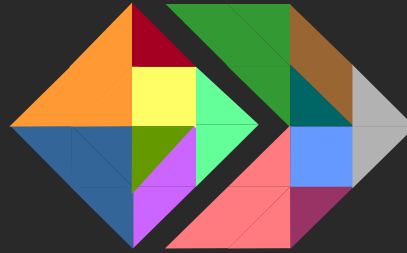


Making DAMN Good Decisions!



Burke Robinson
Consulting Professor
Stanford University

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1

How to Make the Right Decisions

Making the Right Choices,
That Increase Our Chances,
To Get the Results We Cherish,
In a World of Change

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2

What is a decision?

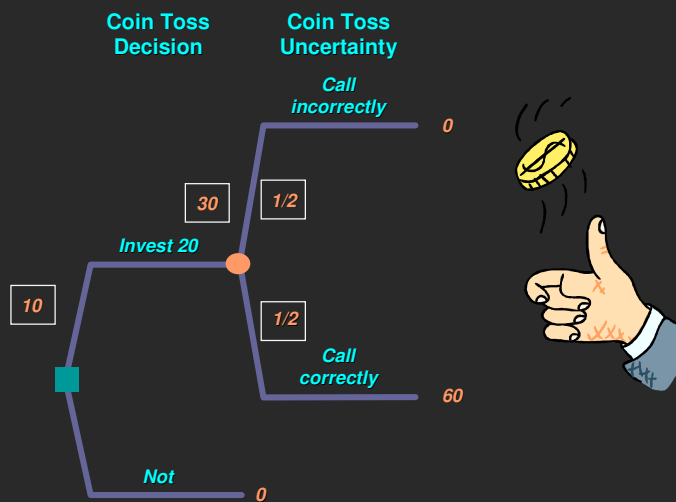
- A decision is something that we **control**. Uncertainties are events, outcomes, and consequences that we do not control.
- A decision clarifies a defensible basis for what we can **do**, in the face of what we **know**, according to what we **want**.
- A decision is a commitment to a course of **action** that requires an irrevocable allocation of **resources** --- money, time, people, and technology.



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3

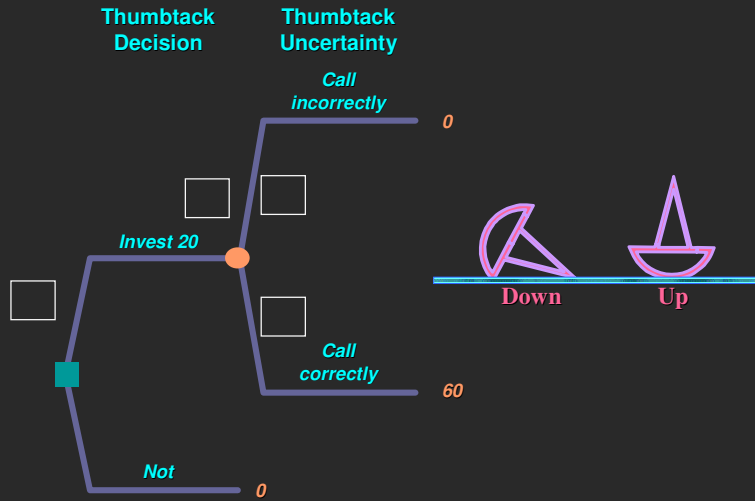
Who would like to invest in this venture?



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4

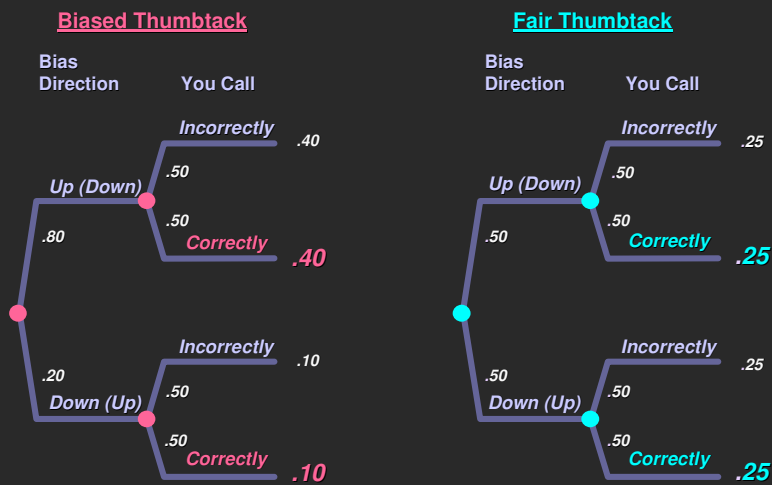
Would you like to face this uncertainty instead?



