

Decision making, planning, and strategic planning essay sample

[Business](#), [Decision Making](#)



Ask five or ten different people for a definition of strategic planning or decision making or even planning and you will probably receive five or ten different answers. Most agree that strategic planning is a way to identify long-term goals and to direct your company toward fulfilling those goals.

Most also will agree that decision making is a cognitive activity involving the interplay of environmental cues and human cognitive processes, culminating in the selection of one or more possible choices of action (Wickens, 1992). Of course, not with the same wording, but we can translate that to choosing the best option or options from all available alternatives.

The reason why everyone doesn't come up with the same or similar definitions is because not everyone thinks these subjects are of much importance.

We are about to find out how wrong or right they can be.

Discussion

If you want to stay in business and prosper, you better pay a closer look to what strategic planning is all about. There are many reasons why you should consider strategic planning, some of which we will notice in the article "When the true value hardware stores", written by Senior Writer of CIO. com Mindy Blodgett.

But, before we get into the article lets get a quick idea of why we should even think about getting into strategic planning. Technology and the fast pace of change are making business management more complex. Strategic

planning will help you foresee and react quickly to market changes and opportunities and identify areas in which your business is lagging behind.

Competition is becoming tougher. In most cases, small businesses find themselves competing with much larger companies — ones that know the benefits of strategic planning and practice it. From a defensive standpoint, it is important that you apply the same concepts to your operation.

Good financial control alone is not enough to ensure your business's success. In addition to a budget, you need long-term goals to determine the future direction of your company.

You can use strategic planning to involve employees in all areas of your business, so they share your goals. You can also use your plan to communicate with bankers, who often do not understand the nature of your business. Bankers must be convinced that your company is in control of its future before they will lay their money on the line. A comprehensive plan aimed at sustained growth in sales and earnings can be very convincing.

A plan is also very helpful in dealing with your suppliers, advertisers, attorney, accountant, auditor, investors and business consultants.

On the article, which focuses on the strategic planning from the Information Systems department's (IS) point of view, shows us how little importance was given to strategic planning when need for new technology implementation arrived. Everyone was too busy making numbers that would at the end cost

the company way more numbers than the ones they were making and calculating.

The vast opportunities for growth is what motivated the CEO and CIO's to develop new and better ways to come up with a strategic plan that will allow the whole information system to work smoothly.

" Now, a good IS plan has to keep in mind the internal customers as well as the external customers and vendors, and IS has to work closely with the business side to make sure IS is helping the company stay competitive," he continues. " The two sides have to work together or a plan will fail," says John Braucksieker, corporate director of IS for the International Wire Group Inc. in St. Louis.

They understood that communication was very important key for the project to work. Everyone needed to stay in the same sheet of music.

Knowing now what needed to be done the IS got in business and started to develop a new plan, a plan that had to go hand in hand with the business goals of the company. The plan would also have the fully participation of the executives, a buy-in. The plan wouldn't be a good one if there wasn't any room for improvement, it needs to be open-ended, and that way they can always change something if really necessary.

But, they main key is keeping as many necessary people involved in the planning, communication is a must.

The article after this covers also what makes a strategic plan successful and how some CIOs develop strategic plans.

Conclusion

After reviewing this article we should be able to see how strategic planning, planning and decision making plays a very important role on the development of a good company. The reasons for strategic planning are many, but no matter how many there are we should always be take them in consideration before discarding the use of planning..

References

Blodgett, Mindy. (1998). Game Plans : When the True Hardware Value Stores. Electronic article from CIO. com. Retrieved July 8, 2003, from: http://www.cio.com/archive/011598_game.html