



# RAMA UNIVERSITY

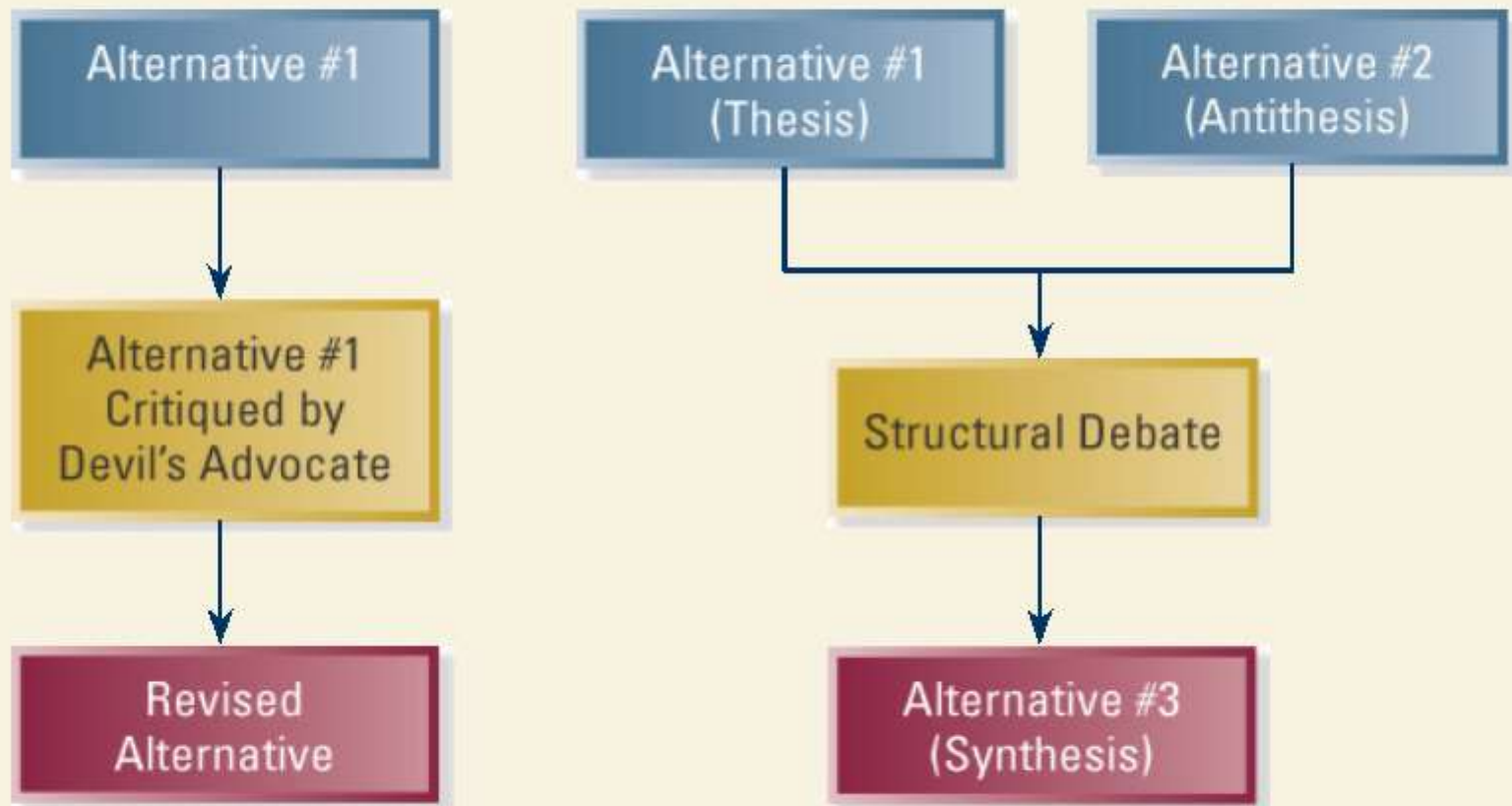
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## E-Content BCH-601 : Business Policy

### Lecture 7

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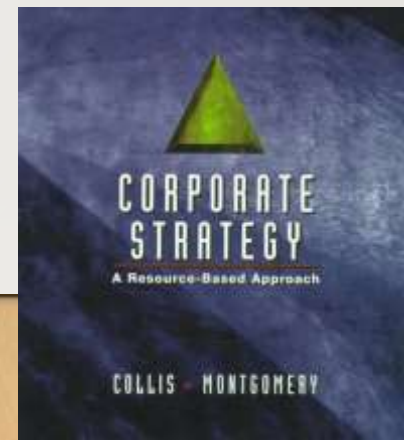
# Two Conflict-Inducing Decision-Making Processes



# Corporate Strategy

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- At the corporate level, value creation can occur if the individual parts of a firm are integrated into a coherent whole.
- **Corporate strategy** is the way a company creates value through the configuration and coordination of its multi-market activities.



# Managers as decision makers

## Assumptions of the Rational Model

**An optimal decision  
is possible**

**All relevant information  
is available**

**All relevant information is  
understandable**

**All alternatives are known**

**All possible outcomes known**

**Rational  
decision  
making**



# Managers as decision makers Satisficing

**Time constraints**

**Limited ability to  
understand all factors**

**Inadequate base  
of information**

**Limited memory of  
decision-makers**

**Poor perception of factors  
to be considered  
in decision process**

**‘Satisficing’  
decision  
making**