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5

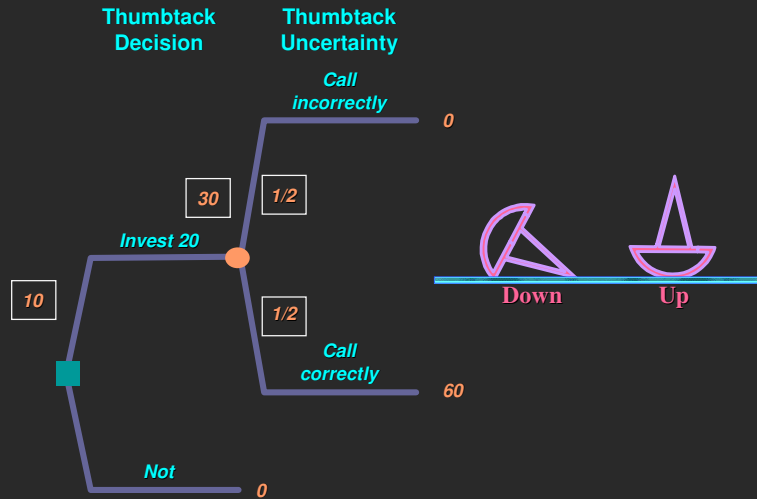
Does it matter if the thumbtack is biased?



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6

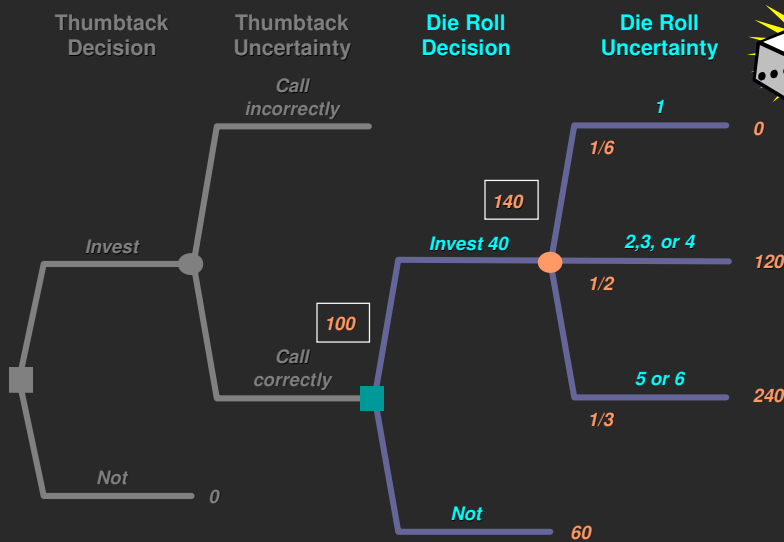
What is your value of this new opportunity?



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7

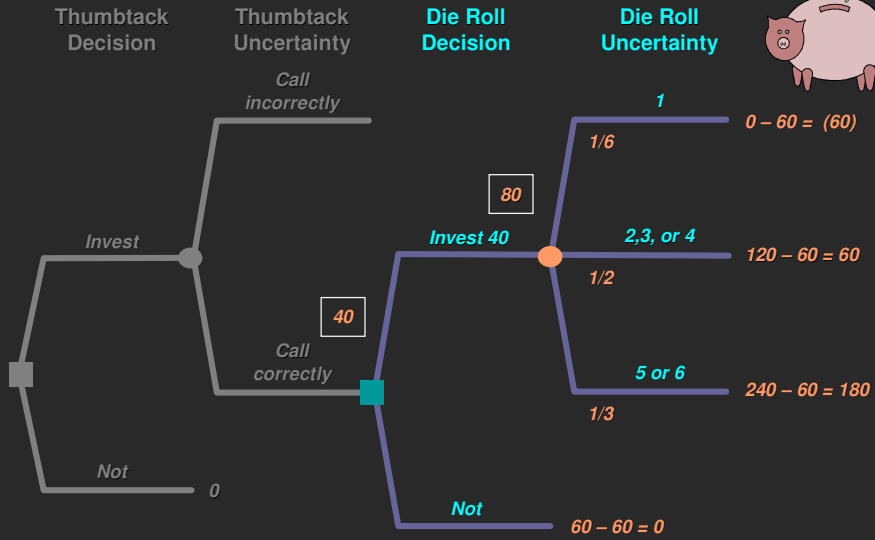
Would you like to invest in another venture?



