

BUSINESS DECISION MAKING

Business Decision making

Prof. Nina Begičević Redep

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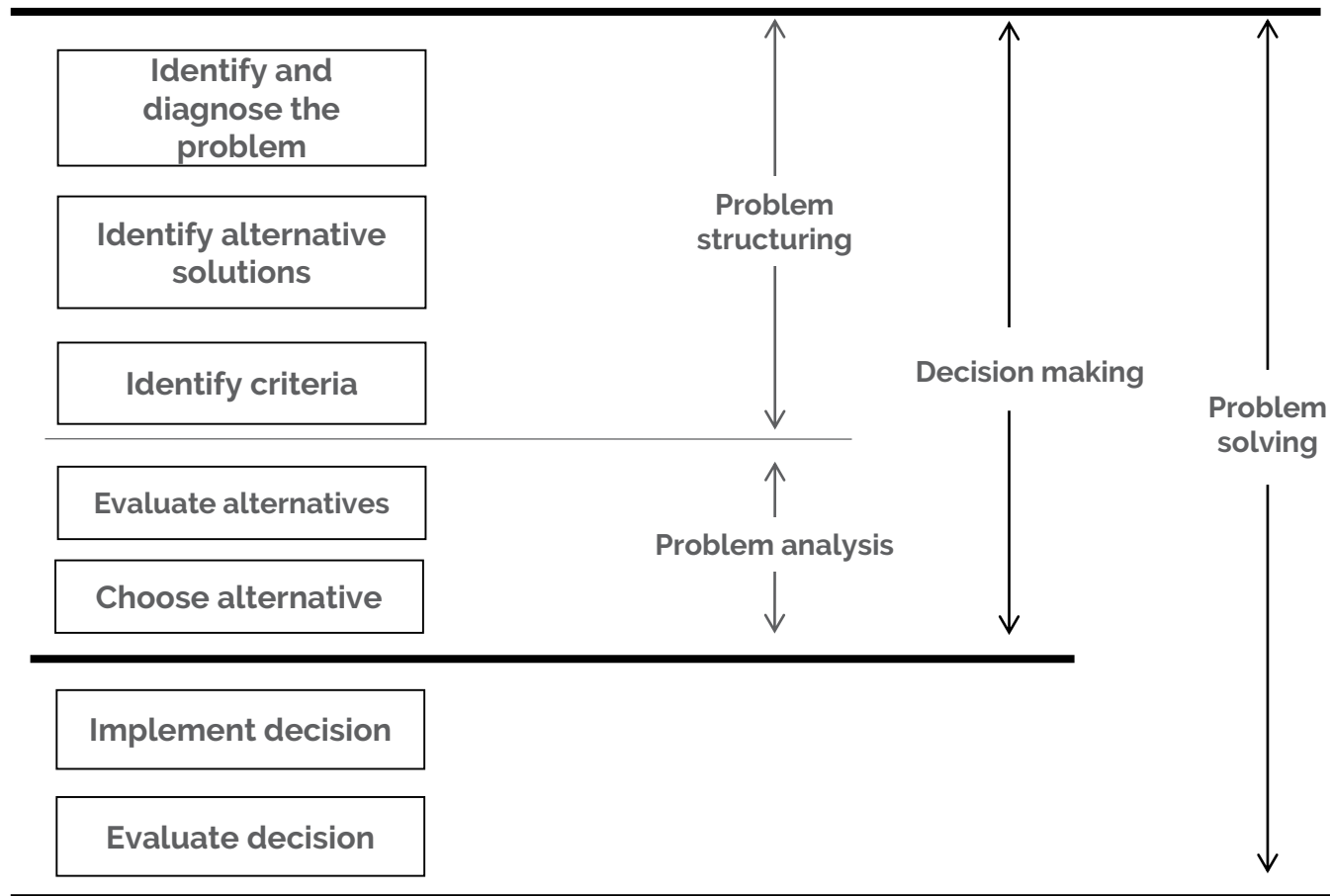


FACULTY OF
**ORGANIZATION
AND INFORMATICS**

3rd WEEK

- Decision-making process
 - Steps in decision-making process
 - Assignment 1
- Organizational structures
 - Types of organizational structures
 - Functional organizational structure
 - Assignment 2

