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DEBIT CARD

SEE *Credit/Debit/Travel Cards*

DECA

DECA, Inc. is a national student organization for individuals preparing for marketing, management, and entrepreneurship careers. With over 185,000 members in 2006, DECA serves as the companion to marketing education programs within secondary and postsecondary schools across all fifty states of the United States, its territories, two provinces of Canada, and Germany. As a cocurricular organization, DECA is an integral part of classroom instruction—a vehicle through which students learn marketing and management and are motivated to succeed.

In partnership with businesses throughout the country, DECA offers learning experiences that contribute to the integration of academic and career-focused instruction, resulting in heightened student achievement and student recognition. For example, each year thousands of student members participate in a competitive events program, culminating in state and national secondary and postsecondary international career development conferences that allow members to demonstrate academic and marketing excellence. Also, a host of leadership development programs are offered.

Organized in 1946, DECA meets the needs of marketing (at the time called distributive) education students seeking professional and personal growth. The association is governed by a board of directors. Until 1991, DECA was referred to as the Distributive Education

Clubs of America. Although that continues to be the legal name, the organization uses the commonly recognized acronym DECA, along with the tag line, “An Association of Marketing Students.” DECA is advised by a national advisory board, consisting of business representatives, and a congressional advisory board, comprised of federal legislators.

The official publications of DECA are the *DECA Advisor*, *Dimensions*, *Chi Connection*, and the *DECA Guide*. Such scholarships as the Harry Applegate, Hilton, Marriott International, Otis Spunkmeyer, Safeway, and Sears Scholarships are available to support the academic endeavors of members. More information is available from DECA at 1908 Association Drive, Reston, VA 20191; 703-860-5000 (phone); 703-869-4013 (fax); or, <http://www.deca.org>.

SEE ALSO *Business Professionals of America*; *Future Business Leaders of America*; *SkillsUSA*

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DECENTRALIZATION

SEE *Organizational Structure*

DECISION MAKING

Decision making, also referred to as problem solving, is the process of recognizing a problem or opportunity and finding a solution to it. Decisions are made by everyone involved in the business world, but managers typically face the most decisions on a daily basis. Many of these decisions are relatively simple and routine, such as ordering production supplies, choosing the discount rate for an order, or deciding the annual raise of an employee. These routine types of decisions are known as programmed decisions, because the decision maker already knows what the solution and outcome will be. However, managers are also faced with decisions that can drastically affect the future outcomes of the business. These types of decisions are known as nonprogrammed decisions, because neither the appropriate solution nor the potential outcome is known. Examples of nonprogrammed decisions include merging with another company, creating a new product, or expanding production facilities.

Decision making typically follows a six-step process:

1. Identify the problem or opportunity
2. Gather relevant information
3. Develop as many alternatives as possible
4. Evaluate alternatives to decide which is best
5. Decide on and implement the best alternative
6. Follow-up on the decision

In *step 1*, the decision maker must be sure he or she has an accurate grasp of the situation. The need to make a decision has occurred because there is a difference between the desired outcome and what is actually occurring. Before proceeding to *step 2*, it is important to pinpoint the actual cause of the situation, which may not always be obviously apparent.

In *step 2*, the decision maker gathers as much information as possible because having all the facts gives the decision maker a much better chance of making the appropriate decision. When an uninformed decision is made, the outcome is usually not very positive, so it is important to have all the facts before proceeding.

In *step 3*, the decision maker attempts to come up with as many alternatives as possible. A technique known as “brainstorming,” whereby group members offer any and all ideas even if they sound totally ridiculous, is often used in this step.

In *step 4*, the alternatives are evaluated and the best one is selected. The process of evaluating the alternatives usually starts by narrowing the choices down to two or three and then choosing the best one. This step is usually the most difficult, because there are often many variables to consider. The decision maker must attempt to select the alternative that will be the most effective given the available amount of information, the legal obstacles, the public relations issues, the financial implications, and the time constraints on making the decision. Often the decision maker is faced with a problem for which there is no apparent good solution at the moment. When this happens, the decision maker must make the best choice available at the time but continue to look for a better option in the future.

Once the decision has been made, *step 5* is performed. Implementation often requires some additional planning time as well as the understanding and cooperation of the people involved. Communication is very important in the implementation step, because most people are resistant to change simply because they do not understand why it is necessary. In order to ensure smooth implementation of the decision, the decision maker should communicate the reasons behind the decision to the people involved.

