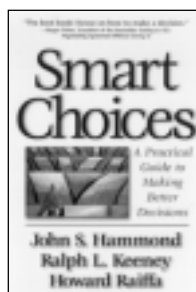


■ ANDREW RUPPEL, Feature Editor, McIntire School of Commerce, University of Virginia

Improve Locally, Be Aware Globally

Andrew Ruppel, Feature Editor

AS TEACHERS of the decision sciences, we seek ways to enhance the content of what we deliver. We are eager to discover new ideas and new ways of treating old ideas. We seek out useful works to add to our professional libraries and to support our classes. Here are some volumes that can help in these endeavors.



**Smart Choices:
A Practical Guide to
Making Better
Decisions**

by John S. Hammond,
Ralph L. Keeney, and
Howard Raiffa

Harvard Business
School Press, 1998,
224 pages.

www.hbsp.com

READERS SHOULD HAVE NO TROUBLE recognizing the names of the authors here. Each has long been associated with the field of decision making, particularly decision making under risk and uncertainty. What they offer us here is a very digestible presentation of the normative decision-making process. There are 11 chapters, each focusing on an aspect of that process: defining the decision problem; setting the objectives; generating alternatives; estimating their outcomes; making tradeoffs; factoring in risk and future connections; avoiding psychological pitfalls; and, making sound decisions become an integral part of one's thinking. Within each chapter, useful, direct section headings help develop the presentation. While the bulk of the material will be familiar to *Decision Line* readers, authors Hammond, Keeney, and Raiffa offer an approach to making trade-offs that some readers may not have had a chance to consider fully. The authors term the approach *using even swaps* and it is kin to Ben Franklin's side-by-side listing of pros and cons, followed by striking out offsetting line items. Essentially, even-swaps involve a cross evaluation of the consequences of alternatives in terms of one objective at time with the aim of developing equivalencies.

Through this technique, one can prune objectives just as one prunes alternatives by identifying the dominant ones. (In a somewhat contradictory manner, at one point the authors urge one to never stop looking for alternatives, yet elsewhere they say that one must know when to quit looking.)

While not explicitly couching portions of their presentation in terms of meta-decision making, the authors do advise the reader to be process-sensitive. That is, the decision maker should recognize that there are alternatives that deal with gathering additional information and buying time, and which need to be dealt with before the primary alternatives are handled. They point out that decision making typically turns out to be a recursive sequence of choose, learn from choice, choose again, and so on.

Their approach to risk involves developing a personal desirability curve. They recommend a percentage scaling of the attractiveness of monetary breakpoints, taken as pairs. Out of this process, one's aversion or propensity toward risk will be revealed.

Readers will appreciate the useful summary (in Chapter 10) of some common pitfalls that decision makers can encounter, e.g., over-anchoring, mis-estimating probabilities, and over-estimating the presence of a pattern. This chapter also provides the references to the studies that identified these psychological traps. The book has no index, but does give a detailed table of contents in the back ("A Roadmap to Smart Choices"). Overall, *Smart Choices* reads clearly and well. Its examples, presented as end-chapter applications, are engaging and each ends with a section explicitly drawing lessons from them. *Smart Choices* is strongly recommended for individual reflection as well as for use in adult education



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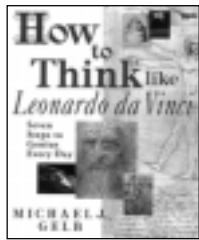
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short courses and as collateral reading with traditional academic texts on decision theory.



How to Think Like Leonardo da Vinci
by Michael J. Gelb

Delacorte Press, 1998,
322 pages.

www.bantam.com

SUBTITLED “SEVEN STEPS TO GENIUS EVERY Day,” one might be tempted to view this another of those over-the-top self-help books. And it is, to some extent, but the quality and attractiveness of the presentation of the material make it a worthy read. The author presents himself as a corporate consultant in the areas of creativity, learning, and leadership. A reading of his bio lends some, but not total, credence to his claim as being a Renaissance man. Apparently good at juggling and jiu-jitsu, cooking food and collecting art, Gelb does not, however, carve wood, nor lead an orchestra, nor rollerblade—at least as far as I can tell. But he can organize material well.

There are 14 chapters, grouped into three parts. The first part is a recounting of the many facets of da Vinci’s genius and times. The second part covers the seven da Vincian principles that the author wishes to impart to us. These are presented using Italian nomenclature. Allowing for the usual inadequacies in translating pithy terms from one language to another, the seven traits you should develop are: curiosity, empiricism, sensory refinement, tolerance for ambiguity, ‘whole brain’ thinking, graceful athleticism, and systems thinking. (Clearly, most DSI members are well along the road to developing these traits.) Each chapter covering a da Vincian principle has an appropriate historical introduction, a self-assessment quiz, exercises, and applications—including ones for parents. Part three provides the reader with a short course in drawing (an obvious da Vincian forte), with numerous exercises. A 60-plus item reading list along with other resource suggestions round out this interesting book, which is recommended for courses in creative problem solving as well as for use in personal development.