DECISION MAKING **PROCESS**



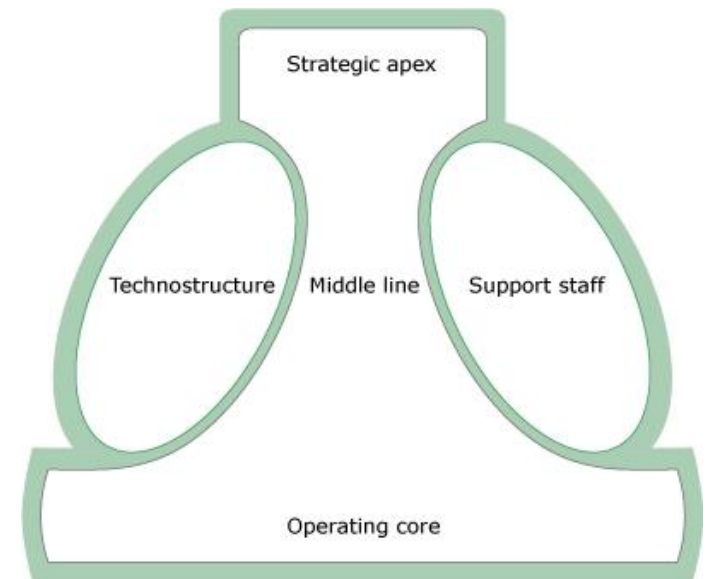
ASSIGNMENT 1?

- ... In pairs
- Choose what ever DM problem you want.
- Analyse it through phases in DM process
 - Describe the problem
 - Select and describe the criteria
 - Select and describe the alternatives
 - Make DM table
 - Try to make a decision on chosen problem
 - Describe the actions in implementation of the decision
 - How will you evaluate the decision?
- 25 minutes + short presentations



BASIC ORGANIZATIONAL STRUCTURES

- **Organizational structure**
 - ... is the way how the organization is structured
 - ... unique system of all organizational units in some company
- **Elements** of organizational structure:
 - Strategic level – top management
 - Tactical level (middle line) – heads of OUs
 - Operative level - workers
 - Technostructure - engineers, accountants, planners, researchers, and personnel managers
 - Support staff – supporting activities (food service, janitor, cleaning staff...)



