

OAR DECISION-MAKING STRATEGY

Adapted from Princeton Management Associates, Inc.
P.O.Box 68 Princeton NJ 08540

OBJECTIVES (“O”)

Selecting the criteria

“Whichever apartment we rent should...

- ... have two bedrooms
- ... have a swimming pool
- ... rent for under \$300 a month
- ... have a lot of cupboard space
- ... be within 5 mile of our work
- ... have neutral color carpet
- ... allow pets
- ... etc.

<u>Ranking the Criteria</u>		
Required: The apartment must...	Desired: The apartment should...	
... have two bedrooms	... allow pets	8
... have a swimming pool	... rent for under \$250	7
... rent for under \$300 a month	... have neutral color carpet	6
	... have a lot of cupboard space	6
	... be within 5 miles of our work	4

ALTERNATIVES (“A”)

Evaluating the Alternatives against the Criteria

Desired Criteria	Rank	Apt A	Apt B	Apt C
The apartment should:				
... allow pets	8	10	10	10
... rent for under \$250	7	10	8	5
... have neutral color carpet	6	6	8	10
... have a lot of cupboard space	6	8	10	4
... be within 5 miles of our work	4	10	8	5

Ranking the Alternatives Based Upon the Criteria

Desired Criteria	Rank	Apt A	Apt B	Apt C
The apartment should:				
... allow pets	8x	10 = 80	10 = 80	10 = 80
... rent for under \$250	7x	10 = 70	8 = 56	5 = 35
... have neutral color carpet	6x	6 = 36	8 = 48	10 = 60
... have a lot of cupboard space	6x	8 = 48	10 = 60	4 = 24
... be within 5 miles of our work	4x	10 = 40	8 = 32	5 = 20
		274	276	219

RISK-ANALYSIS ("R")

	Probability	Seriousness
Apartment B		
Train Risk There are train tracks behind the house across the street. The train blows a whistle every day at 3 am.	10	0
Burglary Risk Three houses in the neighborhood have recently reported burglaries	8	7
Apartment A		
No Risks		

THE DECISION: RENT APARTMENT A