World Development Report 1998/99: Knowledge for Development
by The World Bank

Oxford University Press, 1999, 252 pages.

www.worldbank.org
www.oup-usa.org

ISSUED ANNUALLY, this volume provides more than just useful statistical tables concerning the countries of the world. It provides an extended report of what World Bank specialists see as the critical issues facing governments and international bodies. Among those critical issues are disparities between and among countries and regions with regard to knowledge and information. By knowledge, the report means *how* to do something; by information, it means *what* the properties of something are. For example, knowledge of how to utilize a computer network to process crop loans coupled with information about the credit worthiness of the loan applicants. Or, how to plant a particular crop coupled with information on the best seeds to use.

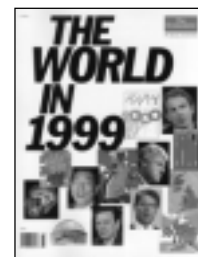
The report authors see the R&D spending gap across countries and regions as much greater than the per capita GDP gap. By R&D, they include educational spending and the development of telecommunications infrastructure, as well as the usual outlays for scientific and engineering research. What will it take to close the gap for the 4 billion people of the developing world? Three pieces of advice are offered to developers and developpees alike:

1. Develop institute policies to encourage more investment in education and communication.
2. Undertake more cooperative efforts to compile and disseminate information, such as the Global Knowledge Partnership (www.globalknowledge.org);
3. Keep ‘plugging away.’

The World Bank’s announced aims in proffering this advice are to generate more social benefits and to create better functioning markets.

As a document, this is an attractive, well-organized report. Its 10 chapters are divided into three parts around the

Knowledge Gap, Information-Problem, Policy-Priorities themes. Of particular value to business educators is the chapter on processing an economy’s financial information. There are over 100 figures, graphs, tables, and text boxes deployed throughout the 10 chapters. One particularly interesting figure shows a ranking of economies by the extent to which their telephone network is digitized. It reveals that low-end economies can leapfrog into a favorable position by combining cellular phone technology with digital systems. Doing this eliminates the time and geography costs that burden analog telephony systems. While the various graphs provided the right level of detail, I found one whose heading seemed incorrect. The graph displayed math exam scores vs. per capita GNP. Its heading proclaims that no obvious relationship appears between the two, but my reading of the plot says it’s a positive relationship, even when some outliers are disregarded. In addition to the usual end-of-book technical notes and bibliography, there are 24 lengthy tables of data on selected development indicators listed by country. More appropriate for courses in international affairs, this volume will also be of interest to international business instructors.



The World in 1999
by the Editors of *The Economist*

The Economist Group,
1998, 114 pages.

www.theworldin.com

AVAILABLE ON THE NEWSSTAND at each year’s end, this useful review follows the structure of the regular weekly publication. Namely, there are sections covering the major regions of the globe, plus Britain, along with sections on business, finance, and science. Printed on heavy, glossy stock, with bigger type and color illustrations, the annual issue’s important distinguishing feature is the forecasts by country and industry. The forecasts are distillations of profiles produced for *The Economist*’s more expensive Country Reports’ subscription series. Sprinkled throughout the text are

special essays by thoughtful journalists and leading figures, e.g., Juergen Schrempp, James Wolfensohn, and Michael Dell. The essays are grouped into themes (economics, politics, etc.), the most interesting—and appropriate—of which is entitled “Headaches ’99.” Under this heading are essays discussing the Italian government, emergence of tuberculosis in Russia, fraudulent scientific results, the global commodity price collapse, and Japan’s derailed

economy. The Euro, at this point, doesn’t seem to be among the headache list entries. Indeed, it is the non-joiners (Britain, Sweden, Denmark, and Greece) who are having the headaches. Also sprinkled throughout the review are some ‘mini-predictions’—mini only in length of description as opposed to magnitude of consequence. Example: “Russia will have hyper-inflation: one way to wipe out bad debts.” (After the hyperinflation of Weimar-Germany, more than bad

debts were wiped out.) Of course, there are the usual *Economist* quips as photo captions and its valuable outsider’s view of U.S. politics. Even if you are not a regular reader of *The Economist*, this special issue is worthy of your attention in keeping up with the fast-changing globe. ■

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