

NOTES to Slides

Slide 1:

Slide 2:

Your goals must not only compliment each other within your vision of what you want to accomplish but must also be realistic for you.

ie. Investing for retirement:

What are your investment goals?

What does your risk tolerance mean for your investment strategy? (determines how much you will invest and the possible return on your account)

Slide Reference:

Problem solvers sometimes err from the start by addressing the wrong problem, and this error must be avoided because solving the wrong problem correctly is not solving the problem (Bea, Mitroff, Farber, Foster, & Roberts, 2009).

Slide 3

How do Variables interact within the organization of the system?

ie. Grocery Store Manager:

You are frustrated because you lost profit this month even though sales volume increased.

Possible explanation:

You offered bigger discounts in the Sunday Paper and ran coupons in a new magazine?

How might the short term affect your long term goal?

Slide 4

Avoid thinking the world functions according to your personal principals and values. Develop expectations based on observations/facts.

ie. You move to New York and open a pizza shop because you think your pizza is the best. You believe that most pizza in New York is New York style and the New Yorkers will love your Chicago style pizza when they try it because your snow-bird grandparents do.

Problem- Yes, you are basing your expectations on your observations but your observations are biased to your personal experiences. You should have gathered information on the

success of Chicago style pizza in New York and based your expectations on unbiased information.

Slide 5

Considering side- and long-term effects: A decision has many consequences in a system.

ie. You own an 18 and up club and reach capacity Friday and Saturday nights. You decide to focus on your customers who are bringing in the most money and turn your club into 21 and up only. You decide to increase the cover charge from \$5 to \$10 because you will have fewer total customers.

Problem- Raising prices might attract a different client group, you may loose some of your 21 and up customers too.

Slide 6

ie: Instead of laying off my staff I will train them to make multiple sales at higher unit prices to increase productivity and profits, so that four salesclerks can sell the amount previously sold by seven. Now I can payroll by three persons.

-Strategies to Reduce Costs in Small Business. *Bismove.com-Small Business Management.*
www.bizmove.com/finance/m3k.htm

Slide 7

Slide 8
