THE PRODUCT DECISION RISK MAP

A practical framework for seeing how one product decision can affect the entire business.

Use this map before committing to tooling, changing suppliers, restarting development, redesigning a product, or preparing for launch.

08

CONNECTED LENSES. ONE COMMERCIAL SYSTEM.

IDEA HOUSE & CO.

BETTER DECISIONS LEAD TO BETTER PRODUCTS.

ONE DECISION RARELY STAYS IN ONE LANE

01 / SEE THE COMPLETE CONSEQUENCE CHAIN

A decision to change a material, finish, supplier, or design approach can impact more than the immediate change. A product is a connected commercial system. Start with the decision. Then test how its consequences travel across the complete product system.

EXAMPLE DECISION (REASON)

06. COST & CAPITAL
Select the lowest component quote.

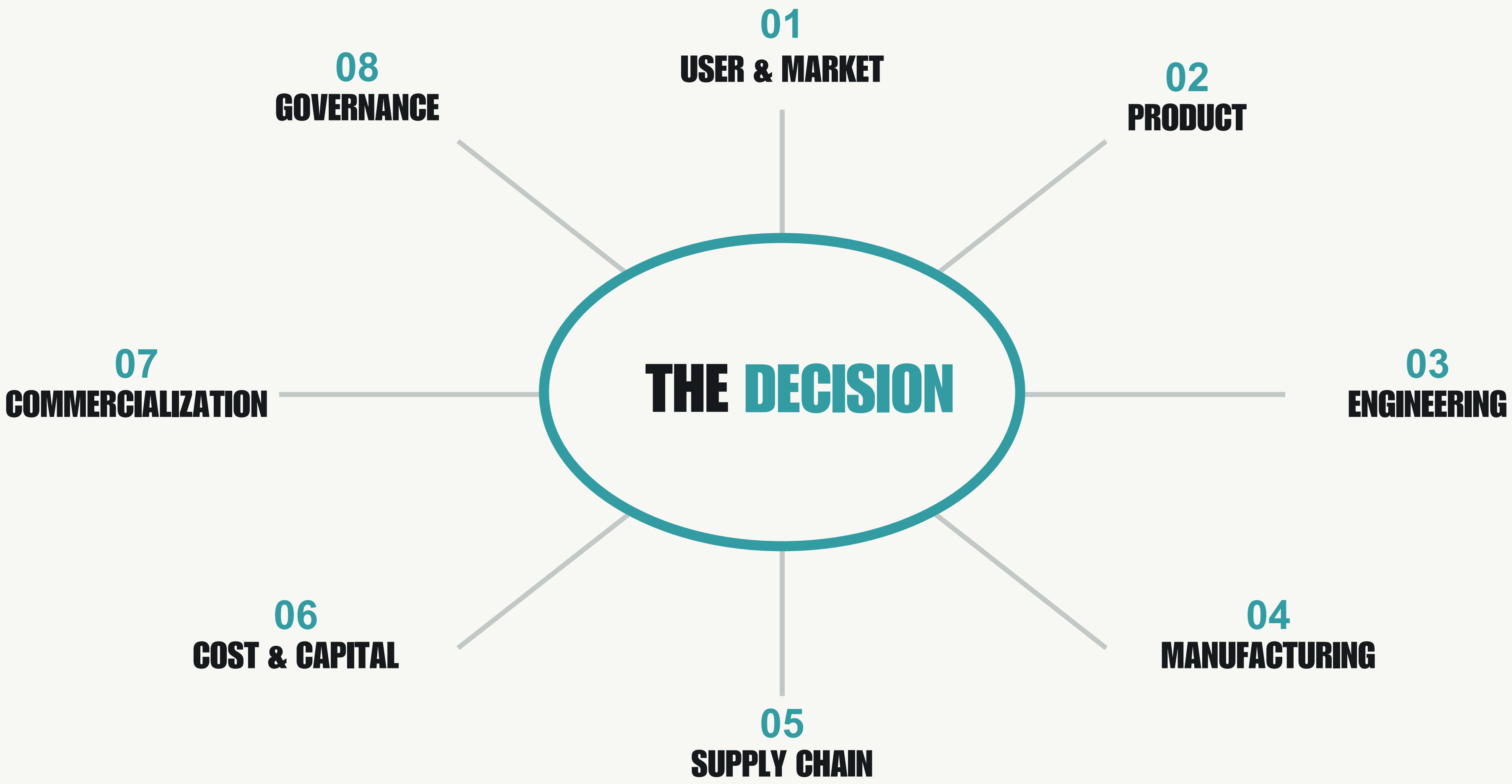
POTENTIAL CONNECTED EXPOSURE

03 ENGINEERING
- COST TO VALIDATE SUPPLIER

04 MANUFACTURING
- LONG LEAD TIME (OFFSHORE)

05 SUPPLY CHAIN
- HIGH MOQ/ COD TERMS

08 GOVERNANCE
- LEGAL RECOURSE REDUCED (OFFSHORE)



ISOLATED DECISIONS CREATE CONNECTED RISK.