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8

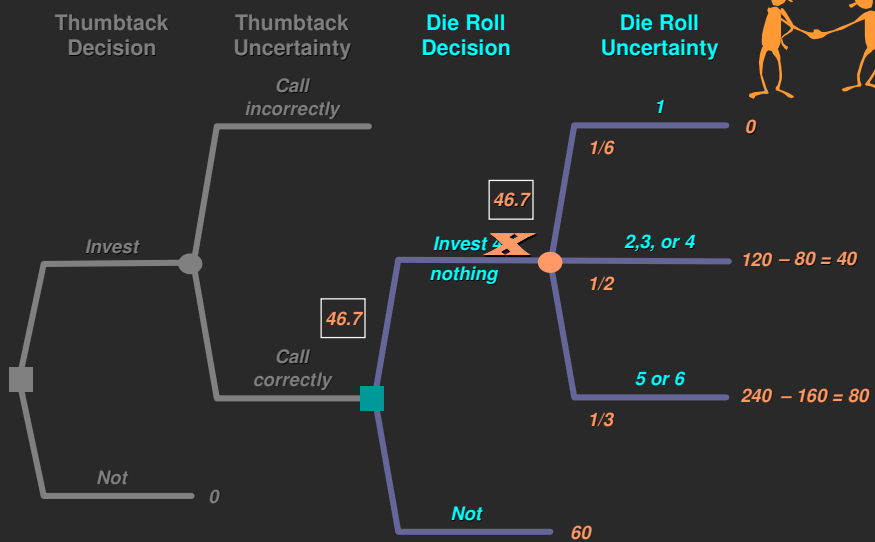
What is your value if winnings are paid off?



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9

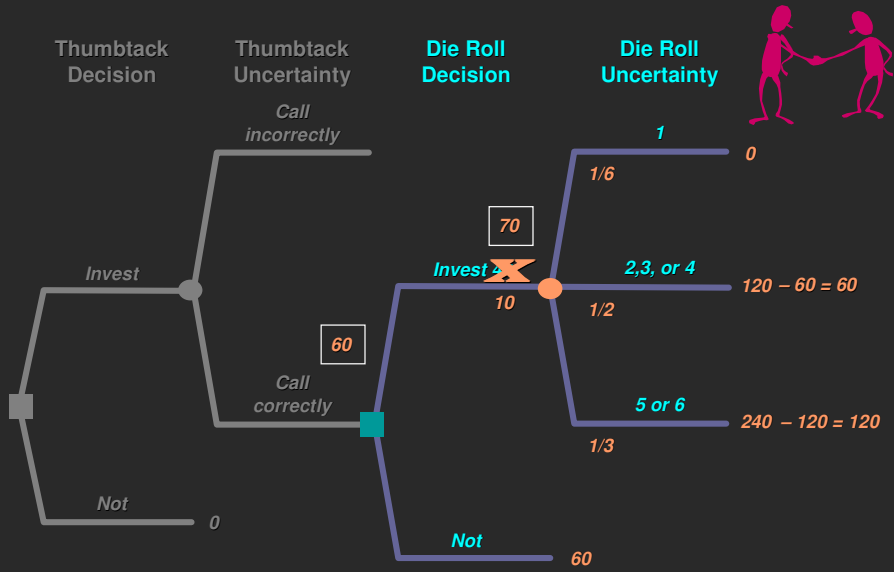
Would you like a venture capital partner?



