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Decision Theory & Decision Reality, are they the same?

- A report that handles contemporary examples of inputs in strategic decision making

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Foreword

We would like to thank the representatives from the eight companies for the information that they have provided us during the performed interviews. Further, we would like to thank our supervisors Karin Jonnergård and Amanda Sonnerfeldt for giving us support and encouragement to complete this study. Lastly, we would also like to thank the Department of Business Administration at Lund University that throughout our master program in Accounting & Finance has provided us with vital knowledge for the future.

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Viktor Bergström

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Abstract

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Key words	Strategic decision making processes; Decision making inputs; Environmental constraints & risks; Information/data; Knowledge; Team creative ideas; Ethical principles
Purpose	The purpose of this report is to investigate and compare the kind of inputs used in strategic decision making for companies that are targeting mature markets. This is concretized through an interview study with representatives from eight different companies that all could be considered new actors on their respective markets, which provides unique standpoints. By applying the input stage of the Complex Decisional Process (CDP) model to the specific situation we intend to assess the applicability of the model in empirical research.
Methodology	This study is of a qualitative nature. We follow an interview study approach in which we gather the empirical data from a diversified portfolio of companies, by performing semi-constructed interviews.
Theoretical perspectives	The theoretical section of this report presents the following theories: Classic model (Dewey, 1910), Mintzberg model (Mintzberg, 1976), Complex Decisional Process (CDP) model (Negulescu, 2014). The Classic model and the Mintzberg model are presented as an illustration of the general development within the field of strategic decision making, whereas the CDP model will attain specific focus in which it will constitute the basis for the study's directed content analysis.
Empirical foundation	The empirical section is firstly presenting a short introduction to the respective case companies. Subsequently, the empirical material consists of five tables that present and categorize the gathered data from the interview in accordance with the categorizations of inputs mentioned in the CDP model.
Conclusion	This study highlights that the current version of the input stage in the CDP model does not sufficiently represent the contemporary relationship between the categorizations of inputs in strategic decision making processes. Our findings indicate that Environmental constraints & risks, Team creative ideas as well as Ethical principles all could be considered to show a certain connection to the Information/data category. Also, we interpret linkages between the Information/data category and the Knowledge category. Hence, the conclusion determines that the CDP model will have to be reconstructed in order to give a more precise reflection of the reality for companies targeting mature markets. In the proposed model, the input stage now only consists of two categories (Information/data and Knowledge) rather than the original five. The excluded categorization is now described as guidelines for giving the user an understanding of what dimensions the information category may exist of. Further, our model shows how new information that has been obtained as part of one decision, during the process stage and the outcome stage, can be transformed into valuable insights that could be utilized as knowledge in another decision.

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1. Introduction

This chapter provides an overview of how the process of decision making is influenced by different factors and depending on the industry. Furthermore, a problem discussion is presented which will form the basis for the report's purpose and research question.

1.1 Background

In today's society, both individuals and corporations will encounter challenging questions where solutions must be found. The approach for finding a certain solution may however be constructed very differently depending on a wide range of factors including - for example - previously attained information and knowledge as well as if the decision is based on human intuition or formal analysis. Human intuition has proven valuable in early stages for anticipating startup success, but at the same time individual decision makers tend to make errors as a result of their bounded rationality (Dellermann et al., 2017). Also, making hasty decisions based on an attitude that emphasizes the priority of solving the question quickly, rather than finding the best alternative, often means that relevant information is missing which increases the risk for undesired outcomes. This entails a broader focus on the importance of understanding *strategic decision making*.

As part of strategic decision making it is important that organizations understand what inputs that affect the decision making process. For companies that are targeting mature markets, one can not solely rely on having a good business idea since there are many other inputs that will affect the chances of running a successful business. Here, one must define what kind of barriers there are to enter a new market since this could have a major role in how successful the idea implementation will be (Norén, 2006). The barriers to entry to a specific market can vary depending on which market the company is aiming for. The already established actors sometimes have the ability to influence the market and pre-determine the barriers, resulting in limited access for new actors (Norén, 2006). Companies must therefore

consider these barriers as inputs in their strategic decision making that can explain the chances for the organization to successfully introduce themselves to the specific market. Having an innovative idea is thus not the single factor for success.

Further, some markets can be considered more challenging than others. Such markets may, as an example, be characterized by a significant possibility for the established actors to control the market and thereby limit the ability for new entrants (Norén, 2006). However, other markets may be considered more challenging in terms of other factors. As an example, some markets might be more affected by regulations on either local or global scale, whereas other organizations could be affected differently depending on how the specific industry responds to current trends (Weber & Ladkin, 2005). Moreover, in some markets there could be higher requirements for gathering creative ideas as well as utilizing the previous knowledge within the firm, which also can be considered factors for determining the degree of challenges (Negulescu, 2014). Further, during recent times, a common factor that is affecting all markets can be attributable to the global studies showing that almost 90% of the world's population believes that climate change is real (Conca, 2019), meaning that environmental and ethical questions also are important areas that companies will have to consider as factors and inputs that can affect the strategic decision making (Omarli, 2017).

1.2 Problematization

As shown in the background, there are a large number of factors and inputs that can influence the decision making process, especially for new entrants who may have not yet found a clear path. Several authors that have developed decision making models seem to agree that inputs constitute the foundation for the decision making process (Dewey, 1910; Mintzberg, 1976; Negulescu, 2014). Within the field of strategic decision making the Classic model mentioned in Dewey (1910) is described to be a sequential and strictly linear model where each of the included stages has to be performed in the specific order. The model is divided into a total of seven steps, where the first two, *Assess the situation & Gather facts and assess unknowns*, are constituting the

steps in which inputs are collected and interpreted. Another traditional model in the decision making field can be attributable to Mintzberg (1976) who decided to incorporate a new and dynamic element of the earlier models. Unlike previous models, the Mintzberg model gives the user the possibility to adapt the dynamics of the decisional framework to fit with the organizational structure. The framework is divided into three stages, in which the first stage, *Identification*, includes the collection and interpretation of inputs.

However, one may question the applicability of these frameworks as some criticism has been developed during the years. Li (2008) stresses that the Classic model is based on the assumption that the user holds all available information to eliminate the risk for uncertainty in the decision making process. This means that the user is assumed to have the opportunity to assess multiple alternatives before selecting the optimal decision due to complete certainty. According to Li (2008) the Classic model can be seen as optimal in theory but not particularly applicable in real life. In terms of Mintzberg's model of the decision making process, Nichols (2015) stresses that the model presents little guidance of how to use the framework which as a result can make it hard to fully understand. Further, Ahmed et al., (2014), argues that the model is contextual and applicable in only organisational settings, meaning it may not be relevant in individual decision making situations.

A potential explanation as to why these models have received criticism could partly be explained by how today's world is not what it once was, since the world nowadays is faster paced, more competitive and less predictable. This means that there is a need to constantly develop new versions of decision making frameworks in order to make them more adaptable to the current circumstances. As a response to the critics towards the earlier models, the Complex Decisional Process (CDP) model (Negulescu, 2014) was developed. In comparison to the other models, the CDP model does not assume complete certainty of information and it is stressed to be applicable to all decisional processes, regardless the type of decision. Also, the CDP model emphasizes a greater importance of how inputs are affecting the decision making process. In the model, the input components are therefore distinguished and separated

from the actual decision making process. The input components are located in the stage of *decision making inputs* which is further divided into five different categorizations of inputs: *Environment constraints & risk, Information, Knowledge, Team creative ideas* as well as *Ethical principles*.

Even though the CDP model has been developed as an answer to the critics of the earlier models, one can still question the practical applicability of this framework in regards to the following reasons. Firstly, even though the framework provides a certain definition for the different categories of inputs, these definitions can still be considered quite vague since the author does not provide any clear examples of what to include under the specific category. Secondly, one may also question the framework since the interrelationships between the different categories are not clearly stated. Thirdly, the framework has not been applied particularly often in previous studies, meaning that the framework is in need to be tested. Also, with an ambition of developing a framework that is supposed to be applicable for every decision, one may question whether the framework is too general and in reality must be adapted to the specific situation. As described in the background, being a new entrant that is targeting a mature market can be considered a situation that is highly influenced by a variety of inputs that can affect the decision making process. This is a situation where the CDP model might have to be adapted to the specific situation - a situation that we would like to investigate further.

1.3 Purpose & Research Question

The purpose of this report is to investigate and compare the kind of inputs used in strategic decision making for companies that are targeting mature markets. This is concretized through an interview study with representatives from eight different companies that all could be considered new actors on their respective markets, which provides unique standpoints. By applying the input stage of the Complex Decisional Process (CDP) model to the specific situation we intend to assess the applicability of the model in empirical research.

Research Question:

- *Can the input stage of the Complex Decisional Process (CDP) model be validated or should it instead be restructured in order to give a more precise reflection of how inputs are used in the strategic decision making for companies targeting mature markets?*

1.4 Contribution

We aim to contribute to existing knowledge by analysing established theories within the area of strategic decision making from a contemporary situation that is highly influenced by a variety of inputs that can affect the decision making process. The majority of the existing research focuses too much on the traditional frameworks of decision making and thus we believe that there exists a certain research gap where the more recently developed frameworks have not yet been applied in practical situations. Our investigation of the CDP model (Negulescu, 2014) aims to contribute with a direction as to how this framework can be applied in practice. By including eight different companies from various industries, this research aims to provide an explanation of whether the CDP model's current categorizations of inputs are sufficiently representing the reality, or if it instead should be restructured to increase the applicableness for companies that are targeting mature markets. By investigating the CDP framework we will also complement the existing research by including a wider focus of how external factors such as ethical- and environmental impact influences the strategic decision making process, both of which can be considered extra significant in today's world. Lastly, in combination with the already existing knowledge, we will contribute to an increased understanding of how the theoretical frameworks and its decision making inputs can actually be integrated and explained by practical examples.

