

**Senior High School**

Department of Education  
National Capital Region  
**SCHOOLS DIVISION OFFICE**  
**MARIKINA CITY**

# **Accountancy, Business and Management Organization and Management**

## **Planning Techniques and Tools in Business Decision Making**

First Quarter – Module 6



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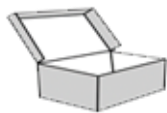
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## What I Need To Know

This module was designed and written with you, as the student, in mind. It was prepared to help you developed the knowledge, skills, and attitudes in the performance for business management setting. The scope of this module permits it to be used in many different learning situations as applied in business setting. Also, it was carefully designed so that you can work at your own pace and allow self-discovery of the concept through activities that you will perform. Activities presented in this module allows you to do independent learning which also aims to develop your reading comprehension skills through understanding the written texts.

At the end of the module you shall be able to apply appropriate planning techniques and tools in business decision making.

***Before we start may I remind you that you need your big notebook. It will serve as your portfolio for this subject.***



## What I Know

Choose the appropriate word in the box and write the correct answer in your portfolio notebook.

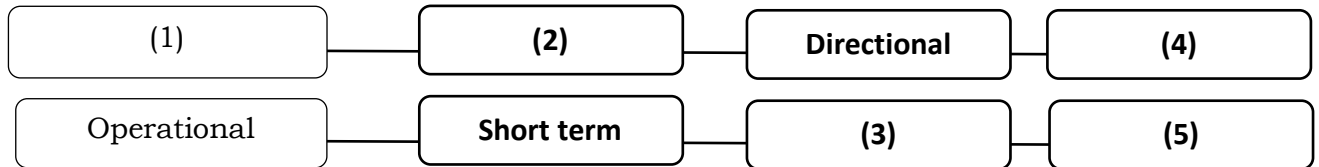
Forecasting Scenario	Benchmarking Quantitative	Contingency Risk
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- \_\_\_\_\_ 1. A potential event or combination of events that could be relevant to the organization.
- \_\_\_\_\_ 2. It is a future event or circumstances which is possible but cannot be predicted with certainty.
- \_\_\_\_\_ 3. It is the process of making predictions of the future based on past and present data.
- \_\_\_\_\_ 4. It is a situation involving exposure to a certain danger.
- \_\_\_\_\_ 5. The process of measuring the performance of the organization against those of another organization which is the best in the industry.



## What's In

Before we begin, let us try to recall our previous lesson about the different types of plans. Complete the diagram.



*Keep your responses in your portfolio notebook.*



## What's New

Businesses in the real world, experiences different situations not actually predicted by the management. The way they will apply planning tools and applications will differ in several factors. Because of this, managers and workers in the organizations make decisions or make choices that affect their jobs and the organization they work for. It is a must for every organization to focus on how they will make decisions that will benefit not only the company but the people as well in the organization.

To begin with, let us accomplish the activity below.

### Activity: Picture Analysis:

Describe the picture below. How will you differentiate the two? Limit your answer in not more than 10 sentences. Keep your responses to your portfolio notebook.



Retrieved from: <https://blogs.kent.ac.uk/kbs-news-events/2015/04/the-critical-role-of-organisational-structure-in-effective-decision-making/>



### Rubrics for scoring (15 points-5 points each criterion)

Criteria	Outstanding (5)	Proficient (4)	Basic (3)	Below Expectations (1)
Critical Thinking	Rich in content; insightful analysis and clear connections made to real-life situations or to previous content.	Substantial information; evidence of analysis, and general connections are made, but sometimes too obvious or not clear	Information is thin and common place; attempts made at analysis, and evaluation; connections are limited, vague generalities are posted.	Superficial with little analysis or evaluation; little or no connections with any other material or are off topic.
Personal reflections	Entries are high quality consisting of personal reflections that connect between real-life learning and reading.	Connects sides and thoughts to personal life; Evidence of personal connection to learning community	Little evidence of personal connection, many connections need further explanation or justification	Lack of connection to personal life
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## Lesson

# 1

## Planning Techniques and Tools In Business Decision Making



### What Is It

Because of the dynamic environment that every organizations are facing now a days, managers should use different techniques and tools to effectively plan for the organization. The following are the planning techniques and tools:



1. **Forecasting** – is an attempt to foretell or predict what may happen in the future. It can be inaccurate at times, due to errors of human judgment. Forecasting can be qualitative which relies on expert opinions and quantitative which relies on mathematical models and statistical analysis.
2. **Contingency planning**- are back-up plans created by managers when things go wrong. There are contingency factors that offer alternative courses of action if unexpected things happen or when things do not turn out as it should be.
3. **Scenario Planning** – is planning for future states of affairs in long-term version of contingency planning. It is crafter for alternative future conditions.
4. **Benchmarking**- is identifying the best practices or technologies used of another organization. It is a planning technique in which the company may emulate another company's best practices.
5. **Participatory planning**- is a planning process that includes the people who will be affected by the plans and those who will be asked to implement them. It serves to improve the implementation of the plans.



