

ENTREPRENEURIAL DECISION-MAKING UNDER UNCERTAINTY

How to embrace uncertainty and take continuous decision-making actions to mitigate it.



THE FUTURE IS UNCERTAIN

Which type of uncertainty are you facing, and what strategies will help mitigate it? Use the examples below to help you decide.

CREATIVE UNCERTAINTY

Example

To reach my revenue goal, what's the best mix of sales and marketing tactics?

What Is Uncertain?

I know my goal/ I know the problem to be solved, but there are many possible solutions.

Decision-Making Process

Imagine as many options as possible, rank them by expert estimation, then narrow the options by testing.

ENVIRONMENTAL UNCERTAINTY

Example

About to launch a new product. How will market conditions change post-launch?

What is Uncertain?

A wide range of outcomes is possible, but few actions are available.

Decision-Making Process

Scenario planning for all possible outcomes. Contingent action plans for those deemed most likely. If many options are deemed likely, plan to plan again.

ABSOLUTE UNCERTAINTY

Example

What is best way to commercialize a radical new technology? How will it be adopted?

What is Uncertain?

Both the options for action and the range of possible outcomes are open.

Decision-Making Process

Apply **both** decision-making techniques to narrow the action options **and** the possible outcomes.