

# ENTRECOMP:

## 3.3 Coping with Uncertainty, Ambiguity and Risk

Have A Dream

*6 hours*



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# Project Consortium

## Coordinator:



## Partners:



Jordan Youth Innovation Forum  
الملتقى الأردني للإبداع الشبابي

# Project Details

**Title:** “Joint Development, Piloting, and Validation of Entrepreneurial Mindset and Key Skills Curricula and Training Materials for Third Countries”

**Acronym:** **EMSA** (Entrepreneurial Mindset and Skills for All)

**Agreement Number:** 101092477 – EMSA – ERASMUS-EDU-2022-CB-VET

**Programme:** Erasmus+ Capacity Building in the Field of Vocational Education and Training (VET)

**Call for Proposals:** ERASMUS-EDU-2022-CB-VET

**Start Date:** 01.01.2023

**End Date:** 31.12.2025

## 3.3 COPING WITH UNCERTAINTY, AMBIGUITY AND RISK

### Training Aim

The workshop aims to equip participants with the knowledge, skills, and competences necessary to effectively navigate uncertainties, risks, and ambiguities in decision-making processes within entrepreneurial contexts. By applying various decision-making frameworks, designing risk-mitigating testing plans, and developing agile strategies, participants will gain the ability to adapt quickly, flexibly, and efficiently in fast-moving situations. This will ultimately enhance their capacity to make informed and responsive decisions amidst uncertainty.





## 3.3 COPING WITH UNCERTAINTY, AMBIGUITY AND RISK

# Learning Outcomes

### In terms of **knowledge**



Describe various decision-making frameworks as well as the influence of uncertainty, risk, and ambiguity on the decision-making process.

### In terms of **skills**



Apply different decision-making frameworks, while designing risk-mitigating testing plans to navigate uncertainties

### In terms of **competences**



Demonstrate the ability to adapt quickly, flexibly, and efficiently in fast-moving situations by creating agile strategies and responsive plans for unexpected changes.



What ENTRECOMP  
competence  
is our training about?

# Training Route Map

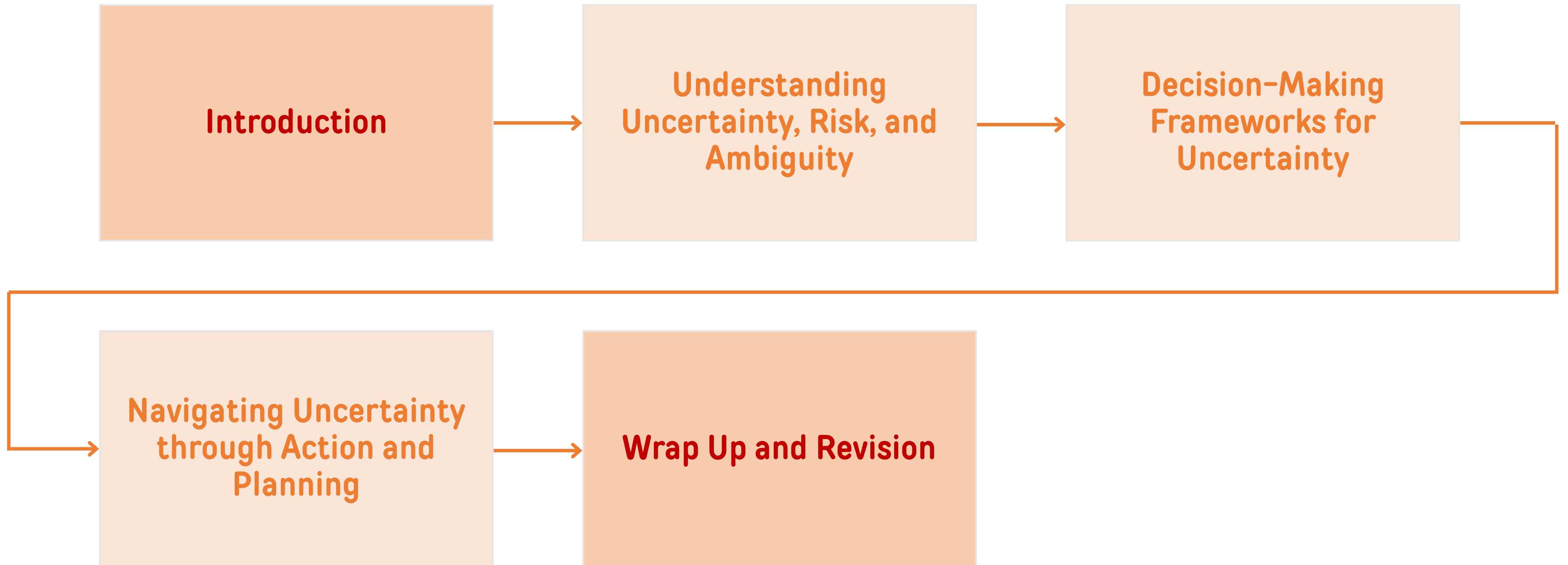
**Introduction**

**Understanding  
Uncertainty, Risk, and  
Ambiguity**

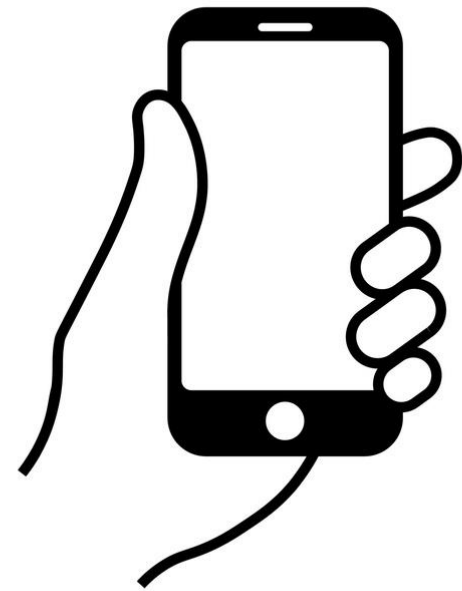
**Decision-Making  
Frameworks for  
Uncertainty**

**Navigating Uncertainty  
through Action and  
Planning**

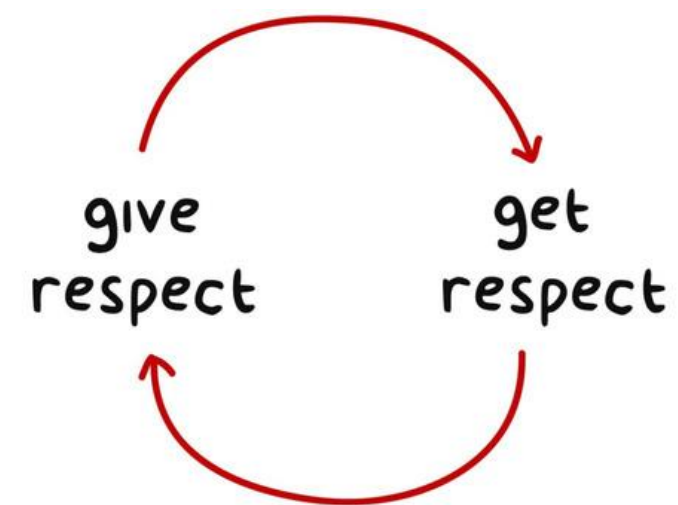
**Wrap Up and Revision**



# Training Rules



**Participation**



**YOUR  
OPINION  
MATTERS**

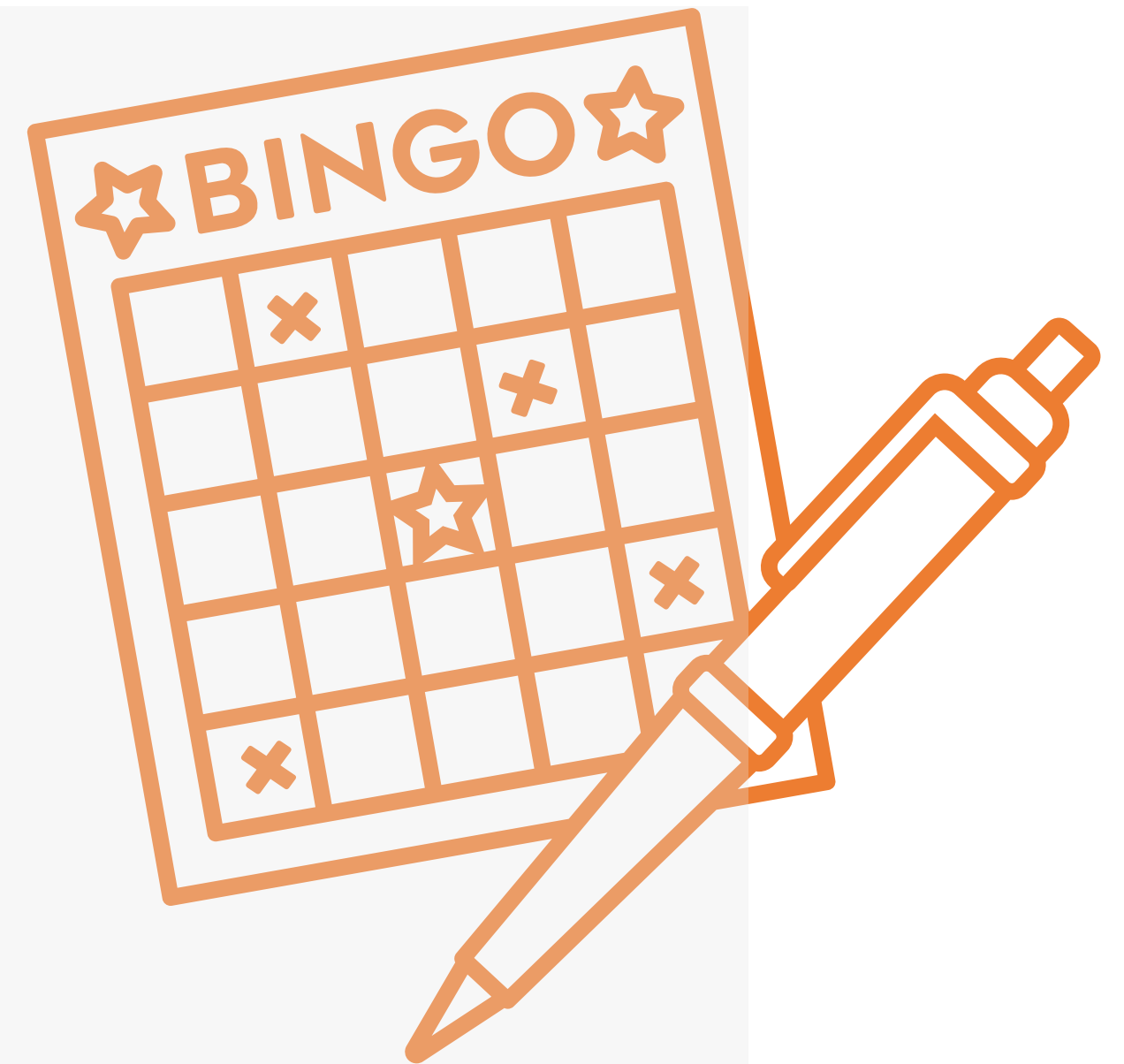


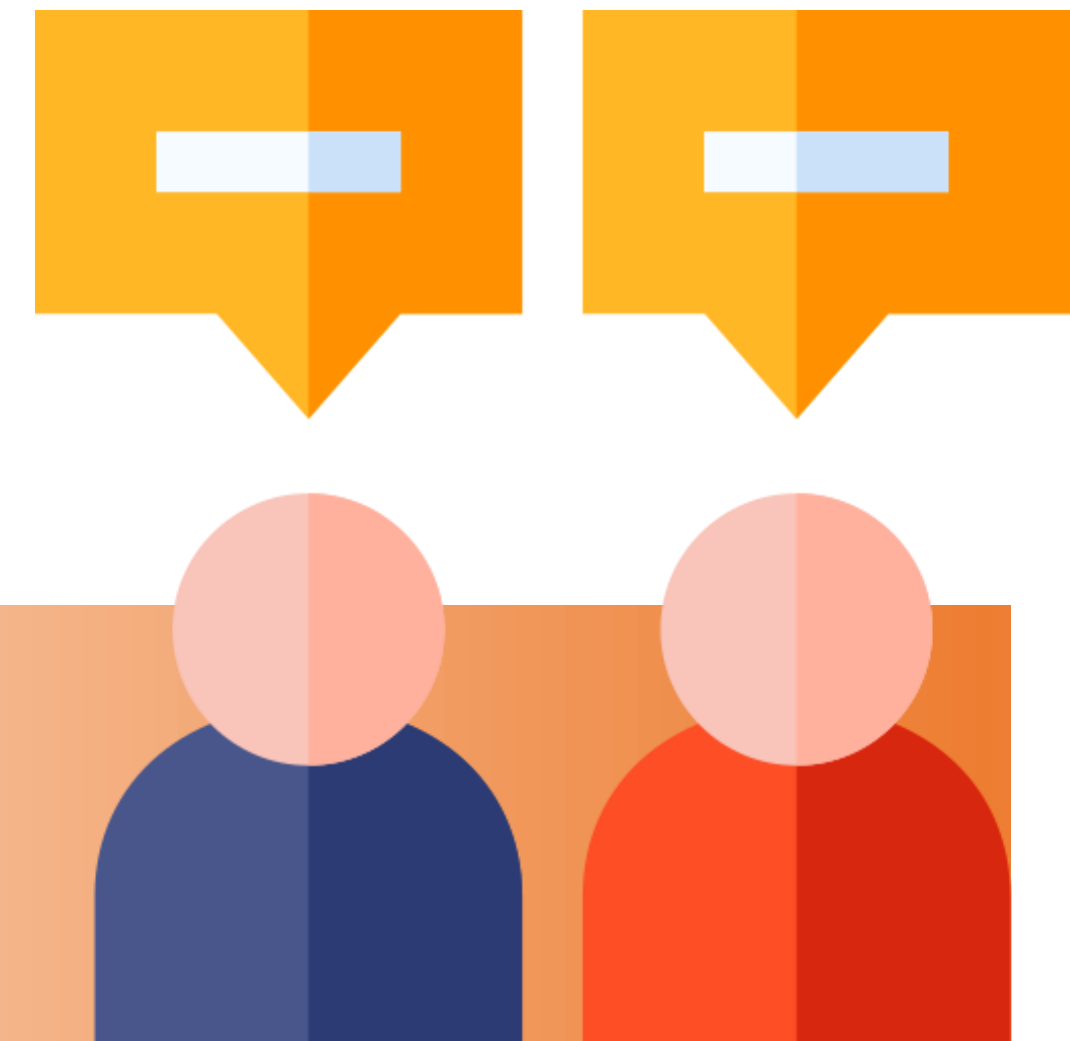
# Ready to break the ice and learn about each other?

Here's the plan:

1. We'll use [this online](#) bingo cards with some statements.
2. Mingle virtually and ask others if the statements match their experiences.
3. If it does, mark the square on your bingo card with the person's name.

**The goal:** Be the first to complete a bingo (all squares marked)!





# Introductions

*Let's get to know each other!*

*"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines, sail away from safe harbor, catch the trade winds in your sails. Explore, Dream, Discover." - Mark Twain*

# 01

## Understanding Uncertainty, Risk, and Ambiguity.

- Defining and differentiating uncertainty, risk, and ambiguity
- The Impact of Uncertainty on Decision-Making..





Match the cards with the word you think it describes.



## Uncertainty

## Risk

## Ambiguity

Traveling to a new country with limited knowledge of the language and customs.

You invest in a company with a strong track record of success.

You plan a road trip, but the weather forecast is unpredictable.

You receive an email from your boss with vague instructions about a new project.

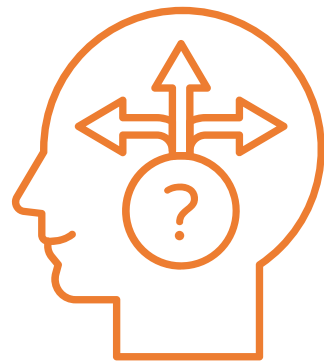
You apply for a new job but are unsure if you have the necessary skills.

You receive a text message with an unknown number asking you to click on a link.

You participate in a game with a set of rules and known probabilities of winning.

You decide to launch a new product based on market research data.

# Difference between Uncertainty, Risk and Ambiguity ( Dictionary Definitions)



## Uncertainty

Not known or certain; doubtful; indefinite.



## Risk

The possibility of something bad happening; a chance of danger or loss.



## Ambiguity

Open to more than one interpretation; not clear or definite

# Difference between Uncertainty, Risk and Ambiguity (Business world)

## Uncertainty

Managers know which goals they want to achieve.

Information about future alternatives and events are incomplete.

Managers may have to come with creative goals and alternatives.

## Risk

Decision has clear – cut goals.

Good information available

Future outcomes associated with each alternative are subjected to change

## Ambiguity

Most difficult decision situation.

Goals to be achieved or problems to be solved are unclear.

Alternatives are difficult to define

Match the cards with the word you think it describes.