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10

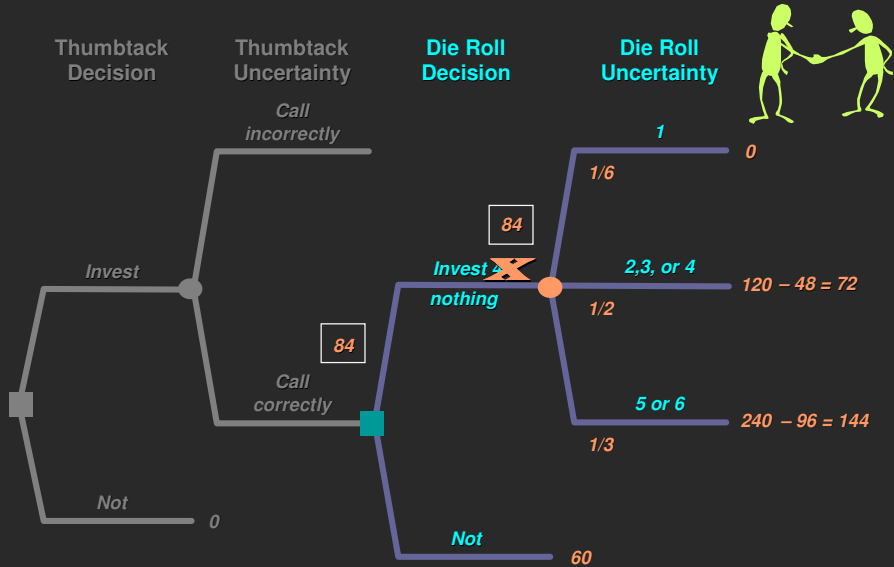
How about a 50-50 partner?



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11

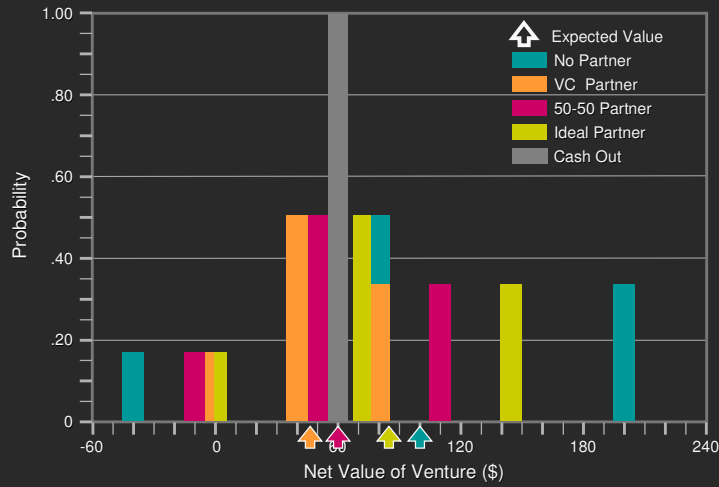
Or, can you find an ideal joint venture partner?



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12

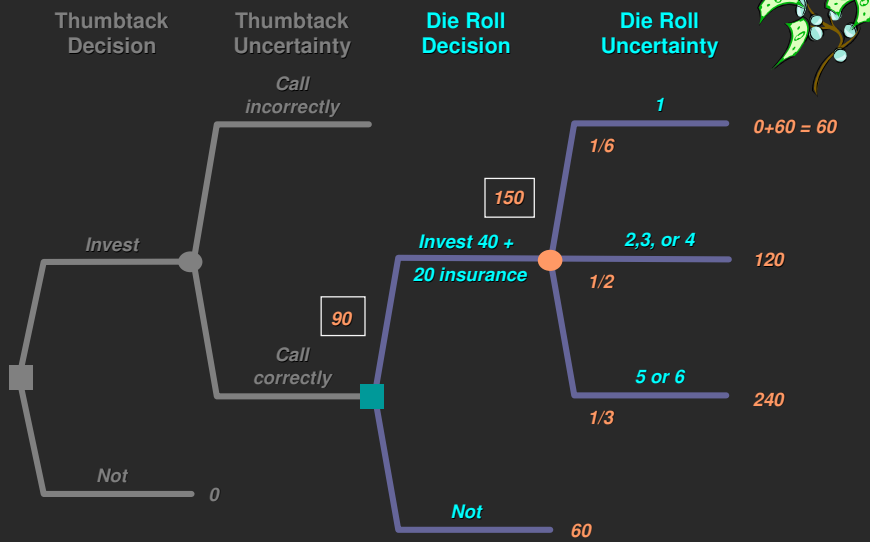
Let's look at probability distributions for your partnering options.