1.5 Outline

Our report is structured in the following manner. In the *Methodological section*, the applied research approach is explained and discussed. Further, the *Theoretical section* includes an introduction to applicable theoretical frameworks including the Classic model (Dewey, 1910), the Mintzberg model

(Mintzberg et al., 1976) as well as the Complex Decisional Process (CDP) model (Negulescu, 2014). In the following section, *Empirical findings & Analysis*, general findings gathered from the interviews are presented in five different content tables that each represent one of the categorizations of inputs mentioned in the CDP model. Subsequently, we will discuss each of the categories in connection to the presented tables and look for interlinks between the categorizations. Lastly, the *conclusion* section will present an overall summary of the findings by answering the constructed research question.

2. Method

In this section, the chosen research approach is motivated and discussed. We explain the research design and how the data has been collected. The section also includes a discussion in terms of the methodological limitations.

2.1 Research approach

2.1.1 Motivation of selected approach

This study is of a qualitative nature. Within the qualitative research area Bryman & Bell (2011) presents some different research approaches; *experiment study, cross-sectional study, longitudinal study, case study and comparison study*. For our study, we have drawn the following reasoning as the basis for the chosen research design. An experiment study requires the ability to manipulate the investigated behavior (Bryman & Bell, 2011). This is something that we consider ourselves to lack and thus we can exclude this alternative. A cross-sectional study is often examining a number of individuals at a specific occasion, giving a picture of the population at a certain point in time (Bryman & Bell, 2011). Our study is not attributable to an investigation at a particular time, thus we can exclude this alternative. A longitudinal study often requires several observations during a significant time period (Bryman & Bell, 2011). This exceeds our capacities and thus we can exclude this alternative. As described by Bryman & Bell (2011) and Yin (2018), the case study approach is applicable for making in-depth analysis of a contemporary phenomenon within a real-time context. In accordance with this description, we find this research approach to be partly appropriate. Our study aims to investigate a contemporary phenomenon within a real-time context but does not necessarily require the same amount of in-depth analysis as the case study proposes. Further, (Bryman & Bell, 2011) stresses how the use of a comparison design within a qualitative research strategy basically means that the researchers are performing a multiple case study. The main argument of performing a multiple case study is that it improves theory building. With a comparison between two or more cases, the researchers attain a better position

for establishing the circumstances that can explain whether a theory holds or not. The actual comparison may also contribute to new concepts that are relevant in an emerging theory. Hence, in accordance with our purpose, this approach can also be seen as partly appropriate for our study.

Moreover, Dalen and Kärnekull (2008) stresses that an interview study can be seen as an appropriate approach when the researchers are looking for more than one informant group. As described, in many subject areas it is important to get an idea of how different parties experience a certain situation in order to capture new nuances and diversity. We consider a diversified empirical section as very important for attaining sufficient ground of determining as accurate conclusions as possible. Performing a large variety of interviews in different contexts could therefore be considered an important characteristic of this study. In short, we have decided to classify this study as constituting an interview study that incorporates comparison elements and real time analysis.

2.1.2 Deductive procedure and motivation of theory

As part of our interview study we have chosen to incorporate a deductive approach where we are using the Complex Decisional Process (CDP) model from Negulescu (2014) as a starting point for our study. The deductive approach is characterized by using an existing theory and investigate whether to revise the existing theory based on the collected data and the findings of the report (Bryman & Bell, 2011).

Within the subject of strategic decision making various frameworks are being presented. However, we have chosen to see past the traditional framework, enabling us to search for models that have been developed during recent time. The Classic model (Dewey, 1910) is one of the traditional frameworks used in strategic decision making studies which, according to Li (2008), is built on the assumption that the user has complete information and acts in total certainty when making decisions. Li (2008) further stresses that this assumption is not aligned with the reality of the modern information age.

In comparison to the earlier frameworks, the CDP model is considered to be applicable to any situation within the strategic decision making topic (Negulescu, 2014). The framework includes a variety of input categorizations that can be used for understanding on what grounds a decision might be taken. Also, since the framework is incorporating ethical considerations, we can utilize the framework for enabling us the ability to make more use of the current trends that are circulating. However, as stated in the problematization, this framework has not been applied particularly frequently in the previous studies within the subject and the relationship between its input categorizations must be further investigated. Due to this, it was natural to apply a deductive approach and investigate this framework in more detail.

According to Yin (2018), a constructing validity action can be seen as establishing a chain of evidence through usage of multiple sources of data. In our case we will apply empirical findings from eight different companies that will be categorized under the inputs in the CDP model, facilitating the process of testing the validity of the framework. By determining whether the framework is valid or needs to be reconstructed, future studies within the subjects are able to benefit from the findings of this report and base their assumptions on data that can be considered trustworthy.

2.2 Research design

2.2.1 Case selection

Firstly, in regards to the problematization and purpose, the empirical data can not be gathered from organisations which themselves are considered to be a large actor in their specific market. Secondly, in regards to the research question of the report, the empirical data must be gathered from representative organisations where it is possible to identify a certain use of inputs in their strategic decision making. That being said, we have identified eight different case companies that we consider fulfills the above criterias and simultaneously have managed to pursue interesting business concepts. The examined organisations should be considered appropriate for this study since they are all currently in the process of either starting to introduce or starting to

expand their business concepts in their respective Swedish markets. Lastly, the case selection was constructed to include a diversified portfolio of companies. By including eight companies that all are operating in different industries without direct linkages to each other, both the credibility and the ability of generalising the finding of the report is strengthened.

2.2.2 Selection of interviewees

The interviews were established with respective employees that had decision making capacity in the specific organisation. Each of the interviewees in the study was expected to deliver data of the highest degree to ensure quality. By performing interviews with employees involved in the core-businesses, the level of quality could be secured. Secondly, to ensure ethical conduct, one criteria was to ensure that the respondent was participating voluntarily.

To establish the first contact with the organizations, an email was constructed and sent out either directly to the respondents or to their respective assistant including a brief introduction of the topic. In some cases, we also reached out to the respondent directly through telephone. Only after the initial contact was established and the interviewees had proven their interest and voluntarism for participating in the study, an interview occasion was scheduled. Another aspect that we have considered as part of ensuring ethical conduct was whether the respective organisations wanted to be anonymous or not. A few companies indicated a desire of being anonymously presented in the study, hence we decided to make all of the participating organizations anonymous in order to ensure consistency throughout the whole report.

2.2.3 Data collection

The study's gathered information that is not collected directly from interviews is instead collected from relevant literature within the subjects. This literature is gathered from reliable sources including for example LUBsearch and Google scholar, resulting in increased quality. To further increase the validity of the report, Dalen & Kärnekull (2008) stresses that a recording of the interviews will strengthen the report. Recording the interviews will also facilitate the ability to distinguish relevant empirical data and the risk for

misinterpretation will decrease when recording is applied. In accordance with these benefits, we decided to use recordings to strengthen the reliability of the report.

As described, in order to be able to answer the research question presented, the data collection is based on interviews with relevant employees at the selected companies. Interviews are known for being one of the most common methods used for gathering empirical evidence in qualitative research according to Bryman & Bell (2011). The constructed interviews with the studied organizations were designed from a semi-structured perspective. A semi-structured interview involves the use of an already written interview guide, but where the interviewee has space and freedom to design his or her own answers (Bryman & Bell, 2011). The structural question was provided to each of the interviewed parties in connection to the scheduling of the interview appointment. Sending the question beforehand gives the other party the ability to create well composed answers with information that they would like to enlighten (Dalen & Kärnekull, 2008). During the interview, informal questions that arise from discussions will be put forward to enable gathering of information from answers including personal opinions and interpretations. Further, it is crucial that the interviewer poses clear questions and allows the respondent to take time to answer the question at their own pace. According to Dalen & Kärnekull (2008), this strategy allows the respondent to use their own words which in some cases will result in more qualitative data. Composing the interview on a semi structural basis therefore gives the study more completeness in data collection as well as reliability.

The interviews were conducted between April 23 and May 14. Most of the interviews took place digitally and the reason behind this is of course attributable to the current situation with covid-19, preventing us from meeting the majority of the people via physical meetings. We would of course have preferred to only conduct on-site interviews, as it provides better conditions for reacting and interpreting the respondent's facial expressions and body language (Bryman & Bell, 2011). However, with a majority of online interviews, Zoom and Microsoft Teams thus became our main communication

channels. Depending on the respondent, the interviews were either held in Swedish or English with an average time of 48 minutes.

In preparation for the interviews, a large amount of data for each of the examined organisations were gathered and interpreted. All this data has not been presented in the report, but it gave us the possibility to master the technical and industry-specific language as well as providing us with better background and understanding of the respective company. This was done with the ambition of enabling more in-depth formulations and in-depth discussions from the interviewees (Kvale & Brinkman, 2014). Further, Dalen & Kärnekull (2008) stresses that the interviewer must prove to be well informed and show genuine interest in the respondent to be able to gain significant information. Otherwise, as the authors stress, the respondent will not be receptive to presenting more qualitative information.

During all of the interviews both team members of the report were present. For the small number of physical meetings, one of the team members was physically present whereas the other took part digitally through link. This means that the gathered information from the interviews could be interpreted by both researchers, resulting in investigator triangulation where the gathered information required a common agreement in terms of the meaning of the statements (Patton, 1990). Further, we conducted a specific memorandum for each of the interviews that included notes of the key concepts from the presented information. This approach facilitated the possibility to sort and classify the findings in accordance with the frameworks presented in the theoretical background.

Interviewee	Communication Channel	Language	Duration	Background and experience
Interviewee 1	Microsoft Teams	English	51 min	<ul style="list-style-type: none"> * Many years of experience within the car industry. * Previously responsible for strategy and business innovation in a large car company. * Has gained experience from other industries such as hospitality and sales.
Interviewee 2	Zoom	Swedish	65 min	<ul style="list-style-type: none"> * Many years of experience as a consultant for large corporations within the food industry. * Been part of management teams within new start-up ventures in the food industry. * Many years as a recruiter within the niche food market.
Interviewee 3	Microsoft Teams	Swedish	50 min	<ul style="list-style-type: none"> * Has worked as both business analyst and management consultant. * Other experience from the sales industry.
Interviewee 4	Face-to-Face	Swedish	44 min	<ul style="list-style-type: none"> * Many years of experience in food and beverage sales. * Worked as a consultant with large organizations within the food industry.
Interviewee 5	Face-to-Face	Swedish	41 min	<ul style="list-style-type: none"> * Previous leadership experience within the industry. * Worked at market leading organizations in the industry.
Interviewee 6	Zoom	Swedish	45 min	<ul style="list-style-type: none"> * Experience from board memberships in different industries. * Worked as a recruiter at large organizations.
Interviewee 7	Zoom	Swedish	43 min	<ul style="list-style-type: none"> * Many years of experience with online sales from multiple industries. *Involved within globally active corporations. * Years of board experiences.
Interviewee 8	Microsoft Teams	Swedish	47 min	<ul style="list-style-type: none"> * Many years of experience within the event and fairs industry. *Years of experience in the consultancy industry, with involvement in smaller start-up ventures.

