



TOGETHER
for a sustainable future

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PANEL B

Wednesday 7 June 1972

THE DECISION-MAKING PROCESS

The sentences; "It is no longer resources that limit decisions. It is the decisions that make the resources", focus the need for attention to the decision-making process.

This process can be split up into:

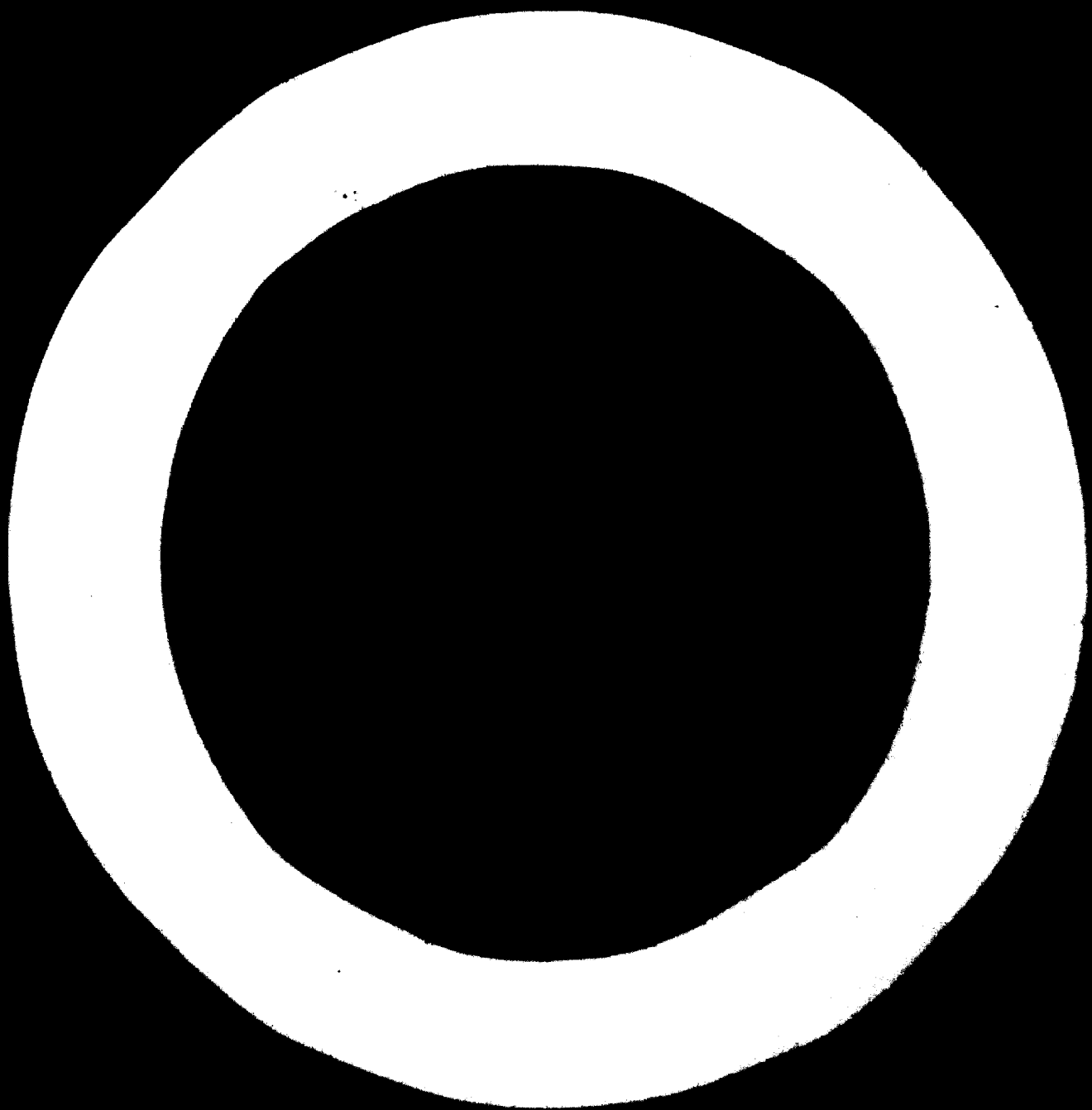
- . data collection
- . information systems
- . decision making systems
- . ordering systems

Together these activities are sometimes called Management Control Systems (MCS). This structuring of the process is not the only possible one but it has proved to be useful.

For the first part of the process the term Management Information Systems (MIS) has been widely used.

The concept of these systems vary but they should all aim at serving decision making so that good and speedy decisions can be made at low cost.

id.72-3593



A prerequisite for good decision making systems is that some kind of decision model either based on praxis or systematic investigations is available. The need for such models is steadily increasing, and it is also evident that they have to be continuously revised. We quote here the background paper ID/WG.129/A for this meeting, "The criteria used in the past for the administration of technological innovation in the industrialized countries have now been found to be most inadequate with the result that pollution of the air has become a major problem".

Many or perhaps most of the decision-making techniques deal with quantitative factors. It is however possible to systematically take also the non-quantitative factors into consideration and one very useful technique here is systems-analysis. It might sound **sophisticated** to introduce this technique but it can be done in a very simplified way. When the goals have been formulated for a system, it might be on governmental or industrial level, systems analysis can be utilized to optimize the industry with the help of approved decision models.