Retrieved from:

<http://www.sswm.info/sites/default/files/toolbox/Participatory%20decision%20making%20process.jpg>

Another effective tool for planning, scheduling, and managing a project is the use **GANTT CHART**. It is a device use for controlling the production of raw materials. It is one of the most popular and useful ways of showing activities (tasks or events displayed against time. The Gantt Chart will give the critical information such as who is assigned to what, duration of tasks, and if there is an overlapping of activities in a project.

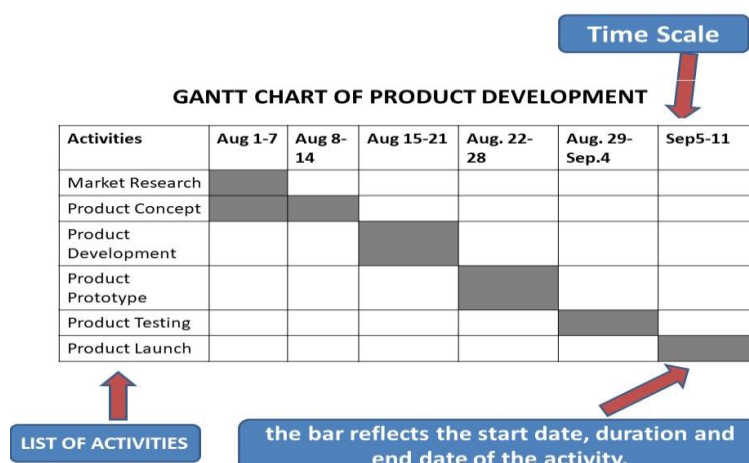


Figure 7.1-Gantt Chart



## Decision Making

**Decision making** is a process which begins with problem identification and ends with the evaluation of implemented solutions. (Cabrera et.al. 2016).

### Types of Decisions

From the many possible alternative actions, a decision must be made by all managers and workers in the organization. It is a challenge and requires careful consideration.

There are two types of decisions that managers can make. First is the **Structured or programmed decisions** are decision that is repetitive and can be handled using a routinary approach. Example of which is starting your car in the morning. And the last one is the **Unstructured or non-programmed** decisions which is applied to the resolution of problems that are new or unusual, and for which information is incomplete. A great example of which is when you are choosing your vacation destination.

### Types of Decision-making Conditions

1. **Certainty Conditions-** is an ideal condition in deciding problems; these are situations in which a manager can make precise decisions because the results of all alternatives are known. For example, the Department of Trade and Industry made known to the public the Suggested Retail Price (SRP) of basic and essential goods during this Pandemic. It will be easier for business managers in the restaurant business to decide where to buy their primary ingredients to their products. The supplier which offers the lowest price in the market, therefore, is the obvious choice of the manager when asked to decide.
2. **Risk or Uncertainty Conditions-** compels the decision makers to do estimates regarding the possible occurrence of certain outcomes that may affect his or her chosen solution to a problem. For example, the restaurant manager is asked to look for foreign suppliers for their ingredients. Risk factor should be considered since because of the pandemic, higher restrictions are given for products imported from other countries. The manager should therefore consider the risk factors in making decision whether to buy foreign produce ingredients.

*Source: adopted from DepEd SHS Textbook- Organization and Management*

### The Decision-making Process according to Robbins and Coulter as stated by Cabrera et.al (2016)

Step 1: **Identify the Problem.** The problem may be defined as a puzzling circumstance or a discrepancy between an existing and a desired condition.



Step 2: **Identify the Decision Criteria.** These are important or relevant to resolving the identified problem.

Step 3: **Allocate Weights to the Criteria.** This is done in order to give the decision maker the correct priority in making the decision.

Step 4: **Develop Alternatives.** This step requires the decision maker to list down possible alternatives that could help resolve the identified problem.

Step 5: **Analyze the Alternatives.** Alternatives must be carefully evaluated by the decision maker using the criteria identified in Step 2.

Step 6: **Select an Alternative.** This is the process of choosing the best alternative or the one which has the highest total points in Step 5.

Step 7: **Implement the Chosen Alternative.** This step puts the decision into action. Changes in the environment must be observed and assessed, especially in cases of long-term decisions, to see if the chosen alternative is still the best one.

Step 8: **Evaluate Decision Effectiveness.** This is the last step and involves the evaluation of the outcome or result of the decision to see if the problem was resolved. If the problem still exists, the manager must assess what went wrong and, if needed, repeat a step or the whole process.

*Source: adopted from DepEd SHS Textbook- Organization and Management*



## What's More

### Activity 1. Let's try this...

In your portfolio notebook, prepare a Gantt Chart for your family's incoming big event to be celebrated based on the IATF guidelines. It can be a birthday, wedding, or anniversary celebration. Use colored pens or pencils in preparing your Gantt Chart. Prepare a short explanation about your Gantt Chart.