**Uncertainty**

**Risk**

**Ambiguity**

You plan a road trip, but the weather forecast is unpredictable

You invest in a company with a strong track record of success.

You decide to launch a new product based on market research data.

You receive a text message with an unknown number asking you to click on a link

Traveling to a new country with limited knowledge of the language and customs.

You apply for a new job but are unsure if you have the necessary skills

You participate in a game with a set of rules and known probabilities of winning.

You receive an email from your boss with vague instructions about a new project



# The Impact of Uncertainty on Decision-Making

## Recognizing Cognitive Biases and their Influence

Under conditions of uncertainty, our decision-making processes are susceptible to various cognitive biases.

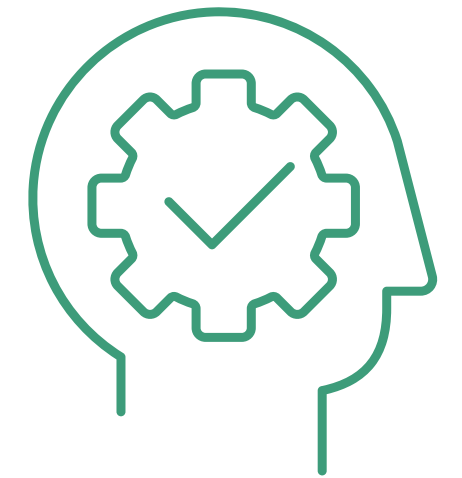
### Anchoring Bias

We tend to rely too heavily on the first piece of information we receive, potentially leading to suboptimal choices.



### Confirmation Bias

We favor information that confirms our existing beliefs and disregard contradictory evidence, hindering a balanced evaluation of options.



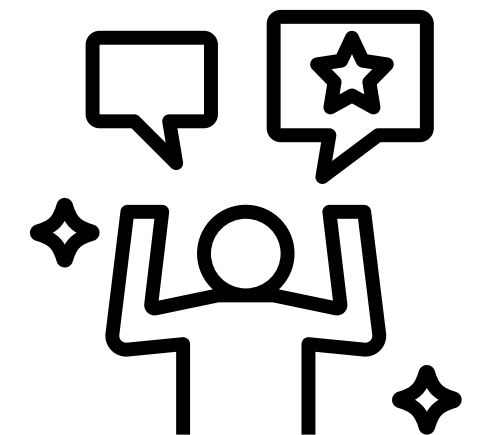
### Availability Bias

We overestimate the likelihood of events based on their familiarity or ease of recall, leading to skewed risk assessments.



### Overconfidence Bias

We tend to overestimate our knowledge and abilities, leading to riskier decisions and potential oversights.



# The Impact of Uncertainty on Decision-Making

## Exploring Risk Tolerance Levels and their Impact

Individuals possess varying risk tolerance levels, which significantly influence their decision-making under uncertainty



### Risk-Averse:

Individuals prioritize minimizing potential losses and prefer options with greater certainty, even if they offer lower potential rewards.

### Risk-Neutral

Individuals are indifferent to risk and choose options based solely on expected value or potential benefits.

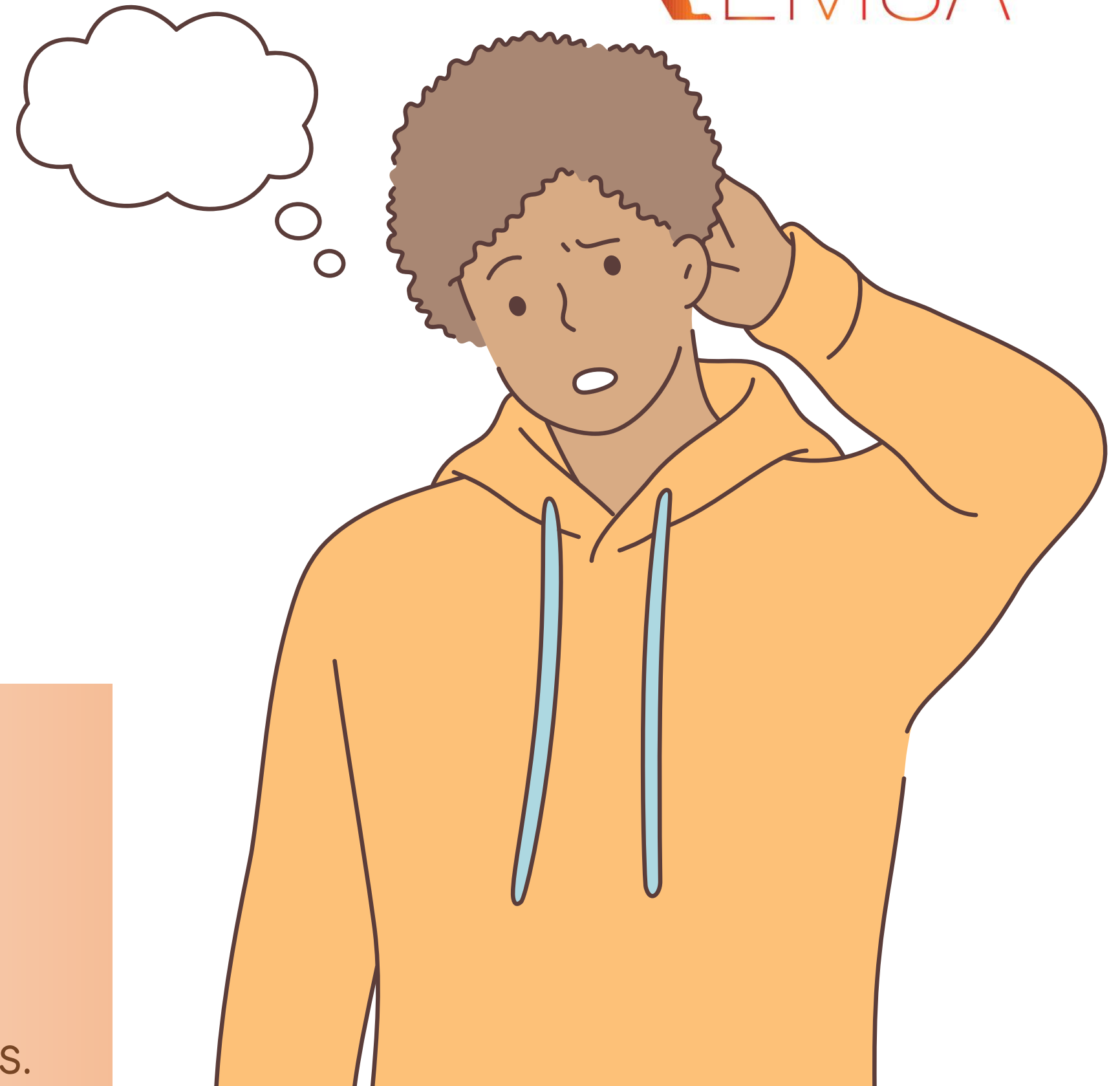
### Risk-Seeking

Individuals are comfortable with and often actively seek out risky situations, motivated by the potential for significant rewards.

# 02

## Decision-Making Frameworks for Uncertainty

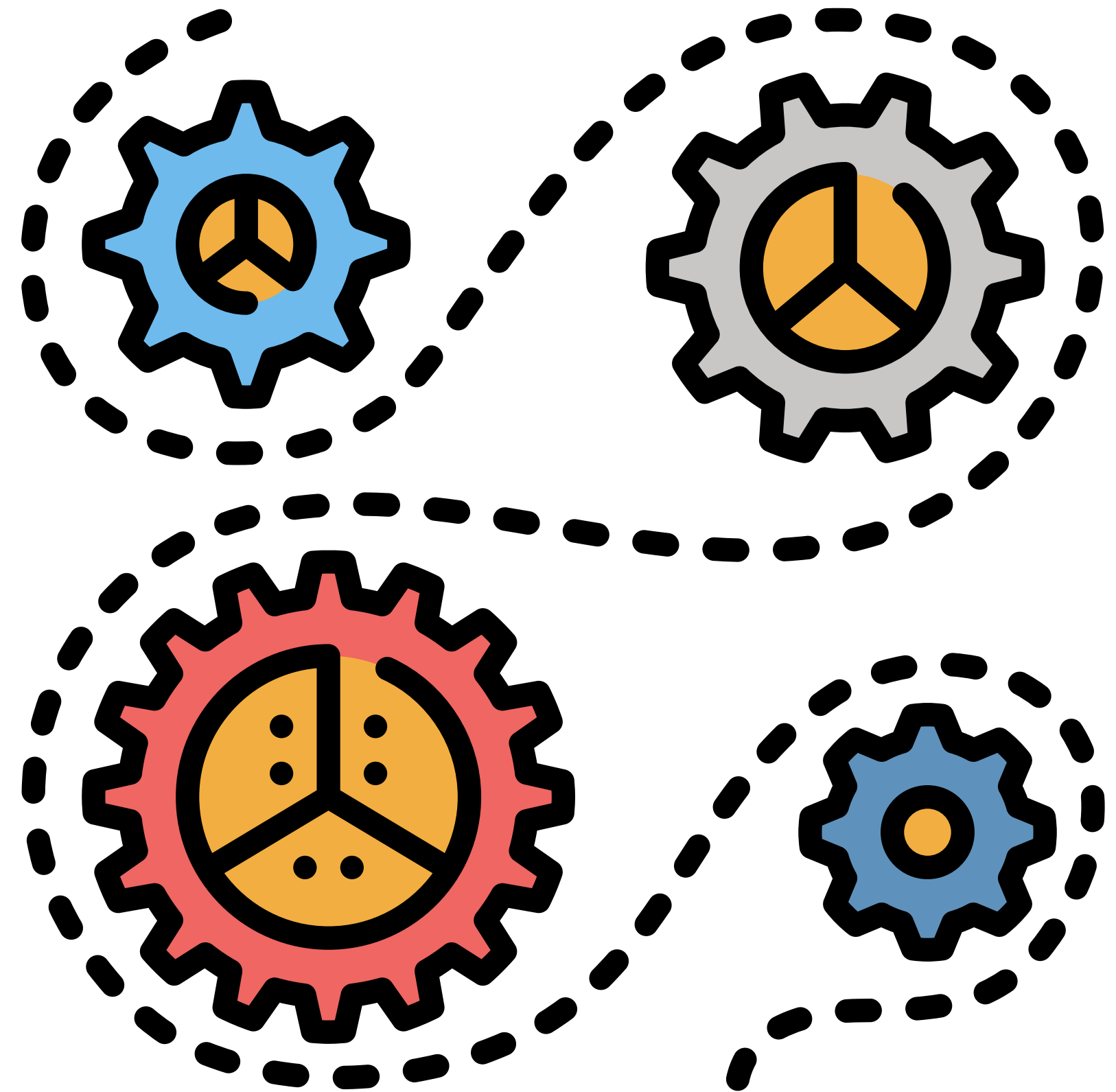
- Decision-Making Frameworks for Uncertainty
- Introduction to Decision-Making Frameworks
- Deep Dive into Specific Frameworks
- Beyond Frameworks: Additional Strategies.



# Decision-Making Process

Decision-making is the process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.

Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives. This approach increases the chances that you will choose the most satisfying alternative possible.







Southern  
New Hampshire  
University

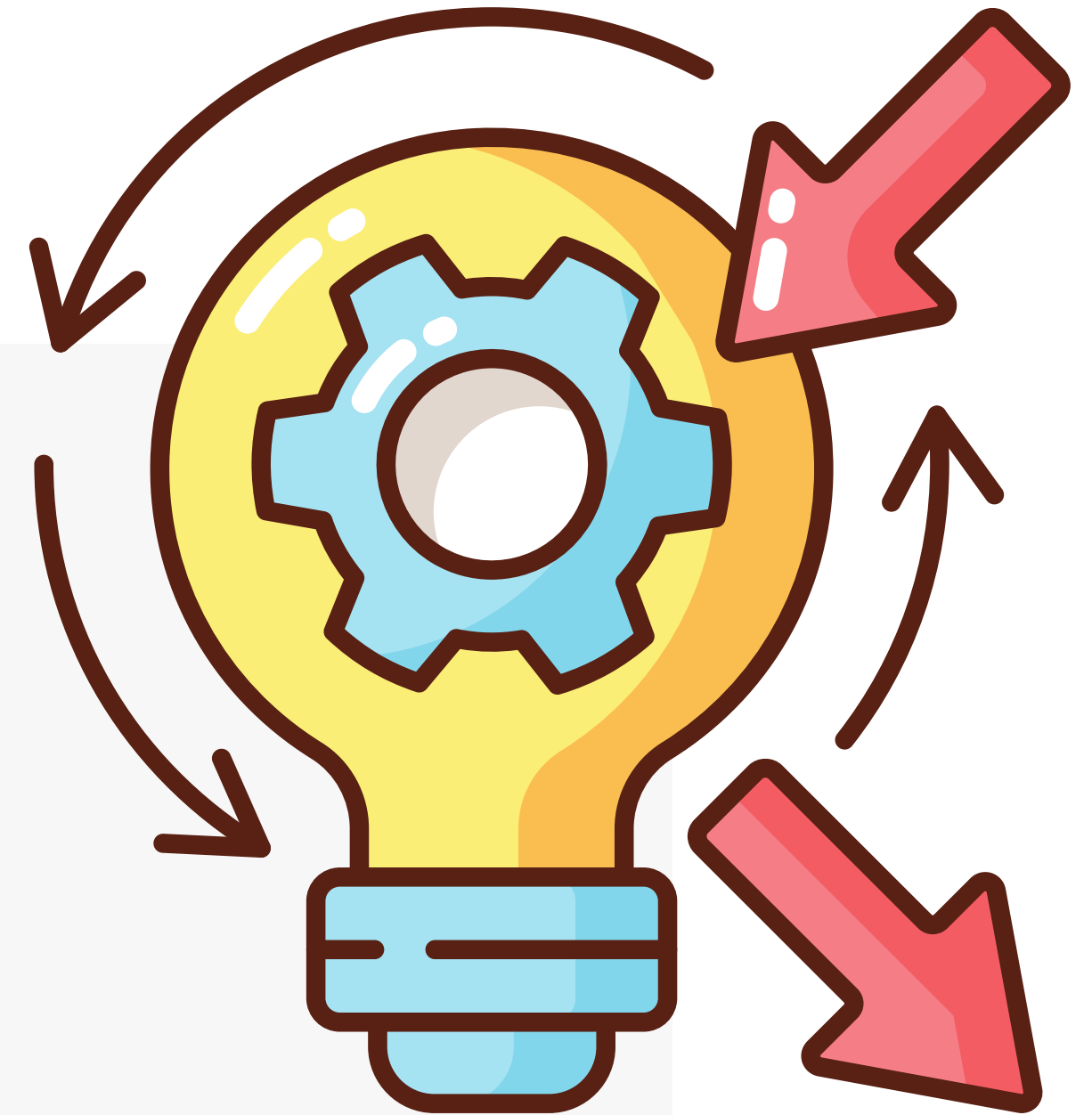
# How to Make Smarter Decisions



## Consider a recent decision you made (personal or professional).

Reflect on each step of the 7-step decision-making process outlined earlier by answering the following questions:

- Briefly describe the situation or problem that led to your decision.
- What information did you seek, and how did you gather it?
- How did you brainstorm and identify potential solutions or options?
- How did you evaluate the potential consequences and risks of each option?
- What factors ultimately influenced your chosen course of action?
- Did you encounter any challenges during the implementation of your decision? How did you monitor the progress?
- Looking back, would you have approached the decision differently? What key takeaways can you draw from this experience?



