NAME: MOSHOOD IBRAHIM KOLAWOLE

MATRIC NO: 16/SMS03/015

COURSE CODE: BUS 410

COURSE TITLE: CORPORATE PLANNING

Decision making process begin with the existence of a problem.

**Problem identification is subjective**. Problem identification is neither a simple nor an insignificant steps of the decision making process. Before something can be characterized as a problem, business owners have to be aware of the discrepancies, they have to be under pressure to take action and they must have the resources necessary to take action.

Problem identification also pose a question, how do business owner become aware they have discrepancies?

They have to make comparisons between their current state of affairs and some standard

What is that standard? It can be past performance, previously set goals or the performance of their competitors.

To initiate the decision making process, the problem also must be such that it exert some type of pressure on the business owner to act.

Reduction in revenue exert pressure on grace, has she soon found out 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, he found out that huge corporations had begun importing and distributing terracotta planters, essentially stealing away her business.

**Identifying decision criteria.**

Once a business owner has identified a problem that needs attention, the decision criteria important resolving the problems must be identify identified i.e. business owner must determine what is relevant in making decisions

In the case of yro media, grace has to assess what factors are relevant to her decision.

She had this equipment, this 56,000-square-foot facility, and employees who knew ceramics.

**Identifying the alternatives.**

Since boyd yro media has relevant information about the declining of revenue in her business, the next thing is to identify possible solution to the problem, there is usually more than one option to consider, the best option available in this area is to see what other market her business can pursue

**Allocating weight to the decision criteria**

Once the business owner have identify multiple alternative, the decision maker must weigh the items to give them the correct priority in the decision

**Analysing the alternative**

Once the alternatives have been identified, the decision maker must critically analyse each one. The strengths and weaknesses of each alternative become evident as they compared with the criteria and weights established in steps two and three. Each alternative is evaluated by appraising it against the criteria.

**Selecting the best alternative**

The sixth step is the critical act of choosing the best alternative from among those listed and assessed. We have determined all the pertinent factors in the decision, weighted them appropriately, and identified the viable alternatives. Now we merely have to choose the alternative that generated the highest score in step five.

**Implementing the alternative**

Although the choice process is completed in the previous step, the decision may still fall if it isn’t implemented properly. Therefore, step seven is concerned with putting the decision into action. Implementation includes conveying the decision to those affected and getting their commitment to it. Groups or teams can help a manager achieve commitment. If the people who must carry out a decision participate in the process, they are more likely to enthusiastically support the outcome than if they are just told what to do. For instance grace calling in consultant to aid in the decision making.

**Evaluating Decision Effectiveness**

After a predetermined amount pf time, which you define in step one of the decision making process take an honest look back at you decision. Did you solve the problem?, did you answer your question?, did you achieve you goal..

2. In business, owners/manager/CEO are constantly troubleshooting, trying to find the problems and fixing them. The real issue is that organization/businesses misunderstand the differences between problem and symptoms.

Business owner/manager say they have a problem because of poor sales volume or decline in revenue. Decline in revenue is not a problem is a symptom of a problem.

Declining in revenue tells the owner that there is something wrong with the business or they are doing something wrong, and they need to improve in some aspect of the business. It will also enable the business owner/manager to recognize why the business was falling off and they need to analyse the reason behind the loss of revenue.

3. YES, because being able to recognize problems facing a small business at early stage is very crucial, it enables the business owners/manager to determine the next line of action for the business. Has grace said 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.