**BUSINESS STRATEGY AND DECISION-MAKING**

**Learning outcome 4: Activity 3**

**Grande Construction**

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| **Scenario: Grande Construction Company (1)**  Planners responsible for management strategy in Grande Construction Company completed a stakeholder influence matrix sometime ago. They have recently acquired a derelict machine repair unit with agricultural land and submitted plans for a large new private housing development (200 new homes) in a semi-rural village location. This has been rejected by the local planning authorities who have requested they put forward plans for financial and other support for the following if they are to be successful on resubmission:   * New government building regulations addressing environmental concerns and use of industrial buildings * Potential difficulties with change of use from agricultural/industrial buildings * Local laws concerning provision of community housing in agricultural/rural areas * Provision of road infrastructure and community amenities (e.g. schools, retail and services such as local healthcare centres)   The company realises that these factors will have an impact on costs of the development and its profits. |

**In pairs/groups**

**Part one: Applying the Vroom-Yetton model**

Based on case options developed from the **Grande Construction Company**

TASKS

1. Create a V&Y model.
2. What are the likely steps and outcomes for each option given different management approaches (A1-2, C1-2, G2).

*Give feedback.*

**Part two: Problem solving**

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| **Scenario: Grande Construction company (2)**  The directors have realised that costs of the housing development are likely to escalate sharply and have asked the management team to consider actions to address the different options developed to resolve problems raised by the rejection of the planning permission. |

TASKS

1. Explain how each option will resolve the issues (minimum 3), imagining how each could address the problem and satisfy the stakeholders.
2. What likely steps could be taken to convert decision-making to action?
3. What are the likely benefits/profits (and disadvantages) from the actions suggested?

*Give feedback.*

**Part three: ‘The prisoner’s dilemma**

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| **Scenario: Grande Construction Company (3)**  Grande management have been contacted by a competitor with specialist expertise in infrastructure and low cost housing projects, offering to buy the land. The local authorities have indicated to them that with suitable arrangements in place, they will not refuse planning. |

TASKS

1. Review likely competitor behaviour.
2. Create likely response matrix.
3. Which decision should be taken and why?

*Give feedback and discuss how else to use this type of matrix for decision-making.*