Review the complete consequence chain before committing capital.

HOW DO I USE THIS?

02 / EXPLANATION: LENS

This tool assesses the depth and width of impact a decision has in an organization. The lenses below explain the context to review.
Each lens will then be rated 1-3:

WHICH LENS IS IMPACTED:

1. Primary (1pt) - This is the lens that is causing the change
2. Minor (2pts) - These lenses are those impacted by the change but are not costly
3. Major (3pts) - These lenses are those impacted by the change and are costly

HOW MUCH CAN BE MANAGED:

1. Low (1pt) - This lens is not contractually affected and is maintained
2. Medium (2pts) - This lens is impacted contractually, inventory, or procedurally
3. High (3pts) - This lens experiences major costly changes to supply/ distribution

01
USER & MARKET
View through the customer. Does it change the need, experience, demand, claims, or product promise?

02
PRODUCT
View through the product system. Does it change function, variants, interfaces, serviceability, or future flexibility?

03
ENGINEERING & LIFECYCLE
View through performance and proof. Does it change safety, compliance, durability, validation, or service life?

04
MANUFACTURING
View through repeatability. Does it change process, assembly, tooling, tolerances, inspection, or production yield?

05
BOM & SUPPLY CHAIN
View through control and continuity. Does it change ownership, sourcing, availability, lead time, MOQ, or logistics?

06
COST, MARGIN & CAPITAL
View through financial exposure. Does it change COGS, tooling, freight, inventory, cash, margin, or working capital?

07
COMMERCIALIZATION
View through market delivery. Does it change price, packaging, channel, launch timing, support, or customer communication?

08
GOVERNANCE
View through accountability. Is the decision documented, revision-controlled, approved, assigned, and traceable?

TEST THE DECISION THROUGH EIGHT CONNECTED LENSES

03 / SYSTEM IMPACT REVIEW

Explore each sector of potential impacts from the pending decision.
Work left to right and analyze each for:

1. **Primary (1pts)** - The main reason for this proposed decision or change
2. **Minor (2pts)** - Making this decision carries changes but no cost
3. **Major (3pts)** - Making this decision carries cost, redesign, recall, or mold change

01
USER & MARKET
Does it change need, experience, demand, or claims?

PRIMARY ☐ MAJOR ☐ MINOR ☐

02
PRODUCT
Does it change function, variants, service, or future flexibility?

PRIMARY ☐ MAJOR ☐ MINOR ☐

03
ENGINEERING & LIFECYCLE
Does this change the standards or require validation of this change?

PRIMARY ☐ MAJOR ☐ MINOR ☐

04
MANUFACTURING
Does it change process, assembly, tolerance, or inspection?

PRIMARY ☐ MAJOR ☐ MINOR ☐

05
BOM & SUPPLY CHAIN
Does it change ownership, sourcing, continuity, or logistics?

PRIMARY ☐ MAJOR ☐ MINOR ☐

06
COST, MARGIN & CAPITAL
Does it change COGS, tooling, freight, cash, or margin?

PRIMARY ☐ MAJOR ☐ MINOR ☐

07
COMMERCIALIZATION
Does it change price, packaging, channel, launch, or support?

PRIMARY ☐ MAJOR ☐ MINOR ☐

08
GOVERNANCE
Is it documented, revision-controlled, approved, and owned?

PRIMARY ☐ MAJOR ☐ MINOR ☐

UNDERSTANDING THE REASON FOR A CHANGE AND THE IMPACT IS THE FULL SCOPE TO ANALYZE.

A decision in one area can create compounding impacts across the business.

MANAGEMENT BURDEN

04 / MANAGEMENT BURDEN REVIEW

Leverage refers to the amount of control a product team has or how much is leveraged through each lens, short- and long-term commitments. Explore each sector of leverage the decision carries.
Work left to right and analyze each for:

1. **Low (1pts)** - The impacts from the decision have little or NO impact outside the team's ability to control.
2. **Medium (2pts)** - The impacts from the decision cause redirection (loss of inventory, new distribution, etc.)
3. **High (3pts)** - The impacts from the decision introduce long-term commitments (new supplier, funding, etc.)

