**Unit 14 – Business Intelligence**

**B.I - Decision Making Structures**

**Comparing the type of support for business decision-making within an organisation**

horizontal line

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# Introduction

This report will analyse and compare the types of support available for business decision-making at varying levels within an organisation. It also compares the tools and techniques associated with business intelligence functionally. This report will also discuss about the decision making structures and strategic layers in an organisation.

**What is Decision Making ?**

Decision-making is the process of creating business decisions through recognising choices, collecting information and evaluating appropriate decisions. Using just a step-by-step decision-making process will allow you to make more systematic, informed decisions through the arrangement of important information and the creation of alternatives. This strategy increases the probability of choosing the most suitable alternative.

**Steps to effective Decision Making For -**

**Step 1: Identify the decision**

You realise you have to make a decision. Seek to be transparent about the essence of the decision you need to make. This is very necessary for the first step.

**Step 2: Gather relevant information**

Before making your decision, gather some relevant information: what knowledge is required, the best sources of information, and how to get it. Each phase includes "research" both internally and externally. Most data is internal: you must try it through a self-assessment process. Other information is external: it's going to be available online, in books, from other people and from other sources.

**Step 3: Identify the alternatives**

You are likely to identify several possible paths for study, or solutions, as you gather information. You can also build new alternatives using your creativity and additional information. In this stage, all possible and suitable alternatives will be identified.

**Step 4: Weigh the evidence**

Use your information and emotions to imagine what it would be like if each of the alternatives were carried out to the end. Evaluate if, by using every solution, the need defined in Step 1 would be fulfilled or resolved. As you go through this internal process, you will start to favour some alternatives: those that seem to have a higher potential to achieve your goal. Ultimately, in a priority order, put the alternatives depending on your own value system.

**Step 5: Choose among alternatives**

Once you've considered all the facts, you're able to choose a choice that seems to be the right one for you. You can even choose an alternate mix. The option in Step 5 may very definitely be the same or identical solution that you put at the top of your list at the end of Step 4.

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**Step 6: Take action**

In beginning to adopt the solution you selected in Step 5, you are now ready to take any positive action.

**Step 7: Review your decision & its consequences**

Consider the results of your decision in this final step and determine whether or not it has resolved the need defined in Step 1. If the decision has not satisfied the established requirement, you may want to revisit those phases of the process in order to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore alternatives.

**How Flat hierarchical structure might affect the decision making process in WFP**

**But What is Flat hierarchical Structure in an organization ?**

A flat organisational framework is characterised by a few management levels with a broader scope of authority. When used properly, it can lead to faster choices, happy workers and satisfied customers, but when utilised in the wrong way, it can lead to job frustration and a poor level of customer satisfaction.

**How will it improve the WFP’s decision Making ?**

**1. It allows for a faster decision-making process.**

A huge advantage of having a flat structure is that there will be less decision-making hurdles. Because only a few individuals need to be briefed on a decision, management will respond quickly to any question or problem. Essentially, there is a direct communication connexion between the company's manager and the staff on the front line.

**2. It does not require extensive supervision and dominance.**

It is a common belief that a business owner or manager must be able to manage and monitor everything that is happening within his organisation, including employees. However, some studies show otherwise, stating that the less time organisational leaders have to multi-task and micro-manage their employees, the more productive employees can be because they have a higher sense of responsibility.

**3. It is cost-efficient.**

The less barriers between the manager and his employees imply that there are also less salaries to be charged, nominal incentives to be given, and so on. Salary-related expenses would also be growing, allowing the company to save more cash and provide better pay for its workers.

**How will it damage the WFP’s decision Making ?**

**1. It can cause work relationships to struggle.**

If a business leader has too many people to manage on a daily basis, he or she may find it difficult to connect with his or her employees at a personal level, which is essential to maintaining trust and improving the baseline of responsibility and accountability of employees. It can also have a significant impact on the question of ethics and reverence for the company in terms of authority.

**2. It poses the risk of management to easily lose control.**

Since this system is ideal for small enterprises and start-ups where the number of employees is still manageable, it could pose a problem for the entire organisation if the ratio of managers to employees becomes too out of proportion. It involves leadership potentially losing control over staff, not to mention that there would be less people to back them up on their judgments or acts.

