

# [Characteristics of strategic decision](https://assignbuster.com/characteristics-of-strategic-decision/)

Strategic Decisions of School] Strategic Decisions Strategic decisions are the choices that are related within the entire spectrum were the company functions, which includes the resources and the people who make up the organization and the connections between them (" Strategic Decisions - Definition and Characteristics."). Strategic decisions not only occur on the corporate level but also on the personal level. Purchasing transportation involves a strategic decision because if an individual makes the wrong decision and purchases an older model, then they may have substantial repair bills in a couple of years. Purchasing an automobile involves a reallocation of resources and the investment is irreversible. The decision could be controversial and may have consequences if the purchase is not made. When purchasing a vehicle, the strategic decision had to be made whether to purchase an older model or a newer model. An older model vehicle could be purchased sooner because it would require a lower down payment and the monthly payments would be lower. A newer model automobile would require a bigger initial investment and the monthly payments would be higher. The long term consequences of purchasing an older model vehicle could result in constant repair bills. A newer automobile may not need the repairs. In either case, the strategic decision would involve and irreversible decision. The vehicle purchase would require a reallocation of funds from a bank account for the initial down payment. There is opportunity costs involved when making a strategic decision to purchase the vehicle. The decision involves using the available to capital to purchase an older model sooner or continue to save for a larger down payment for a newer model vehicle. In either scenario resources will need to be reallocated. Purchasing the vehicle caused disagreement because the funds that were reallocated could have been used for educational expenses. Parents wanted the funds to be saved for other purposes but there was an immediate need for transportation. There was an immediate need to alleviate the necessity of using the parent’s vehicle but they disagreed because they were willing to sacrifice to allow the use of their vehicle. Purchasing a vehicle was a strategic decision because it involved long term consequences if the wrong decision was made. The purchase would require a reallocation of funds and the investment would be irreversible. The decision to purchase the vehicle caused disagreement, but there was an immediate need to purchase the vehicle sooner rather than later. Reference " Strategic Decisions - Definition and Characteristics." Management Study Guide - Free Training Guide for Students and Entrepreneurs.. N. p., n. d. Web. 18 Apr. 2011. .