Discovering and analyzing the decision problem

6.1 Discovering the decision problem

The starting point for a conscious decision-making process is a problem. It is assumed that a situation exists where the overriding goals are not being reached (threat problem), or where performance could be improved (opportunity problem). Thus the term "decision problem" is viewed neutrally, including both threat and opportunity problems. A decision problem is a situation which sets a decision process in motion.

A decision problem can only be discovered if the actor pursues objectives. This condition is not only given in privately-owned companies focused on profit. NPOs, public companies and the public administration also almost always pursue goals. The system of underlying goals is a condition for and not a step in the heuristic problem-solving procedure. Therefore, the process does not start with the determination of the goal system, but with the discovery of the decision problem.

Decision problems can be identified ad hoc or with the help of problem-finding systems. What a problem-finding system is and what types of systems there are is covered in section 2.3 above. Ad hoc problem discovery takes place on the basis of more or less accidental observations "from the situation", so there is little to be said which would be universally valid. We can only point out that:

- The education and experience of executives is important: the better a manager is trained and the more experience he/she has, the sooner problems will be discovered, whether in meetings and conversations, by examining documents or in the course of personal visits.
- The discovery of problems ad hoc also depends critically on executives being open to the evidence. Conversations, records, and visits will only reveal threats, opportunities and associated decision problems to those who are ready to find them.

As Figure 6.1 shows, the discovery of the problem is the first step in
A general heuristic decision-making procedure

1. Discovering the decision problem

P1 Planning the treatment of the decision problem

2. Analyzing the decision problem

P2 Planning further treatment of the decision problem

in general to be applied to each sub-problem

3. Developing at least two options

4. Defining the decision criteria

5. if necessary: Drawing up possible scenarios

6. Determining the consequences of the options

7. Establishing the overall consequences of the options and making the final decision

= procedural tasks

= substantive tasks

= dependency

Figure 6.1: Discovering the decision problem in the general heuristic decision-making procedure