

Introduction

The Kepner Tregoe Matrix is a one of the most unique, documented analysis and decision-making methods. It is sometimes called a root cause analysis and decision-making method. It is a step-by-step approach for systematically solving problems, making decisions, and analyzing potential risks. It helps the decision maker to maximize critical thinking skills, systematically organize and prioritize information, set objectives, evaluate alternatives, and analyze impact.

Credit: <http://www.decide-guide.com/kepner-tregoe/>

Four Steps

Kepner Tregoe Decision Making can be summarized to four steps

1. Situation Appraisal
2. Problem Analysis
3. Decision Analysis
4. Potential Problem Analysis

The Kepner-Tregoe analysis model may provide you with an unbiased decision-making Decision Making Process. It is a structured technique to identifying and rank all factors critical to the decision. It may help you to utilize critical thinking skills, organize and prioritize information, set objectives, evaluate alternatives, and analyze impact.

As a tool, it is popular because it limits conscious and unconscious biases that tend to steer a decision away from its primary objectives. This methodology can be applied to many types of decisions, but because of its complex appearance and training often required, it tends to be used in management decisions or business decisions. The user of will evaluate alternative courses of action to optimize the selected result based on explicit objectives.

Decision Making Steps

Kepner Tregoe describes the following steps to approach decision analysis:

1. Prepare a decision statement having both an action and a result component
2. Establish strategic requirements (Musts), operational objectives (Wants), and restraints (Limits)
3. Rank objectives and assign relative weights
4. List alternatives
5. Assign a relative score for each alternative on an objective-by-objective basis
6. Calculate weighted score for each alternative and identify the top two or three
7. List adverse consequences for each top alternative and evaluate probability (high, medium, low) and severity (high, medium, low)
8. Make a final, single choice between top alternatives

A further defined process

For use in conjunction Kepner Tregoe evaluation tools, is as follows:

1. Define the Musts and evaluate each potential solution as a GO or NO GO
2. Define the Wants
 - assign each want a 1-10 rating of importance
 - give each alternative a 1-10 rating of how well it satisfies each want
 - Multiply the importance x Satisfy ratings and sum
3. Define the ADVERSE CONSEQUENCES associated with each alternative.
 - rate each on the Probability of occurring and its seriousness
 - then multiply Probability x Seriousness and SUM

Time Boxed Method

1. Defining Musts and Wants (5 Minutes)

Define the Musts – do not consider the alternatives – Musts are MANDATORY requirements and must be MEASURABLE – if the MUSTS are NOT possible, the alternative must be rejected

Define the Wants – do not consider the 6 alternatives
2. Rating Musts and Wants (10 Minutes)

Musts – Evaluate EACH alternative as a GO or NO GO

Wants – Assign a 1-10 Rating of Importance to EACH alternative, – Assign a 1-10 rating of how well EACH alternative Satisfies EACH Want – Multiply Importance x Satisfy for EACH alternative and SUM
3. Determining Adverse Consequences (5 Minutes)

List the Adverse Consequences associated with EACH alternative (there should be several adverse consequences for each alternative)
4. Rating the Adverse Consequences (10 Minutes)

Rate Each adverse Consequence – on the possibility it will occur – and the Seriousness if it does occur – then multiply Probability x Seriousness and sum
5. Decision

What alternative did you select based solely on the decision analysis tables? Did the Adverse Consequences Table change your original decision?

Conclusion: If you still can't decide using the Kepner Tregoe , the decision was to do nothing. The building may still be on fire! This does NOT mean that "Do Nothing" is the right decision!