## **Continuous Improvement Toolkit**

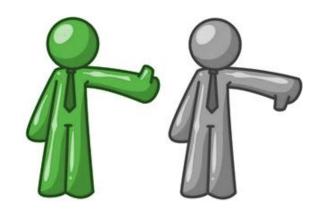
#### **Decision Balance Sheet**



#### The Continuous Improvement Map

Managing		Deciding & S	Selecting	Pla	nning & Project	t Management*
Risk PDPC	Decision Bala	ance Sheet Im	nportance-Urger	ncy Mapping	Daily Planning	PERT/CPM
FMEA RAID Log	Force Field An	alysis Co	ost Benefit Analy	sis <u>MOS</u>	ST RACI Matrix	Activity Networks
Risk Assessment*	Break-even Ana	alysis Voting	TPN Analys	sis <u>SWC</u>	OT Analysis Sta	akeholder Analysis
Fault Tree Analysis	Decision Tree	Pick Chart	Four Field Matri	x Project	Charter Impro	ovement Roadmaps
Traffic Light Assessm	ent Critical-to Tree	QFD P	ortfolio Matrix	F	PDCA Hoshin Ka	anri Gantt Charts
Lean Measures	Kano Analysis Mat	rix Diagram Pai	red Comparison	DMAIC K	Kaizen Events Co	ontrol Planning
Bøttleneck Analysis**	Cost of Quality* Pu	ugh Matrix Prior	ritization Matrix	A3 Thinking	Standard work	Document control
Process Yield	OEE KPIs	areto Analysis	C&E Matrix	derstanding	Cross Training	Implementing
	Descriptive Statistics	ANOVA Ch		use & Effect	Value Analysis	Solutions**
	Probability Distribution	ons Hypothesis	s Testing Desi	ign of Experime	ent Mistake Proof	fing Ergonomics
	listograms & Boxplots	Multi vari Stud	dies Confide	ence Intervals	Simulation TP	M Automation
Reliability Analysis Understanding	Graphical Analysis	Scatter Plots	Correlation	Regression	Pull Flow	Just in Time
Performance N	MSA Run Charts	5 Whys Root (	Cause Analysis	Data Snoopin	Visual Manage	ement 5S
Benchmarking**	Control Charts	Fishbone Diagr	am Tree Diagr	ram* SIPOC	* Waste Analysis	Quick Changeover
Data collection planne	<sub>r</sub> * Sampling Mor	phological Analys	is How-How I	Diagram** F	Process Redesign	Time Value Map
Check Sheets Inter	views Brainstorming	SCAMPER**	Attribute Ana	al <mark>ysis Spag</mark> h	netti Diagram Val	lue Stream Mapping
Questionnaires Fo	cus Groups Affinity	Diagram Ro	elationship Map	oing* Flow	Process Charts	Service Blueprints
Data Collection Obs	Mino		teral Thinking	Flowchartin		Process Mapping
Collection	Suggestions	on systems Cre	eating Ideas	Desi	gning & Analyz	ing Processes

- A simple but effective decision-making method.
- Enables to make more confident and balanced decisions.
- A table that represents the advantages and disadvantages of an idea or situation.
- □ The situation might be:
  - A problem that needs to be solved.
  - A condition that needs to be changed.



- Helps decide whether to go for or against a given problem or a proposed change.
- Improves the understanding of the idea or situation.
- Helps avoid decision-making paralysis.
- Speeds up the decision-making process.
- Encourage team members to consider multiple perspectives.



- ☐ It is simply a table of two columns labeled as **Pros** and **Cons**.
- The table is used to record all the pros and cons for the given idea or situation.
- You may give a numerical weights to the different pros and cons.

Pros (+)	Cons (-)		

The result will help you decide whether to go ahead with the decision or not

- PMI is an extension of the decision balance sheet.
- □ It stands for Plus, Minus and Interesting.

#### □ The Interesting column is used:

- When the elements are not particularly of positive or negative effect.
- To record what you consider interesting.
- To record future implications of the idea.

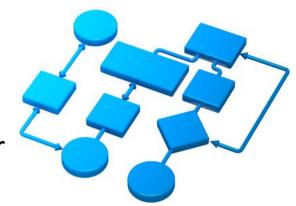
Plus (+)	Minus (-)	Interesting

- You can also use a four-cell matrix to represent the decision balance sheet.
- It consists of the pros and cons in the short and long term.
- This is especially useful when the decision is of strategic nature.

Short-term	Short-term
<b>Pros</b>	<b>Cons</b>
Long-term	Long-term
<b>Pros</b>	<b>Cons</b>

#### **How to Use the Decision Balance Sheet:**

- Write the situation or idea at the top of a flip chart or board.
- Draw a table of two columns.
- □ Label one "Pros" and the other "Cons".
- Record all possible benefits in the pros column.
- Record all possible negative effects in the cons column.
- Give numerical weights to the pros and cons (from 1 to 5).
- Be objective while scoring.
- Add up the scores in each column.
- Subtract the total cons from the total pros.
- Consider the overall score to decide whether to go ahead with the decision or not.



#### **Example – Should We Go for a New Website?**

Pros	Cons		
Improves Company's image (5)	Implementation cost is high (-4)		
Mobile compatible - helps reach out to new customers (3)	Requires to hire a full-time employee with certain technical skills (-3)		
Easier to create and maintain dynamic content (3)	Requires time for implementation (-1)		
(+11)	(-8)		
(+3)			

The final score suggests that you should go for a new website

#### **Example** – Should I Consider the New Job Offer?

Plus (+)	Minus (-)	Interesting		
Gain new experience (2)	Relocate to another city (-4)	Networking (+1)		
Get a higher salary (4)	Be more prone to stress (-3)	Pollution and traffic (-1)		
Meet new people (1)	Uncertainty (-2)	Live in a new place (+1)		
		New schools (-1)		
(+7)	(-9)	(0)		
(-2)				

# The Decision Balance Sheet can also be used to make personal decisions