Table 1: Details of the performed interviews.

2.2.4 Directed content analysis

In accordance with Elo and Kyngäs (2008), content analysis can either be performed through a qualitative or a quantitative approach, in which it can also be divided into an inductive or deductive procedure. The difference between the two procedures is often attributable to whether or not there is any previous research on the specific phenomenon. The inductive content analysis often lacks previous research whereas the deductive content analysis is more useful when an existing theory is to be tested in a new situation or when to compare categories over time (Elo & Kyngäs, 2008). In accordance with the qualitative nature of this study, as well as our choice of using the CDP model as a starting point, a directed content analysis has been chosen as an approach for analysing the gathered information from the interviews, which is also considered deductive. Subsequently, the aim is to either validate or reconstruct the existing theory (Hsieh & Shannon, 2005).

The approach for performing a directed content analysis should be based on various steps for facilitating its methodology. The initial step is to find a number of categories that are based on previous research and theories. During the interviews, it can therefore be appropriate to construct the first set of interview questions from a broader perspective and thereafter proceed with questions that are more towards the predetermined categories. This will make it easier to specify the answers in accordance with the predetermined categories. The following step is to interpret the gathered data by coding the obtained answers. Here, one can use two types of strategies in which the first is to collect all the data that is considered relevant and make the coding accordingly, while the second strategy is to perform the coding directly. The first strategy is often recommended since it collects more data that allows a more open interpretation and less risk for losing important data. The second strategy presupposes that the specific researchers are very secure in their determination of categories and that there are no preconceived notions that control the categorization (Hsieh & Shannon, 2005).

2.2.5 Application of the directed content analysis

In accordance with what is described above, we decided to follow similar steps in terms of how a directed content analysis could be performed. Initially, we chose a number of categories that we considered appropriate for fulfilling the purpose of the study and enabled the research question to be answered. During the interviews we initially started to ask some broader questions (e.g. describe your business concepts), followed by more specific questions that individually covered the different categories of the CDP model. Even though some of the interview questions were constructed to cover a specific input category, we were keen to not construct the questions as being too directed and angled. Instead, we wanted to embed the different input categorizations in a more underlying way, in order to reduce the risk of obtaining answers that were expected beforehand. As mentioned, we took notes of the key concepts from all of the interviews and recorded the interview in accordance with the respondents' permissions. With this approach, we were then able to go back and transcribe the different parts of the interview where we wanted extended information and a clearer basis for our upcoming categorization. In accordance with the chosen set of categories in the CDP model, we then started to color code the gathered information directly in the transcribed text materials; *Environment constraints & risks* (blue), *Information/data* (red), *Knowledge* (yellow), *Team creative ideas* (orange) and *Ethical principles* (green). The color coded text materials were then added together and presented in the common content tables presented under empirical findings.

After performing the first step of the directed content analysis that included a categorization of the gathered information, we could then use the content tables as the foundation for the subsequent analysis of the study. Here, we interpreted our findings by looking for similarities and differences between the case companies and the potential explanations behind it. Also, in accordance with the study's research question, the analysis also includes our interpretation of the applicableness of the current approach for categorizing the inputs based on the CDP model. In our analysis of whether the input stage of the CDP model can be validated or if it instead should be restructured, we will be looking for interlinks between the categorizations by overviewing our empirical findings

and analyzing if clear similarities can be shown or not. Hence, we can determine if the reality seems to be characterized by equal distinctions of categories as the theory proposes, or if the reality instead is determined by having not as clear distinctions between the categories of inputs. With this basis, the analysis will thereafter entail if categorizations can relate to one or another, resulting in a possible opportunity for restructuring the model to better represent reality.

2.3 Research limitations

As mentioned by Yin (2018), the chosen research approach may encounter several concerns including generalization, level of effort, confusion with teaching cases as well as rigour. Furthermore, this approach is often associated with the lack of ability to identify causality, since one can not statistically generalize the findings. Even though this approach is appropriate for developing concrete and context-dependent knowledge, it can sometimes tend to bring analytical generalizations between the propositions of the chosen set of developed theories and the empirical findings of the report. Although we have decided to pursue a sort of comparison study which could minimize the risk for analytical generalization, there are still some aspects with the chosen research approach that need to be treated with caution.

Since the data collected from the interviews is mainly based upon discussions made online and not in person with the opponents, some information will be left out. During interviews most of the data that is presented derives from the oral discussion between the parties. However, using body language and gestures enables the presented data to be interpreted in a certain way. Therefore, proceeding with an online interview over phone or similar might exclude the respondents bodylanguages and other attributes that may have influenced the interpretation of the data (Bryman & Bell, 2011). Further, both data triangulation and the reliability of the gathered information could of course have been strengthened by performing multiple interviews with different representatives from the same case company. However, due to the number of case companies in the study, this would have been very time consuming. Instead, by overviewing articles and other sources of information,

including annual reports, we were able to compare some of the collected data and thereby strengthen the trustworthiness.

Lastly, as a potential limitation of the content analysis approach, it was taken into account that writers sometimes unconsciously can hold preconceived notions and are biased in the interpretation of the data. The actual interview procedure may also hold some criticism since the answers can - but should not - be interpreted or angled in the specific direction that we expect the respondent to answer.

3. Theoretical background

This section presents the study's theoretical framework. The Classic model and the Mintzberg model, are mostly presented as an illustration of the general development within the field of strategic decision making. The analysis will focus specifically on the CDP model.

Elbanna and Child (2007) explains the strategic decision making process as a collective term for making a specific decision, implementing a specific decision as well as handling the factors that influence the specific decision. A more elaborate definition of the issues that concerns the strategic decision making process would be the structure and design of strategies, investments in new products and markets, initiatives for mergers and acquisitions, necessary closures as well as internal restructuring (Ahmed et al., 2014).

Historically, it is clear that strategic decision making has developed into becoming a significant area of research within the strategic management field. Mintzberg, Raisinghani and Théoret (1976) explains the widespread interest as being *"quite divergent: subjective or objective, prescriptive or descriptive, based on experience or exploratory, reverting to economics, psychology, political science, anthropology or political sociology. All these viewpoints have successively had their advocates and thus have been the objects of research and subsequent publications."* Apart from this, early research in strategic decision making can also be attributed to the articles from Eisenhardt and Zbaracki (1992), Cyert and March (1993; 2002), Fredrickson (1984), Bateman & Zeithaml, 1989 as well as Rajagopalan et al., (1993; 1997).

Papadakis & Barwise (1988) presents three reasons that explain the limitations of the existing studies within the process of strategic decision. First, a limited amount of research investigates the broader influence of strategic decision making. Second, even though strategic decision making is multidimensional, the majority of the research focuses on a single attribute (e.g decentralization, politics) rather than a combination. Lastly, large parts of

the research findings could be considered contradictory which complicates the establishment of a coherent theory. Ahmed et al., (2014) argues that the early perspectives are challenging, and therefore other researchers such as Porter (1985; 2008) and Kaplan & Norton (1992) have developed analytical tools (five forces competitive model; balanced scorecard concept) for helping organisations to adjust in accordance with the constantly changing environments. Even though the operationalization of strategic decision making process perhaps has not yet reached the desired pace, several models have still successfully been constructed.

3.1 Classic model

The classic framework of strategic decision making is described to be formally structured and sequential. The foundation of the framework can be traced back to John Dewey's interpretations of the problem solving process mentioned in his book "How we think" (1910). The classic perspective is arguing that decision making is divided into three main activities; intelligence activities, design activities and choice activities. These activities are incorporated into the classic framework which includes a total of seven steps that are all performed in a logical and sequential order (see figure 1). The first two steps, *Assess the situation* and *Gather facts and assess unknowns*, are constituting the steps in which inputs are collected and interpreted. Since these two steps are representing the initial steps in the sequential process order, the obtained inputs can therefore be seen to lay a foundation for the subsequent decision making process.

Ahmed et al., (2014) stresses in their article that the Classic model assumes that the decisions are made in complete certainty. The model can be seen as a rational approach where the use of the model is strictly bounded to the presented steps and only functioning in a perfect world (Li, 2008).

This approach has for a long period of time been used by managers to establish sufficient decision making processes. By basing the decision making on rational beliefs, the classic framework is easy for the user to understand and sympathize with. However, critiques can be directed to this approach

since the data does not always come with certainty. Li (2008) stresses that in reality the modern information age does not give the user complete certainty. Therefore, the user will make unrealistic assumptions which will result in insufficient decision making. Beach & Lipshitz (2017) argues that the specific assumptions that are grounded in the Classic model, basically implies that the theory has very little relevance to real world decisions. Therefore, strategic decision making frameworks such as the Classic model will have to pass through several developments to be able to maintain an up to date methodology.

According to Nichols (2015), the classic framework can also be criticized by the fact that the links are known and pre-determined. The approach is also excluding the human instinct, where the “gut” feeling as Nichols (2015) stresses, has a major role in decision making and must be included to sufficiently make strategic decisions.

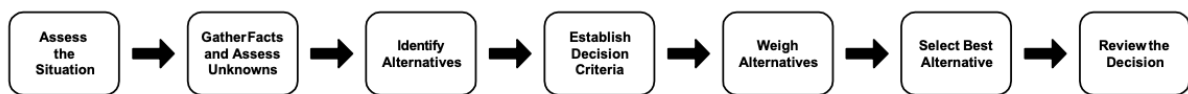


Figure 1: Classic decision making process (Nichols 2015).

