**Unit 14 – Business Intelligence**

**B.I - Simon’s Model of Decision Making**

**Technologies that can be used to support organisations at operational, tactical and strategic levels**

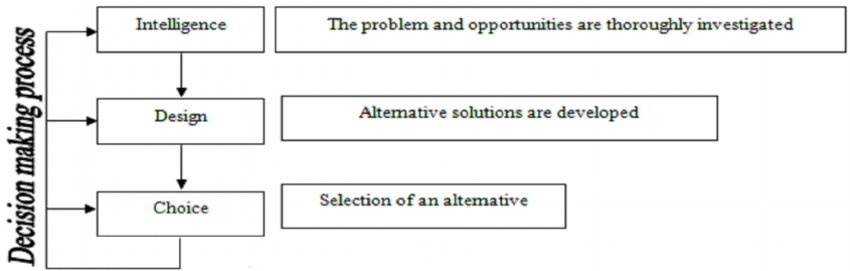
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# Introduction

This report will analyse and compares the tools and techniques associated with business intelligence functionally. This report will also discuss about Simon’s model of decision making. It will also compare and contrast a range of information systems and technologies that can be used to support organisations at operational, tactical and strategic levels.

**What is Simon’s model of Decision Making**

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Simon’s decision making model holds four phases which can be used in WFP -

**1 Intelligence phase -**

It consists of ecological assessments in situations that require decisions. It includes the definition of the problem(s), the gathering of data and the development of the purpose and the evaluation criteria.

This is the first step in the decision-making process. The decision-maker identifies / detects the question or opportunity in this phase. The challenge in the administrative sense is to identify anything that is not in line with a programme, law or pattern. An example of the issue is the identification of unexpected, very strong turnover of employees by the HR director for the current month.

Opportunity finding, on the other hand, is the discovery of a favourable situation that could lead to better outcomes. An example of an incentive recognition is that a marketing manager would realise that two of his rivals will be shut down (the competition is constant) for some reason in the next three months, which ensures that he will be able to sell more on the market.

We see that either in the case of a question or for the intent of an opportunity to seek a decision-making process is started, and the first step is a clear understanding of the input that activates this mechanism. So if this step is caused by a problem / opportunity, the first phase deals with a complete understanding of the problem / opportunity. Intelligent stage of decision-making which includes :

**Problem Searching:**

In order to find out the issue, fact or truth is contrasted to some expectations. Differences are calculated and differences are analysed to decide whether or not there is a question.

**Problem Formulation:**

When the problem is found, there is always a possibility that the incorrect issue will be fixed. In the case of problem description, the development of a connexion with an issue that has been settled earlier or a metaphor appears to be quite helpful.

**2 Design Phase -**

It requires the identification and evaluation of possible courses of action for the issue found during the intelligence process. This requires identifying a variety of practicable alternatives and assessing them on the basis of the criteria set out in the intelligence process. When the problem is found, there is always a possibility that the incorrect issue will be fixed.

In problem formulation, developing partnerships with an issue that has been settled earlier or Development is the method of creating the details of the solution to the problem. Alternative solutions are designed to address the same issue. Upon collecting data on the approach, every alternative solution is evaluated.

The analysis was carried out on the basis of the criterion for determining the positive and negative aspects of each approach. Quantitative methods and simulations are used to identify these approaches. At this point, proposals are only sketches of the actual solutions and are meant to evaluate their suitability on their own. In order to develop solutions, a lot of creativity and innovation is required.

**3 Choice Phase -**

This is the point at which possible solutions are contrasted to each other in order to find the most appropriate solution. The ' true ' approach can be found using analytical methods such as decision tree analysis or empirical techniques such as six reasoning hat strategy, force field analysis, etc.

This is not as easy as it sounds, because each approach poses a dilemma, and the issue itself may involve multiple objectives, making the process of choosing very complicated.

**Comparing Operational, tactical & strategic levels of different technologies -**

the three types of planning used by managers, including strategic, tactical and operational. Terms, such as single-use plans, continuing plans, policy, procedure and rules, will also be defined.

There are three main types of strategies that the director will use to achieve organisation targets, namely organisational, logistical and strategic priorities. If you think of these three types of plans as stepping stones, you can see how their relationship with each other helps to achieve organisational goals.