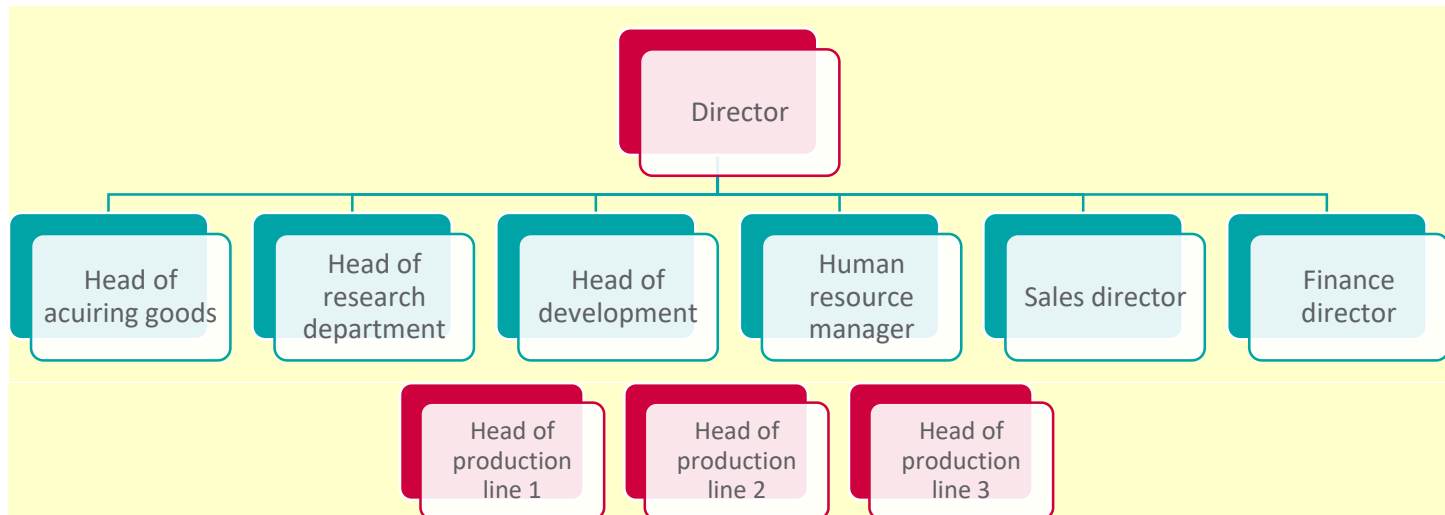
BASIC **ORGANIZATIONAL STRUCTURES**

- Simple organizational structure
- Functional organizational structure
- Divizional organizational structure
- Project organizational structure
- Matrix organizational structure



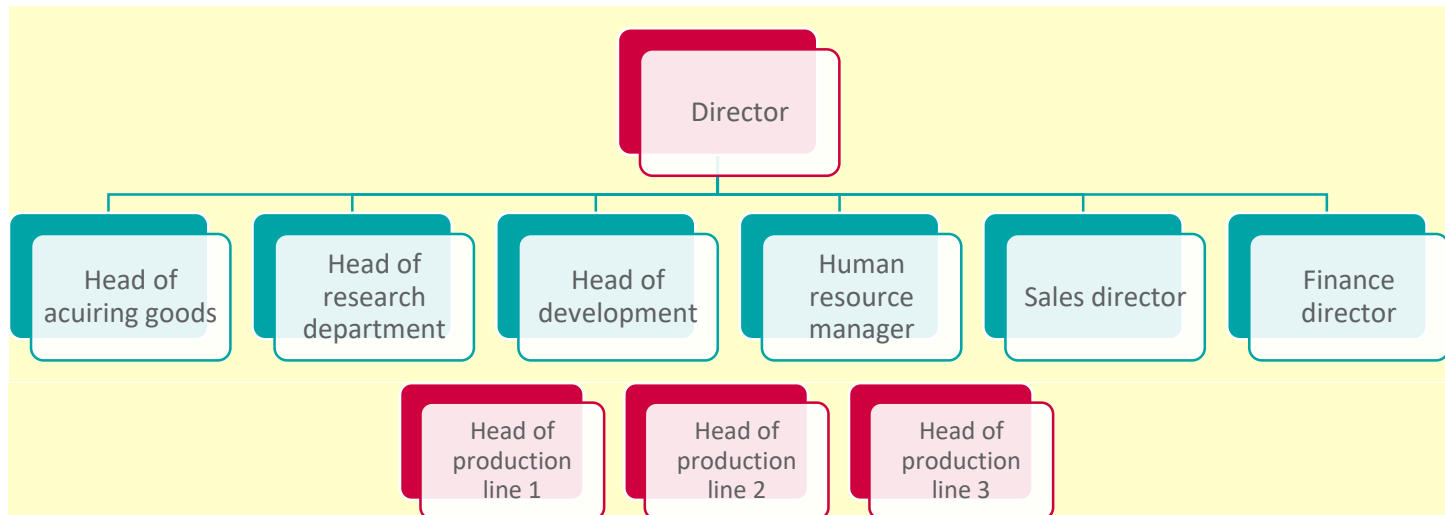
BASIC ORGANIZATIONAL STRUCTURES

- Functional organizational structure
 - The oldest type of structure
 - It is present in most of the organizations after the founding
 - Organizational units = functions
 - Head of decision-making in the company is the main director - he makes strategic decisions
 - The company is divided into several small departments acting alone for themselves



BASIC ORGANIZATIONAL STRUCTURES

- Functional organizational structure
 - Heads of these departments are again directors who care for their department and are responsible to the main director
 - Decisions in these departments are centralized, and departments are not interrelated
 - Each manager is a specialist for a particular area
 - The executor (head of certain product line) gets orders from a number of superiors, each of which specializes in a particular piece of work



ASSIGNMENT 2

- You and your team member(s) just got a 5 million EUROS and decided to start some business (profit/nonprofit)
 - What business do you want to start?
 - Shortly describe your organization
 - Make functional OS for your organization (select functions you need in the OS, as well as production lines)
 - Which decision making style is the most appropriate for your organization?
 - Please, choose one possible operative level in your organization and describe how would you solve it (which parts of OS are included)
 - Do the same for tactical and strategic problem
- 40 min