3.2 Mintzberg model

Mintzberg's model of the strategic decision making process can be presented as an alternative to the Classic model described originally by John Dewey (1910). The Mintzberg model derives from previous models but with a change since the risk for “window-dressing” was potentially high in the earlier models according to Mintzberg et al., (1976). Mintzberg is presenting a model that tries to overcome the issue by presenting a framework that emphasizes decisions with best fit rather than where decisions are made from determined alternatives. Unlike previous models, the Mintzberg model gives the user the possibility to adapt the dynamics of the decisional framework to fit with the organizational structure.

Since the Mintzberg model also can be seen as sequential, similarities can be shown to the classic perspective. The Mintzberg model is built upon three sequential phases, *Identification*, *Development*, *Selection*, which together also includes seven different routines (see figure 2). The *identification* phase aims to identify opportunities and problems that might have arisen either from inside or outside of the organization. Starting off, the user needs to observe a need for a new decision, this is determined in the *recognition* routine. The *diagnosis* routine thereafter refers to the actions of going through existing information channels and potentially opening some new ones in order to clarify the situation (e.g. requesting external consultants to analyze an issue). Secondly, the *development* phase consists of the *search* and *design* routines, which aims to either seek or modify ready-made solutions or to develop custom made solutions to better manage the issue. The final phase in the framework narrows the demonstrated alternatives and selects the ones that seem most appropriate for the desired outcome (Ahmed et al., 2014).

In terms of the framework's three phases, the *Identification* phase can be seen to include the collection and interpretation of inputs. In comparison to the Classic model mentioned above, the framework presented by Mintzberg enables the user to go backwards in the sequential stage in order to change the decisional process if needed. Moreover, in the Mintzberg model the information which influences the strategic decision process is not certain. In comparison to the Classic model that assumes complete information, the Mintzberg model is useful with limited information. Further, compared to the Classic model of decision making, Mintzberg's model is therefore to a higher extent applicable for organizations where uncertainty is shown, thanks to its dynamic ability (Ahmed et al., 2014).

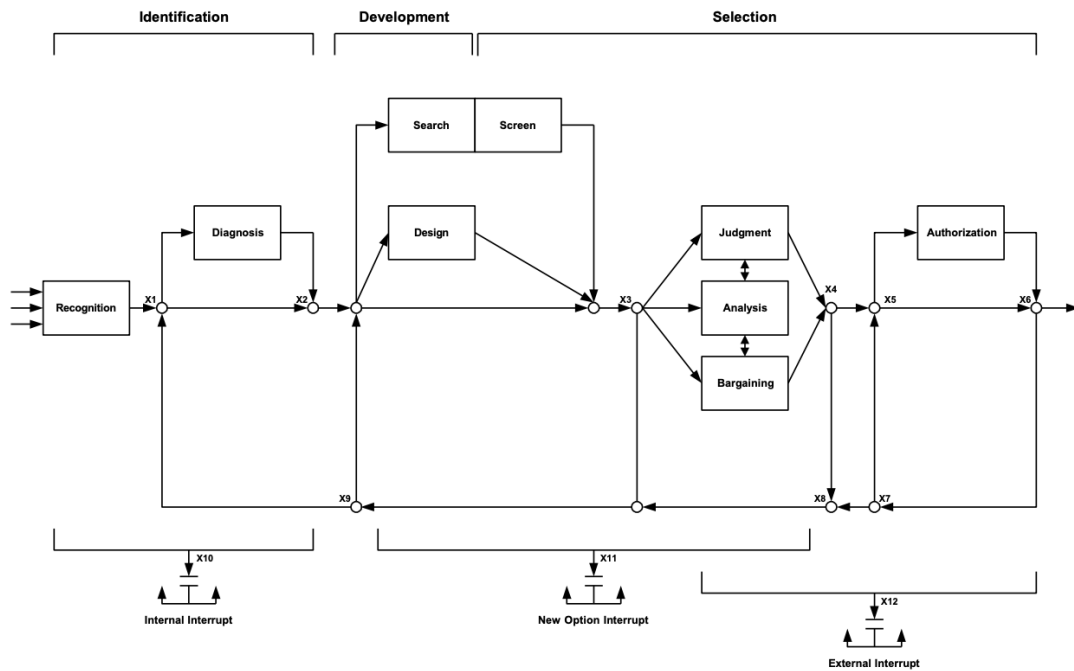


Figure 2: Mintzberg's model of strategic decision making process (Mintzberg et al., 1976).

3.3 Complex Decisional Process (CDP) model

As shown in earlier models, the decision making processes are based on a starting point that includes a first stage of identifying the problem or the decision to take. This CDP model is described to be based on a similar methodology where a clear description and understanding of the situation will facilitate the other steps in the process. In comparison to the Classic model and the Mintzberg model, the CDP model emphasizes the importance of separately distinguishing a variety of input categories as part of the initial stage in the decision making process.

The Complex decisional process model (CDP) is further considered to take a modern approach in the frameworks of strategic decision making. Earlier frameworks do not adapt or modify the decision making processes due to changes in the external demand (Negulescu, 2014). The intention of the CDP model is to offer the user a broader vision of decision making by including ethical principles such as morals and sustainable thinking, which has proven important in recent decades. The CDP model (see figure 3) takes into account three cybernetic stages: inputs, processes and outputs (Negulescu, 2014). The model includes five different inputs: Environmental constraints,

Information/data, Knowledge, Team creative ideas and Ethical principles. Environmental constraints aim to acknowledge the risks of the external environment as well as internal risks associated with resources. The information/data input represents the same thing as the name suggests, the obtained information and data that possibly could affect the decision. In the case of the knowledge input, it aims to include the accumulated knowledge by both the firm and the individual managers where previous experience and other interorganizational knowledge is intended to be categorized under this input category. Further, team creative ideas represent the organisation's ability to take advantage of ideas from different levels of the organization. Lastly, as described, the decision making process is also influenced by ethical principles such as morality and sustainable thinking. According to Astuti et al. (2019) it is critical to include ethical principles as an input in the decision making since one must consider the culture and rules in the specific environment. The five input components set the foundation of the CDP model which will affect the upcoming stages. As shown in figure 3, the two other cybernetic stages that cover the decision making process and the decision making outputs are also divided into different categories. However, since the study aims to focus specifically on the input components, these steps will not be given any further explanations.

In general, the CDP model is regarded as more complex than other similar models, but simultaneously it is also considered more usable and covers more areas than the other models. By using the CDP model, the managers can apply the model in a larger variety of circumstances since the model not only includes the classic segments of decision making processes, it also includes the ethical aspect which is crucial in modern times (Negulescu, 2014). However, one may question the accuracy of these statements due to a number of reasons. Firstly, even though the framework provides a certain definition for the different categories of inputs, these definitions can still be considered quite vague since the author does not provide any clear examples of what to include under the specific category. Accordingly, the usability of the framework would increase if more guidelines would be incorporated. Secondly, one may also question the framework since the interrelationships

between the different categories are not clearly stated. In the current version the user is unable to distinguish whether there exists a relationship between the categories or if they are supposed to be interpreted completely individually. Thirdly, the framework has not been applied particularly often in previous studies, meaning that one can not be sure whether the framework is applicable in practice.

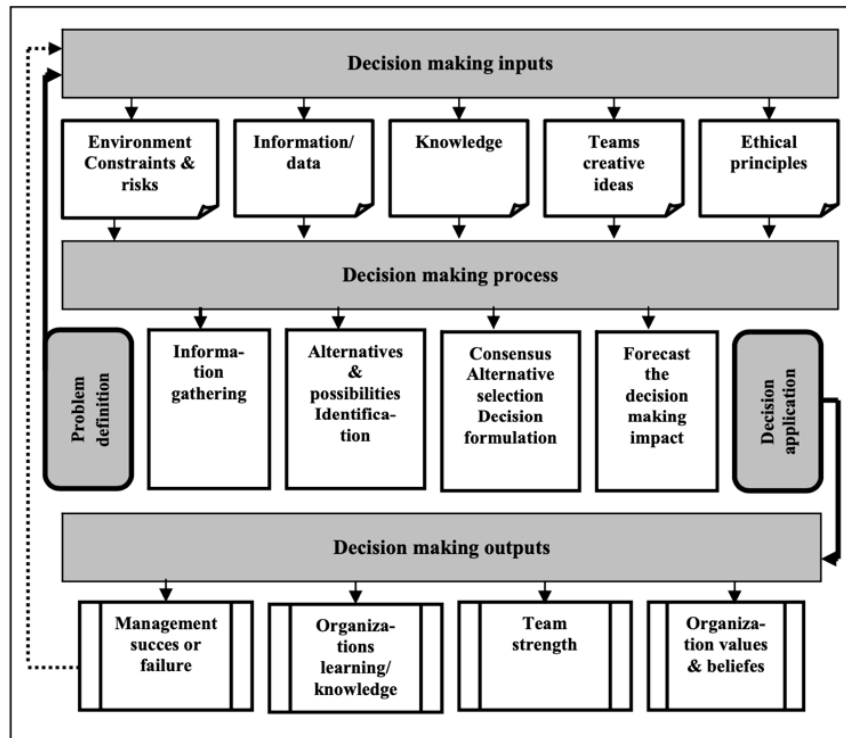


Figure 3: Complex decisional process model (CDP) (Negulescu, 2014).

3.3.1 Brief comparison between the models

When comparing the CDP model with the earlier developed decision making models, we are able to distinguish both similarities and differences. All of the models can be seen to include three overall areas that represent the whole decision making process. The classic model talks about its three activities; *intelligence activities*, *design activities* and *choice activities*. The Mintzberg model talks about its three phases; *identification phase*, *development phase* and *selection phase*. Lastly, the CDP model talks about its three stages; *input stage*, *process stage* and *output stage*. All of the models also include different steps/routines/categories that can explain what the respective three overall areas consist of. Comparing the models, it is clear that all models in one way

or another include the input aspect in the respective decision making process. However, our interpretation is that the input aspect has gained more and more importance in parallel to the historical development. The CDP model, which is the most recently developed theory, seems to emphasize the importance of separately distinguishing the input stage in order to give a better picture of its role within the whole decision making process.

