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**COURSE CODE: BUS 410**

**COURSE TITLE: CORPORATE PLANNING**

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**LEVEL: 400**

Question 1.

A decision to move into a new market as Boyd’s pyro media did is a major decision. How could Boyd have used the decision-making process to help her make this decision?

First of all according to According to Trewatha & Newport, "Decision-making involves the selection of a course of action from among two or more possible alternatives in order to arrive at a solution for a given problem.

After Boyd had analyzed her current problems she used the decision making process to help make her decision out of various alternatives to save her business by implementing the 7 steps of the decision making process which are;

1. Identifying the Problem: Identification of the real problem before a business enterprise is the first step in the process of decision-making. It is rightly said that a problem well-defined is a problem half-solved. Information relevant to the problem should be gathered so that critical analysis of the problem is possible. This is how the problem can be diagnosed. Clear distinction should be made between the problem and the symptoms which may cloud the real issue. In brief, the manager should search the 'critical factor' at work. It is the point at which the choice applies. Similarly, while diagnosing the real problem the manager should consider causes and find out whether they are controllable or uncontrollable. Grace in this stage had identified her problem which was the import and distribution of terracotta planters by huge corporations which in turn was stealing away her business and reducing her revenues

2. Analyzing the Problem: After defining the problem, the next step in the decision-making process is to analyze the problem in depth. This is necessary to classify the problem in order to know who must take the decision and who must be informed about the decision taken. Here, the following four factors should be kept in mind:

Futurity of the decision,

The scope of its impact,

Number of qualitative considerations involved, and

Uniqueness of the decision.

At this stage of the decision making process boyd had thought about how the decision she picks will affect her business on a long term and also how the decision will keep her business going, she had considered the fact that she had the equipment, the 56,000 square facility and also employees who had knowledge about ceramics and the impact the decision will have after having this factors in place.

3. Collecting Relevant Data: After defining the problem and analyzing its nature, the next step is to obtain the relevant information/ data about it. There is information flood in the business world due to new developments in the field of information technology. All available information should be utilized fully for analysis of the problem. This brings clarity to all aspects of the problem.

At this stage of the decision making process boyd called in consultants to see what other markets her business might pursue, the study took about six months and finally the results were established

4. Developing Alternative Solutions: After the problem has been defined, diagnosed on the basis of relevant information, the manager has to determine available alternative courses of action that could be used to solve the problem at hand. Only realistic alternatives should be considered. It is equally important to take into account time and cost constraints and psychological barriers that will restrict that number of alternatives. If necessary, group participation techniques may be used while developing alternative solutions as depending on one solution is undesirable.

The technology Boyd had initially developed and used in making ceramic pot was also applied as another solution in a new area that was pyro media’s new way of surviving the crisis it was facing.

5. Selecting the Best Solution: After preparing alternative solutions, the next step in the decision-making process is to select an alternative that seems to be most rational for solving the problem. The alternative thus selected must be communicated to those who are likely to be affected by it. Acceptance of the decision by group members is always desirable and useful for its effective implementation.

After the research was carried out by the consultants Boyd called in, the best solution was chosen and the solution was that pyro media look into high-tech ceramic applications, in other words using the same technology that boyd had developed and used it in making ceramic pots and applying it to a new area.

6. Converting Decision into Action: After the selection of the best decision, the next step is to convert the selected decision into an effective action. Without such action, the decision will remain merely a declaration of good intentions. Here, the manager has to convert 'his decision into 'their decision' through his leadership. For this, the subordinates should be taken in confidence and they should be convinced about the correctness of the decision. Thereafter, the manager has to take follow-up steps for the execution of decision taken.

After the study had been concluded and the decision had been taken by Boyd, she went further into implementing her decision and she hired a ceramics engineer and went after the ceramics castable market.

7. Ensuring Feedback: Feedback is the last step in the decision-making process. Here, the manager has to make built-in arrangements to ensure feedback for continuously testing actual developments against the expectations. It is like checking the effectiveness of follow-up measures. Feedback is possible in the form of organized information, reports and personal observations. Feedback is necessary to decide whether the decision already taken should be continued or be modified in the light of changed conditions.

This is the final stage of the decision making process and at this stage boyd analyzed the effectiveness of the decision she had taken and came to a conclusion that the company’s decision to move into this new market has been so successful to the point that the one engineer has since been joined by seven others.

Question 2.

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

A problem is defined as current or long term challenges and issues faced by a business while a "symptom" is an indicator or a sign that a problem exists.

There are various reasons for a decline in a business revenue and they could include;

1. Not paying attention to the customer’s needs.
2. Poor working conditions
3. The product or service has no unique value proposition
4. Mismanagement or leadership failure
5. Scaling when you are not yet ready
6. Marketing and sales are not aligned
7. No organic web traffic to support sales
8. Not paying attention to the competitors
9. Poorly trained staff
10. Disregarding customer loyalty

Declining revenues is not a problem but a symptom of problem, every business at one point in time faces the problem of a decrease in revenues but then carrying out a research and coming up with a solution to solve this symptom which if ignored will lead to a lot of problems makes it a symptom of a problem . To solve the symptom of a decline in revenues boyd asked herself the very important question “why her revenue is declining” and she came up with an answer which led her to making a decision to solve the symptom which could have led to a problem like the complete closure of her business.

Question 3.

Yes I agree with Boyd’s assertion that being able to recognize a problem is critical especially for small businesses, because small businesses have to first of all take a lot of risk and recognizing the problems that could arise and knowing how to tackle them is essential in starting a small business, the most common risk is the financial risk and if a manager doesn’t know how handle financial problems the business will go bankrupt, there is also competition and this is also a problem when starting a business, you will need to perform activities that will give you an edge over your competition. Growth could also pose as a huge problem for new businesses cause having a lot of customers sounds like a good thing, if you can’t meet their needs your business will equally suffer