

Strategic Decision Making

Multiobjective Analysis with Spreadsheets

Craig W. Kirkwood

College of Business, Arizona State University

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From the Preface

This book presents methods for strategically making decisions using quantitative, spreadsheet-based, decision analysis methods. The intended audience is anyone responsible for decision making in an organizational setting, and the book provides a framework for thinking about decisions strategically, as well as practical tools that the reader can immediately apply. The book is suitable for use in classes on decision making, as well as for self-study.

Rules of thumb, intuition, tradition, and simple financial analysis are often no longer sufficient for addressing such common decisions as make-versus-buy, facility site selection, and process redesign. In general, the forces of competition are imposing a need for more effective decision making at all levels in organizations. The ongoing restructuring of businesses and other organizations increases the usefulness of the material in this book for a wide range of managers, analysts, and engineers. Traditionally, strategic decisions involving multiple competing objectives and significant uncertainties have been considered primarily the concern of top executives. However, with the current emphasis on downsizing and flattening organizations, individuals at lower levels in organizations must be concerned with such tradeoffs as cost versus quality, cost versus timeliness, or market share versus short-term return on investment.

The methods in this book have been applied for over twenty-five years, and they have a demonstrated capability to improve decision making. The methods have traditionally been considered advanced, in part because early presentations were framed in a mathematical terminology that is not familiar to many managers, and in part because early implementations of the methods required specialized software. This book brings the methods to a broader audience by explaining the intuitive basis for the methods, as well as how to implement them using spreadsheets.

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Strategic decisions are the decisions that are concerned with whole environment in which the firm operates, the entire resources and the people who form the company and the interface between the two. Characteristics/Features of Strategic Decisions. Strategic decisions have major resource propositions for an organization. These decisions may be concerned with possessing new resources, organizing others or reallocating others. Issues in Strategic Decision-Making. In the course of conducting the research into strategic decision-making, numerous issues worthy of mention were identified. These include the following: • Definitions • Contextual • Biases • Personality/Style • The Role of Values • The Role of Consensus • The Nature of Strategic Decisions. Strategic decision-making process is so strategic that each firm has its own approaches to these strategic decision-making. Good many alternative approaches have come into practice because each firm is unique or strategic. ADVERTISEMENTS: The differences mainly arise due to, the extent of formalisation of decision making process, move from formalised and structured to informal and unstructured, process