4. Empirical findings & Analysis

This section starts to present some basic facts of the eight case companies. Thereafter, the information that was gathered from the interviews will be categorized as part of the directed content analysis which is based on the input stage of the CDP model. Further, the empirical findings are analyzed in accordance with the categorisations of the CDP model. The study's purpose and research questions will also be brought to attention.

4.1 Basic facts of the case companies

Company one represents a new actor within the Swedish car market industry. The company has approximately 250-500 employees and has a revenue of approximately 300-500 MSEK. The company offers a sharing economy platform where you can subscribe to a car membership for as long as you want, and by sharing your car with others you can lower your subscription payment.

Company two represents a new actor within the Swedish packed meal industry. The company has approximately 10-15 employees and has a revenue of approximately 22-25 MSEK. The company offers a more sustainable production including only fresh ingredients, resulting in less environmental impact and at the same time a richer meal to the public.

Company three represents a new actor within the Swedish real estate brokerage industry. The company has about 15-20 employees and a revenue of approximately 25-35 MSEK. The company offers a brokerage service on a self developed platform which facilitates the connection between the seller and buyer and minimizes the gap between both parties. The whole transaction could be performed online.

Company four represents a new actor within the Swedish sweet and snacks industry. The company has about 1-2 employees and a revenue of approximately 20-25 MSEK. The company offers a healthy and fully vegan

alternative to the market and can be purchased in the larger grocery stores in Scandinavia.

Company five represents a new actor within the Swedish car retail industry. The company has approximately 10-15 employees and has a revenue of approximately 150-200 MSEK. The company aims to offer retail both online as well as in traditional stores. During recent months new stores are being opened in the northern part of Sweden as a response to the increased customer demand.

Company six represents a new actor within the Swedish business to business recruitment industry. The company has approximately 7-10 employees and a revenue of approximately 9-12 MSEK. The company aims to offer an easy-to-use platform that connects employee candidates with the employers in a way that facilitates the application process for all parties.

Company seven represents a new actor within the Swedish retail of kitchen-ware and furnishing industry. The company has about 50-60 employees and a revenue of approximately 240-280 MSEK. The company offers a large assortment of products online with a focus on quick and easy deliveries.

Company eight represents a new actor within the Swedish event and property industry. The company has approximately 5-8 employees and a revenue of approximately 30-50 MSEK. The company offers premises rentals for events and fairs.

4.2 Categorization of the obtained information

Below tables constitute the start of our directed content analysis which is based on the CDP model presented by Negulescu (2014). The different tables represent each of the different inputs in the CDP model (*Environment constraints & risks, Information/data, Knowledge, Team creative ideas, Ethical principles*) and are further divided and sorted by the different case companies. The tables include information that the respective respondents

have explained as something that affects their decision making process - and that we assume can be attributable to the specific categorization of input.

4.2.1 Environment constraints & risks

Case company	ENVIRONMENT CONSTRAINTS & RISKS
1	<ul style="list-style-type: none"> * Infrastructures (e.g. the ability to charge a hybrid/full electric vehicle). * Global regulations (e.g. European Union). * Local regulation (e.g. Governmental aids). * Friendliness towards the big German actors * Market opportunities including segment size, customer profile and profitability. * The degree of urban thinking (progressive mindset where cars are not considered a “status symbol”).
2	<ul style="list-style-type: none"> * Demands and requirements from the National Food Administration (Livsmedelsverket). * Demands and requirements from retailers. * Potentiality of sufficient profitability and the contribution of added value. * Willingness of paying for a more expensive product.
3	<ul style="list-style-type: none"> * Norms and clear perceptions of how “brokerage” should be performed affects the ability for the company to find customers (e.g. it may be hard to convince customers that this idea is reliable since they are new actors on the market without heritage). * Willingness from customers to perform such a big transaction through an informal and non-traditional approach. * Limited target group.
4	<ul style="list-style-type: none"> * Demands and requirements from the National Food Administration (Livsmedelsverket), for example on quality. * Demands and requirements from retailers (e.g. purchasing volume, pricing, ingredients).
5	<ul style="list-style-type: none"> * Infrastructure and strategic placement of stores. * Local regulation (e.g. Governmental taxes, politics). * Market opportunities, segment size, profitability (e.g. focuses on the ability to profit from cars rather than specific market segments).
6	<ul style="list-style-type: none"> * National regulations affecting how personal data should be handled (e.g. GDPR). * Differences in how much insight the customer wants to have in the recruitment process (e.g. if customers want to take part of the recruitment process from start to finish, the transparency must be very high).
7	<ul style="list-style-type: none"> * National Regulations affecting the buyer and distribution process (e.g. regulations regarding E-commerce and right of withdrawal). * Infrastructure and strategic placement of warehouse (e.g. distribution alternatives).
8	<ul style="list-style-type: none"> * Customers (often different governmental offices, authorities and municipalities) set high demands on the company (as a supplier), and can sometimes require certain certificates. * Infrastructure and the ability of easy access to the specific event. * Politics regarding transportations can affect the size of the potential customer segment.

Table 2: Empirical categorization of Environment constraints & Risks

As for all the companies, the national laws and regulations have an impact on the companies meaning that the business has to be adapted in accordance. However, depending on the specific industry, laws and regulations might affect the business differently. In some industries interest organizations and other associations have the ability to influence the conditions on the market. Company one can be seen as an actor that to a large extent has to be up to date regarding regulatory changes since the product segment is discussed to a high extent in political discussion on national and global level. The complexity of the product can to some extent therefore be analysed to have an affect on the level of involvement with regulations. The product that company one offers is stressed to be much more complex than the product of company two, nevertheless both companies are affected by governmental authorities and similar. In the case of company two, the organization is seen to be affected by the guidelines of the national food administration. In the case of company one, decisions on national political level may impact how beneficial the usage of the product is.

The importance of infrastructure can as well be discussed as environmental constraints. This study shows that in the case of companies that offer a product, the infrastructure is determined to have a crucial impact as an input in the decision making processes. As in company one, two, four, five and seven, the decision making process must include the constraints of the infrastructure. If the infrastructure is not sufficient the company's product cannot be distributed effectively to the customer. However, the infrastructure constraint can be discussed from two different perspectives. Firstly, in the case of companies two, four and seven, the infrastructure facilitates the process of the actual product being transported to the customer. In the other perspective, as for company one and five, a solid infrastructure facilitates the customer's ability to locate and realize a transaction with the company. Differences regarding the infrastructure constraints can therefore be shown.

Lastly, similarities are shown within the companies that act as suppliers in the supply chain. In the case of company two and four which acts as a supplier, the direct connection to the final customer is not as strong as in many of the

other cases. Due to this relationship, the companies are entitled to answer to the demands of the purchasing company as well. Environment constraints are thus created through the demands from the retailers, resulting in inputs that have an effect on the decision making process as shown in the CDP model.

4.2.2 Information/data

Case company	INFORMATION/DATA
1	<ul style="list-style-type: none"> * Has created a common ecosystem without legacy systems that contains a lot of information. * Uses algorithms and machine learning to see what conditions of how the car is used or what warning signals that could be a bigger problem later on. * Gather information directly from the customers through either the website or a built- in car application that audio records the feedback of the customer and automatically sends it in text to the organization for processing. * Recurring use of cause and effect metrics.
2	<ul style="list-style-type: none"> * Gathers external statistical information (e.g. information that shows how food that is cooked from scratch results in better taste and more nutritious values). * Analyzing trends on social media. * Uses test launches. * Uses tasting panels.
3	<ul style="list-style-type: none"> * Collects statistics made by competitors and other associations as well as own market studies (e.g. number of people who want to move). * Trail runs of their business platform in a limited area and within a strict time frame.
4	<ul style="list-style-type: none"> * Including data from both general and own performed surveys and investigations (e.g. potential target customers, market competitors, taste demands). * Performs laboratory research for finding new tastes. * Uses test launches (e.g. to see how retailers respond to the product and how high the demand is). * Uses tasting panels (e.g. when searching for opportunities to expand product range).
5	<ul style="list-style-type: none"> * Comparisons with competitors (e.g. marketing strategies, pricing strategies). * Information from financial services (e.g. degree of leasing payments). * Changes in product segments at the manufacturer (e.g. if car manufacturers like Volvo or BMW change their segments, the company will be affected in the long run).
6	<ul style="list-style-type: none"> * Comparisons with other actors of the market to find opportunities (e.g. searching for opportunities of differentiation rather than offering the same service but at lower cost). * Gathering general statistics as well as own performed analysis (e.g. trends and info regards employment demands).
7	<ul style="list-style-type: none"> * Performs market analysis on competitors and segments for finding opportunities for new product launches and establishments. * Performing both own statistical analysis as well as using general statistics (e.g. gathers information in consuming behaviors from their own website).
8	<ul style="list-style-type: none"> * Information is gathered by both analysing general statistics as well as own performed surveys (e.g. demand for the service). * Analysing the ability of competitors and possibilities that is being shown in other global markets (e.g. pricing strategies & foreign inquiries).

Table 3: Empirical categorization of Information/data

When analysing this categorization, it seems obvious that many of the companies are keen to be able to base their decision making on information. All companies are performing some sort of information gathering including for example cause and effect metrics, test launches and trail runs, trend analysis, official statistics as well as laboratory research. With these actions, the companies will be able to base their decisions on larger grounds, which for example can facilitate the possibility of ensuring improved customer experience or strengthen the ability of detecting obvious defaulties in their initial ideas. The different case companies can therefore be interpreted as quite similar in terms of having a certain need for information in their respective decision making processes. However, there are of course some differences in regards to the characteristics of the information that is needed. For example, case company one that only offers a very few versions of its physical product seems to look for more information directly from the customers which they then can use in order to improve the current product. Company two and four can instead be interpreted as searching for information that can constitute a foundation for producing new products rather than improving the existing. Since the product of company one is much more complex and expensive to produce in comparison to many of the other companies, we believe it makes sense for them to look for as much improvement-potential information as possible. Hence, the complexity of the product is likely to partly explain what kind of information that affects the decision making process for the respective companies.