# Decision-Making Frameworks

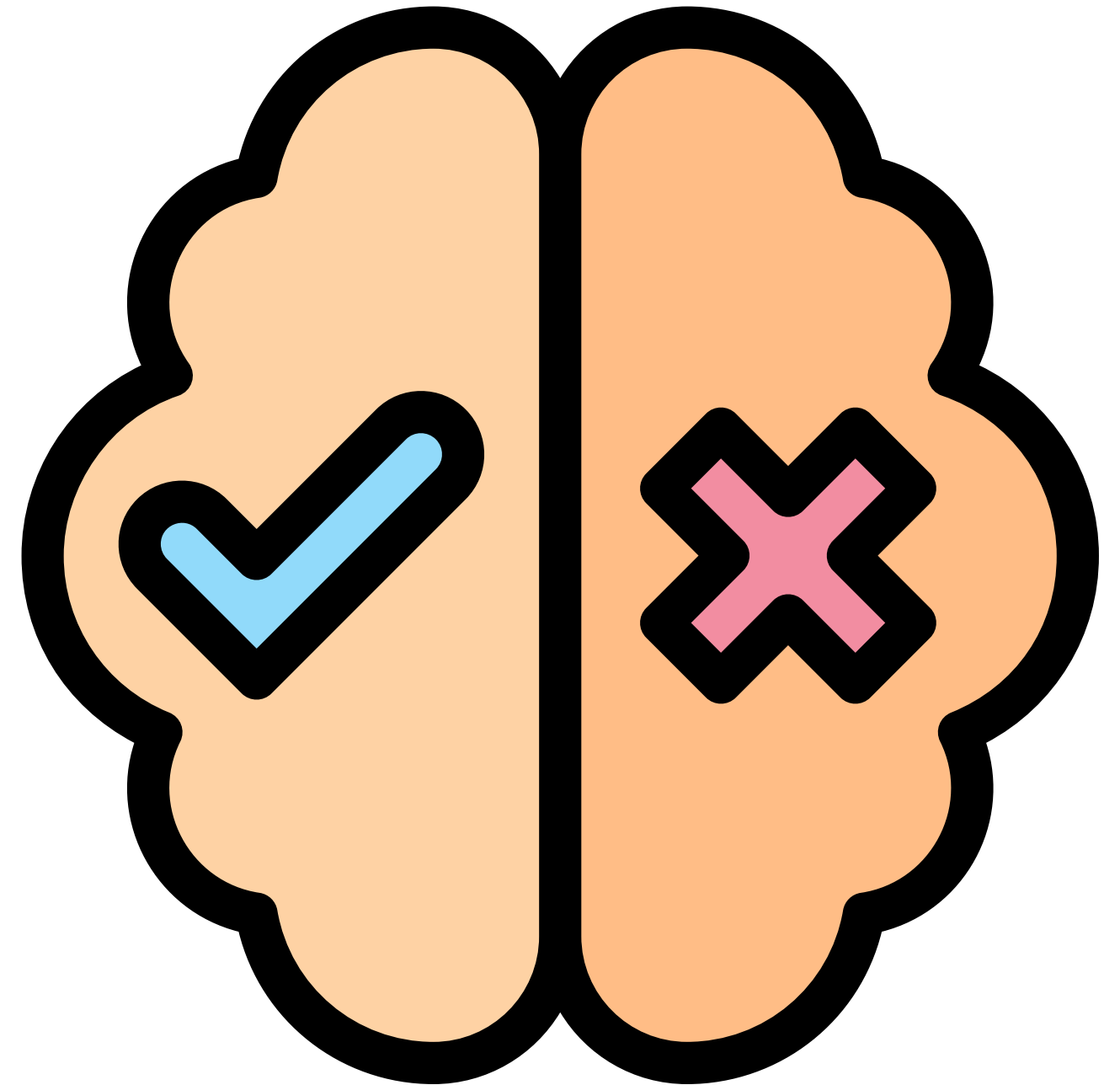
## Tools for Effective Choices

### WHAT?

Decision-making frameworks are systematic approaches or models used to guide the decision-making process.

### WHY?

- Structured Approach
- Clarity and Consistency:
- Risk Management.
- Efficiency and Effectiveness.
- Inclusivity and Collaboration.



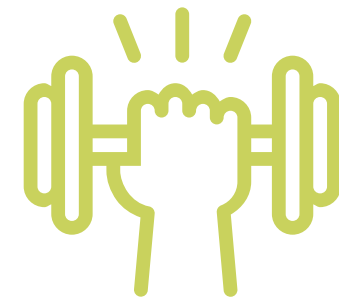
# Decision-Making Frameworks

# 01

## Expected Value Analysis (EVA)



Calculates the average expected outcome of a decision by considering all possible outcomes and their associated probabilities



Simple and straightforward, easy to understand and apply



Relies on accurate probabilities, may not capture the full range of potential outcomes, can be overly simplistic for complex decisions.

# Decision-Making Frameworks

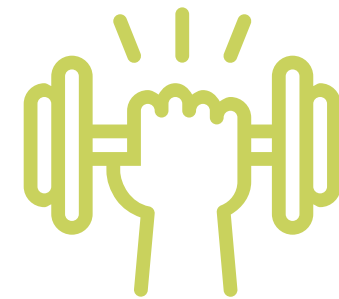


# 02

## Decision Tree Analysis (DTA)



Creates a visual representation of a decision-making process with branching paths representing different choices and possible outcomes



Explicitly depicts different scenarios, allows for calculating expected values at each decision point, clarifies the consequences of different choices



Can become complex for situations with many variables, may be time-consuming to construct and analyze.



## 03

### Scenario Planning



Develops multiple plausible future scenarios based on different assumptions about key factors.



Encourages strategic thinking and considers diverse future possibilities, helps identify potential risks and opportunities, promotes adaptability and preparedness



Requires creativity and imagination, relies on qualitative data, may be subjective and require ongoing adjustments

# Decision-Making Frameworks

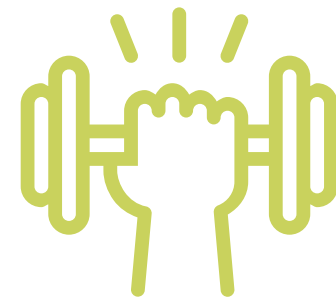


# 04

## Monte Carlo Simulation



Uses random sampling to simulate different possible outcomes of a decision based on probability distributions



More comprehensive than EVA, accounts for a wider range of potential outcomes, provides a statistical understanding of risk and uncertainty



Requires specialized software, can be complex to set up and interpret, results may depend on the chosen probability distributions

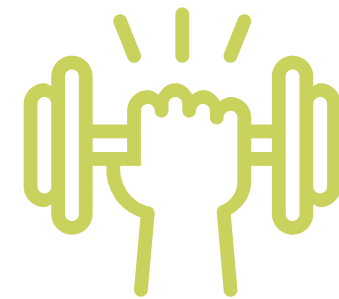
# Decision-Making Frameworks

# 05

## Regret Analysis



Identifies the potential regret associated with each decision option, considering the worst-case scenario for each choice



Encourages reflection on potential pitfalls, helps avoid making decisions that could lead to significant regret, promotes risk aversion.



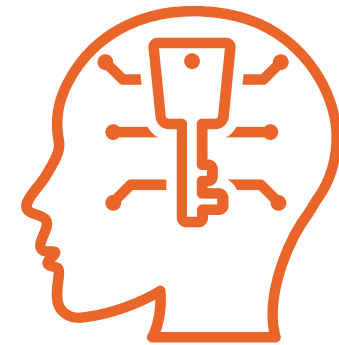
Can be emotionally charged, may lead to overly conservative decision-making, requires careful definition of "regret" for different situations

# Decision-Making Frameworks

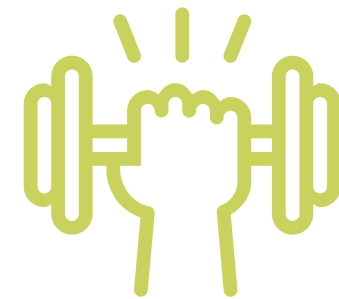


# 06

## Cost-Benefit Analysis (CBA)



Compares the potential costs and benefits of each decision option, both tangible and intangible



Provides a structured way to weigh different factors, helps prioritize options based on their net benefit, promotes data-driven decision-making



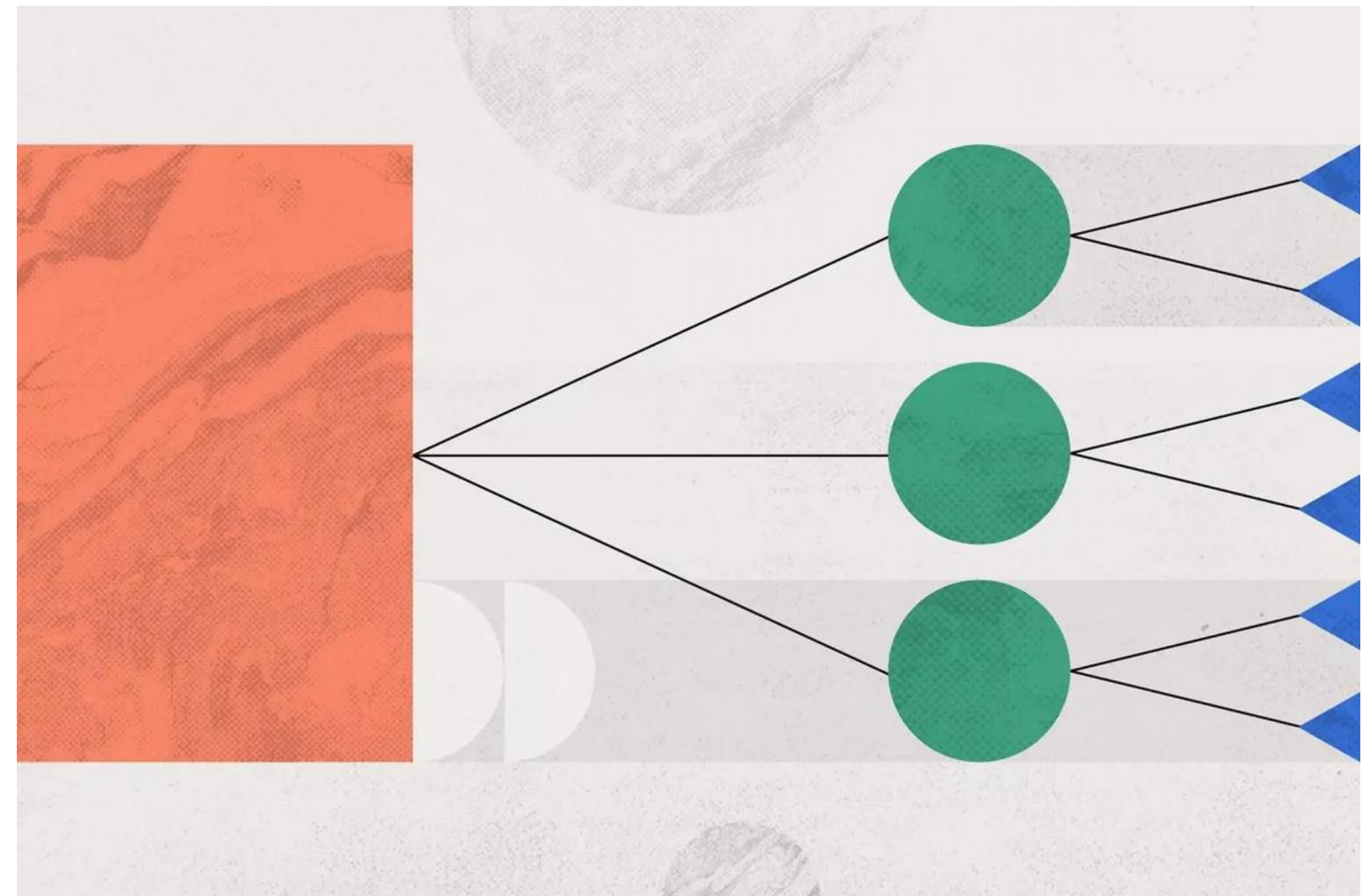
Assigning monetary values to intangible benefits can be challenging, may overlook qualitative factors, can be time-consuming for complex decision

# Decision Tree Analysis



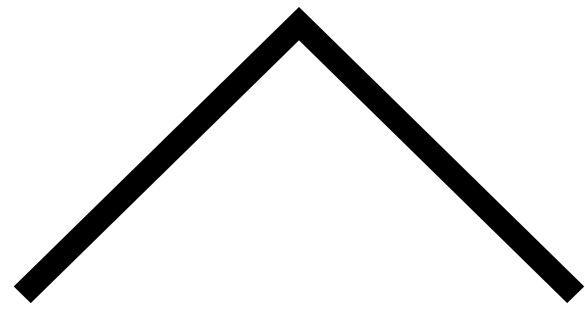
A decision tree is a flowchart that starts with one main idea and then branches out based on the consequences of your decisions. It's called a "decision tree" because the model typically looks like a tree with branches.

These trees are used for decision tree analysis, which involves visually outlining the potential outcomes, costs, and consequences of a complex decision. You can use a decision tree to calculate the expected value of each outcome based on the decisions and consequences that led to it. Then, by comparing the outcomes to one another, you can quickly assess the best course of action. You can also use a decision tree to solve problems, manage costs, and reveal opportunities.





# Decision tree symbols



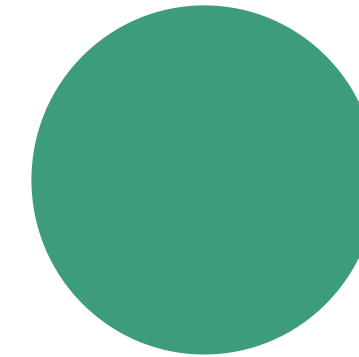
## Alternative branches

Alternative branches are two lines that branch out from one decision on your decision tree. These branches show two outcomes or decisions that stem from the initial decision on your tree



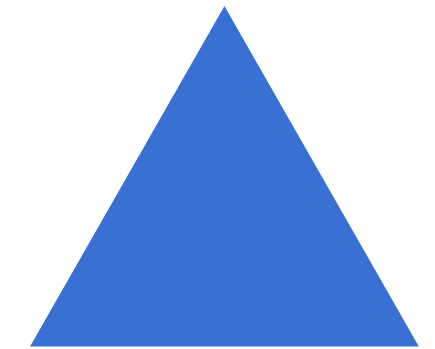
## Decision nodes

Decision nodes are squares and represent a decision being made on your tree. Every decision tree starts with a decision node



## Chance nodes

Chance nodes are circles that show multiple possible outcomes.



## End nodes

End nodes are triangles that show a final outcome.

# How to create a decision tree

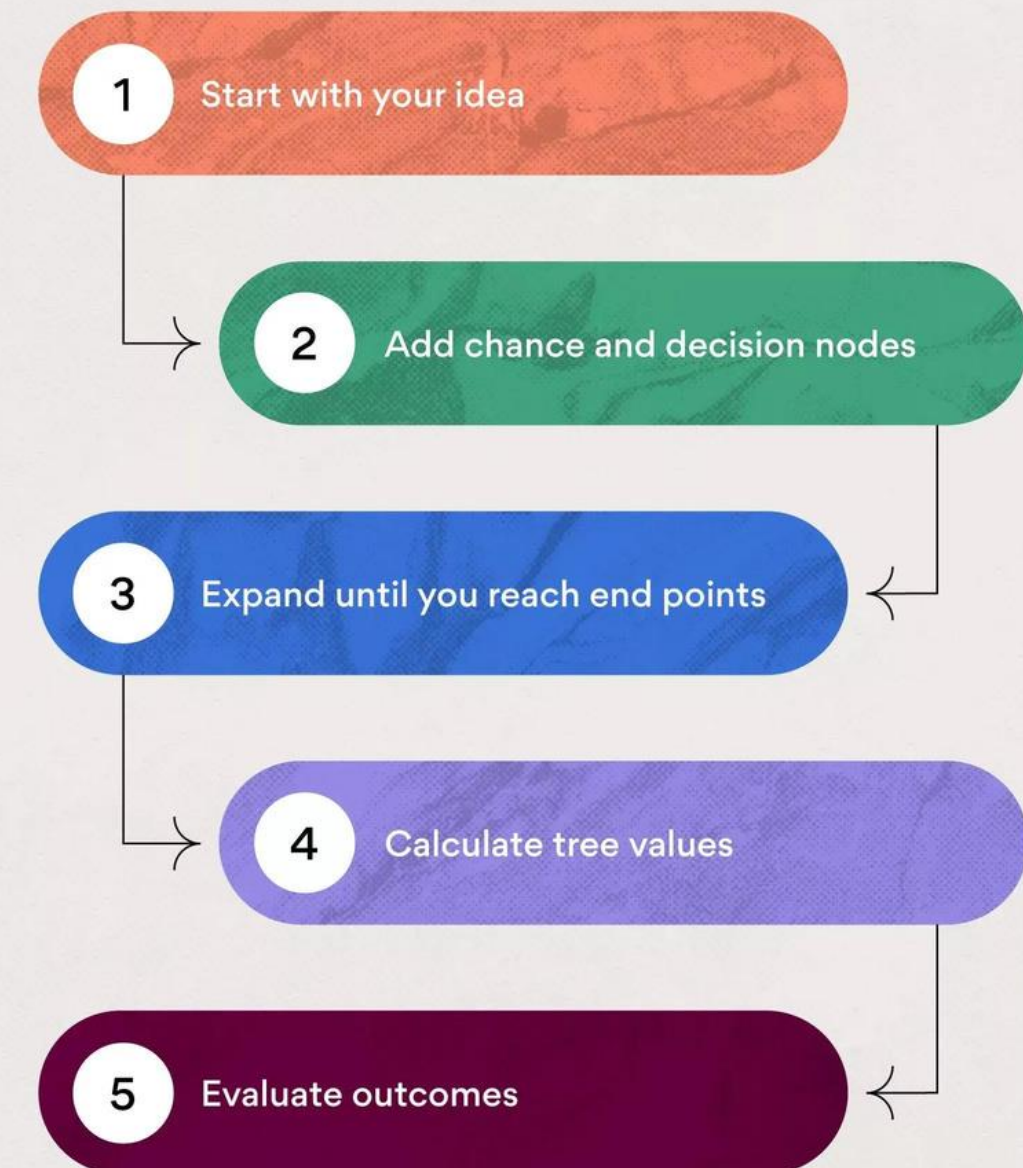
## Start with the idea

Begin your diagram with one main idea or decision. You'll start your tree with a decision node before adding single branches to the various decisions you're deciding between.

