

# Strategic Management

By

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# What is strategy?

**Strategy** is the idea, **decision**, and action that enable a firm to success



# Decision Making

Today's Topic

# What is Decision Making?

A process of selecting among available alternatives to solve a problem or capture an opportunity.

# Types of Problems

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- **1. Programmed Problem:** This is a simple or routine problem, or easy to understand, or expected to happen.
- Example: Customer wants to refund the product that did not function very well.
- Example: SSRUIC student wants to drop the very hard class.

# Types of Problems

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- **2. Non-programmed Problem:** A complex problem, or ambiguity problem, or unexpected problem, or urgent problem.
- Example: The director of Suvanabhumi Airport did not expect that the PAD mob would close the airport.

# Types of Decisions

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- 1. **Standard Operating Procedure (SOP)**: is used for programmed problem. In U.S., it is called a **protocol**.
- When there is a problem, manager must use the standard procedure and follow the sequence of the steps.
- This is the way to solve the problem by the book or by the rule.

# Types of Decisions

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- **2. Non-standard Operating Procedure:**  
Manager sets a meeting and assign the special group and special procedure to solve the problem.
- When a firm faces with a complex problem, it often needs **a group decision making.**



# Group Decision Making

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- **Advantages:**
- 1. A combined of knowledge and facts
- 2. More choices, more alternatives, more opinions.
- 3. When group make decision, everybody has to support the decision.
- 4. Group decision allows everybody to understand the problem, the solution, and the consequences of solution.

# Group Decision Making

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- **Disadvantages:**
- 1. Group decision often works slowly than individual decision.
- 2. Group decision often leads to compromise when some of them may disagree.
- 3. Group decision may be dominated by some powerful member such as CEO or Director.
- 4. No attempt to seek outside expert's advise.

What is the group  
decision process?

The answer is...

# Group Decision Process

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- 1. Establishing Objective
  - What are the problems?
  - What are the causes of the problems

# Group Decision Process

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- 2. Identify Alternatives
  - What are the choices we have?
  - What is the new way to solve the problem?
  - What is the solution that other firms use?

# Group Decision Process

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- 3. Evaluating Alternatives
- What are the advantages or disadvantages of each solutions?
- What are the costs or benefits of each solution?

# Group Decision Process

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- 4. Choosing Alternatives
  
- What is the **best solution** recommended by the group?
- Define the best – in terms of cost
  - - in terms of time
  - - in terms of damage

# Group Decision Process

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- 6. Monitor and Evaluating Results
- Did our group follow the solution?
- Does it has any side effects?



What are strategies for  
improving decision making?

The answer is...

# Strategies for Improving Decision Making

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- 1. Devil's Advocate:
- Whose role is to **disagree** with the group.
- Why?
- To make sure that we see both the problem and solution in many different perspectives.

# Strategies for Improving Decision Making

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- 2. Multiple Advocacy:
  - When selecting the group members, make sure we have different kinds of people (male and female, old and young, Thai and foreigner) or different kinds of backgrounds.
  - Why?
  - Because they will be able to provide different opinion, different views, and different solutions.

# Strategies for Improving Decision Making

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- 3. Brainstorming:
- It is a process of generating creative solutions without evaluating their merit, or no criticizing each other, or no blaming each other.
- Why?
- Because it is the process to find creative idea, new idea, outrageous idea, or think outside the box.

# Strategies for Improving Decision Making

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- 4. Delphi Technique:
  - The process in which group members do not meet face to face but provide written input.
  - Why?
  - To avoid the bias and dominated opinion from the boss or any powerful member such as CEO.

# Assignment # 1 (10 points)

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- 1. List and explain four strategies for improving decision making? In your opinion, which strategy is the most important and which is the least important? Why and Why not?
- 2 list and explain the two types of problems with your own example for each.
- 3. List the group decision process.
- 4. What is the definition of decision making developed in class?
- Now, write your own definition of decision making at least one sentence.
- 5. In your opinion, what should be the best strategy to prevent the second wave of Covid19 pandemic in Thailand?