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13

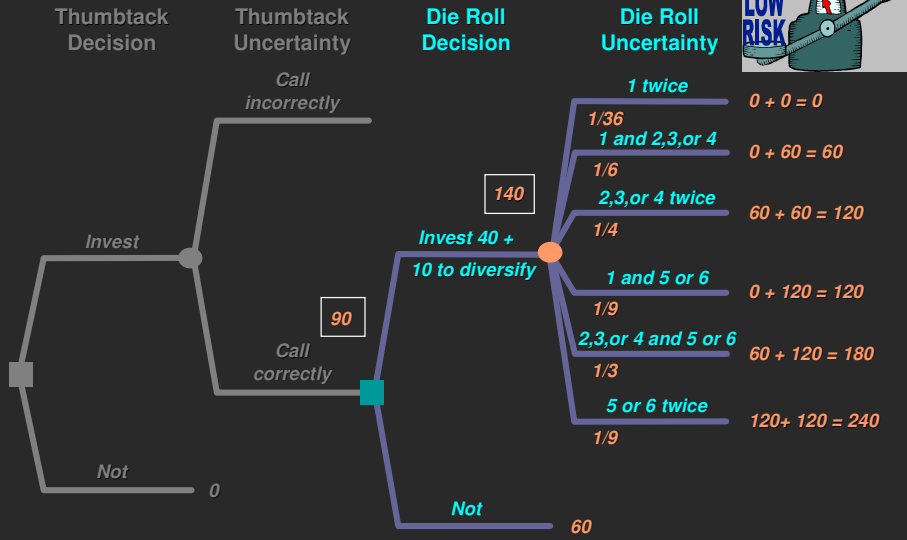
Would you like to buy insurance?



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14

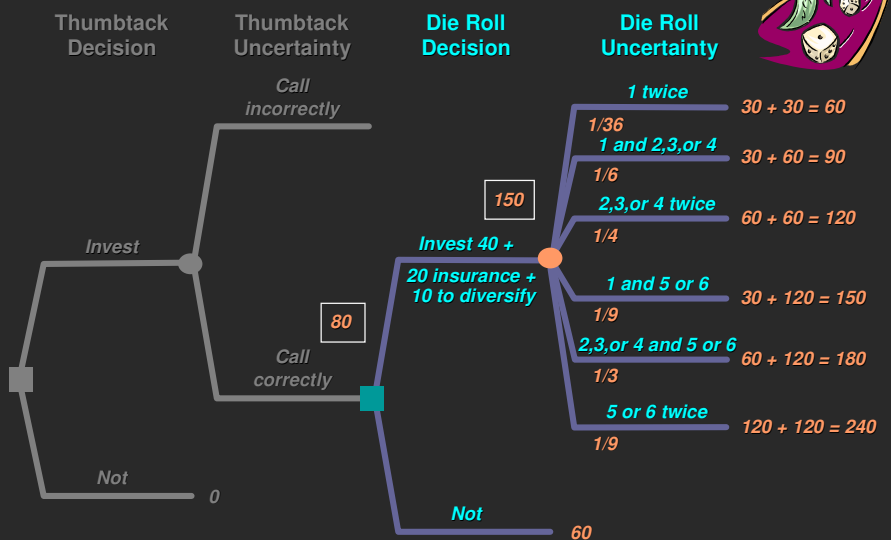
Or, would you like to diversify?