## Add chance and decision nodes

After adding your main idea to the tree, continue adding chance or decision nodes after each decision to expand your tree further. A chance node may need an alternative branch after it because there could be more than one potential outcome for choosing that decision.

### Decision tree analysis in five steps



# How to create a decision tree

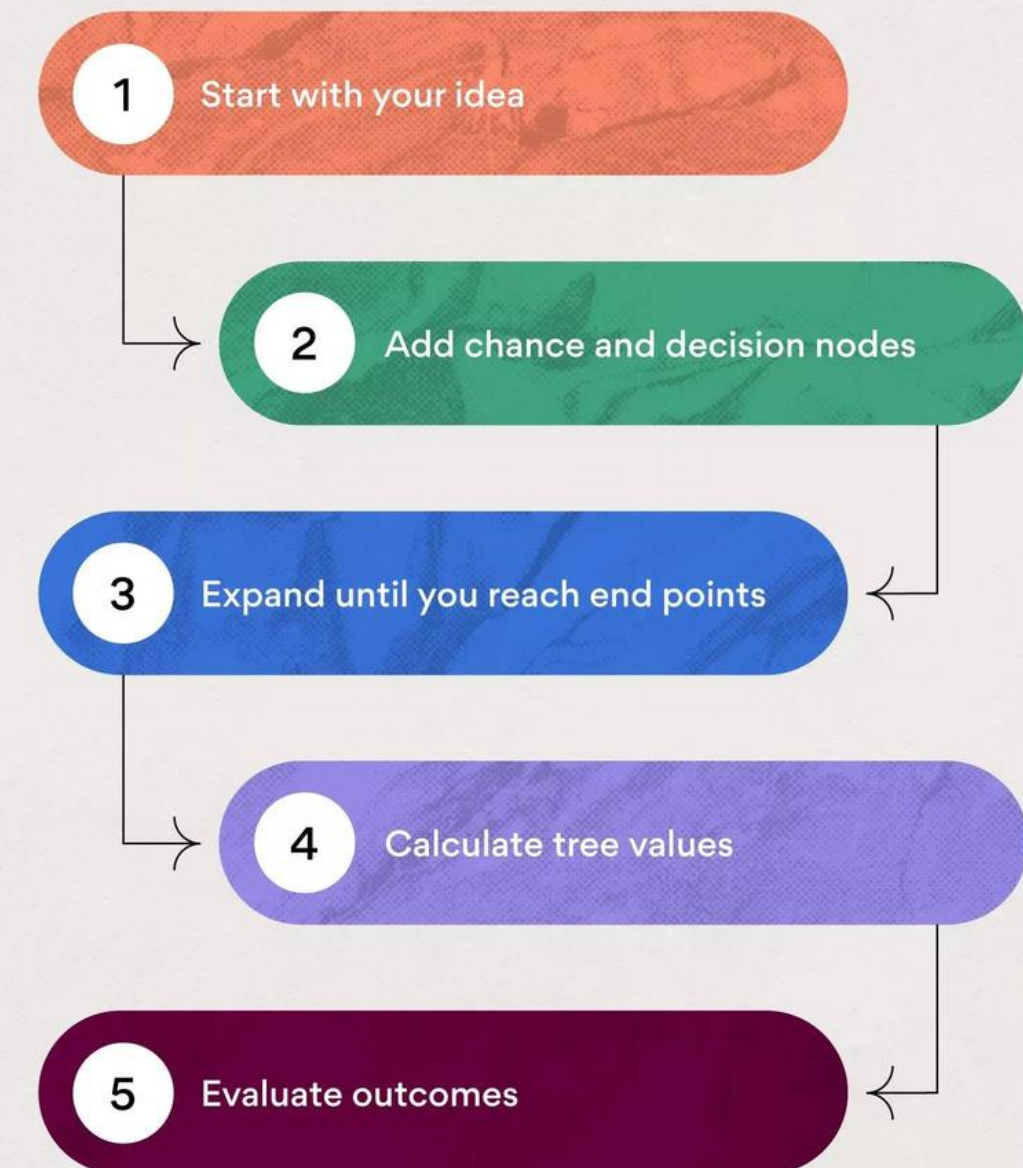
## Expand until you reach endpoints

Keep adding chance and decision nodes to your decision tree until you can't expand the tree further. At this point, add end nodes to your tree to signify the completion of the tree creation process.

## Calculate tree values

Ideally, your decision tree will have quantitative data associated with it. The most common data used in decision trees is monetary value.

### Decision tree analysis in five steps





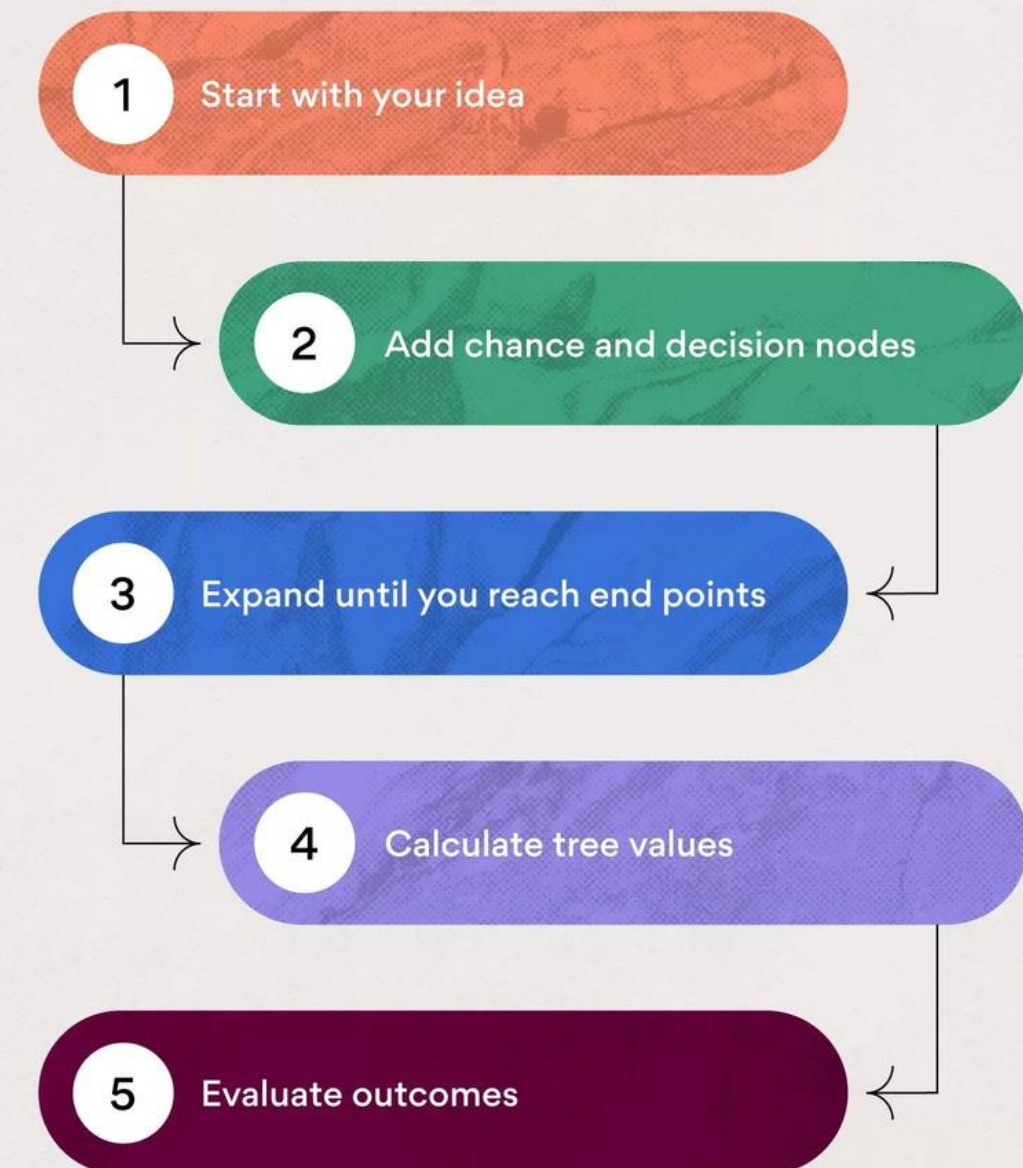
# How to create a decision tree

## Evaluate outcomes

Once you have your expected outcomes for each decision, determine which decision is best for you based on the amount of risk you're willing to take. The highest expected value may not always be the one you want to go for. That's because, even though it could result in a high reward, it also means taking on the highest level of project risk.

**Keep in mind that the expected value in decision tree analysis comes from a probability algorithm. It's up to you and your team to determine how to best evaluate the outcomes of the tree.**

### Decision tree analysis in five steps



# Decision tree analysis example



## Decision nodes from this example:

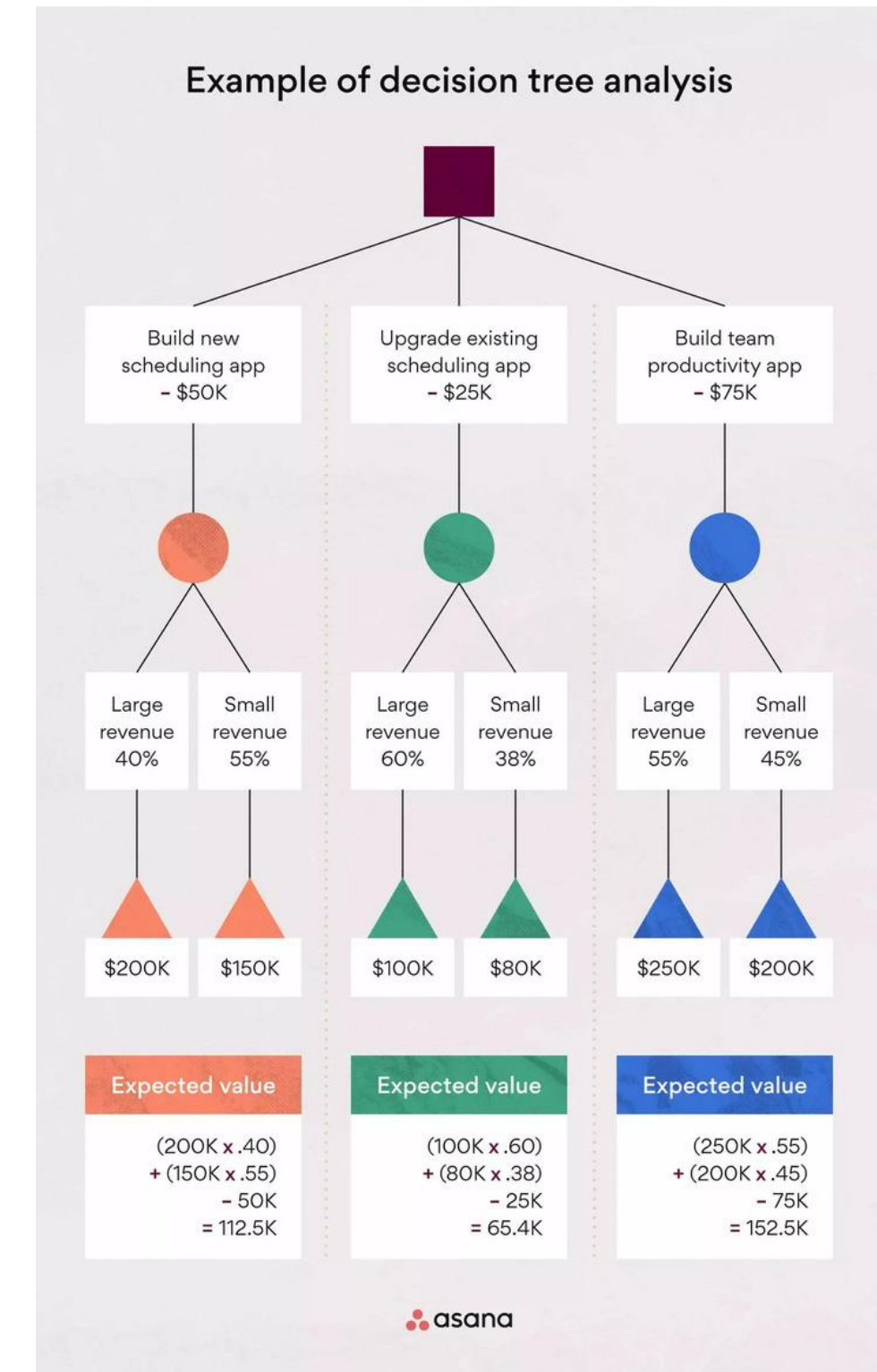
- Build new scheduling app: \$50K
- Upgrade existing scheduling app: \$25K
- Build team productivity app: \$75K

## Chance nodes from this example:

- Large and small revenue for decision one: 40 and 55%
- Large and small revenue for decision two: 60 and 38%
- Large and small revenue for decision three: 55 and 45%

## End nodes from this example:

- Potential profits for decision one: \$200K or \$150K
- Potential profits for decision two: \$100K or \$80K
- Potential profits for decision three: \$250K or \$200K





# Scenario Planning

## WHAT?

Scenario planning is a strategic planning tool used to explore and prepare for different possible futures in order to make more robust and flexible decisions.

## WHY?

- Helps organizations anticipate and adapt to changes in their external environment.
- Provides insights into potential risks and opportunities.
- Enhances strategic decision-making in uncertain and volatile conditions.



# Steps of Scenario Planning



## 1 Define the scope and purpose

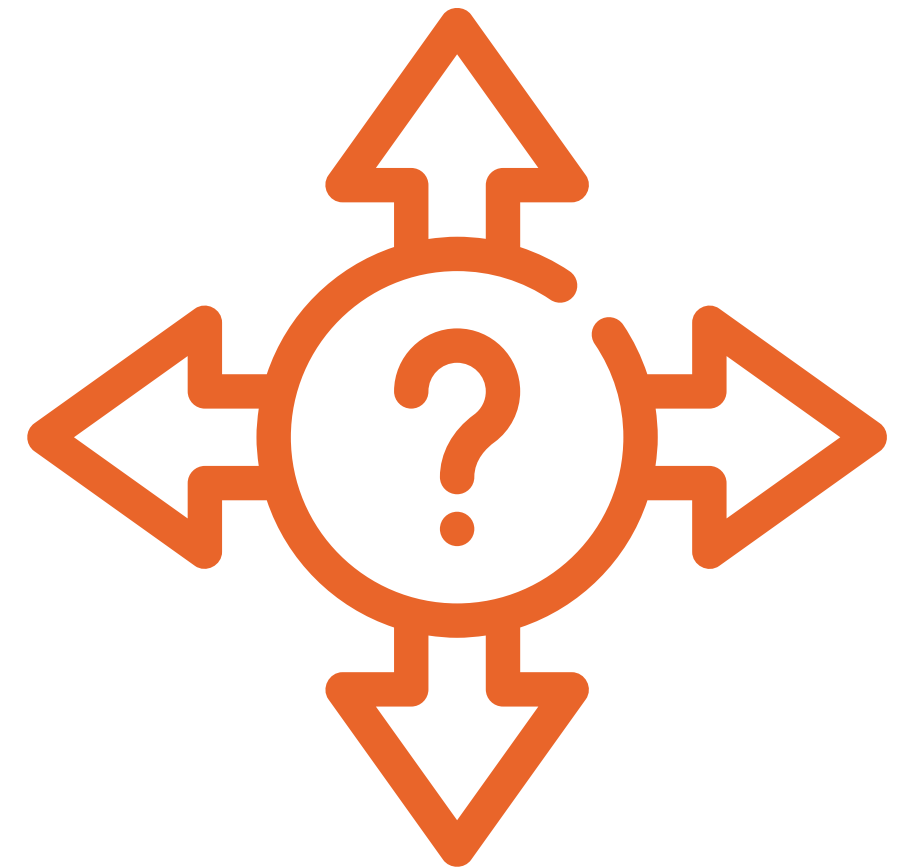
What is the main question or challenge that you want to address? Who are the key decision-makers and participants that will be involved? What is the time horizon and geographic scale of your scenarios? How will you use the scenarios to inform your decisions and actions?



# Steps of Scenario Planning

## Identify the driving forces and uncertainty

Driving forces are the trends, events, and factors that influence the situation and are likely to continue or change over time. Uncertainties are the unknowns or variables that could have a significant impact on the outcome but are hard to predict or control. You can use different methods to generate and prioritize these elements, such as brainstorming, research, interviews, surveys, or SWOT analysis.



