Chapter 1: Value flexibility – it propels sustainable decisions

Chapter 1 summarizes the approach and aims to bring about an open, action-ready mind set, confirming the need to use speed and comprehensive focus in dealing with strategic challenges. This understanding is prerequisite to sufficiently assessing the value of future strategies.

Chapter 2: Evolution of the new approach

Chapter 2 explains the Discounted Cash Flow (DCF) method in basic terms, illustrating the strict application for which it is best known. In a further step we discuss the reason this method is insufficient or even misleading when used to develop and assess strategies.

Chapter 3: Solving the mystery of uncertainty

Chapter 3 focuses on the issue of uncertainty: In what sense does uncertainty influence the outcome of an investment or strategic decision? How is uncertainty measured or estimated? And how can we take into account the interdependency of multiple uncertainty factors?
Chapter 4: Making bull’s-eye decisions in volatile settings
Chapter 4 shows how we can derive the future value of a strategy or an individual investment by calculating probabilities. It also demonstrates how the consideration of uncertainties improves the decision making process and results.

Chapter 5: Flexibility surprises – its significance and its value
Chapter 5 describes how alternative courses of action can be identified and actively shaped and how decision makers gain benefits by purposefully utilizing flexibility.

Chapter 6: The Total Value of today’s decisions ... and tomorrow’s
Chapter 6 presents the approach of calculating and interpreting the value of flexibility, which forms the basis for improving the decision making process.

Chapter 7: Taking action – applying DDM
Chapter 7 explains how Dynamic Decision Management could be implemented by the management board and gives key indications of DOs and DON'Ts based on several projects over the past five years from a range of industries and countries.
Chapter 8: Applying Dynamic Decision Management – four case studies

Chapter 8 provides an up close view of Dynamic Decision Management in everyday practice. We highlight advantages of applying the new approach based on firsthand experience. The four case studies make the benefits of this new and improved approach clear.

Appendix: Behind the scenes

The appendix presents insights and details about scientific methods and theories integrated in Dynamic Decision Management. Areas of focus include the computational model, stochastic, probabilities and DCF valuation.

Glossary 150
References 152
Acknowledgements 154
Authors 158