


**SOS POLITICAL SCIENCE AND
PUBLIC ADMINISTRATION**

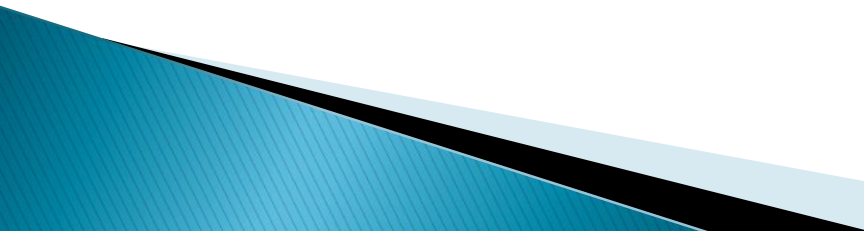
MBA FA 405

**SUBJECT NAME: STRATEGIC
MANAGEMENT**

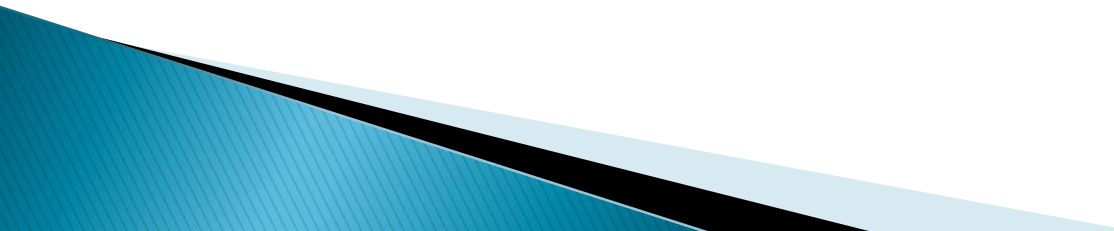
**TOPIC NAME: PROCESS OF STRATEGIC
DECISION MAKING**

- ▶ Strategic decision-making is the process of charting a course based on long-term goals and a longer term vision. By clarifying your company's big picture aims, you'll have the opportunity to align your shorter term plans with this deeper, broader mission – giving your operations clarity and consistency.
 - ▶ Strategic decision making aligns short-term objectives with long-term goals, and a mission that defines your company's big picture purpose. Shorter term goals are expressed in quantifiable milestones that give you the capacity to measure your success and your adherence to your vision.
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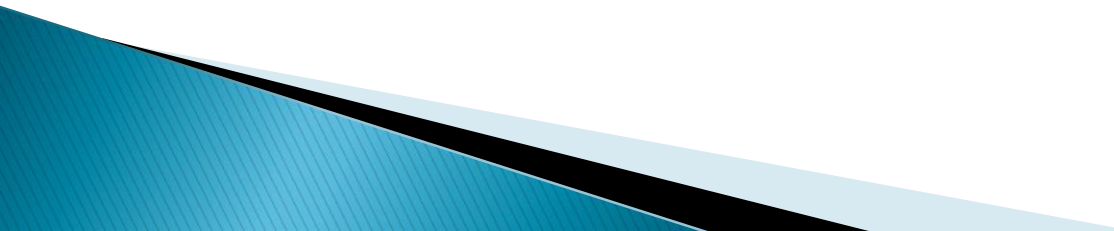
MISSION AND VISION:

- ▶ Strategic decision-making should start with a clear idea of your company's mission and vision – the reasons you exist as a business. Your business may be dedicated to providing environmental solutions, or you may simply want to make as much money as possible. Either way, if you know what you want over the long term, you'll be better positioned to infuse these aims and principles into your daily decisions. Start by writing your mission and your vision.
 - ▶ This statement can be as simple or complex as you wish, depending on the degree of formality you use in your everyday business decisions as you run your company. Even if your mission is only one sentence – the act of thinking about and articulating this sentence will help you develop a better idea of what you want. Having this written statement will also enable you to communicate your long-term vision to your employees and to other stakeholders, to get them on board with the strategic decisions you make.
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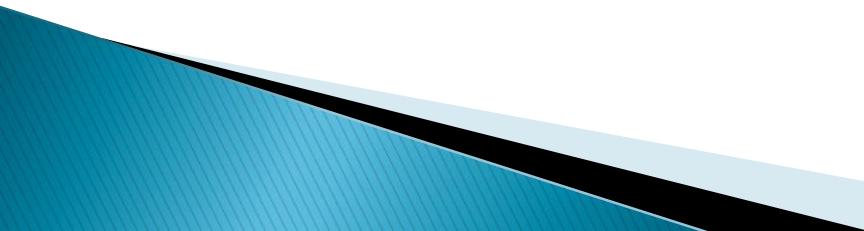
STRATEGIC DECISION MAKING PROCESS:

