

PMI Analysis

PMI analysis is a technique used to support group decision making. Its objective is to improve the quality of decisions through an examination of the pros and cons of proposed ideas and directing the attention of group members to different outcomes. The letters PMI represent columns that are used in the classification of effects emanating from the execution of a proposed decision. Effects are categorised as 'Plus' or positive; 'Minus' or negative; and 'Interesting' and requiring further consideration. Positive effects are assigned a positive numerical score, while negative effects are designated a negative score. These effect scores are then summed to determine a total score for each proposed decision. Decisions with positive total scores are generally executed, while those with negative total scores are either dropped or improved.

Using 'PMI Analysis'

<u>Step 1:</u> A sheet of paper is divided into three columns, one for positive consequences, one for negative consequences, and the third for interesting consequences.

<u>Step 2:</u> A workshop or session is undertaken where a decision and its probable effects are considered. The probable effects identified are then assigned to one of the three columns from the previous step.

<u>Step 3:</u> A score is allotted to each of the effects items in each of the columns. A positive score, usually +1, to items in the 'Positive' column; a negative score, usually -1, to items in the 'Negative' column; and scores of either +1 or -1 to items in the 'Interesting' column, depending on their degree of positivity or negativity.

<u>Step 4:</u> The total scores for each column for each proposed decision are then calculated. The three columns are then added together and decisions regarding whether to proceed with a decision are made on the basis of whether the value is positive or negative.