Group Work: Case No. 2

## DAY 2

- Decision Analysis (DA)
  - Definition of Decision Analysis and when is it used
  - The decision making process:
    - a. Step 1: Write down the Decision Statement
    - b. Step 2: Develop the Selection criteria based on step 1
    - c. Step 3: Generate alternatives (how to generate alternatives and characteristics of good alternatives)
    - d. Step 4: Evaluate Alternatives
    - e. Step 5: Decide
  
- Key to Decision Making: Generating Quality Alternatives
  - Thinking paradigms and developing a creative attitude
  - The creative process: preparation, generation, consolidation, verification, and exploitation.
  - Overview of other idea generation techniques: Scamper, Storyboarding, Role Playing (i.e. 7 hats), and Reverse-Thinking



- Evaluating Alternatives
  - Models in evaluating alternatives
  - Prioritization Matrix
  - Decision Trees and Expected Monetary Value (EMV)
  - Trade-off tables (i.e. Even Swaps)
  - Financial Computations (NPV, FV, ROI, Payback Period)
  - Break-Even Analysis
- Day 2 Synthesis
  - Group Work: Case Number 3 -- identify and evaluate the alternatives
  - Class facilitation: how the group decisions were made.

### DAY 3

- Potential Problem Analysis (aka Risk Analysis)
  - Definition of PPA and when is it used
  - The PIG (Probability-Impact Grid)
  - GroupWork: The Wedding Planner
- Potential Opportunity Analysis (POA)
  - Definition of POA and when is it used
  - Introduction to Kurt-Lewins' Force Field Analysis
  - How to turn adversity into opportunities
  - Group Work: The case of the "Closed Shop"
- Program Synthesis: Building a Culture of Rational Decision-Making in the Organization.
  - Avoiding the human instinctive traps to rational decision making
  - Towards a smarter organization: avoiding organizational traps and how to build smarter decision- making in organizations.

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