309.3.3-04 Decision Tree Chart

## Should the company develop a new product or consolidate?

		Probability	Market Reaction	<b>Predicted Gains</b>
	Develop Thoroughly	0.4 0.4 0.2	Good Moderate Poor	\$500,000 \$25,000 \$1,000
Develop New Product	Develop Rapidly	0.1 0.2 0.7	Good Moderate Poor	\$500,000 \$25,000 \$1,000
Consolidate Existing Product	Strengthen Products	0.3 0.4 0.3	Good Moderate Poor	\$200,000 \$10,000 \$3,000
	Reap Without Investing	0.6 0.4	Moderate Poor	\$10,000 \$1,000