# Steps of Scenario Planning



## Create scenario frameworks and narrative

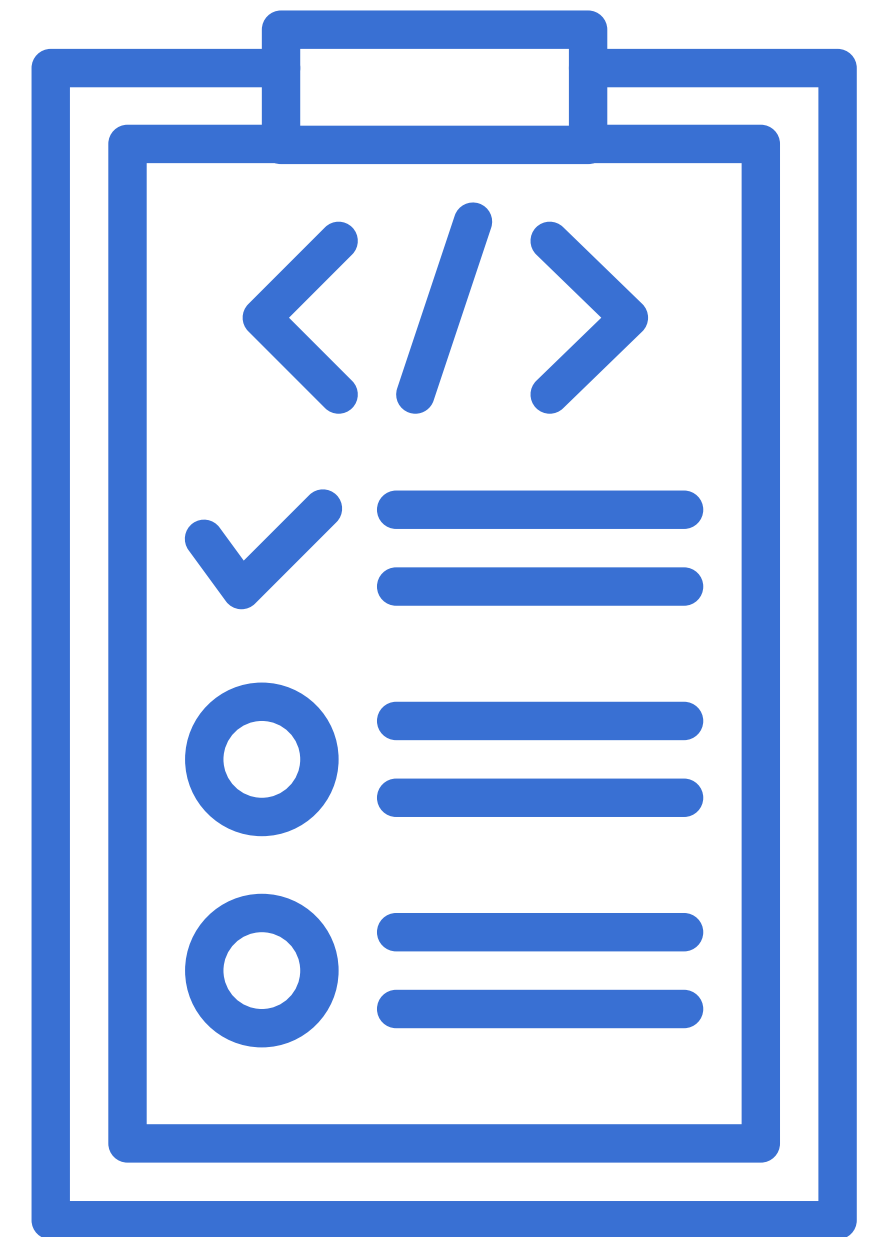
Scenario frameworks are simple diagrams that show how different combinations of uncertainties create different futures. For example, you can use a 2x2 matrix to plot two key uncertainties on two axes, and then label the four quadrants with descriptive names. Scenario narratives are stories that describe what happens in each scenario, how it affects the situation, and what are the implications and challenges. You can use a template or a structure to guide your narrative, such as who, what, when, where, why, and how.



# Steps of Scenario Planning

## 4 Test and refine your scenarios

After you have created your scenario frameworks and narratives, you need to test and refine them to make sure they are plausible, consistent, and diverse. You can use different criteria to evaluate your scenarios, such as relevance, realism, contrast, coherence, and completeness. You can also use feedback, data, or evidence to validate or modify your scenarios. The goal is to create scenarios that are not too optimistic or pessimistic, not too similar or extreme, and not too vague or detailed.

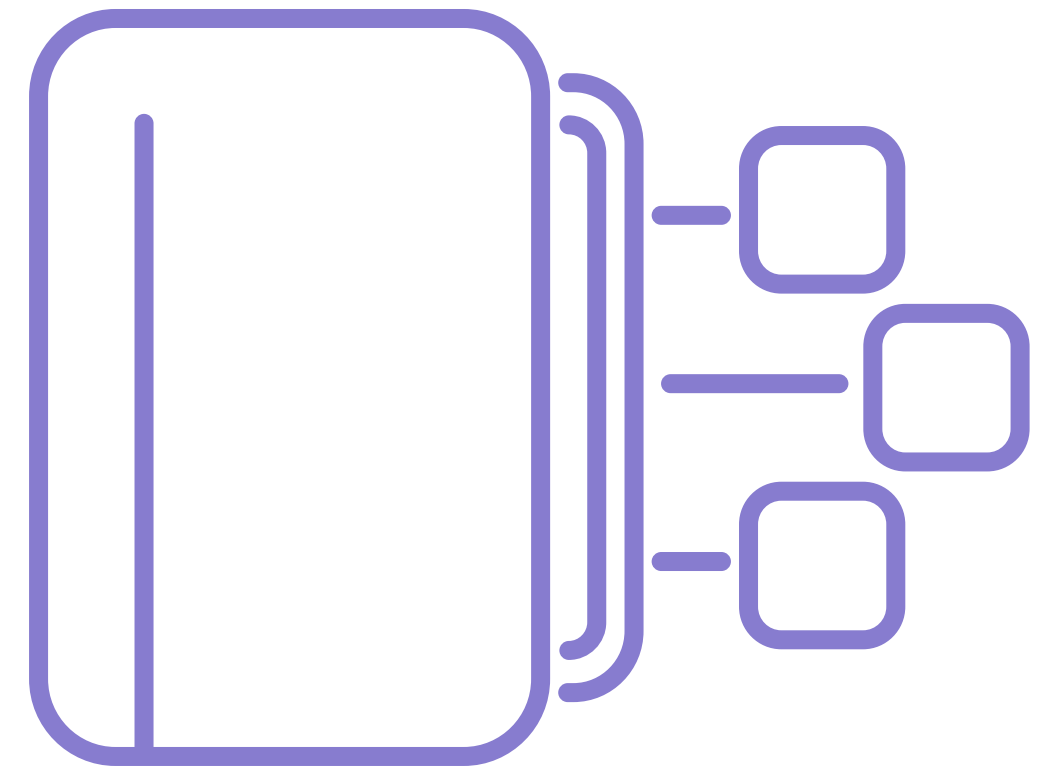




# Steps of Scenario Planning

## Communicate and use your scenarios

The final step is to communicate and use your scenarios to inform your decision-making. You can use different formats and methods to present and share your scenarios, such as reports, presentations, videos, or games. You can also use different techniques to analyze and compare your scenarios, such as impact assessment, sensitivity analysis, or strategy mapping. The aim is to use your scenarios to identify the risks and opportunities, the assumptions and biases, and the actions and strategies that will help you achieve your desired future.



NEWSPAPER



# Case Study Time

You are a team tasked with launching a new food delivery app in a highly competitive market dominated by established players.

**Develop a go-to-market strategy that maximizes the app's success.**

Considering the following:

*Decision Point: Delivery Model (Choose one):*

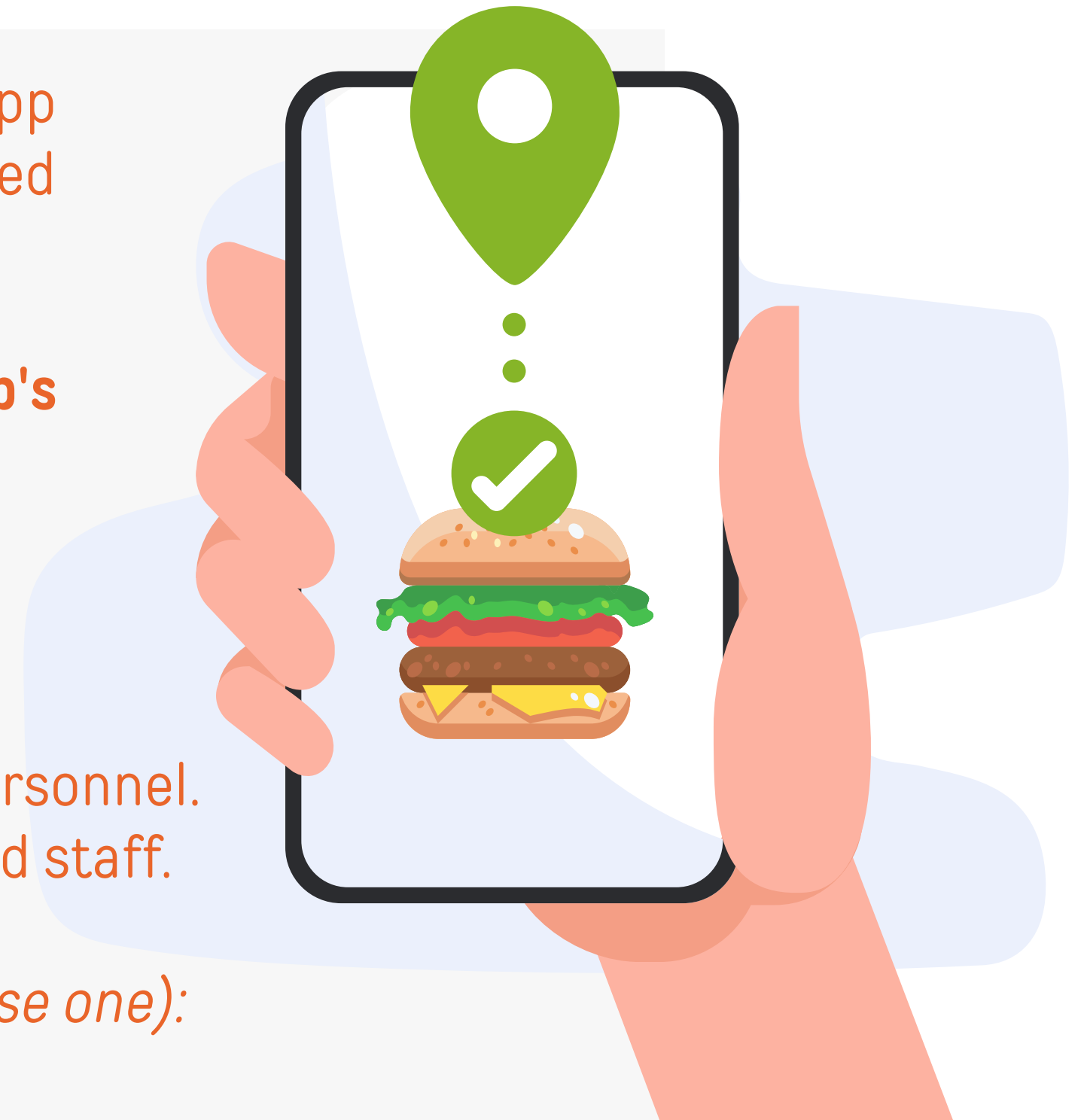
Option A: Partner with existing restaurants and delivery personnel.

Option B: Build an in-house delivery network with dedicated staff.

*Decision Point (for Option A only): Commission Rate (Choose one):*

Option 1: Charge restaurants a 20% commission fee.

Option 2: Offer a lower commission fee (15%) to attract initial partnerships.



# Case Study Time

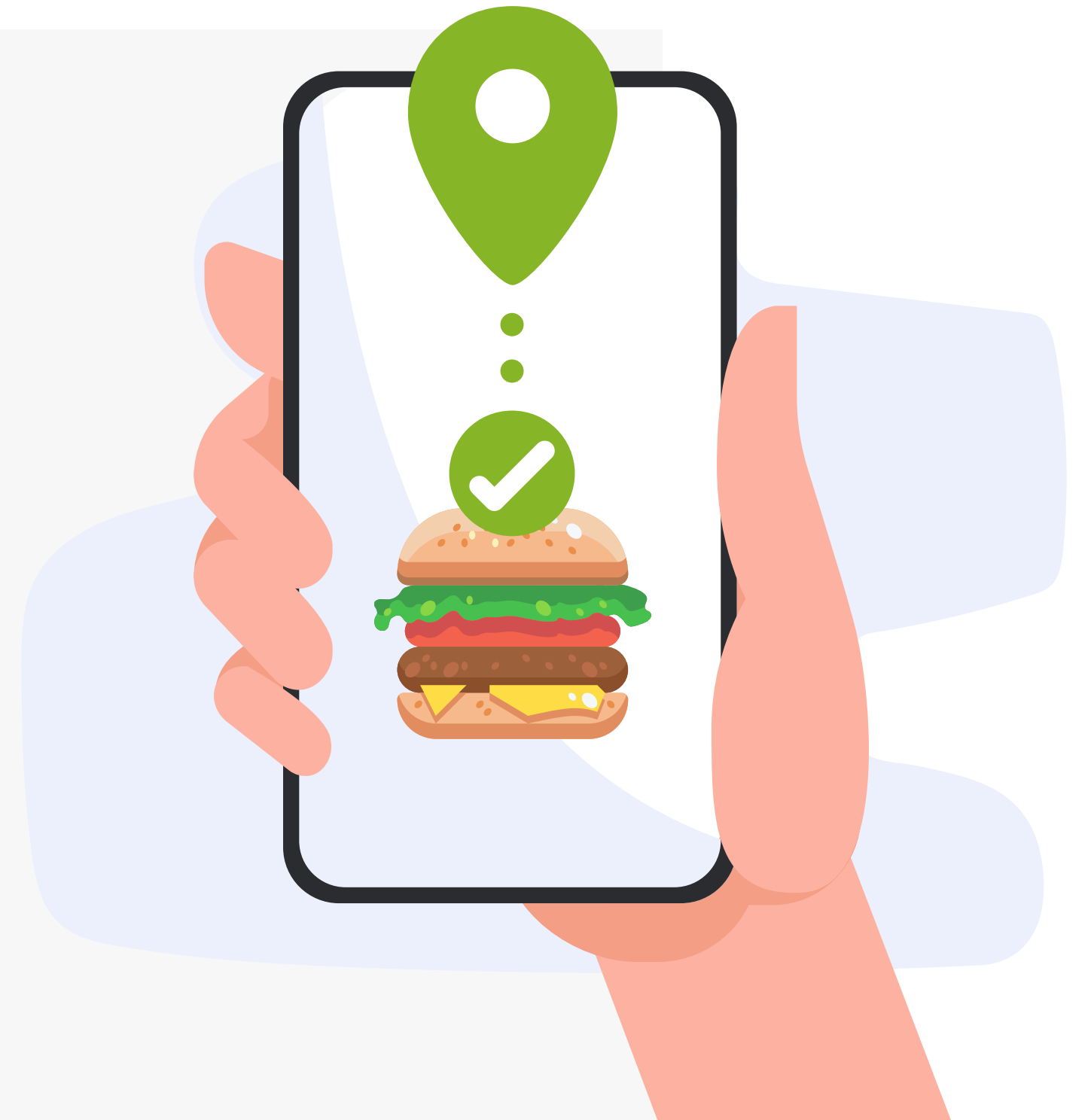
## First.

Which delivery model (A or B) might be a more suitable starting point for the new app? Explain your reasoning.

If you choose Option A (partnering), what factors would influence your decision on the commission rate (Option 1 or 2)?

## Second.

Imagine two future scenarios for the food delivery market: Rapid Growth and Market Saturation. How might these scenarios impact the chosen delivery model and commission rate?



# 03

## Navigating Uncertainty through Action and Planning

- Developing Risk Mitigation Strategies.
- Designing Testing and Prototyping Plans.
- Agile Strategies for Adaptability.





# Risk Managment

- What the risk managment proccess?
- Risk Assesment.
- What is the risk mitigation?
- What are the risk mitigation strategies ?



# Risk Management Process

Risk management is the comprehensive process of **identifying, assessing, prioritizing,** and **responding** to potential risks. It encompasses the entire lifecycle of risk, from initial detection to final resolution or mitigation.



# Risk Management Proccess



## 1- Risk Identification

This involves identifying and documenting potential risks that could affect the project or organization. Risks can come from various sources such as internal processes, external factors, technical issues, human factors, etc.

## 2- Risk Assessment

After identifying risks, they are assessed to determine their likelihood of occurring and their potential impact. This step involves analyzing and evaluating risks to prioritize them based on their severity and importance

## 3-Risk Treatment

Once risks are assessed and prioritized, mitigation strategies are developed and implemented to address the identified risks. This involves selecting and implementing appropriate measures to reduce the likelihood or impact of risks

## 4- Monitor & Report

Throughout the project or organizational activities, risks need to be continuously monitored to ensure that mitigation measures are effective. This step involves tracking the status of identified risks, assessing their effectiveness, and adjusting mitigation strategies as necessary to ensure risks are adequately managed.