Depending on the ability of finding official statistical information, the need of performing own surveys will probably be constructed accordingly. In most of the companies it seems like the management can make use of available statistics, however most of the companies are also performing their own surveys. The reason for this could potentially be explained by the need for more accurate information. The extensiveness of the respective in-house performed surveys may however be very different depending on the resources of the company. Thus, it is not surprising that company one seems to rely quite heavily on their own research and its associated information.

4.2.3 Knowledge

Case company	KNOWLEDGE
1	<ul style="list-style-type: none"> * Insights from China (where the company initially launched their business concept 3-4 years ago). * Previous results and insights from cause and effect metrics.
2	<ul style="list-style-type: none"> * Uses the competences and experience from one of its owners, who is widely known within the food and TV-industry. * Previous results and insights from test launches. * Previous results and insights from tasting panels.
3	<ul style="list-style-type: none"> * Uses insights from both owners and employees with previous experience in the industry. * Previously collected statistics * Previously performed test runs
4	<ul style="list-style-type: none"> * Single business owner with experience in industries connected to health and sustainability. * Knowledge gained from mentors and incubator programs. * Previous results and insights from test launches. * Previous results and insights from tasting panels.
5	<ul style="list-style-type: none"> * Owners have different backgrounds (one from retail, one from the purchase department and one from management). * Many of the other employees have previous experience in the industry. * Learning by doing (e.g. some models that previously have shown little customer demand will not be brought in by the firm again). * Previously obtained information from comparisons with competitors
6	<ul style="list-style-type: none"> * Owner has previous experience in the industry (e.g. recruitment experience before the initial launch of this platform). * Previously obtained information and insights from comparisons with competitors * Previous information and insights from gathered statistics and own performed surveys. * Emphasizes the importance of also making decisions that lack sufficient background knowledge (e.g. be able to make decisions for the future, based on beliefs rather than experience).
7	<ul style="list-style-type: none"> * Knowledge of the owners is complemented with the knowledge from the board (e.g. the owners have knowledge within digitalization, the board have knowledge within sales, product development and management). * Previously obtained information and insights from comparisons with competitors * Previous information and insights from gathered statistics and own performed surveys.
8	<ul style="list-style-type: none"> * The knowledge of external partners with history from similar industries plays a major role. * Knowledge gained through cooperations with other organizations. * Previous information gathered from general statistics and own surveys.

Table 4: Empirical categorization of Knowledge

In regards to the Knowledge input mentioned in the CDP model Negulescu (2014), it is clear to see that ideas that are put into the next division of processing are being affected by previous knowledge and experiences. In the majority of the interviews, the respondents emphasize that earlier experience of either employees of the organization or management has an effect on the decision making process. These experience inputs can arise both internally or through external parties that to some extent is involved in the business. Knowledge is therefore internally gained from either owners or employees that is a part of the organization and in some way could be discussed to have an obligation to share knowledge. As some of the respondents stressed in the interviews, the business is supported by the opinions of professionals within the specific industry. Therefore, knowledge could also be gained through external professionals that might have an interest in the business.

How knowledge occurs can be discussed and as the empirical findings are showing, there are linkages between information and knowledge. As presented in table 4, most of the companies explain how knowledge is gained through previous results of the information and data gathering activities such as trail runs and test panels. Knowledge may also arise through the “learning by doing” concept that company five is presenting, where the respondent stresses that over time, experience has shown which car models that easily are being sold and which ones that they in the highest extent should decide to avoid purchasing.

4.2.4 Team creative ideas

Case company	TEAM CREATIVE IDEAS
1	<ul style="list-style-type: none"> * Separate innovation division that searches for new ideas both internally and externally. * The innovation division gives support to employees that would like to present ideas.
2	<ul style="list-style-type: none"> * Obtaining creative ideas from the owners extensive network (e.g. production development teams in restaurants where the owner also is part of the management team). * Chefs are welcomed to present new product ideas to the management team.
3	<ul style="list-style-type: none"> * Uses workshops and focus groups so employees will have the possibility to present ideas to management. * Workshops are being performed both with employees and customers. * Has constructed and developed a working climate that encourages the employees to brainstorm and share their ideas on a common platform.
4	<ul style="list-style-type: none"> * Company does not have any lower level teams. Ideas thus come directly from the owner (see knowledge inputs regards single business owner). * Mentors and incubators are able to put forward ideas to some extent.
5	<ul style="list-style-type: none"> * Small organization (e.g. direct conversation among management & staff), which gives all employees the possibility to put forward ideas.
6	<ul style="list-style-type: none"> * Small organization, all the staff have the ability to put forward ideas (e.g. employees have different organizational responsibilities, and are expected to make their own decisions within the area). * Searching for ideas from both employees and customers (e.g. feedback from larger customers when a certain recruitment process has ended).
7	<ul style="list-style-type: none"> * Employees are encouraged to put forward ideas (e.g. management gathers ideas from the employees and depending on the scope and complexity, the board gets involved).
8	<ul style="list-style-type: none"> * All employees are encouraged to put forward ideas. The management is open to listen and discuss. However, large investors make it hard to fully make decisions on its own.

Table 5: Empirical categorization of Team creative ideas

In terms of this input, we believe that there is a certain connection between the size of the organisation and the ability of letting its teams and employees put forward their ideas. As in the case of all of the companies, apart from company one, the number of employees is less than 100 which partly can explain why none of these firms seems to struggle with the ability of letting its employees present their ideas. In regards to the size of case company one, it is perhaps not surprising that they have constructed a separate innovation division who bears the responsibility to put forward ideas from employees regardless of their position. Even though all of the companies express the ability of its employees to put forward their ideas, we interpret company three

as quite unique (together with company one) since they seem to be the only firms who actively performs specific actions in order to facilitate the idea generation within the company. As shown, company three works with both focus groups and workshops for enhancing the idea generation as part of the decision making process.

4.2.5 Ethical principles

Case company	ETHICAL PRINCIPLES
1	<p>* Sustainability is a stated core value within the organisation</p> <p>→ Where they are:</p> <ul style="list-style-type: none"> - Encouraging people to share vehicles and reduce the numbers of cars on the roads - Building all interiors of ECONYL, which is a material made from recycled fishing lines and other waste materials. <p>* High demand for more electrified and sustainable vehicles</p>
2	<p>* Considers the environmental impact of new and potential ingredients (e.g. the company wants as little transport as possible).</p> <p>* Considers the environmental impact of their packaging options</p>
3	<p>* General idea of doing as much as possible digitally (e.g. the company is reducing the need for the traditional broker brochures by converting object descriptions in digital solutions).</p>
4	<p>* Ethics and sustainability is founded in the core business idea, therefore affects the decision making process.</p> <p>* Every decision regarding the product must incorporate an ethical aspect (e.g. trends like veganism, sustainability).</p> <p>* Does not want to exclude a specific customer segment due to for example diabetes, obesity or similar (e.g. must produce a product that is suitable for a wide group of people).</p>
5	<p>* No real incorporation of this category. However, the company predicts an increased consideration for the upcoming years due to change in regulations.</p>
6	<p>* Must handle the question of potential discrimination as part of ethical considerations. (e.g. questions related to diversity, etc.).</p> <p>* Sustainability in terms of environmental effect is not the main ethical consideration.</p>
7	<p>* Environmental sustainability influences the business (e.g. packaging and transport alternatives).</p> <p>* Ethical consideration when choosing suppliers and other parties for the daily business.</p>
8	<p>* High demands from the customers (see environmental constraints). Certifications are sometimes required by the customer (e.g. ISO14001).</p> <p>* Legitimacy is crucial therefore sustainable factors must be incorporated in decisions.</p>

Table 6: Empirical categorization of Ethical principles

Regarding the fifth and last input, we first of all believe that it is quite clear how the different companies seem to be aware of the importance of considering this input. However, our interpretation is that company one, two and four are being more affected by this input in comparison to the others. The reason for this could mainly be explained by the fact that these companies are producing a physical product under its own company name. Company five and seven may sell physical products, but they are both examples of retailers

who do not produce any own products, meaning that the ethical demands to a large extent may instead be directed to the actual producers of the products. Further, company three and six could be sorted as providing digital service solutions which means that they are lacking a production process of a physical product and hence do not face the same amount of demands on having a sustainable end product. Similarly, case company eight is also providing a service rather than a physical product, which could explain that there may be less requirement for this input in comparison to company one, two and four. However, as presented in the empirical findings, case company eight faces ethical demands from its customers who often are associated with the government. Hence, the type of customer is also a factor that partly explains the differences in caring for ethical principles as an input in the decision making process.

4.3 Drawbacks with the current categorizations of the CDP model

In accordance with the above analysis, it should be highlighted that the categorization of the obtained information from the interviews was not performed without any struggle. In the current CDP model we believe that some of the categorisations are quite similar in terms of the areas that they are covering, thus we sometimes find it difficult to precisely distinguish what to categorize under what kinds of inputs.

Our interpretation is that many of the categorizations in one way or another can be interpreted as having a certain connection to the information/data input. In terms of environmental constraints one can for example argue that local regulations constitute a source of information that describes details of the specific market that the management will have to consider in their decision making. This information gives the organization awareness of how regulations and infrastructure may influence the business and by that be incorporated as an information input deriving from environment constraints in the decision making process. As an example: If there was a regulation saying that all packed meals that should be sold in the country needed to be produced within the same country borders, the organizations that would try to establish themselves within this market would be affected by this regulation. Let's say

that a foreign company (located in another geographic market) would like to start to sell their product within the country with these regulations, they would have to have this regulation in mind before starting up the business on this specific market. The regulation is seen as a constraint of a stakeholder in the environment but in the decision making process of either establishing themselves on the market or not, the company is affected by the information that the regulation brings to the organization. The awareness of this regulation can therefore be seen as an information input in the decision making process.