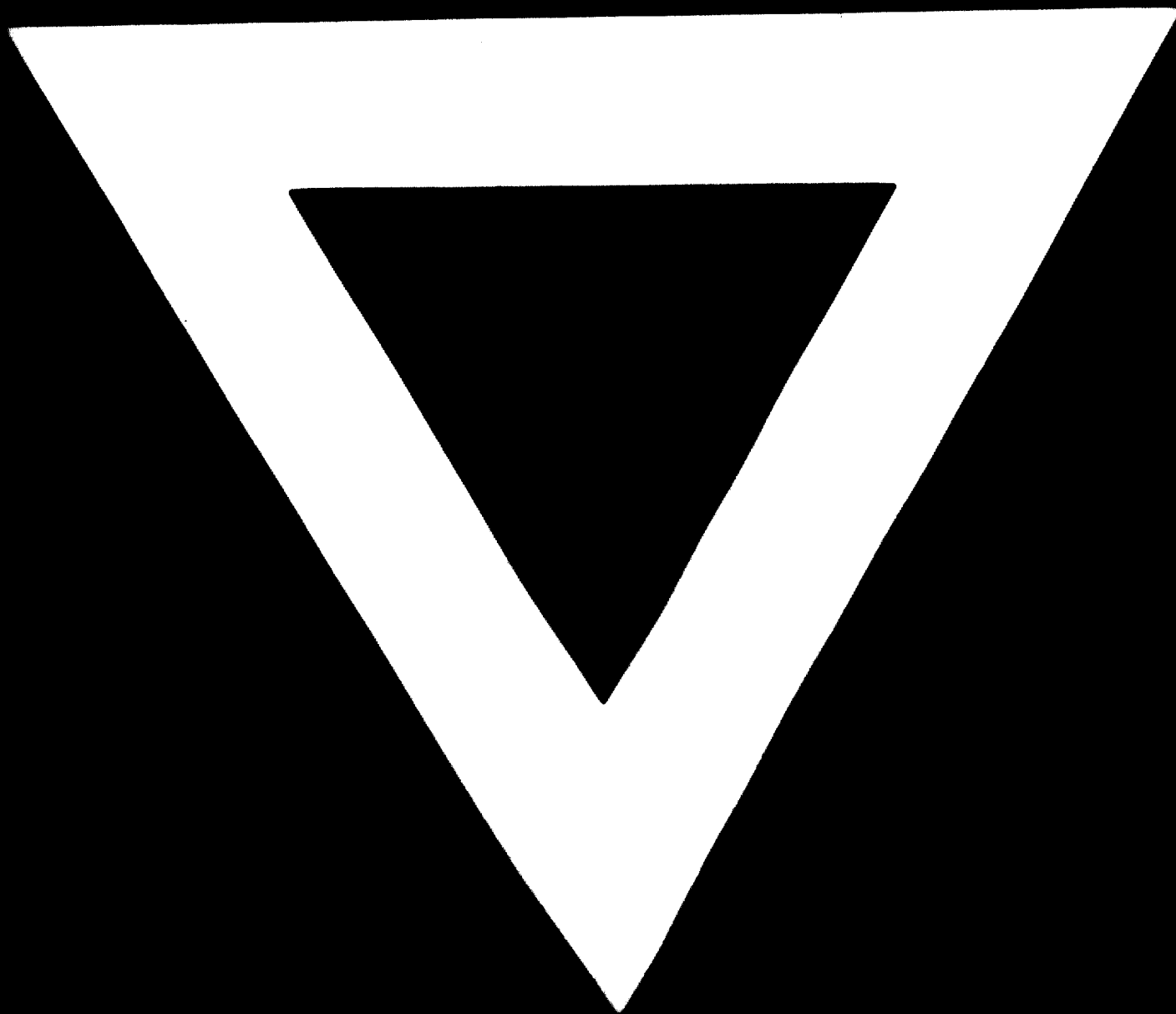
The time factor in industrialization is becoming more and more important. Yet we seem to neglect time although it is one of our basic and limited resources. Decisions take time, to acquire accuracy in decisions take time, uncertainty regarding the information for decisions causes time delays. Techniques which will shorten the time for decision making are very much looked for.

The following subjects for discussion might be considered:

<u>Suggested Subjects</u>	<u>Back ground Material</u>
1. Management Information Systems	An investigation about suitable literature has to be carried out. A lot of literature is available but in a too sophisticated form.
2. Decision Models	Operational Research and Developing Countries: The Control of Organized Systems and of the Decisions that control them. Russel L. Ackoff United Nations Interregional Seminar on the use of modern management techniques in the Public Administration of Developing Countries. Washington D.C. 27 October to 6 November 1970 ESA/PA/HRIS/1 The Application of Computers to the Management Decision Process. A Douglas Economic Commission for Europe Working Party on Automation Geneva 11-15 October 1971 Automation/Sem Mar/No. 4 9 August 1971

Guidelines for Project Evaluation. United Nations Industrial Development Organization Vienna Project Formulation and Evaluation Series No. 2 New York 1972.





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