

# [Decision making in management](https://assignbuster.com/decision-making-in-management/)

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Failure to anticipate change can be fatal. As any chess player, military strategist, or athlete can tell you, being anticipatory gives you great competitive advantage.

But what is the secret to developing anticipatory prowess, and how do you use it to gain strategic advantage? These are key questions that all organizations face, whether businesses, schools, government agencies, or community groups. In a complex and rapidly changing society, being anticipatory and gaining strategic advantage requires sophisticated intelligence-gathering techniques, new models of decision making, and ways to judge the results. Collectively, these tools allow you to identify new opportunities, avoid being blindsided by external forces, and turn potential threats into opportunities. Failure to anticipate can be deadly: Your community is overrun with subdivisions and shopping malls with no concern for citizen well-being, and you organize only after it is too late. A competitor anticipates customer wants and overruns your territory, gobbling market share: Checkmate.

even big organizations with considerable internal resources have failed to anticipate dramatic outside shifts and have faced the unanticipated checkmate. For example, GM failed to heed signals in the late 1960s of a potential energy crisis, as well as the increasing attractiveness of small, fuel-efficient Japanese cars. Ignoring these signals cost GM almost 30% of its U. S. market share. Sears in the 1970s continued to “ fiddle” with self-branded merchandise, monolithic department stores, and catalog delivery systems, while customers asked for name-brand merchandise and for more quality in products and services.

It is important to understand how strategic information flows from outside to inside your organization. Otherwise, you may find yourself befuddled by an issue for which ample information already exists somewhere in the organization. A sports trainer may know that the star player has a degenerative back condition, but if he or she does not tell the coach, the team may suffer when the condition becomes serious later on. In the late 1980s, Motorolahad an enormous amount of information about the relationship between cellular phones and possible neurological damage. But the company did not use the information to manage this potential issue.

Instead, an outsider presented the case for a positive link between the two and set off a somewhat hysterical public debate, in which Motorola took a real bashing. Management relies heavily on processes and responsibilities. The decision process model helps you follow the flow of strategic intelligence through an organization and assign accountability or responsibility for responding to that intelligence. emerging issues may be complicated, but the process by which they are dealt with should not be. Here is a simply structured Management Accountability Model: Using the decision process and the accountability models together assures that your organization is linked to its external macroenvironment and ready to act. If your organization spends its time solving problems and resolving crises, it will have little time for innovation.

The tendency to race headlong into the future while looking in the rear-view mirror (to see how something was done in the past) and out the side windows (to see how the competition is doing it) has proven unproductive over the long haul. With foresight and anticipation, your organization will be more productive. Anticipatory management provides systematic and formal ways of understanding the world outside the organization. However, anticipatory management only becomes useful when it penetrates the “ inner world” or minds of the participants. …