**Decision Tree – Template**

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| **4. Evaluate the different options by estimating the revenue expected for each of the outcomes.** | |
| **Option** | **Expected revenue** |
| 1 | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. |

|  |  |
| --- | --- |
| **5. Evaluate the probability of each of the possible results for step 3.** | |
| **Option** | **Probability of possible results** |
| 1 | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. |

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| --- | --- | --- | --- |
| **6. Calculate the potential value of each uncertain outcome by multiplying its probability of occurrence by the estimated expected revenue.** | | | |
| **Option** | **Probability of possible results** | **Estimated revenue** | **ProbabilityXRevenue Total** |
| 1 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |

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| --- | --- | --- | --- |
| **7. Calculate the value for each of the branches of the decision tree by subtracting the estimated cost of each option from the expected outcome value.** | | | |
| **Option** | **Expected outcome value** | **Estimated cost** | **Total value for option** |
| 1 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |
| 2 | Click or tap here to enter text. | Click or tap here to enter text. | Click or tap here to enter text. |

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| **8. The option that provides the largest total value is selected.** |