# Risk Assessment Matrix



A risk assessment matrix, also known as a Probability and Severity or Likelihood and Impact risk matrix, is a visual tool depicting potential risks affecting a business. The risk matrix is based on two intersecting factors: the likelihood the risk event will occur and the potential impact the risk event will have.

| Likelihood/<br>Impact | Low Impact | Moderate<br>Impact | High<br>Impact |
|-----------------------|------------|--------------------|----------------|
| Unlikely              | Low Risk   |                    |                |
| likely                |            | Moderate<br>Risk   |                |
| Highly<br>Likely      |            |                    | High Risk      |

# Risk Assessment Matrix



## Define the Likelihood and Impact Scales

Likelihood (X-axis): This represents the probability of a risk occurring.  
Impact (Y-axis): This represents the severity of the consequences if a risk materializes..

## Identify Risks

Brainstorm and list potential threats and opportunities that could impact your project, business, or personal endeavor

## Analyze Each Risk

For each identified risk, assess its likelihood of occurring (using the defined scale) and its potential impact if it does happen (using the defined scale)

## Plot Risks on the Matrix:

Based on your likelihood and impact assessments, place each risk on the corresponding cell in the matrix. This will create a visual representation of the relative risk levels

## Prioritize Risks

Generally, risks positioned in the upper right corner of the matrix (high likelihood and high impact) are the most critical and require immediate attention. Focus your mitigation efforts on these high-priority risks.



# Risk Mitigation Diffention

**Risk Mitigation** Diffention refers to the process of **planning, developing, and implementing** strategies to **reduce the likelihood** of a risk occurring or to **minimize its potential impact**. It's a crucial aspect of various endeavors, including entrepreneurship, where unexpected challenges and uncertainties are commonplace.



# Risk Mitigation Strategies

## Risk avoidance

Completely eliminate the risk by not engaging in the activity that triggers it or modifying your approach to avoid the risk factor.



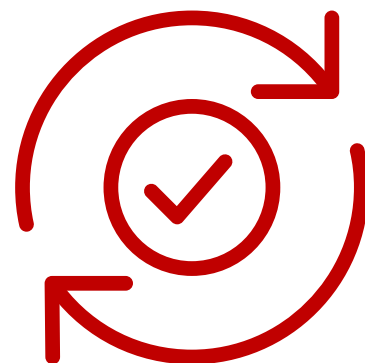
## Risk reduction

Implement controls and safeguards (e.g., procedures, policies, training) to lessen the chance of the risk happening or minimize its potential impact.



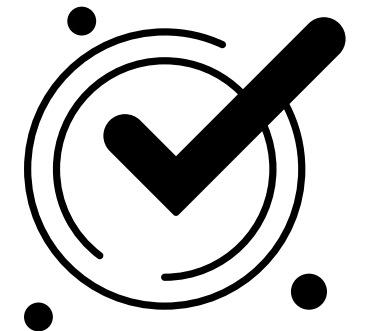
## Risk transfer

Shift the responsibility for bearing the potential consequences of the risk to another entity through methods like insurance, outsourcing, or joint ventures.



## Risk acceptance

Acknowledge the existence of the risk and choose to tolerate it without specific mitigation actions. This may be appropriate for low-probability, low-impact, or unavoidable risks.



# Group Excursive

You and a group of friends are planning a weekend camping trip to a nearby national park. You've booked a campsite and are excited to spend time outdoors together. But before you head out, it's important to consider potential challenges.

**Work together as a team to plan a safe, enjoyable, and memorable camping trip for everyone.**

In groups of 4-5 People, Develop a risk mitigation plan following the below instructions:



## **:1- Identify Risks:**

Brainstorm as a team! Think about potential threats and challenges that could impact your camping trip. Consider risks related to weather, preparation, wildlife encounters, and unforeseen circumstances.

## **2-Analyze Risks (3x3 Matrix):**

- Create a risk assessment matrix with two 3x3 grids:
- Likelihood: High, Medium, Low (represents the probability of a risk occurring)
- Impact: High, Medium, Low (represents the severity of consequences if the risk materializes)
- Discuss each potential risk and decide, as a team, how likely it is to happen (High, Medium, or Low) and how much it could impact your trip (High, Medium, or Low). Mark the risk on the matrix according to your ratings.

**3-Develop Risk Mitigation Strategies:** Based on your completed risk assessment matrix, prioritize the most critical risks (those positioned in the "High Likelihood" and/or "High Impact" cells). Work together to brainstorm and propose specific actions to mitigate or avoid these critical risks altogether.

**4-Presentation and Discussion:** Each team will present their risk assessment matrix, along with the identified risks, mitigation strategies, and the rationale behind your choices. Be prepared to answer questions and discuss alternative approaches suggested by other teams.

# Prototype Testing

- Difference between Prototype and Testing.
- Why do we test prototypes?
- Prototype test plan.





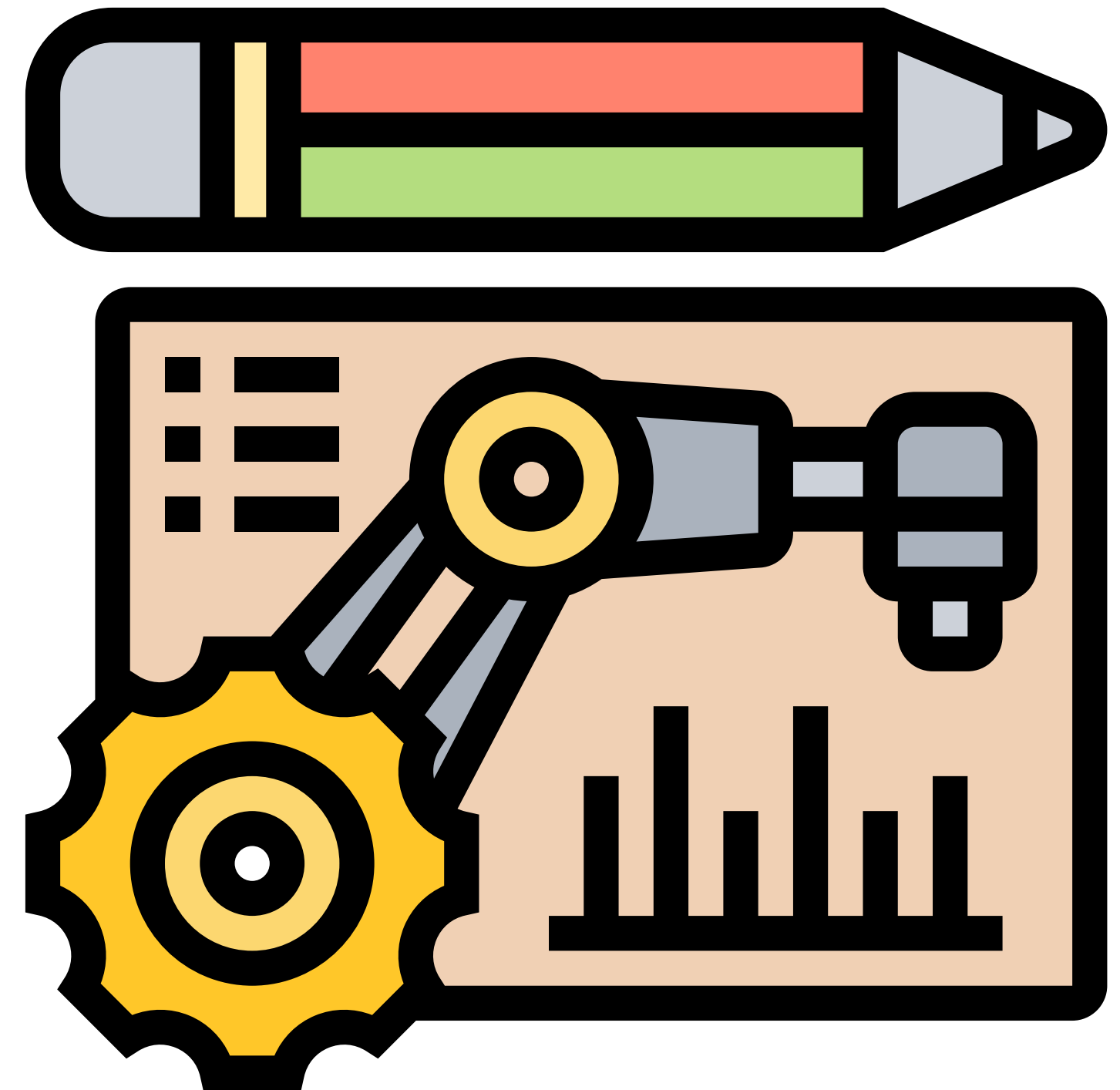
# What is the difference between Prototyping and Testing?

|             | Prototype  | Testing  |
|-------------|--|--|
| Defintion   | Representation of an idea/product/service                              | Process of evaluation  |
| Purpuse     | Visualization, feedback generation, iteration                          | Evaluation, validation, problem identification   |
| Tangability | Can be tangible (physical prototype) or intangible (digital prototype) | Primarily intangible, utilizes various methods to gather data and feedback   |
| Tangability | Early stages, before full-scale development                            | Throughout the development process, can be used with prototypes or final products<br>drive_spreadsheetExport to Sheets |

# What is Prototype Testing?

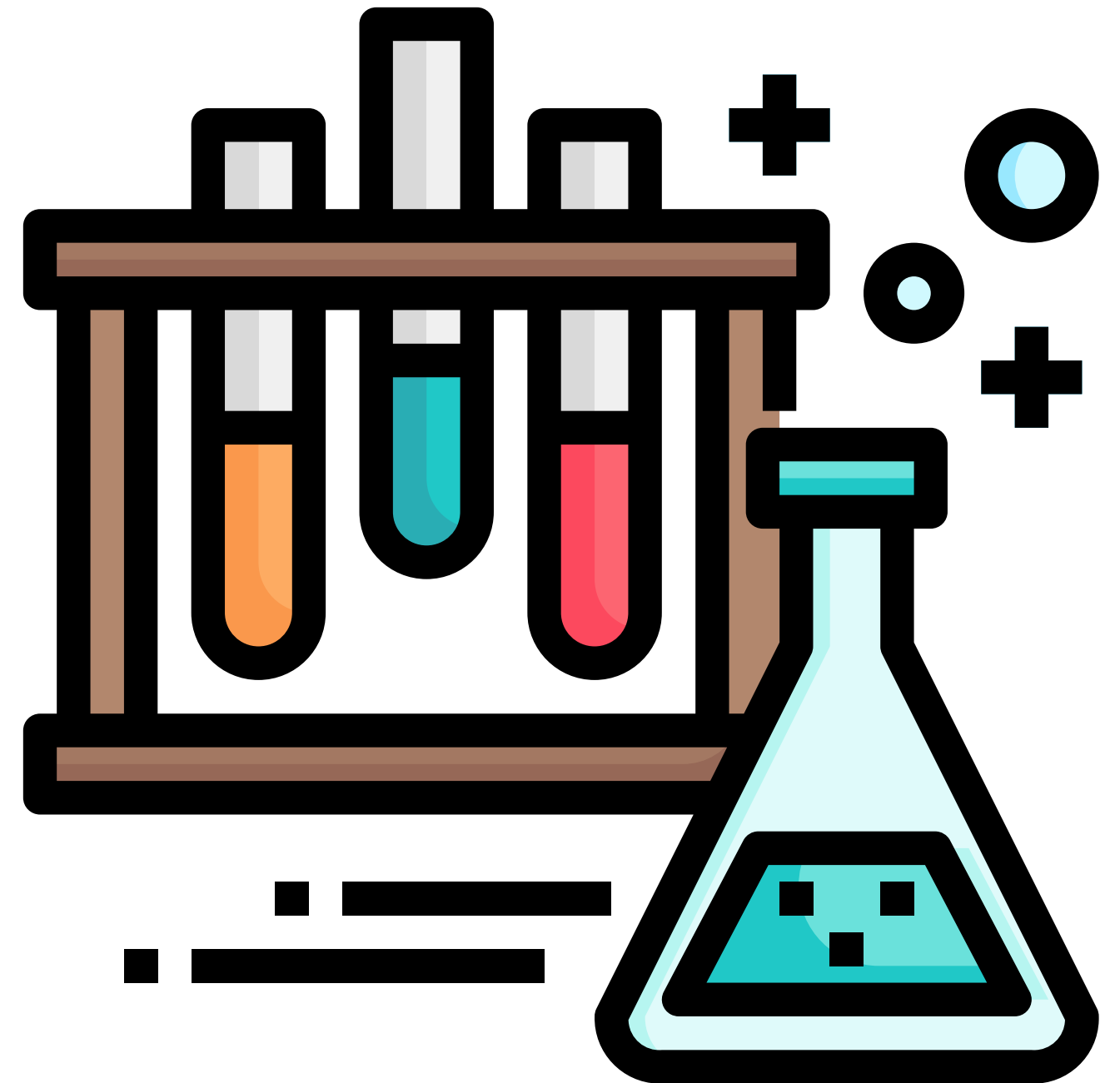


Prototype testing is the process of testing an early version of a product or feature with real users. The purpose of prototype testing is to validate the design before development starts and identify problems early on, so you can build a product that meets user needs and expectations.



# Why testing and experimentation is important to mitigating risks and validating ideas?

- Find design issues.
- Test your hypotheses.
- Get invaluable customer feedback early.
- Save a lot of Money.
- Get stakeholder buy-in.



# Types of prototypes



## Low fidelity

inexpensive and rough version of your product. It could come in the form of a wireframe, a homemade paper sketch, or a cardboard 3D model (if your product is physical)

## Medium fidelity (mid-fi)

a more developed view of how the product will work. It can be used to test paths and gather user feedback they can click on buttons and explore the product, and you can even test out specific user paths

## High fidelity

more expensive to develop, being very similar to the finished product. Hi-fi prototypes should be fully usable and have all the needed buttons, copy, and menus available for the user to review

# 10 Steps to test your prototype:

1. Know exactly what you're testing for
2. Pick a user research tool.
3. Create the prototype.
4. Choose the right audience.
5. Choose your testing method.
- 6- Give people a clear objective.
7. Pick the right questions to ask users.
8. Launch your test
9. Share the results.
10. Remember to check in with your use.





# AGILE

- The Definition and importance of Agility.
- The Agile Mindset.
- The Agile Framework
- Prioritization Tools



# What is Agility?

## Dictionary Definitions

### Definition #1

The ability to move your body quickly and easily: Agility.

### Definition #2

The ability to think quickly and clearly: Mental agility, Sharpness, Cognitive flexibility

### Definition #3

Ways of planning and doing work in which it is understood that making changes as they are needed is an important part of the job: Agile methodology, Agile work style, Adaptive project management



# Why We need Agile?



## Rise of Complexity and Rapid Change

The world is becoming increasingly complex and interconnected. Here are some key trends driving the need for agility:

### Technological Disruption:

Technological advancements happen at an ever-increasing pace. New tools, platforms, and processes emerge constantly, requiring businesses to adapt quickly to stay competitive. (e.g., Rise of e-commerce impacting traditional retail)



### Globalization:

Businesses now operate in a global marketplace, facing competition from all over the world. This necessitates understanding diverse customer needs and adapting strategies to different market conditions.



### Shifting Customer Expectations:

Consumers are more informed and have higher expectations than ever before. They demand personalized experiences, faster response times, and continuous innovation. Businesses need to be agile to meet these evolving demands.



### Regulatory Landscape:

Regulations and compliance requirements are constantly changing, requiring businesses to adjust their practices and processes accordingly.



# Limitations of Traditional, Rigid Approaches



Traditional, rigid project management methodologies often struggle to keep pace with the dynamic nature of today's business environment. Here's why:

## Slow Adaptation:

Traditional approaches rely on pre-defined plans with limited room for adjustments. This makes it difficult to adapt to unexpected changes or emerging opportunities.

## Limited Innovation:

Rigid structures can stifle creativity and innovation. Teams are less likely to experiment or take risks when locked into pre-defined processes.

## Communication Silos

Traditional hierarchies can create communication silos, hindering collaboration and information flow. This can lead to missed opportunities and slow decision-making.

## Inefficient Resource Allocation:

Inflexible plans can lead to inefficient resource allocation. Teams may be stuck working on outdated tasks while new priorities emerge.

# How would you manage if you are..

A company develops a marketing campaign based on extensive market research. However, by the time the campaign launches, consumer preferences have shifted, rendering the campaign ineffective.



A software development team meticulously plans a new product launch with a fixed deadline. However, a competitor releases a similar product unexpectedly, forcing the team to scramble to adjust their features and release schedule.



# The Agile Mindset

Having an agile mindset means that you're able to **respond quickly and dynamically to changes**. It's about **adapting** as you go and openly working in partnership with other members of the organization to discover the best solutions for company issues and customer needs.



