Structuring
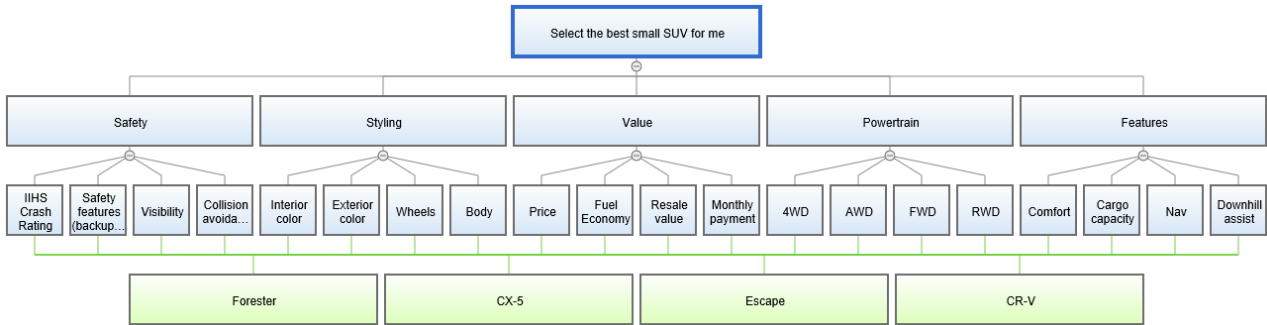
All non-trivial decisions have multiple objectives, and sometimes sub-objectives. The resulting complexity opens the door to the limitations of effective decision making and the use of counter productive strategies. Structuring objectives into a hierarchy is the most effective way to manage the complexity.

Structured decision making is a general term for carefully organized analysis of problems in order to reach decisions that are focused on achieving fundamental objectives. Alternatives can be evaluated by using a reasoned approach entailing an evaluation of the relative importance of objectives, as well as an evaluation of the relative preference for the alternatives with respect to each of the objectives.[1] The decision hierarchy construct may use either a *strategic* (top down) or *tactical* (bottom up) approach.[1]

The *strategic* construction of a decision hierarchy focuses first on identification and organization of objectives. The *tactical* approach focuses first on the alternatives - that is, identifying the pros and cons of each alternative, which will help in identifying objectives. If the decision maker(s) have a good understanding of their objectives, then a *strategic* approach is recommended; otherwise, a *tactical* approach should be used.[1]

Next: Qualitative judgment

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[1] Forman, Ernest H. and Mary Ann Selly. Decision by Objectives: How to Convince Others That You Are Right. World Scientific Publishing Company, 2001.