



**L'Arbi Ben M'Hidi University\_ Oum El Bouaghi**  
**Faculty of Economics, Business, and Management**  
**Department of Management**  
**3<sup>rd</sup> Year Business Management**

## **Decision Making in Creating a Business**

### **Introduction:**

Decision making is the process of making choices by identifying a decision (what business the person wants to deal with), gathering information (data available from previous experiences), and assessing alternative resolutions (in case of failure). Using a step-by-step decision-making process can help you make more deliberate, thoughtful decisions by organizing relevant information and defining alternatives. This approach increases the chances that you will choose the most satisfying business.

### **Steps to Effective Decision Making:**

Starting a business involves a series of crucial decisions that can significantly impact your firms' success. Here are some key steps and considerations for effective decision-making in creating a business:

#### **1. Identify the Decision:**

You realize that you need to make a decision in opening and running a business. Try to clearly define the nature of the decision you must make. This first step is very important.

#### **2. Gather Relevant Information:**

Collect some pertinent information before you make your decision: what information, and how to get it. This step involves both internal and external work. Some information is internal: you will seek it through a process of self-assessment. Other information is external: you will find it online, in books, from other people, and from other sources.

### **3. Identify the Alternatives:**

As you collect information, you will probably identify several possible paths of action, or alternatives. You can also use your imagination and additional information to construct new alternatives. In this step, you will list all possible and desirable alternatives.

### **4. Weigh the Evidence:**

Draw on your information and emotions to imagine what it would be like if you carried out each of the alternatives to the end. Evaluate whether the need identified in step 01 would be met or resolved through the use of each alternative. As you go through this difficult internal process, you will begin to favour certain alternatives: those that seem to have a higher potential for reaching your goal. Finally, place the alternatives in a priority order, based upon your own value system.

### **5. Choose among Alternatives:**

Once you have weighed all the evidence, you are ready to select the alternative that seems to be the best one for you. You may even choose a combination of alternatives. Your choice in step 05 may very likely be the same or similar to the alternative you placed at the top of your list at the end of step 04.

### **6. Take Action:**

You are now ready to take some positive action by beginning to implement the alternative you chose in step 05.

### **7. Review your Decision and its Consequences:**

In this final step, consider the result of your decision and evaluate whether or not it has resolved the need you identified in step 01. If the decision has not met the identified need, you may want to repeat certain steps of the process to make a new decision. For example, you might want to gather more detailed or somewhat different information or explore additional alternatives.

## **Conclusion:**

Effective decision-making in creating a business involves careful analysis, seeking advice when needed, and being open to adjustments as you gain experience. It is essential to make well-informed choices that align with your business vision and goals.