Operational strategies are necessary to ensure that operational objectives and functional measures contribute to the realisation of strategic plans. Instead, in typical strategy style, there are arrangements to back up projects that collapse. These are alluded to as contingency plans.

For better understand how executives use each type of plan, let's take a look at Nino's Pizzeria's example and how Tommy, Martha and Frank carry out their scheduling activities.

**Operational Management Level -**

The organisational tier is associated with the organization's day-to-day business transactions.

Definitions for users at this level of management include cashiers at the point of sale, bank tellers, medical workers, customer service staff, etc. Users at this stage make systematic choices. This indicates that they have established laws that govern them when making decisions.

For example, if a store sells goods on loan and has a lending plan that has a set borrowing limit. Both salespeople need to consider whether or not to give credit to the consumer is based on the current credit information given by the programme.

Operational proposals are situated at the bottom of the totem pole; these are plans made for frontline or low-level supervisors. Both organisational strategies concentrate on the specific procedures and operations that take place at the lowest level of the enterprise. Managers will organise the routine tasks of the team with a high level of detail.

Operational management tasks for Frank would include such items as organising staff on a weekly basis; reviewing, purchasing and stocking inventories; preparing a monthly budget; designing a quarterly advertising advertiser to increase sales of a particular product or specifying the employee's performance targets for the year.

Operational projects can be either single-use or continuing. Single-use contracts are those that are meant to be used only once. These contain things that would not be replicated and often have an expiration date.Creating a monthly budget and developing a quarterly promotional advertisements to increase sales of a particular product are examples of how employees would use single-use planning.

**Tactical Management Level -**

This stage of organisation is controlled by middle-level administrators, department heads, supervisors, etc. Users at this level usually control the operations of users at the stage of organisational management.

Semi-structured decisions are made by tactical clients. Decisions are based, in part, on established criteria and judgmental calls. As an example, a tactical director may review the customer's credit limit and payment history and decide to make an exception in order to increase the credit limit for a particular customer.

The policy was partly formulated in the context that the strategic planner must use current information to identify the payment history that supports the company and the percentage increase required.

Organizational strategies help strategic plans by converting them into specific plans applicable to a specific area of the enterprise. The organisational proposals is associated with the obligation and efficiency of the lower-level teams to carry out their sections of the strategic plan.

For instance, as Martha, Nino's middle-level boss, hears of Tommy's ambitious plan to increase profitability, Martha quickly begins to think of future operational strategies to ensure that this works.

Tactical preparation for Martha could include items like testing a new pie-making process that has been tested to shorten the time it takes to make a pizza for baking, or perhaps looking to buy a better oven that can speed up the time it takes to bake a pizza or even find ways to better monitor delivery routes and drivers.

As a proactive strategist, Martha needs to create a series of measured steps that require a shorter time and are smaller in nature than the strategic plan, but still help to bring the enterprise back to the long-term goal.

**Strategic Management Level -**

This is the highest level in an organisation. Users at this stage take unstructured decisions. Senior level executives were involved with the organization's long-term planning. We leverage input from strategic administrators and external knowledge to help them in making unstructured decisions.

Action strategies were built with the whole WFP in mind and start with the purpose of the organisation. Top-level executives, such as CEOs or leaders, must design and implement strategic plans that paint a picture of the organization's ideal future and long-term goals. Essentially, strategic plans are looking ahead to where the company needs to be in three, five, and even ten years. Strategic plans, which are developed by top-level administrators, act as a basis for low-level preparation.

For example, Tommy is Nino's Pizzeria's top manager. As a top-level executive, Tommy must use strategic planning to insure that the organization's long-term priorities are achieved. For Tommy, it means developing long-term approaches to drive prosperity, improve productivity and efficiency, raise investment returns, enhance customer service and find ways to give back to the community in which it exists.

Tommy's strategic plans to accelerate prosperity, improve productivity and efficiency and raise investment returns are all part of the expected future of the pizzeria. Strategic plans often tend to require multi-level participation so that each group of the company plays a significant role in meeting the strategically targeted objectives. Top-level executives, such as Tommy, establish strategic goals so that middle-and lower-level managers may create consistent strategies associated with those priorities.

### Conclusion

This report discusses the tools and techniques associated with business intelligence functionally. This report also discuss about Simon’s model of decision making. It will also compare and contrast a range of information systems and technologies that can be used to support organisations at operational, tactical and strategic levels.