**3. It has the potential to hinder growth.**

Since transition is often difficult to adapt and presents a number of challenges, management may choose to focus on new opportunities to try to sustain an organisational structure that would restrict long-term growth.

**Is a Flat hierarchical Structure ideal for WFP ?**

Like other organisational structures, a flat organisation definitely also has a variety of pros and cons. Whether it's for your company or not, that depends on its type and size. You should therefore carefully consider the above lists before adopting this model on your own initiative.

**Business Strategy Management Layers in WFP organizations -**

As an example for a hierarchical strategic structure the Business process model of the WFP follows this model



**How the Business Process For World Food Program works…**

The business process model above shows how the world food program will react on a humanitarian national emergency.

**Stage 1 -**

As a Business Consultant for the WFP we’ll have to decide depending upon the situation on what resources is required and order the necessary resources by placing an order online based on the requirements. If the resources are already available the order gets cancelled and if they are required the the order gets processed further and gets checked for what the order contains to confirm whether they are the right resources on the order list.

**Stage 2 -**

After the order gets processed it will check whether the resources are available from the stock at the warehouse and if it is not in stock it will check for new stock delivery timings and the business consultant of World food Program will be contacted about which day the stock will despatched. This is done so that there is no delay with the delivery and the WFP is always aware of what stock is available with them. If the stock is available in the warehouse the order gets further processed to the next stage.

**Stage 3 -**

The order then gets forwarded to the warehouse where it further gets processed, if there was stock available in the warehouse it will proceed by requesting for an invoice and the order will get confirmed then the item and the invoice gets packed and ready for shipping, and if there was no stock available in the warehouse it will request for shipping invoice and it will also check whether the ata provided is correct and if it is correct it will proceed and if the data is not correct it will retrieve the correct data and will proceed to raise the invoice where it will continue with the data provided and send the invoice along with the item to be sent together and packed ready to be shipped and delivered to the humanitarian national emergency.

**Corporate Level Strategy -**

The strategy at the corporate level in WFP is at the very top of the strategy hierarchy. However, profitability must be balanced against the interests of the stakeholders. The company's shareholders are those individuals who have a good interest in the company. Such shareholders include creditors and staff, but may involve others, such as vendors and consumers, who are involved in the performance of the company. The aim is to carry out a plan to make best use of the firm's strengths and capital for the good of both the company and its investors. Usually, these strategic plans are for five years2 but should be updated on an annual basis.

**Business Level Strategy -**

The middle political policy layer is the tier of market. The corporate level approach mentioned above is followed and further broken down into more comprehensive acts. Hill and Jones as well as Pearce and Robinson both state that the focus of this level is to position the firm on the market so that the firm has an advantage over its competitors. Such strategy could include the implementation of one of three standard strategies: price control, distinction, or niche selection. The goal is to place the company on the market in such a way as to optimise long-term productivity and satisfy the needs of the shareholders.

**Functional Level Strategy -**

The operational tier approach is at the base of the policy pyramid. Those who generate this form of strategy take the strategy at the corporate level as well as the strategy at the business level and break it down to the operational level. Hill and Jones says, "The competitive advantage comes from a company's ability to produce. Superior productivity, reliability, creativity and consumer responsiveness."1 Those are all at the operational level of the enterprise. Cost reduction by production, proper management and good customer service all lead to superior performance. Furthermore, maintaining the business up-to-date and "new" by development allows the company to lay the groundwork for success in the future.

### Conclusion

This report discusses the different levels of strategic steps that the company will take. In large firms, most individuals will be interested in this decision-making process. In the case of small businesses, the method would require little, maybe even one. Nonetheless, a roadmap is laid down at all stages to maintain long-term sustainability and to meet the needs of all investors. Click on the links below to learn more about strategy. It also analyse and compare the types of support available for business decision-making at varying levels within an organisation. It also compares the tools and techniques associated with business intelligence functionally. This report will also discuss about the decision making structures and strategic layers in an organisation.