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15

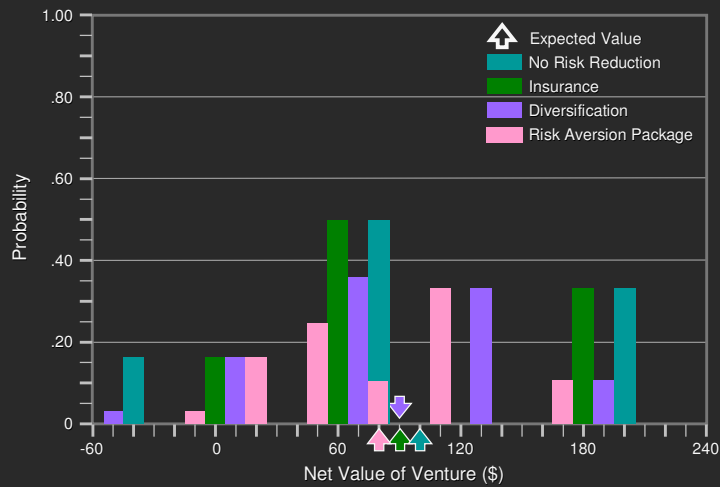
Or, do you want the risk aversion package?



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16

Let's look at probability distributions for your risk reduction options.



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17

What lessons can we learn from this demonstration?

- Decision
- Uncertainty
- Probability
- Result
- Sunk cost
- Partnering
- Insurance
- Diversification
- Risk
- Reward



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18

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- *The Visual Display of Quantitative Information* by Edward R. Tufte (Graphics Press, 2nd edition: 2001)
- *Reasons and Rationalizations: The Limits of Organizational Knowledge* by Chris Argyris (Oxford University Press, USA, new edition: 2006)

128 Movies with Decision-Making Themes

12 Angry Men	The Crucible	Inherit the Wind	Romeo and Juliet
The Abyss	Dances with Wolves	The Insider	Run Silent, Run Deep
Advise and Consent	Das Boot	It's a Wonderful Life	Sahara (1943)
The African Queen	Dead Poets Society	Judgment at Nuremberg	Saving Private Ryan
Air Force One	Double Indemnity	Lawrence of Arabia	Schindler's List
Alexander	Dr. Strangelove	Les Miserables	Seven Days in May
All the President's Men	Doctor Zhivago	The Lion in Winter	Seven Samurai
Anatomy of a Murder	Eight Men Out	The Longest Day	Shackleton
Apocalypse Now Redux	Elizabeth	The Lord of the Flies	The Shawshank Redemption
Apollo 13	Empire of the Sun	A Man for All Seasons	Silkwood
Barbarians at the Gate	The Enemy Below	Man on the Train	Six Degrees of Separation
Bedazzled	Erin Brokovich	The Manchurian Candidate	Sleuth
The Bedford Incident	Europa Europa	McCabe and Mrs. Miller	Sophie's Choice
Ben-Hur	Evita	The Mosquito Coast	Spartacus
The Betsy	Executive Decision	Mr. Smith Goes to Washington	Stalingrad
Black Hawk Down	Fall Safe	Mutiny on the Bounty	Stand By Me
Bloody Sunday	Fat Man and Little Boy	The Negotiator	Strangers on a Train
Boiler Room	The Firm	Network	A Streetcar Named Desire
The Bonfire of the Vanities	Gallipoli	Nine to Five	Thirteen Days
Braveheart	Gandhi	Norma Rae	This Boy's Life
The Bridge on the River Kwai	The Ghost and the Darkness	Of Mice and Men	Titanic
Brubaker	Giant	On the Waterfront	To Kill a Mockingbird
Butch Cassidy and the Sundance Kid	Glengarry Glen Ross	Othello	Touch of Evil
Cabaret	Godfather Trilogy	Out of Africa	The Treasure of the Sierra Madre
The Caine Mutiny	Gone with the Wind	The Ox-Bow Incident	Tucker: A Man and His Dreams
Casablanca	Good Night, and Good Luck	A Passage to India	Twelve O'Clock High
Catch 22	The Graduate	The Paths of Glory	Unforgiven
The Charge of the Light Brigade	Hamlet	Patton	The Usual Suspects
Chinatown	Henry V	The Perfect Storm	Wall Street
Citizen Kane	Hotel Rwanda	A Place in the Sun	Witness for the Prosecution
Cold Mountain	House of Games	The Quiet Man	The Wizard of Oz
The Constant Gardener	The Hudsucker Proxy	The Right Stuff	Zorba the Greek

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21