01
USER & MARKET
Can our team implement without impacting the customer experience?

LOW ☐ MEDIUM ☐ HIGH ☐

02
PRODUCT
Will this change or decision change how our product operates?

LOW ☐ MEDIUM ☐ HIGH ☐

03
ENGINEERING & LIFECYCLE
Will this decision required testing or validation?

LOW ☐ MEDIUM ☐ HIGH ☐

04
MANUFACTURING
Does our team lose control of the schedule or terms (cash flow)?

LOW ☐ MEDIUM ☐ HIGH ☐

05
BOM & SUPPLY CHAIN
Does this decision impact other components?

LOW ☐ MEDIUM ☐ HIGH ☐

06
COST, MARGIN & CAPITAL
Does this change impact margins or require additional capital?

LOW ☐ MEDIUM ☐ HIGH ☐

07
COMMERCIALIZATION
Does this decision impact any contractual agreements for distribution?

LOW ☐ MEDIUM ☐ HIGH ☐

08
GOVERNANCE
Does this change increase legal liability or exposure?

LOW ☐ MEDIUM ☐ HIGH ☐

MAINTAINING CONTROL OF CASH FLOW OR LEGAL VULNERABILITY MAY COST IN OTHER WAYS.

Every decision impacts the rest of the business, we need to find out by how much.

PLOT THE DECISION LEVERAGE MATRIX.

05 / CLASSIFY THE DECISION

The horizontal score measures how materially the decision affects the eight connected lenses. The vertical score measures how much effort, dependency, and residual exposure remain after the team attempts to manage those impacts.

24

MANAGEMENT BURDEN POINTS

8

↑ HIGH BUSINESS LEVERAGE

FOCUSED LEVERAGE

1–2 lenses / high leverage.
Validate the critical assumption, then act.

MATERIAL COMMITMENT

3–8 lenses / high leverage.
Complete the connected review before approval.

CONTAINED ACTION

1–2 lenses / low leverage.
Document the change, assign the owner, and proceed.

DISTRIBUTED BURDEN

3–8 lenses / low leverage.
Coordination exceeds likely benefit. Simplify or reconsider.

8 SYSTEM IMPACT POINTS 24

PLOT YOUR POINTS

1 / System Review

- 1–8 contained
- 9–12 connected
- 13–24 system-wide

2 / RATE LEVERAGE

- 1-8 Manageable
- 9-12 Costly, moderate procedural change
- 13-24 Additional cost, Long-term commitment

THE QUADRANT DETERMINES THE NEXT ACTION.

06 / INTERPRET THE RESULT

The matrix is a routing tool. It tells the team how much review the decision deserves before approval.

1–2 lenses / low leverage	CONTAINED ACTION	Confirm the owner, document the change, and proceed.
1–2 lenses / high leverage	FOCUSED LEVERAGE	Validate the one assumption capable of changing the outcome. Then act.
3–8 lenses / low leverage	DISTRIBUTED BURDEN	Test whether the benefit justifies coordination, rework, and dependency.
3–8 lenses / high leverage	MATERIAL COMMITMENT	Resolve evidence and implementation ownership (ROI calculation of cost to implement vs return over acceptable time).

THE NEXT COMMITMENT SHOULD REDUCE UNCERTAINTY.

Commit when the evidence, consequence chain, and ownership are clear.

EXAMPLE:
IS THE LOWEST QUOTE STILL THE LOWEST-COST DECISION?

This completed example shows how a seemingly simple cost-saving decision can create broader product and business exposure. Follow the scores, matrix position, and result to see how the assessment turns connected risks into a supported next action.

PROPOSED DECISION
Award the component to a new supplier offering a $4 lower unit price.

EXPECTED RESULT
Reduce quoted unit cost by $40,000 across the first 10,000 units.

BEST AVAILABLE ALTERNATIVE
Maintain the current source while validating an engineered cost reduction and qualifying the new supplier through a limited pilot.

DECISION DEADLINE
September 15

COMMITMENT AT RISK
$80,000 tooling, 10,000-unit MOQ, inventory, launch schedule, and warranty exposure.