In *step 6*, after the decision has been implemented, the decision maker must follow-up on the decision to see if it is working successfully. If the decision that was implemented has corrected the difference between the actual and desired outcome, the decision is considered successful. However, if the implemented decision has not produced the desired result, once again a decision must be made. The decision maker can decide to give the decision more time to work, choose another of the generated alternatives, or start the whole process over from the beginning.

STRATEGIC, TACTICAL, AND OPERATIONAL DECISIONS

People at different levels in a company have different types of decision-making responsibilities. Strategic decisions, which affect the long-term direction of the entire company, are typically made by top managers. Examples of strategic decisions might be to focus efforts on a new product or to increase production output. These types of decisions are often complex and the outcomes uncertain, because available information is often limited. Managers at this level must often depend on past experiences and their instincts when making strategic decisions.

Tactical decisions, which focus on more intermediate-term issues, are typically made by middle managers. The purpose of decisions made at this level is to help move the company closer to reaching the strategic goal. Examples of tactical decisions might be to pick an advertising agency to promote a new product or to provide an incentive plan to employees to encourage increased production.

Operational decisions focus on day-to-day activities within the company and are typically made by lower-level managers. Decisions made at this level help to ensure that daily activities proceed smoothly and therefore help to move the company toward reaching the strategic goal. Examples of operational decisions include scheduling employees, handling employee conflicts, and purchasing raw materials needed for production.

It should be noted that in many “flatter” organizations, where the middle management level has been eliminated, both tactical and operational decisions are made by lower-level management and/or teams of employees.

GROUP DECISIONS

Group decision making has many benefits as well as some disadvantages. The obvious benefit is that there is more input and therefore more possible solutions to the situation can be generated. Another advantage is that there is shared responsibility for the decision and its outcome, so one person does not have total responsibility for making a decision.

Deflation

The disadvantages are that it often takes a long time to reach a group consensus and that group members may have to compromise in order to reach a consensus. Many businesses have created problem-solving teams whose purpose is to find ways to improve specific work activities.

SEE ALSO *Management*

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DEFLATION

SEE *Business Cycle*

DELEGATION

SEE *Management: Authority and Responsibility*

DEMAND

SEE *Supply and Demand*

DEMOGRAPHICS

SEE *Market Segmentation*

DEPARTMENTALIZATION

SEE *Organizational Structure*

DEPRESSION

SEE *Business Cycle*

DEREGULATION

Most societies rely on competitive markets to handle the allocation of scarce resources to their highest and best uses. Yet markets are not without their shortcomings. For this reason, governments sometime institute regulatory control. In 1887, the first regulatory agency, the Interstate Commerce Commission, was created to regulate monopolistic pricing policies of railroads.

When private firms gain monopoly power, usually because of economies of scale, they are in a position to restrict production and raise price with little worry of competition; these are known as natural monopolies. The government may permit a single producer (e.g., of natural gas or electricity) to exist in order to gain lower production costs but simultaneously empower a regulatory agency to set the firm's prices.

A second reason for regulation stems from the fact that society declares certain activities illegal. Prostitution, gambling, and certain drugs are either not permitted or allowed only under certain conditions. Through a licensing system, government agencies control who enters such industries, their prices, and their methods of operation.

Another reason for government regulation arises because society establishes standards for particular professions, such as medicine, law, accounting, and real estate. The government guarantees compliance with these standards by imposing tests and other requirements. Those failing to meet these standards are not permitted to engage in that business. Hundreds of agencies administer tests and police the professions, all done ostensibly in the interest of protecting the consumer. Interestingly, license holders often push for even higher licensing requirements, often grandfathering in all current license holders, because higher salaries are possible when the number of competitors is restricted.

Many government regulations are designed to protect people from the negative consequences (i.e., externalities) of buyers and sellers who have little incentive to look out for the welfare of third parties. For example, slaughterhouses may have the freedom to kill animals for sale to their customers in grocery stores without taking into account obnoxious odors or sounds emanating from the slaughterhouse. Neighborhood residents, however, incur externality costs. Through agencies such as the Environmental Protection Agency (EPA), the government controls what slaughterhouses can and cannot do in order to lessen the negative effects on the population.