In a similar way as the example above, ethical principles may also be interpreted as a source of information that can affect the decision making process. Ethical principles like sustainability and diversity can also be seen as an information input when the organization shows awareness of the increased demand for incorporating these aspects into the business operations. The fact that 90% of the people believe that climate change is real (Conca, 2019) can be seen as an indicator of what demands the customers will put on the organizations. The awareness of presented statistical data regarding the beliefs in sustainability can from an organizational point of view be seen as an information input.

Another explanation as to why we struggled with our categorizations can be attributable to the definition of team creative ideas input. We believe that the team creative ideas categorization is quite vague in terms of how this input actually will affect the specific decision. Our interpretation is that this categorization talks more about a general ability of generating creative ideas and innovative thinking, rather than being a specific input that constitutes a foundation that could explain on what grounds a specific decision has been taken. As in the case of company three who is performing workshop activities, one can (just as we did in the initial categorization) interpret this as being a team creative ideas input in the decision making process that will facilitate idea generation. However, on similar grounds as in the above examples, one can also interpret the workshop activities as providing the management with internally gathered information that can affect the decision making process. Hence, the workshop activities could be considered a source of information

that likewise could be placed under the information input. If we decide to incorporate the team creative ideas input as part of the information categorization, our initial interpretation of describing this category as being quite vogue, will not have the same effect.

With the basis of the above analysis, we believe that the information/data input constitutes a significant role when categorizing inputs of the decision making process. In the same way as the three categories of Environment constraints, Ethical principles and Team creative ideas can be seen to have connections with the Information/data input, the Information/data input can also be shown to have linkages to the Knowledge input. That being said, we interpret the differences between Information/data and Knowledge as quite implicit. Knowledge may for example be seen to consist of previously obtained information and therefore one can ask when a gathered amount of information instead turns into being knowledge. Using a new source of information that for example shows an increase for a specific trend, may in the exact situation be considered an information input that will affect the decision making. But, as soon as this source of information has reached the organisation it can likewise be interpreted as being knowledge that exists within the organization.

An alternative way that we believe is more appropriate for explaining the linkages between the information and knowledge input, is to incorporate a wider focus on a broader time frame. We believe that knowledge is gained either during or after a decision making process is completed. The gathered information in one decision transforms to knowledge that can be used as an input in another decision after the first decision has proceeded through the input stage.

As an example, statistical data or similar that has been gathered to influence a certain decision is seen as an information input in this decision. Once this decision has proceeded to the next stage the initial information that was gathered can be seen to have been transformed into knowledge that can be used as an input in another, completely separate decision. It does not matter

whether the other decision commences one day or one year after the first decision has proceeded through the input stage, the initial information will still be defined as knowledge. Knowledge can further be described as a bank that consists of accumulated knowledge that has been gathered during previous decisions and enables the user to benefit from this knowledge in future decision making processes. In accordance with the above discussions, we believe that there exists a certain interaction between the two categorizations where information in one way or another always will constitute the basis for the company's knowledge.

4.4 Alternative version of the input stage in the CDP model

In accordance with the study's research question, we believe that the current version of the input stage in the Complex Decisional Process (CDP) model can not fully be validated as an applicable model within the current reality.

Instead, based on the analyzed drawbacks of the current categorizations in the CDP model, we believe that the below model (see figure 4) can be used for giving better understanding of the contemporary relationship between the input categorizations that affects the decision making process for companies that are targeting mature markets. As the model describes, the categorizations of Environment constraints & risks, Ethical principles and Team creative ideas can now be seen as complementing areas where the organization is gathering information inputs. It is important to notice that the empirical data categorized in the empirical findings in table 3 (*Empirical categorization of Information/data*) still is included in the new broader information categorization. The ambition of adding the new areas is to complement the information input and enlighten the fact that information can be gathered from many more areas in comparison to what is shown in the original CDP model.

Looking further into the new version, the input stage in this model now consists of only two categorizations, Information/data and Knowledge, rather than the original five. Here, the Information/data input can be attributed to all the new information that previously has not been part of any former decision and therefore has not yet been transformed into valuable insights that could be

placed under knowledge. Hence, when commencing a certain decision, one is using both new and old information for determining whether to proceed to the next stages in the model. As an example, if an organisations is deciding whether to invest parts of their resources, the decision might be influenced by newly obtained information of how the value of a certain cryptocurrency has risen dramatically, but also, the decision might be influenced from previous information and knowledge reminding the organisation that former investments in cryptocurrencies has proven very unsuccessful due to the often heavily fluctuating value of cryptocurrencies. Hence, with the basis of both the new and old information the organisation will determine whether to proceed to the next stages. Further, the new information that proceeded forward together with a certain decision, will during the processes stage and the output stage create insights that are added to the accumulated knowledge bank. The knowledge bank will then always constitute a source of input in future decision making processes.

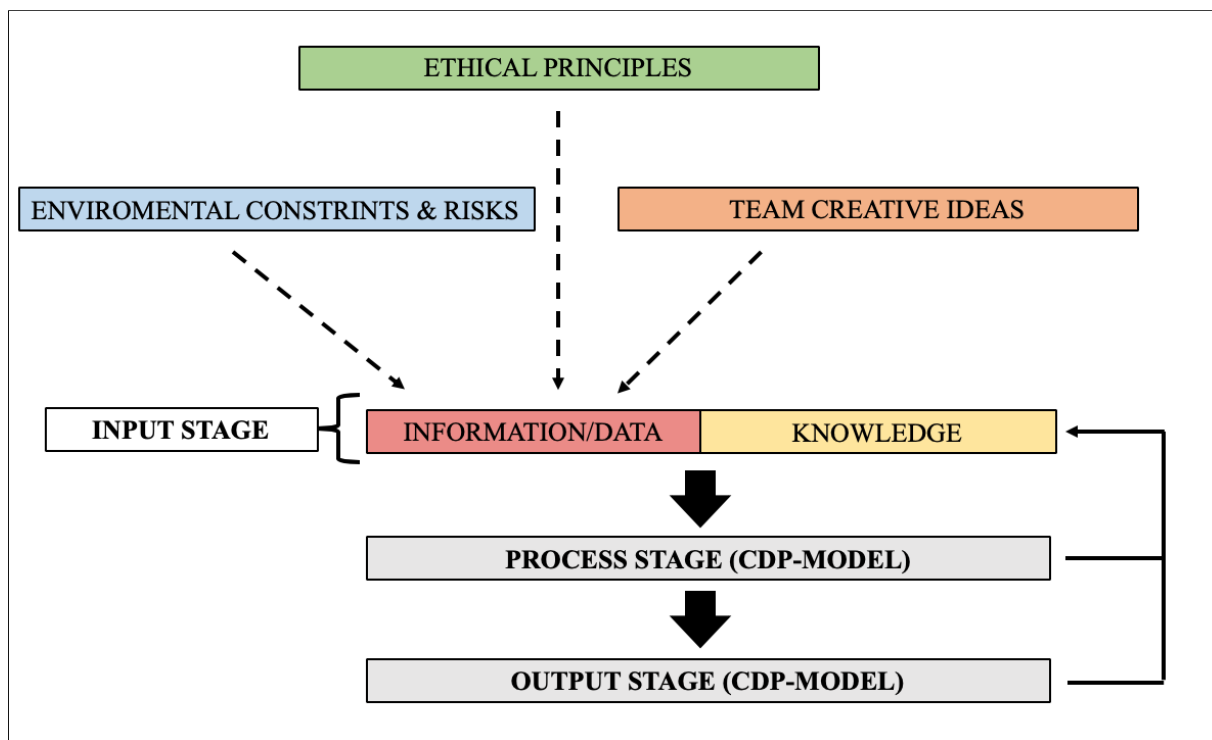


Figure 4: Alternative version of the CDP model

This model is not constructed with the ambition of completely changing the current version of the CDP model. The core methology of the model will

remain unchanged in which it will still be divided into three main stages. Instead, we aim to contribute to understanding the role of the input stage. As seen in figure 4 above, the process stage and the output stage in the CDP model are untouched. However, changes in the input stage have been made to facilitate the usability. Our model gives a better picture of the relationships between the initial categorizations by explaining how certain inputs can be seen as more multidimensional compared to what the original model proposes. As explained, we interpret that the Environment constraints, Ethical principles and Team creative ideas categorizations all are showing attributes to the Information/data input. By including these categorizations as part of the Information/data input we can provide guidance for determining the dimensions that the information input may exist of. This will give the user a better understanding in terms of how the categorizations are related to each other and hence the user will not have to look for separate categorizations of input that are based on predetermined restrictions. In the presented model, we stress the importance of showing that these categories are composed as examples of guidelines, in reality information is probably obtained from a larger variety of factors. In comparison to the initial version of the CDP model, our model also emphasizes a greater importance of the knowledge category by explaining how the information in one decision can be transformed into insights and knowledge that can be used as a valuable input in another decision.

5. Conclusion

In this section, the study intends to reconnect to its purpose and answer the presented research question.

Research question:

Can the input stage of the Complex Decisional Process (CDP) model be validated or should it instead be restructured in order to give a more precise reflection of how inputs are used in the strategic decision making for companies targeting mature markets?

As our empirical findings show us there are numerous factors that may influence the strategic decision making for the companies that are targeting mature markets. The contemporary examples of inputs in strategic decision making that we obtained through the interviews could in one way or another be placed under a respective category of input mentioned in the CDP model.

However, it should be highlighted that the categorization could not be performed without any struggle since we interpret that the relationship between the categorizations lacks a clear description which thus makes it more challenging to perform an accurate categorization. We believe that Environmental constraints & risks, Team creative ideas as well as Ethical principles all could be considered to show a certain connection to the Information/data category, meaning that these categories should rather be functioning as providing guidance for determining the dimensions that the information input may exist of. Apart from this relationship we also interpret linkages between the Information/data category and the Knowledge category. The relationship between these categories can be explained by distinguishing a clearer time frame where knowledge is seen to be gained either in the process or outcome stage of the CDP model. The obtained information in one decision therefore transforms to knowledge that can be used as an input in another decision after the first decision has proceeded through the input stage.