### Rubrics for scoring (20 points)

Description	4	3	2	1
Content	-very thorough responses -great content	-good responses -good content	-not very thorough -little content	-poor responses -poor content
Organization	-well organized	-good organization	-little organization	-poor organization
Creativity	-great over all look	-good look	-little creativity	-not creative
Presentation	-evidence that pride and care was taken and the message of	-clear, uncluttered and attractive	-appears rushed of somewhat careless but	-careless, hurried and illegible presentation



	the illustration is clearly defined		the content is legible	
Clarity	-easy to understand	-makes some sense	-hardly makes sense	-no clear idea

### Activity 2. Check your understanding...

Using your individual portfolio, give at least five business forecasts that may occur in the shoe industry in Marikina after the COVID-19 pandemic. Explain the importance of forecasting and benchmarking in small shoe industries in coping up after the pandemic.

### Rubrics for scoring (15 points- 5 points each criterion)

Criteria	Outstanding (5)	Proficient (4)	Basic (3)	Below Expectations (1)
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Retrieved from: <https://knilt.arcc.albany.edu/Rubrics>





## What I Have Learned

After you have learned the lesson, answer the few questions below:  
Keep your responses on your portfolio notebook.

1. What are the different planning techniques and tools?
2. When do you think forecasting can be use in planning? How about benchmarking?
3. What are the steps in the decision-making process?
4. How will you differentiate uncertain and certain conditions in doing decision making? Which do you think is riskier?

### Rubrics for scoring

Outstanding (5)	Very Good (4)	Good (3)	Adequate (2)	Needs Improvement (1)
<ul style="list-style-type: none"> <li>• Demonstrate an excellent understanding of the lesson</li> <li>• Responses are supported with important details</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates a good understanding of the lesson.</li> <li>• Most responses are supported with important details.</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates some understanding of the lesson</li> <li>• Responses are simple and predictable</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates little understanding of the lesson</li> <li>• Responses have no supporting detail</li> <li>• Some responses may be incorrect</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates no understanding of the lesson</li> <li>• Responses have no relation to the story</li> <li>• Responses are incomplete</li> </ul>

Retrieved from

<https://i.pinimg.com/originals/96/55/1d/96551de7f5b56ed06308393b2d3774a0.jpg>



## What I Can Do

Answer the following questions. Keep your responses on your portfolio notebook.

1. Choose one problem that an on-line business was facing during this pandemic. Solve your identified problem by following the eight steps of the decision-making process.
2. Give at least two examples of decision making under certainty conditions for a small shoe industry.
3. Give at least two examples of decision making under uncertainty conditions for a small shoe industry.



## Rubrics for scoring

Outstanding (5)	Very Good (4)	Good (3)	Adequate (2)	Needs Improvement (1)
<ul style="list-style-type: none"> <li>• Demonstrate an excellent understanding of the lesson</li> <li>• Responses are supported with important details</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates a good understanding of the lesson.</li> <li>• Most responses are supported with important details.</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates some understanding of the lesson</li> <li>• Responses are simple and predictable</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates little understanding of the lesson</li> <li>• Responses have no supporting detail</li> <li>• Some responses may be incorrect</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates no understanding of the lesson</li> <li>• Responses have no relation to the story</li> <li>• Responses are incomplete</li> </ul>

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## Assessment

- A decision-making condition where the manager knows the possible results of all alternatives.
  - Certainty conditions
  - Risk or uncertainty conditions
  - Structured decisions
  - Unstructured decisions
- The current pandemic situation in the Philippines resulted to NEDA declaring that there will be a slow reduction of poverty rate in 2021.
  - Benchmarking
  - Contingency planning
  - Decision-making
  - Forecasting
- A step in the decision-making process which requires the decision makers to prepare list of possible alternatives to resolve the identified problem.
  - Identify the problem
  - Develop alternatives
  - Select an alternative
  - Implement the chosen alternative
- It is a process which begins with problem identification and ends with the evaluation of implemented solutions.
  - Benchmarking
  - Contingency planning
  - Decision-making
  - Forecasting
- A step in the decision-making process which define the problem.
  - Identify the problem
  - Develop alternatives
  - Select an alternative
  - Implement the chosen alternative

6. It is a decision that is repetitive and uses routinary approach.
  - a. Certainty conditions
  - b. Risk or uncertainty conditions
  - c. Structured decisions
  - d. Unstructured decisions
7. Marikina High School regularly conducts Earthquake Evacuation Drill activities as part of their preparation for possible disaster. This is an example of:
  - a. Benchmarking
  - b. Contingency planning
  - c. Decision-making
  - d. Forecasting
8. A planning technique which involves an organization comparing their practices and technologies to those companies with best practices.
  - a. Benchmarking
  - b. Contingency planning
  - c. Decision-making
  - d. Forecasting
9. The following are the important details that a manager can see in a Gantt Chart, except one.
  - a. List of activities
  - b. Time scale
  - c. Bar graph reflecting the duration of the activity
  - d. Success indicator
10. The process of choosing the best option or alternative.
  - a. Identify the problem
  - b. Develop alternatives
  - c. Select an alternative
  - d. Implement the chosen alternative



## Additional Activities

### Challenge yourself...

Choose one problem that your family is facing right now because of the pandemic. Provide possible solutions to your identified problem by going through the eight steps of the decision-making process. Keep your responses on your portfolio notebook.

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