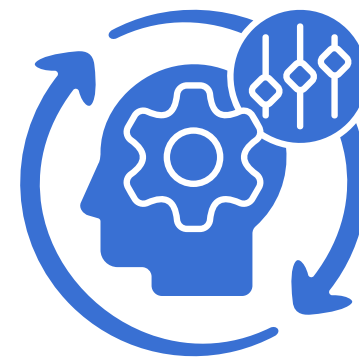
# The Agile Mindset

The agile mindset is a core component of successful agile practices. It's not just about using specific tools or methodologies; it's about cultivating a way of thinking and working that prioritizes:



## Learning

Agile teams understand that they won't have all the answers upfront. They embrace continuous learning through experimentation, feedback loops, and a willingness to explore new ideas.



## Adaptability

The ability to adjust strategies, processes, and plans based on new information or changing circumstances is crucial. Agile teams are comfortable with course correction and see change as an opportunity to improve.

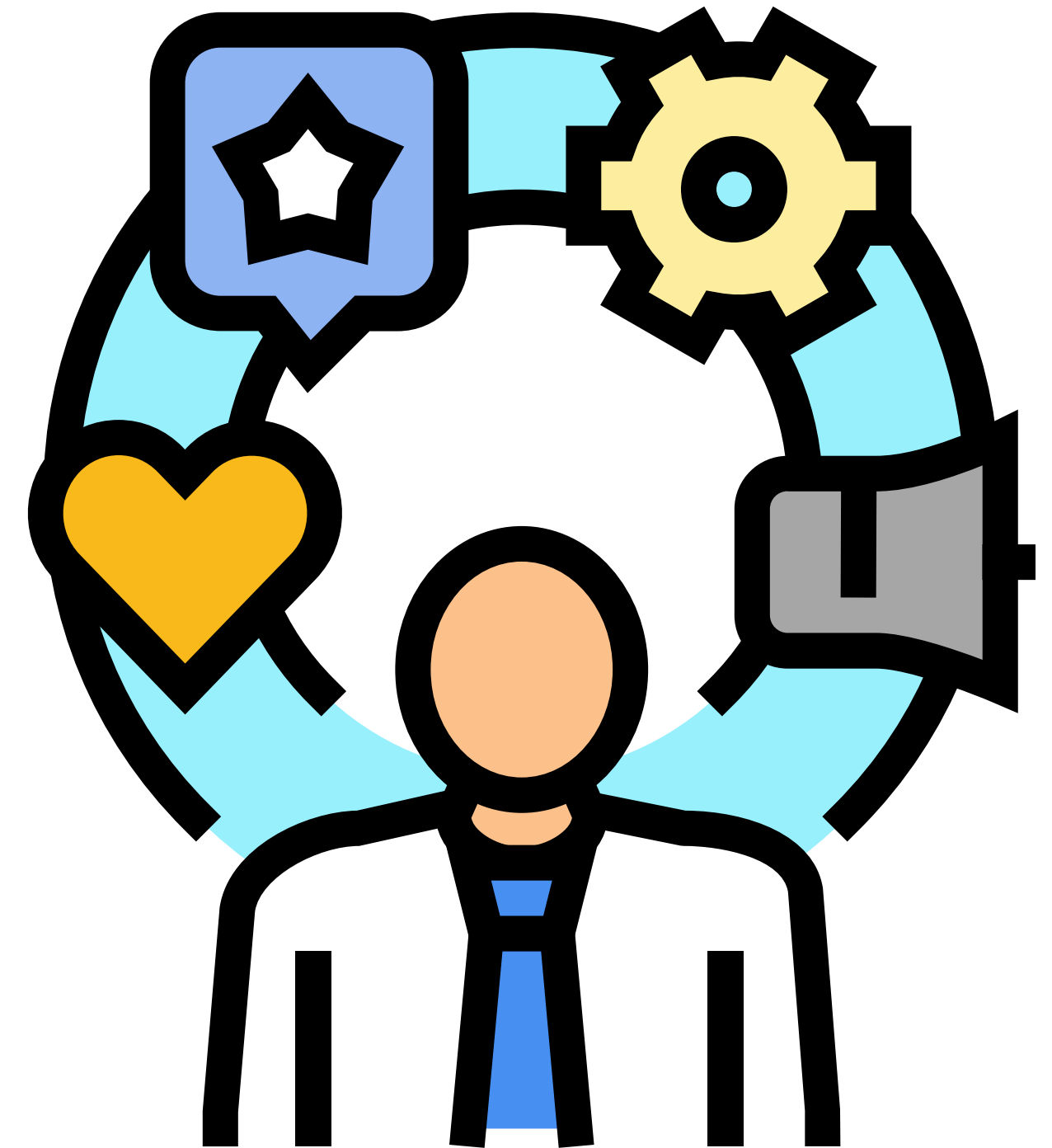


## Embracing Change

Rather than viewing change as a disruption, agile teams see it as a natural part of the process. They approach change with a positive attitude, seeking ways to leverage it for their benefit.

# The traits of an Agile Mindset

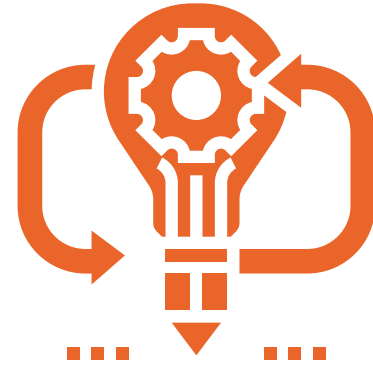
- You willingly **accept changes of all types** and keep a “*positive mental attitude*” (as Napoleon Hill stated), and somehow you seem to be happy in the midst of change while others are stressed and even overwhelmed.
- You have a true athletic perspective of **adapting to changing situations moment to moment.**
- You accept that the discontentment or **opposition and criticism from others is a part of life.**
- You do not subscribe to the notion of failure as an end state but **accept that success or learning (with improvement) are the only two options for completing work.**
- You focus on knowing and learning new things, which creates **curiosity**. This allows for a maturing desire to **continuously grow in your skills and knowledge** as a priority. This is where innovation occurs – inside of curiosity.
- Working with others is not only okay with you; it is something **you willingly and openly do, regularly.**



# The Agile Framework

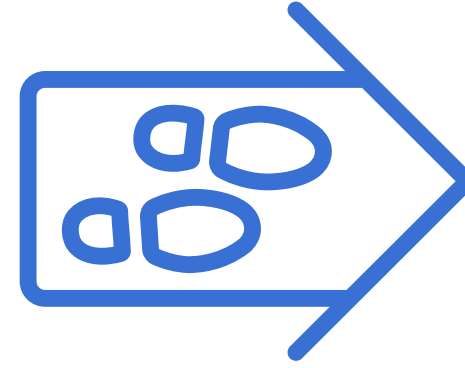


The agile framework encompasses a set of principles and practices that promote continuous adaptation and improvement in project management. Key principles include:



## Iterative Development

Break down projects into smaller, manageable chunks (iterations) and release working functionality frequently. This allows for early feedback and course correction



## Flexible Action Steps

Emphasize broad goals rather than rigid plans. Action steps within each iteration can be adjusted based on new information or changing priorities.



## Ongoing Evaluation

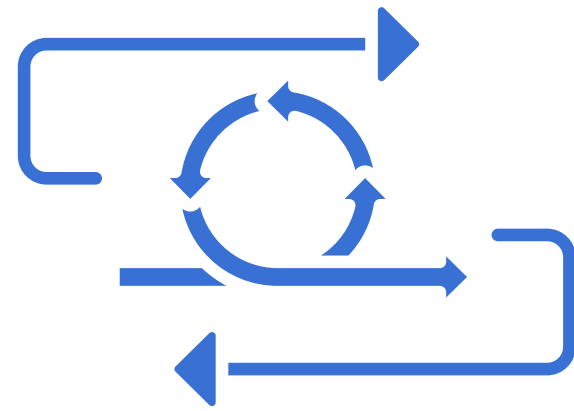
Continuously gather feedback from stakeholders and users to assess progress and identify areas for improvement. This feedback loop allows for adjustments to be made throughout the project lifecycle

# Benefits of the Agile Framework



## Increased responsiveness to change

Agile teams can easily adapt strategies and plans to address unexpected challenges or opportunities.



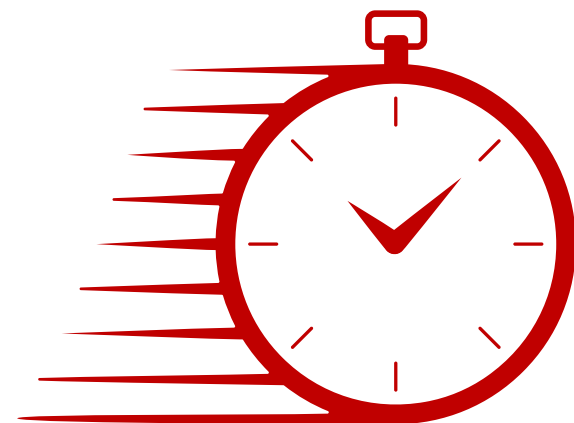
## Improved product quality

Continuous feedback and iterative development lead to a higher-quality final product that better meets user needs



## Faster time to market

Agile teams can release features and functionalities more quickly, allowing them to gain a competitive advantage



## Enhanced team morale

Agile practices promote collaboration and empower teams, leading to increased job satisfaction and motivation





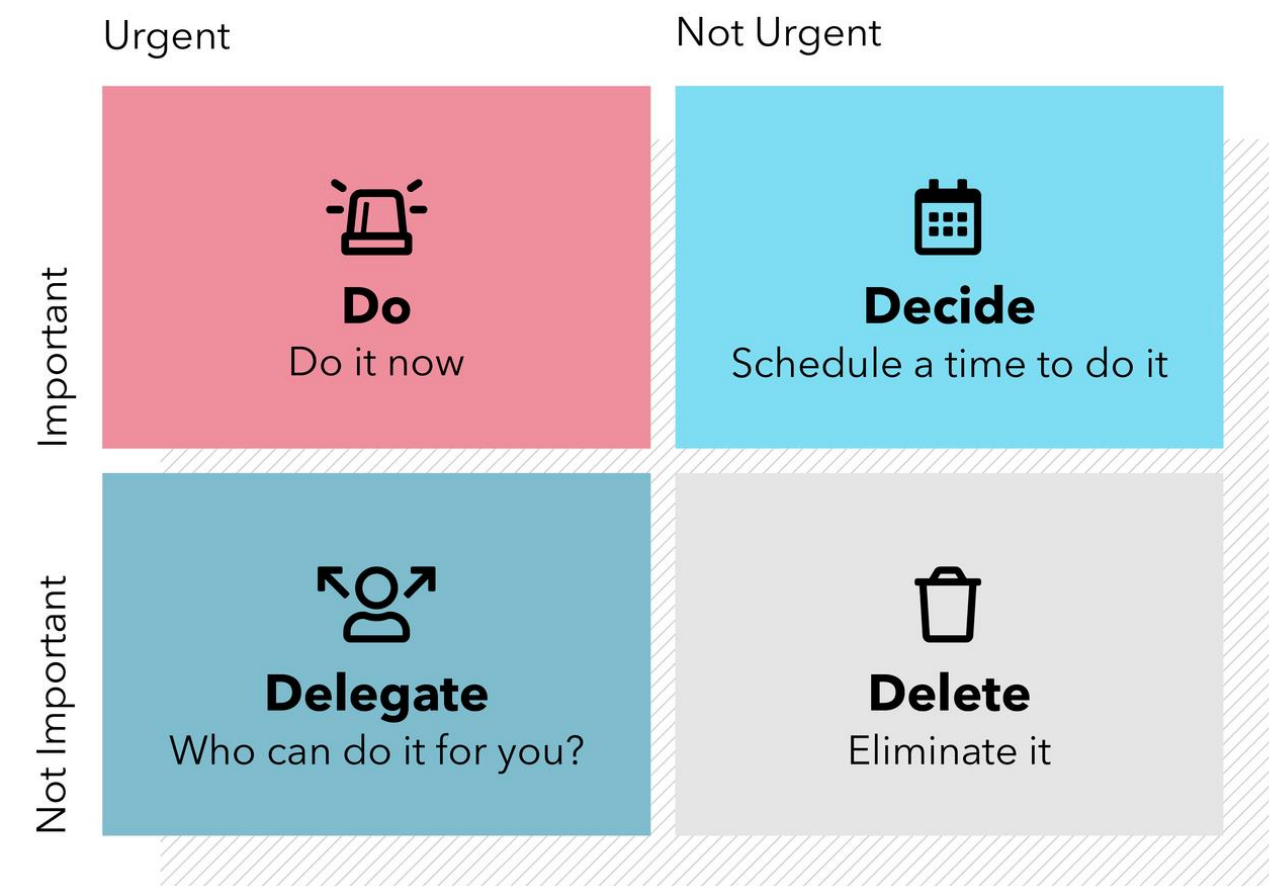
# Importance of Prioritization

in dynamic environments, clear prioritization is crucial for allocating resources effectively and focusing on tasks with the highest impact, especially when unexpected changes arise

## A- The Eisenhower Matrix

- 1. Draw the Matrix:** Urgent/Not Urgent vs. Important/Not Important. Creates 4 quadrants: Do First, Schedule, Delegate, Eliminate.
- 2. List Your Tasks:** Everything you need to do!
- 3. Categorize!** Urgent & Important = Do First. Not Urgent & Important = Schedule. Urgent & Not Important = Delegate. Not Urgent & Not Important = Eliminate.
- 4. Take Action!** Focus on Do First, plan Schedule, delegate tasks, and eliminate the rest.

### The Eisenhower decision matrix



## B – The MoSCoW Method

The MoSCoW Method is a popular prioritization technique used in agile project management and beyond. It stands for Must-Have, Should-Have, Could-Have, Won't-Have, providing a clear framework for categorizing project features, requirements, or tasks based on their importance and urgency. This method ensures that teams focus on delivering the most critical elements first while maintaining flexibility to adjust based on changing needs

M

These are the essential features or functionalities that are absolutely non-negotiable for project completion. They form the core foundation of the project and deliver its core value. Without Must-Have elements, the project wouldn't function as intended.

S

These features are highly desirable and significantly contribute to the project's success and user experience. While not strictly essential, they provide significant benefits and enhance the overall offering.

C

These features are considered desirable but not crucial. They might add some additional value or functionality but can be deferred or even eliminated if resource constraints arise or priorities change

W

These features are deemed to be outside the scope of the current project due to various factors such as resource limitations, time constraints, or strategic decisions. However, they may be reconsidered for future iterations or projects based on evolving needs and priorities

## Benefits of Moscow Method

### Clear Prioritization

Provides a structured approach for identifying and prioritizing project elements based on their importance and urgency.

### Enhanced Communication

Fosters communication and collaboration within the team as everyone works together to categorize features using the MoSCoW framework.

### Transparent Decision-Making

Creates a transparent decision-making process by establishing clear criteria for feature prioritization

### Flexibility and Adaptability

Allows for adjustments in project scope as new information emerges or priorities shift. By focusing on Must-Have features first, the project can still deliver value even if Should-Have or Could-Have elements need to be postponed.

### Effective Resource Allocation

Ensures resources are directed towards the most critical functionalities, optimizing project efficiency and maximizing value delivered

# Moscow Method in Practice

## Gather Stakeholders

Involve key stakeholders, including project managers, developers, product owners, and end-users, in the prioritization process.

## Brainstorm Features

Generate a comprehensive list of all potential features or requirements for the project.