1. Define the Problem
 2. Gather Information
 3. Develop and Evaluate Options
 4. Choose the Best Action
 5. Implement and Monitor the Decision
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1. Define the Problem -

- ▶ What is the problem? Can it be solved? Is this the real problem or a symptom of a larger one?
 - ▶ Does it need immediate attention or can it wait? Is it likely to go away by itself? Can I risk ignoring it?
 - ▶ What is my objective? What's to be accomplished by the decision?
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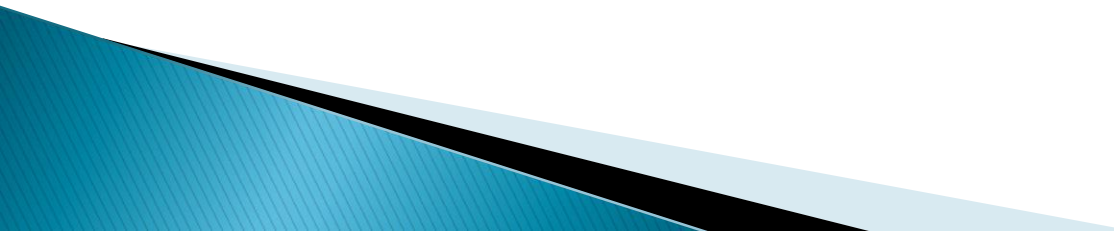
2. Gather Information - Seek information on how and why the problem occurred:

- ▶ **Stakeholders:** Talk to individuals or groups affected by the problem
 - ▶ **Facts and data:** research, benchmarking studies, interviews with credible sources, observed events
 - ▶ **Constraints:** Lack of funding, resources, cultural barriers
 - ▶ **Ask:** What am I not seeing? What have I missed?
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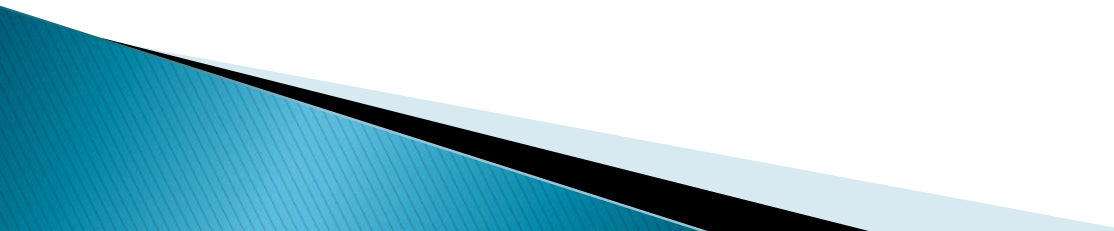
3. Develop and Evaluate Options - Generate a wide range of options:

- ▶ Choose options that show promise, need more information, can be combined or eliminated, or will be challenged.
 - ▶ Weigh advantages/disadvantages of each. Consider cost to the business, potential loss of morale/teamwork, time to implement the change, whether it meets standards, and how practical the solution is.
 - ▶ Predict the consequences of each option. (“If/Then” or “What if?”)
 - ▶ Ask: What is the worst solution?
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4. Choose the Best Action - Select the option that best meets the decision objective:

- ▶ Consider factual data, your intuition, and your emotional intelligence when deciding a course of action.
 - ▶ Accept that the solution may be less than perfect.
 - ▶ Consider the middle ground. Compromising on competing solutions may yield the best decision.
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5. Implement and Monitor the Decision - Develop a plan to implement and monitor progress on the decision:

- ▶ Step-by-step process or actions for solving the problem
 - ▶ Communications strategy for notifying stakeholders
 - ▶ Resource identification/allocation
 - ▶ Timeline for implementation
 - ▶ Measurements/benchmarks to gauge progress
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- ▶ In business (and in life), decisions can fail because the issue has not been clearly defined and alternatives have not been carefully considered. Rather than delay the decision or make one based on faulty information, this model ensures that the right problem gets solved at the right time and in the right way.
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