DECISION OWNER
Director of Operations

Lens	PRIMARY	MINOR	MAJOR	LOW	MEDIUM	HIGH
01 USER & MARKET	☐	☒	☐	☒	☐	☐
02 PRODUCT	☐	☒	☐	☐	☒	☐
03 ENGINEERING & LIFECYCLE	☐	☐	☒	☐	☐	☒
04 MANUFACTURING	☐	☐	☒	☐	☐	☒
05 BOM & SUPPLY CHAIN	☒	☐	☐	☐	☐	☒
06 COST, MARGIN & CAPITAL	☐	☐	☒	☐	☐	☒
07 COMMERCIAL	☐	☒	☐	☐	☒	☐
08 GOVERNANCE	☐	☐	☒	☐	☒	☐

09 RISK SCORES

LENSES IMPACTED SCORE: 19
LENSES LEVERAGE SCORE: 19

10 MATRIX RESULT

MATERIAL COMMITMENT
The proposed savings create high leverage but affect the full product and operating system. Supplier validation, manufacturing, capital, and implementation exposure must be resolved before approval.

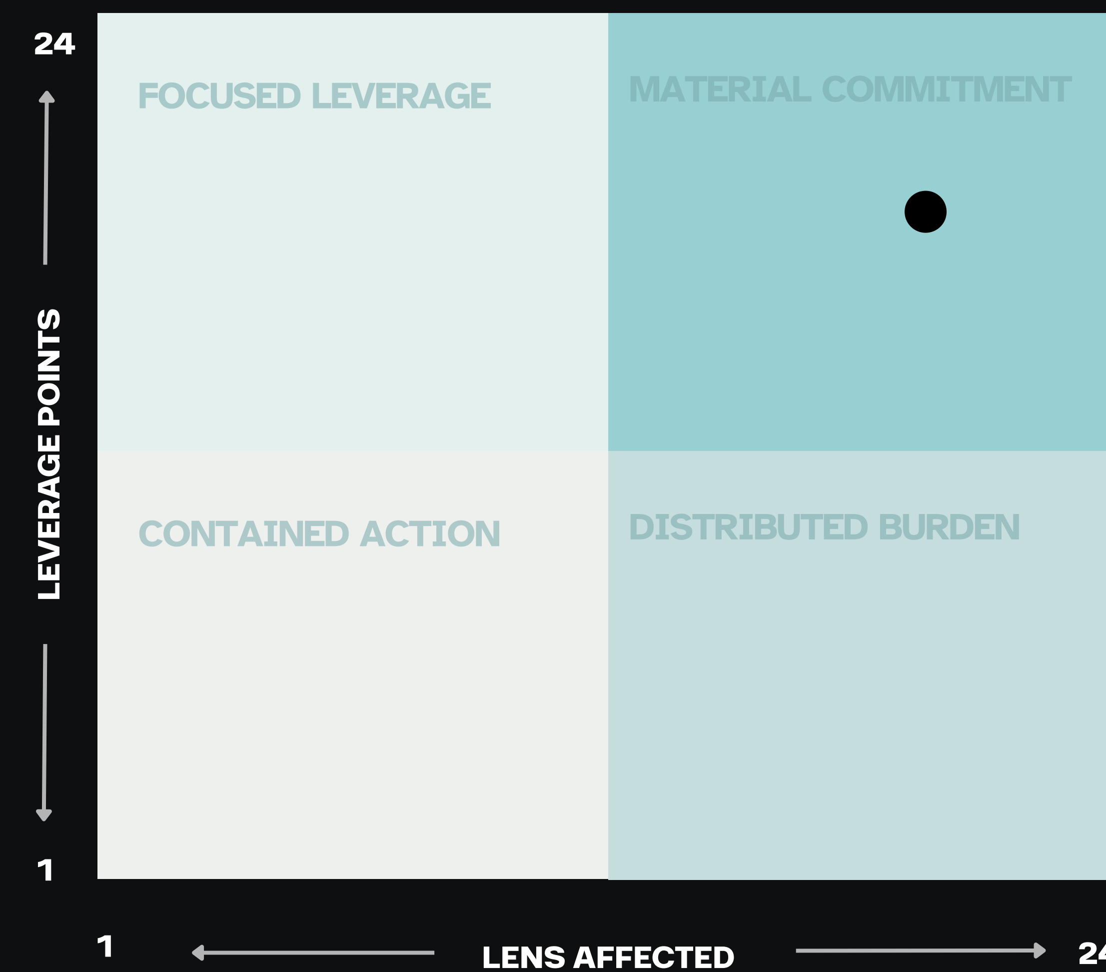
11 DECISION

PROCEED WITH CONDITIONS
Maintain the current source while completing a controlled qualification pilot. Do not award full production based on quoted unit cost alone.

12 EVIDENCE REQUIRED

- Total landed-cost comparison
- Approved first articles
- Performance and lifecycle validation
- Process capability and expected yield
- Supply-continuity plan
- Documented implementation owner

VERIFY BEFORE RELEASE



INTEGRATED PRODUCT LEADERSHIP

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