## Categorize Features

Facilitate a discussion to categorize each feature using the MoSCoW framework. Consider both the impact on project success (importance) and the urgency of implementation

## Revisit and Adapt

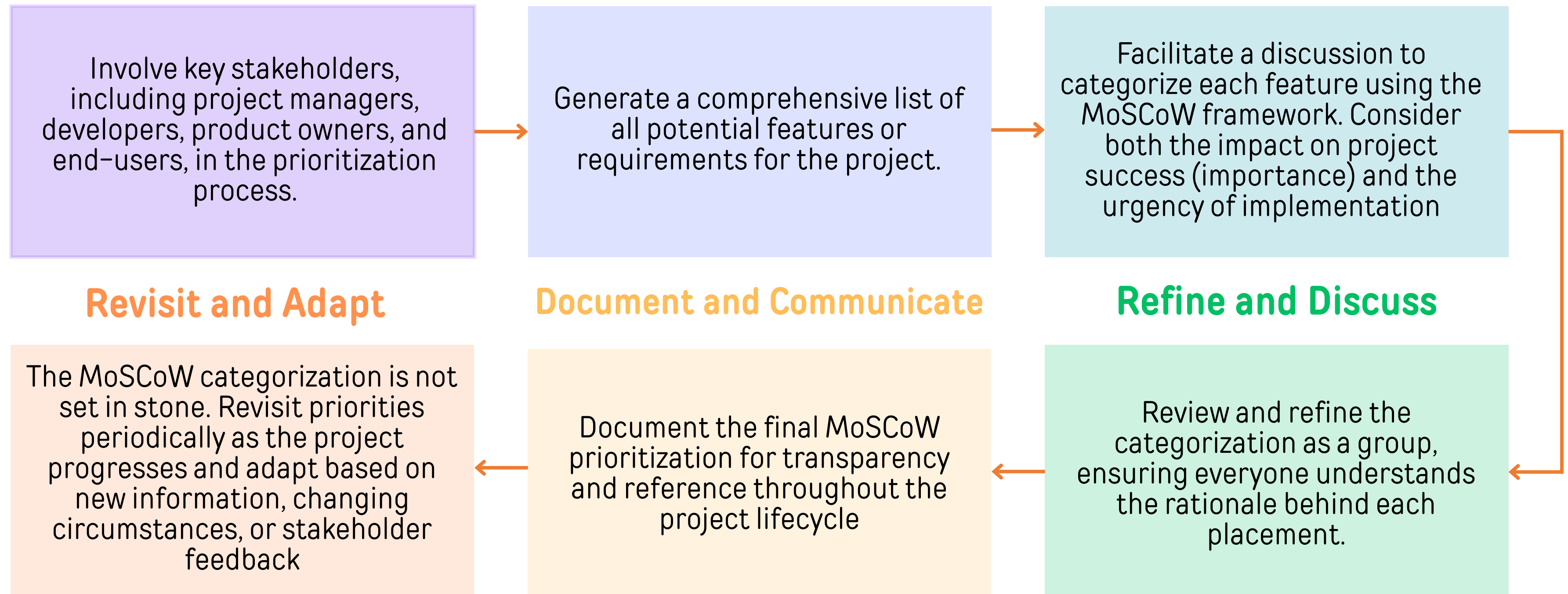
The MoSCoW categorization is not set in stone. Revisit priorities periodically as the project progresses and adapt based on new information, changing circumstances, or stakeholder feedback

## Document and Communicate

Document the final MoSCoW prioritization for transparency and reference throughout the project lifecycle

## Refine and Discuss

Review and refine the categorization as a group, ensuring everyone understands the rationale behind each placement.





# Prioritization in Action!

Imagine you're a team tasked with planning a fun and engaging learning event for new company employees. But there's a twist! **A last-minute budget cut** means we need to prioritize activities to create a valuable experience within limited resources.

**Your Mission:** Use the **Eisenhower Matrix** (urgency vs. importance) and the **MoSCoW Method** (Must-Haves, Should-Haves, Could-Haves, Won't-Haves) to create a prioritized list that delivers the most value within budget constraints.





## The Pre-defined Learning Event Activities:

- Photo booth for capturing memories.
- Welcome presentation and company overview.
- Team-building competition.
- Group karaoke night after the event.
- Interactive workshop on core company skills.
- Swag bags with company merchandise.
- Icebreaker activity to encourage socializing.
- Pizza lunch for refreshments.
- Thank-you email to new employees.
- Guest speaker on career development.
- Post-event survey to gather feedback.
- Tour of the company office space.



**Step 1:** We'll form small teams using the breakout rooms.

**Step 2:** Each team goes through the list of potential learning event activities.

**Step 3:** In your team, categorize each activity using the provided tools.

Focus on:

- Learning (Must-Haves & Should-Haves)
- Team Building (Should-Haves)
- Budget Flexibility (Could-Haves)

**Step 4:** Discuss your choices. Why did you categorize each activity that way?

**Step 5:** Each team presents their prioritized list and rationale to the class.

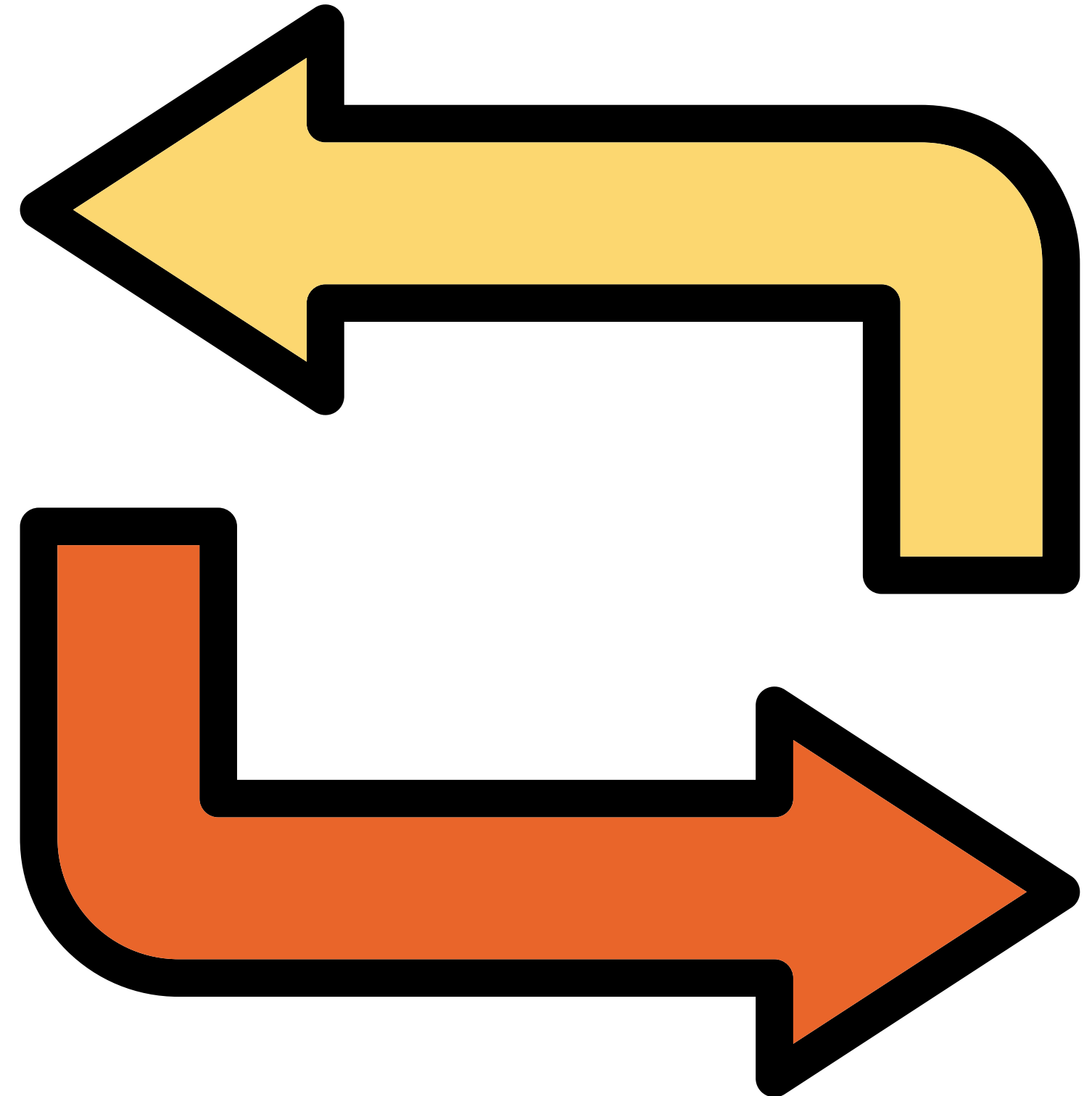


# Wrap-up

Revision  
Q&A



Revision



Throughout this training, we've explored the complex interplay between uncertainty, risk, and ambiguity. We learned how these factors influence our decision-making processes and the importance of structured frameworks to navigate these challenges.

### **Key Takeaways:**

- We distinguished between uncertainty (lack of knowledge), risk (potential negative consequences), and ambiguity (lack of clarity).
- We explored how uncertainty can impact decision-making, requiring us to gather information, consider contingencies, and embrace flexibility.
- We reviewed the steps involved in a structured decision-making process, helping us make informed choices.



- ✓ We learned about popular frameworks like SWOT analysis, cost-benefit analysis, and decision tree analysis to guide our decisions.
- ✓ We differentiated between decision tree analysis (focusing on specific choices) and scenario planning (envisioning a range of possible futures).
- ✓ We delved into the risk management process, with a focus on risk identification, assessment, mitigation strategies (avoid, reduce, transfer, accept), and continuous monitoring.
- ✓ Finally, we explored the power of the Eisenhower Matrix and MoSCoW Method to effectively prioritize activities even under limitations.

Remember: Uncertainty, risk, and ambiguity are inevitable aspects of life and business. However, by understanding these concepts and employing effective strategies, we can make informed decisions, adapt to challenges, and thrive in complex environments

Embrace continuous learning, hone your decision-making skills, and leverage the power of flexible methodologies like Agile. This will equip you to confidently navigate uncertainty and seize opportunities in the face of ambiguity.

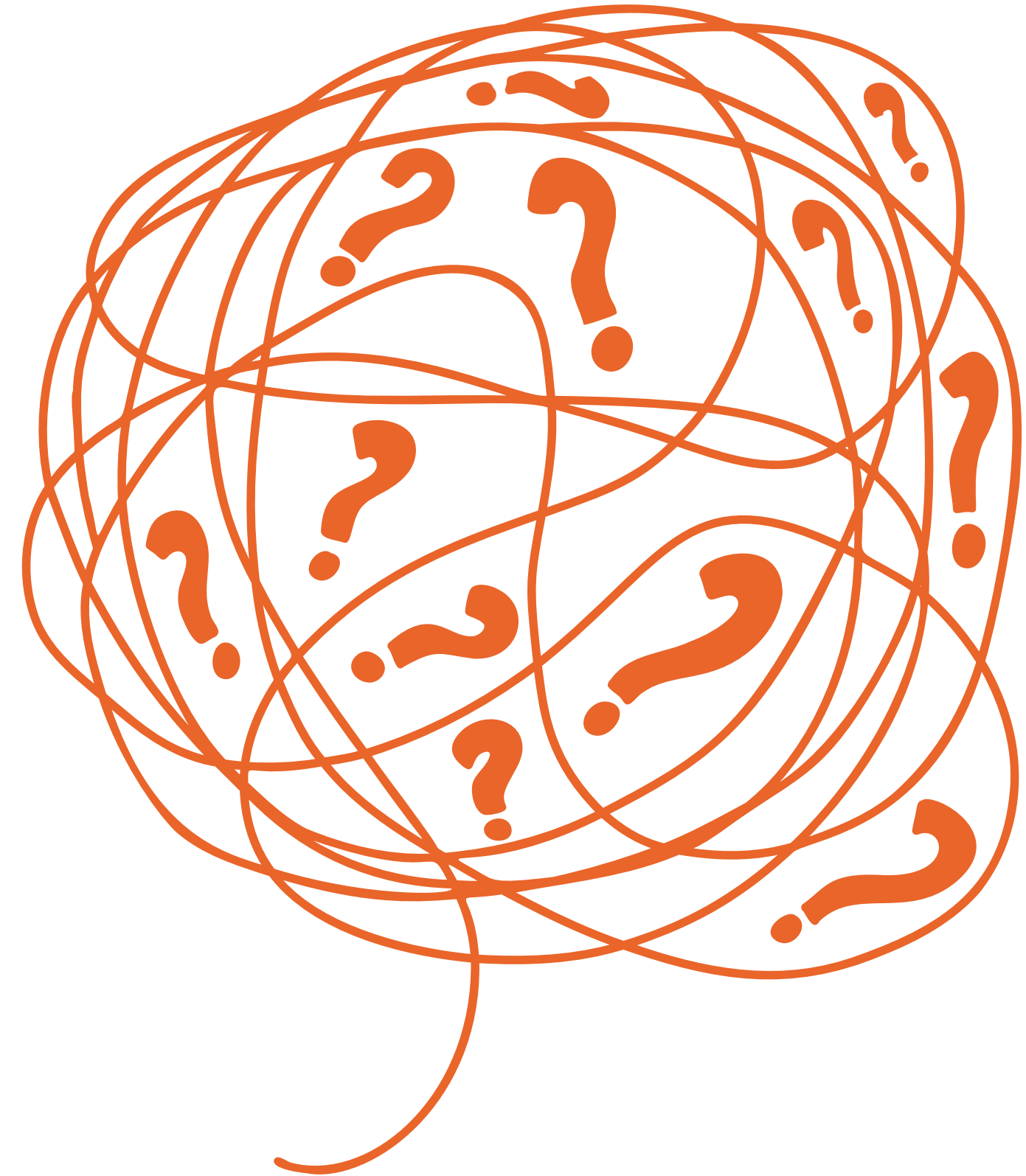
# Recap Questions



- What are the key differences between uncertainty, risk, and ambiguity?
- How would uncertainty impact decision-making?
- What is the decision-making process and what are its steps?
- What are some commonly used decision-making frameworks?
- What is the difference between decision tree analysis and scenario planning?
- What is the risk management process? How can we use the risk assessment matrix?
- What are the different risk mitigation strategies?

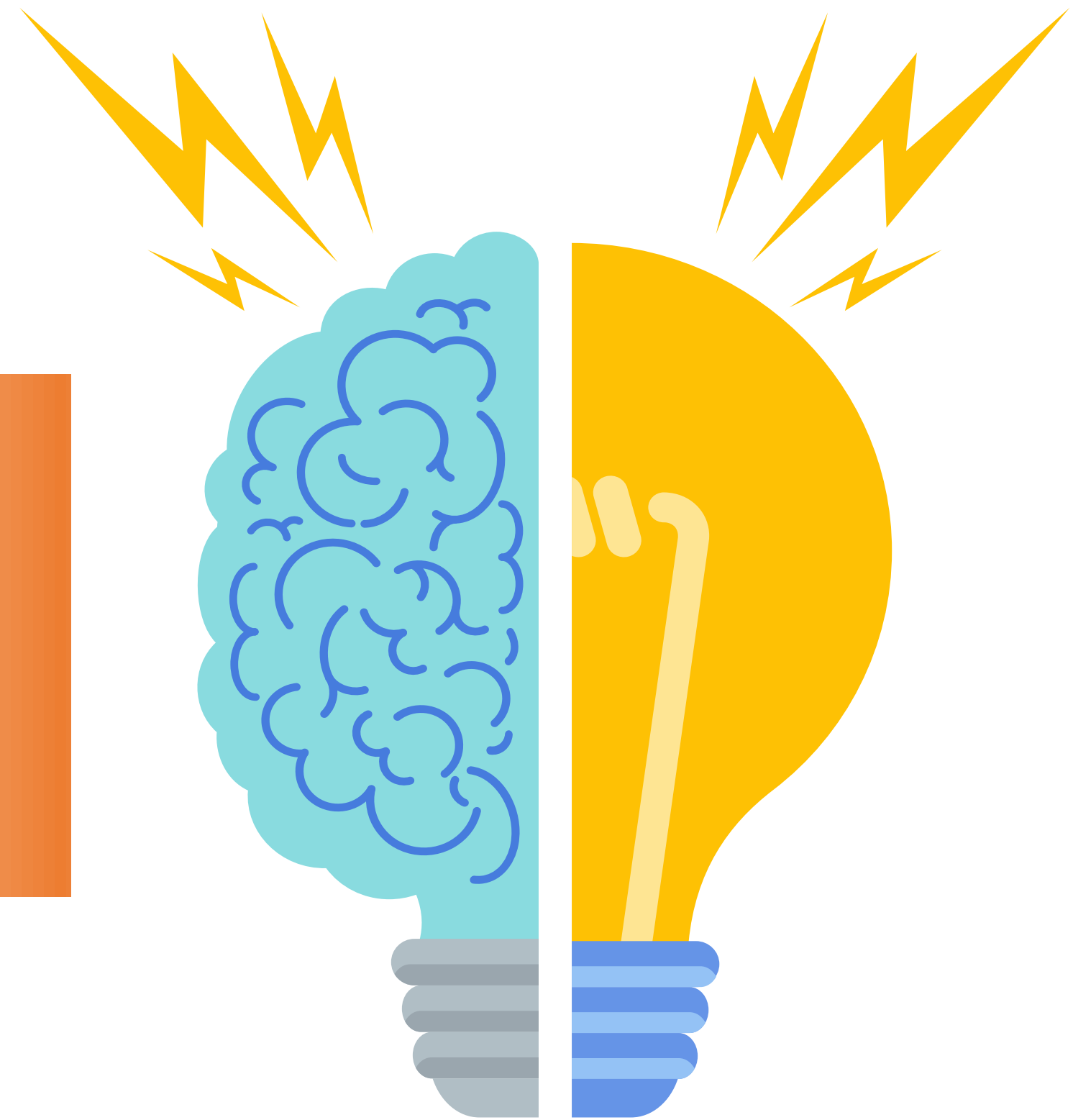
- What is the difference between a prototype and what are the different types of prototypes?
- What are the main steps to test the prototype?
- What is Agile and why is it important?
- What are the main traits of the Agile Mindset?
- What are Eisenhower Matrix and MoSCoW Method, and how can we use them in the prioritization of activities?





**Do you have any  
questions?**

What will you keep  
from  
today's training?



Training

**Evaluation**



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- Decisive: How to Make Better Choices in Life and Work by Chip Heath and Dan Heath (2013).
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Entrepreneurial Mindset and Key Skills for All

**Thank you!**



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