

Front End Loading in new product development  
**“Decision making and Innovative Made in Japan”**  
— Visualisation and Quantitative risk assessment —

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### **Simon's “Decision Making”**

In a JQ International Review six years ago, I shared his views on the decision-making of Nobel laureate Herbert Alexander Simon. Even today, decision-making is still the most active and essential part of business activity, and decision-making is undoubtedly a problem-solving activity. Simon also states that in reality, no Executive can make the perfect and complete form of decisions, and even by using ICT is impossible. He says that the decision-making process should not seek the perfect solution but rather increase the rationality of the decision. It seems that this matches, even amid the impact of COVID-19.

Simon's specific decision-making process is based on six methods: factual assumptions, value assumptions, enumerating alternatives, predicting the consequences of other options, evaluating alternatives, and selecting choices. Simon's main point supposed to be that decisions are made in three situations: "some decisions are not perfect, even after collecting and analysing a lot of material", "some decisions are perfect and well-defined", and "some decisions are somewhere in between".

To make rational decisions, Simon concluded that it is essential to break down too abstract issues, separate the unclear from the clear, and accumulate and collect as many factual assumptions as possible to make structured decisions. I can say that It is the very essence of front-end loading in new product development. The author (Jonquil) has proposed RCOM (Risk Control Method) to visualise and quantify the new product development process and has currently been helpful for the development of many companies. However, recent researchers collect and analyse information on the internet regarding research and development that embodies new product development, but they likely neglect deeper quests. Therefore, we stay in the realm of, as Simon says, non-structural or semi-structural decision-making. In the end, we often encounter situations where risks are exposed when the process is squeezed.

### **Revival of “Innovative Made in Japan”**

To put this ambiguity in Simon's terms: "First of all, there is objective knowledge, information, and technology that are prerequisites when making a decision, and it is essential to consider them. However, the problems we encounter

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have personal subjectivities and values that cannot be understood objectively. but that is okay. " He probably means that If you cannot know, no matter how much you think about it, you could judge it based on your subjective values. However, while he said that we should make decisions based on subjective values for what we don't know, he also said that we should list some, if not all, alternatives for decision making before making the final decision.

Now that we are getting over COVID-19, the decision-making method seems to follow a consistent process, but with no options and(or) been processed in old-fashioned knowledge and actions. Therefore, as the economic crisis progresses, it appears that companies are making decisions that cannot produce "the innovative Made in Japan" products, despite the opportunity to have more expansion.

If we can sweep away these past shackles and accept Simon-style decision-making honestly, I think we might be able to make a new start in new product development. If you let me summarise it, I can say that the new decision making means putting aside past information and obtaining forward-looking information and making decisions based on that information. If we can proceed with these things, we should be able to achieve the revival of "Innovative Made in Japan".