

Decision problem

Binford Tool Company is screening three new product ideas, A, B, and C. Resource constraints allow only one of them to be commercialized. The performance criteria and ratings, on a scale of 1 (worst) to 10 (best), are shown in the following table. The Binford managers give equal weights to the performance criteria.

a- Which is the best alternative, as indicated by the preference matrix method?

b- How to improve your decision ?

PERFORMANCE CRITERION	RATING		
	PRODUCT A	PRODUCT B	PRODUCT C
1. Demand uncertainty and project risk	3	9	2
2. Similarity to present products	7	8	6
3. Expected return on investment (ROI)	10	4	8
4. Compatibility with current manufacturing process	4	7	6
5. Competitive advantage	4	6	5