Strategic Management

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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

- I. 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

- 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

- 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

- 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

Advantages:

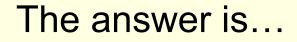
- 1. A combined of knowledge and facts
- 2. More choices, more alternatives, more opinions.
- 3. When group make decision, everybody has to support the decision.
- 4. Group decision allows everybody to understand the problem, the solution, and the consequences of solution.

Group Decision Making

Disadvantages:

- I.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?



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

- 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?

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

- 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

- 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...

- 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.

- 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.

- 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.

- 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)

- 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?