In accordance with this, we believe that the current version of the input stage in the Complex Decisional Process (CDP) model can not fully be validated as an applicable framework for reflecting today's reality. Hence, we argue that the model should be restructured. In the new version of this model it is being demonstrated that the categories of environmental constraints, Ethical principles and Team creative ideas all can be seen as various approaches for defining information. The information input is therefore expanded and the categorizations that earlier have been defined as separate definitions are now included only as guidelines of where to find information.

Apart from our restructured definition of the information category, linkages in the input stage between the information category and the knowledge category are also highlighted. In our model, the input stage now consists of only two categorizations, Information/data and Knowledge, rather than the original five. Here, the Information/data input can be attributed to all the new information that previously has not been part of any former decision and therefore has not yet been transformed into valuable insights that could be placed under knowledge. Thus, new information that proceeds forward together with a certain decision, will during the processes stage and the output stage create insights that are added to the accumulated knowledge bank. The knowledge bank will then always constitute one of the two input categorizations in future decision making processes, together with new Information/data.

By restructuring the original input stage of the CDP model, we will facilitate the user's ability to overview and establish an understanding in terms of how the original categories are related to each other. In reality, the inputs are usually not as strictly separated as the original model proposes, hence our model that combines the input categorizations together gives a more precise reflection of the contemporary examples of how inputs influences the strategic decision making.

6. Limitations and future research

Our thesis faces several limitations, many of which we have discussed previously in the methodology section. However, during the construction of this thesis we have encountered some other limitations that we want to bring to attention. Firstly, all of our gathered empirical data is based on the perspective of only one person from the respective organisations, meaning that this person's perspective is representative for the whole organisation. Hence, our findings and analysis of the thesis may be biased and suffer from omitted perceptions that potentially would have given a different view on the subject. In this context, future research can include a broader view by considering more involved parties from the same organisations. Secondly, our access to the case companies was quite limited and the gathered empirical data is only consisting of oral descriptions of the subject since many of the companies showed to be restricted in offering internal documentation that referred to their decision making processes. Here, additional research including this sort of documentation can help to substantiate our findings. Thirdly, it should be highlighted that the empirical findings are limited to cover only new actors within the Swedish market. Consequently, the findings of this report may not necessarily be representative for other organisations that differ substantially in terms of company size and structure, nor for organisations that are operating in foreign markets. We believe that regulations, trends and cultures may differ among various countries, all of which can be considered factors that influence the input stage in the decision making process. Therefore, future research can investigate the decision making processes at other geographic markets and thereby compare our findings with how inputs are incorporated in foreign strategic decision making processes.

Further, we would like to enlighten the fact that our study focuses exclusively on the input stage in strategic decision making. Commonly for the Classic Model, the Mintzberg model as well as the CDP model, all frameworks are stressing how the strategic decision making process consists of more stages than only the input stage. With our study that represents the first stage in the

strategic decision making process, future studies could therefore substantiate our findings by utilizing the other stages in the CDP model.

As a final limitation it should also be highlighted that this research is based on a point-in-time observation. As described and shown throughout the thesis, the world is constantly changing and new demands can sometimes arise quickly. Therefore, just as this thesis is presenting an updated version of the original CDP model, our version may also require certain reconstructions in parallel to changed circumstances in the future.

To conclude, our thesis is subject to several limitations and restrictions. Nevertheless, in accordance with the explorative foundation of this report, our research represents the first piece of the puzzle within the field of strategic decision making processes. Our proposed suggestions for future research can provide additional insights resulting in either a triangulation of our findings, or to highlight new aspects that can complement our start of this puzzle.

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8. Appendix

Appendix 1a Första kontakt med företagen via mail (Swedish)

Hej XXX,

Vi är två studenter från Lunds Universitet som för tillfället skriver vår magisteruppsats inom finans och redovisning. Vi kontaktar nu er för att undersöka intresset om att ställa upp på en intervju gällande beslutfattande.

Vid en eventuell intervju är vi intresserade att få ta del av vilka idéer/resonemang/diskussioner som ligger till grund för beslutet att starta upp en ny verksamhet inom en konkurrenskraftig bransch som länge dominerats av stora aktörer. Mer specifikt vill vi undersöka hur olika aspekter kan ha varierande inflytande på beslutsprocessen som helhet. Vi skulle även vilja diskutera hur beslutsprocess är uppbyggd och vilka steg som finns inkluderade. Vi skulle t.ex. kunna ställa frågor såsom:

- 1) Hur samlas information som behövs för att fatta viktiga beslut?
- 2) Vem fattar beslut? Management? Fokusgrupper? Individuellt?
- 3) Hur implementeras strategiska beslut? Från idé till implementation till uppföljning.
- 4) Hur är er beslutsprocess uppbyggd? Tar ni stegvisa beslut i en bestämd ordningsföljd eller fattas besluten snarare utifrån intuition?
- 4) I vilken mån innefattas aspekter som etik och miljö i beslutsprocessen?
- 5) Upplever ni att ni har en unik beslutsfattningsprocess jämfört med konkurrenter? Ger er process någon konkurrensfördel?

Vid intresse från er sida, hade det passat utmärkt för oss att genomföra intervjun någon gång under vecka XX men återkom gärna med andra datum som kan tänkas passa bättre för er del. Innan eventuell intervju kommer vi att skicka ett dokument med de frågor vi kommer att ställa, därmed får ni lite tid att överblicka frågorna innan intervjutillfället. Uppskattningsvis kommer vi behöva cirka 1h till att genomföra intervjun. Intervjun kan hållas på både svenska och engelska.

Hoppas ni finner detta lika intressant som vi gör.

Fortsatt trevlig dag!

Vänligen, Viktor Bergström och Erik Sandahl
Studenter vid Ekonomihögskolan i Lund.

Appendix 1b
Initial contact with the companies via email (English)

Hi XXX,

We are two students from Lund University who are currently writing our master thesis in Finance and Accounting. We are now contacting you to investigate the interest in participating in an interview regarding strategic decision-making.

In a possible interview, we are interested in taking part in the ideas / reasonings / discussions that form the basis for the decision to start a new business in a competitive industry that for a long period of time has been dominated by large actors. More specifically, we want to investigate how various aspects might have different influences on the decision-making process. Further, we would also like to discuss how the decision making process is structured and which steps are included. As example of questions that we would like to ask during an interview is shown below:

- 1) How is the information needed to make a decision gathered?
- 2) Who makes the decision? Management? Focus groups? Individually?
- 3) How are the strategic decisions implemented? From idea, to implementation, to follow-up.
- 4) How is your decision making process structured? Do you follow a strict step-by-step decisions matrix or are the decisions made rather on the basis of intuition?
- 4) To what extent are aspects such as ethics and the environment included in the decision making process?
- 5) Do you feel that you have a unique decision making process compared to competitors? Does your process give any competitive advantage?

If you are interested, we would propose to conduct the interview sometime during week XX, but feel free to come back with other dates that may be more suitable for you. Before the interview, we will send a document with the questions we will ask, resulting in that you will have time to review the questions before the interview. It is estimated that we will need approximately 1 hour to complete the interview. The interview can be held in Swedish as well as English.

Hope you find this as interesting as we do.

Best regards, Viktor Bergström and Erik Sandahl
Students at Lund School of Economics.

Appendix 2a

Generell intervjuguide (svenska)

1) Berätta lite om din bakgrund och vad du gjort tidigare. Hur hamnade du på den position där du är idag?

2) Beskriv er innovation (affärsidé/produkt/service) som ni har utvecklat och introducerat på marknaden.

- Hur upptäckte ni idén?
 - Finns någon specifik målgrupp ni har inriktat er mot, hur har resonemanget bakom denna inriktning gått?
-

3) Hur påverkar omgivningen er affärsidé? Dvs eventuella risker med trendskifte, politik eller dylikt?

4) Vilken typ av information (allmän offentlig statistik, egna undersökningar) påverkar er vid fattandet av beslut?

5) Hur samlas information som behövs för att fatta beslut gällande produktutveckling?

- Hur bestämmer ni vilka idéer som ska vidareutvecklas?
 - Finns det tydliga processer och eller tillvägagångssätt för hur ni samlar, analyserar och distribuerar information inom organisationen?
-

6) I vilken mån innefattas aspekter som etik och miljö vid beslutsprocessen kring idéimplementatation?

- Vilken information används?
 - Hur samlar ni informationen?
 - Hur använder ni informationen?
-

7) Vem eller vilka inom organisationen är delaktiga i sökandet efter nya idéer - och vem eller vilka är delaktiga i beslutsprocessen för vilka idéer som ska vidareutvecklas? Management? Fokusgrupper? Kan beslut även fattas på individuell nivå?

8) Hur är er beslutsprocess uppbyggd? Tar ni stegvisa beslut i en bestämd ordningsföljd eller fattas besluten snarare utifrån en obestämd ordningsföljd?

9) Vilka styrkor har ni i er beslutsfattningsprocess jämfört med era konkurrenter?

10) Är det något mer du vill tillägga? Har du några frågor till oss?

Appendix 2b
General interview guide (English)

1) Tell us about your background and what you have done previously. How did you end up in the position where you are today?

2) Describe your innovation (business concept / product / service) that you have developed and introduced in the market.

- How did you discover the idea?
- Is there a specific target group you have focused on, how has the reasoning behind this focus gone?

3) How does the environment affect your business idea? For example risks with changes in trends, politics or similar?

4) What type of information (general official statistics, own surveys) is affecting you when making decisions?

5) How do you gather the information needed to make product development decisions?

- How do you decide which ideas to further develop?
- Are there clear processes and/or procedures for how you collect, analyze and distribute information within the organization?

6) To what extent are aspects such as ethics and the environment included in the decision making process regarding ide implementation?

- What information is used?
- How do you gather the information?
- How do you use the information?

7) What people within the organization are involved in the search for new ideas - and what people are involved in the decision-making process for which ideas are to be further developed? (Management? Focus groups? Can decisions also be made on an individual level?)

8) How is your decision-making process structured? Do you make step-by-step decisions in a specific order or are the decisions rather made in an indefinite order?

9) What strengths do you have in your decision-making process compared to your competitors? Vilka styrkor har ni i er beslutsfattningsprocess jämfört med era konkurrenter?

10) Is there anything more you want to add? Do you have any questions for us?
