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**Matric No.:** 17/SMS03/020

**Course Title:** Corporate Planning

**Course Code:** BUS 410

**Assignment Title:** CASE STUDY: DECISION MAKING

**GRACE UNDER FIRE**

You probably would not know quite what to expect from a business named Pyro Media, but you would figure it was going to be something pretty unusual. Grace Tsjuikawa Boyd‟s business, yro Media, has pursued a pretty unusual direction, but the decision to do something different was not made randomly.

Boyd‟s yro Media started off as a manufacturer of huge ceramic glazed pots such as the ones you might see holding trees or plants in the lobbies of big hotels. Using her degree in art, Boyd herself initially made the high-quality glazed pots, which sold for about $1,500 each. As her business grew to the point at which it had backorders of eight to 12 weeks, Boyd decided it was time to move to a bigger facility and invest in equipment and employees. She says, “We were in business making money and assumed that business was going to grow at the same rate it had been”. Grace soon found, however, that yro Media‟s revenues didn‟t keep increasing by 30 per cent as they had been, but instead were dropping off. Upon investigating the situation, Boyd found out that huge corporations had begun importing and distributing terracotta planters, essentially stealing away her business.

Boyd knew that she had to do something. She had this equipment, this 56,000-square-foot facility, and employees who knew ceramics. She called in some consultants to see what other markets her business might pursue. Their study, which took about six months, recommended that Pyro media look into high-tech ceramic applications: in other words, using the same technology that Boyd had developed and used in making ceramic pots and applying it to a new area. On the basis of that information, Boyd hired a ceramics engineer and went after the ceramics “castables” market. The company‟s decision to move into this new market has been so successful that the one engineer has since been joined by seven others!

Recognising that business was falling off and analysing the reason behind the loss of revenue was instrumental in Pyro Media‟s continued success. Boyd says that being able to recognize a problem is critical, especially for small businesses. Why? Because small businesses have no money to waste and no time to waste. If problems are ignored and not analysed, the business might face quick failure.

**QUESTIONS**

1. A decision to move into a new market as Boyd’s yro media did is a major decision. How could Boyd have used the decision-making process to help her make this decision.
2. Would you call declining revenues a problem or a symptom of a problem? Why?
3. Do you agree with Boyd’s assertion that being able to recognize a problem is critical, especially for small businesses? Why or Why not?

**Answers:**

1. How could Boyd have used the decision making process to help her make this decision

It is known that employees at all levels of an organisation make decisions and that is what Boyd came across in this passage. Boyd was faced with the problem of diminishing returns in an activity that a lot of resources have been put into, due to the emergence of terracotta planters which was stealing away her business.

Boyd indirectly used some stages in the decision-making process but I will highlight how she could have used the eight-step process to help her make the decision. The first step in the process is all about identifying the problem which is the bedrock of the decision-making process. The problem, in this case, was that revenues were not increasing at the rate they used to in fact they were dropping off. This step was taken by Boyd as she found out that terracotta planters were taking her potential customers away.

Secondly, you have to identify a decision criterion which is all about knowing what is important in deciding on the scenario. Essentially it is what should be taking into consideration before making a decision. For instance, Boyd realised that the business had a lot to lose, the equipment, 56,000-square foot facility, and her skilled employees were all at risk if the business failed. Therefore these were taking into consideration when she decided to contact the consultants.

The third stage is all about allocating weights to the criteria in other weights arranging the criteria in order of priority. By doing this you will be able to make a more responsible decision. As aforementioned, he criteria Boyd could have used were the equipment, 56,000-square foot facility, and her skilled employees. The employees I’d say would be the most important to secure as they have an abundance of expertise in the ceramic field and also keeping employees will help ensure the sense of stability which is essential to any business success.

After this Boyd would have to develop alternatives, in other words, listing practical alternatives to resolve the problem. Boyd decided to contact consultants to help provide the best way forward and they would definitely have come up with various other alternatives asides from the one chosen like laying off staff members, foreclosing, or renting the facility.

Then these alternatives would have to be analysed by Boyd taking into consideration the pros and cons of each alternative with the criteria. The sixth stage in this process is selecting an alternative, after all the assessment done by the consultants they profounded that venturing into high tech ceramics would be the way forward.

Then this alternative would have to be implemented by Boyd. She hired a ceramics engineer to facilitate the move to this new venture and entered the ceramic castables market. Lastly, Boyd would have to evaluate the effectiveness of the decision made, this is all about analysing the decision made and seeing if the desired result was achieved and that the problem was fixed. The decision proved to be fruitful as the company’s decision to move into this new market was so successful that the one engineer has since been joined by seven others.

1. Would you call declining revenues a problem or a symptom of a problem? Why?

I would say that declining revenue is both a problem and a symptom of a problem. I say this because there are situations were both instances can be combined. Various reasons would result in declining revenue like competitors, economic, technological, and environmental factors, etc. For example, a bakery that sells various pastries and other products would most likely get its repeat purchases from bread as its widely consumed. A reduction in the sales of bread due to poor economic conditions would be a problem as these repeat purchases are essential to a business’s survival. Not only this the fact that there is a reduction of purchases of such an essential product would not bode well over a longer period as these economic conditions could worsen meaning the bakery could have a bigger problem on their hands.

1. Do you agree with Boyd’s assertion that being able to recognize a problem is critical, especially for small businesses? Why or Why not?

Yes, I agree with this notion as it is of most importance to spot a problem and better yet spotting it early. Most especially in the case of a small business as these types of businesses more often than not do not have the required financial backing to survive tough times that these problems could cause. The ability to recognise a problem is important as you will be able to take the necessary steps to solve it as promptly as possible. Recognising a problem and solving it makes the business stronger as you will be less likely to fail. Also, it gives you the ability to be more creative and venture into various other fields that wouldn’t have been an option if the problem was not recognised.