

# **Rethinking Decision-Making Strategies and Tools**

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# Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities

BY

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INVESTOR IN PEOPLE

*To Giulio Maria and Giuseppe Maria.  
“All grown-ups were once children... but only few of them remember it”.  
Antoine de Saint-Exupéry – The Little Prince.  
Maria*

*To my Angel on Earth SARA  
Thanks for coming to foster my awakening.  
To Andrea, thanks for your precious soul assists.\*  
Alessandra*

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\*<https://www.annacapurso.com/soul-assist>

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# Contents

List of Figures and Tables	<i>ix</i>
About the Authors	<i>xi</i>
Foreword	<i>xiii</i>
Acknowledgements	<i>xiv</i>

## Part I: Introduction

<b>Chapter 1 Introduction to ‘Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities’</b> <i>Maria Palazzo</i>	<i>3</i>
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## Part II

<b>Chapter 2 Decision-Making Strategies and Tools: State-of-the-Art and Advancement</b> <i>Maria Palazzo</i>	<i>11</i>
<b>Chapter 3 Barriers, Drivers, and Application of Decision-Making Strategies and Tools</b> <i>Maria Palazzo</i>	<i>33</i>
<b>Chapter 4 The SWOT Analysis: An Evolving Decision-Making Model</b> <i>Maria Palazzo</i>	<i>53</i>

## Part III

<b>Chapter 5 The APPNIE Model</b> <i>Alessandra Micozzi</i>	<i>73</i>
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<b>Chapter 6 LiMiX and BIOerg Case Studies</b> <i>Alessandra Micozzi</i>	<i>81</i>
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**Part IV: Conclusion**

<b>Chapter 7 Towards a Conclusion: Do We Still Need Decision-Making Strategies and Tools?</b> <i>Maria Palazzo</i>	<i>103</i>
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Index	<i>111</i>
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# List of Figures and Tables

## Figures

Fig. 4.1.	Query ‘SWOT Analysis’ – Number of Papers Per Year.	61
Fig. 5.1.	From a 2D Model to a 3D Model.	74

## Tables

Table 3.1.	PESTEL Analysis Applied to AdTech.	36
Table 3.2.	BCG Matrix Applied to a Platform That Provides AI Services.	42
Table 3.3.	GE/McKinsey Matrix Applied to a Platform That Provides AI Services.	45
Table 3.4.	GE/McKinsey Matrix Applied to ‘Explore’ Metaverse.	46
Table 4.1.	Limitations of the SWOT Analysis.	59
Table 4.2.	SWOT Analysis: First 15 Most Cited Papers.	62
Table 4.3.	SWOT Analysis Applied to an AI Platform.	64
Table 4.4.	SWOT Analysis Applied to the Field of Martech.	65
Table 5.1.	APPNIE Model.	76
Table 5.2.	APPNIE into Action.	77
Table 5.3.	SWOT Analysis Qfarm.	78
Table 5.4.	The APPNIE Model for Qfarm srl.	79
Table 6.1.	Innovative Start-Ups in Italian Regions.	83
Table 6.2.	SWOT Analysis of LiMiX.	89
Table 6.3.	The APPNIE Model for LiMiX srl.	90
Table 6.4.	SWOT Analysis of BIOerg.	93
Table 6.5.	The APPNIE Model for BIOerg srl.	94

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# Foreword

In recent years, there has been a growing interest in assisting managers and practitioners in finding effective decision-making strategies and tools. This interest stems from the increasing challenges that organisations face due to both external and internal factors. The significance of this matter is evident from the numerous articles and books dedicated to the topic, with notable contributions from authors Maria Palazzo and Alessandra Micozzi.

Their book, titled *Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities*, sheds light on the concept of ‘decision-making process’ and ‘strategy’ in marketing and management. In these contexts, a strategy refers to a carefully planned and systematic course of action designed to achieve specific goals and objectives. Strategies are closely tied to the decision-making process, as they enable companies to allocate resources effectively and ensure that their efforts align with the organisation’s overall mission. In the rapidly changing business landscape, developing and implementing a well-defined strategy is essential for organisations to navigate complexities and remain adaptable.

Therefore, the book explores the importance of decision-making strategies and tools in both marketing and management domains. The book challenges traditional frameworks by highlighting their limitations and obsolescence. It proposes a fresh approach to decision-making strategies and tools through the introduction of a new matrix, the dynamic SWOT analysis with eight quadrants, known as the APPNIE model. This revised matrix is applied to various case studies to provide a comprehensive understanding.

This book provides a useful addition to the literature on decision-making strategies and tools which is needed at this time. It makes for interesting reading, and I am pleased to see the incorporation of case studies which will prove valuable to scholars in these and related domains.

Palazzo and Micozzi’s work will find welcome space either in electronic or book copy form to scholars around the world. I welcome this new text and look forward to seeing it published.

Prof Maria Antonella Ferri,  
Full Professor of Management,  
Universitas Mercatorum, Rome (Italy).

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We extend our heartfelt gratitude to everyone we encountered throughout our academic voyage. Engaging in the realm of education and research may be demanding and arduous, yet the most gratifying aspect for us is the multitude of colleagues we have had the privilege to connect with and collaborate alongside from various corners of the globe.

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Part I

## **Introduction**

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## Chapter 1

# Introduction to ‘Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities’

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### Abstract

The chapter introduces the book *Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities*. It explores the continued relevance of decision-making tools in complex scenarios while also challenging traditional frameworks by highlighting their limitations and outdated nature. It proposes an innovative approach to decision-making strategies and tools through the introduction of a novel matrix consisting of eight quadrants, proposing a dynamic SWOT analysis. This matrix incorporates three dimensions: (1) actual versus potential, (2) positive versus negative, and (3) internal versus external. Moreover, the book advocates for the application of this revised matrix, known as the APPNIE model, to diverse case studies to gain a comprehensive understanding of its effectiveness.

*Keywords:* Barriers; drivers; decision-making strategies and tools; APPNIE model; actual versus potential; positive versus negative; internal versus external; SWOT analysis

The concepts of globalisation and sharing economy have eliminated boundaries among organisations while reaching their targets (Hirst & Thompson, 2011; Hossain, 2020). Instead of boundaries, relationships between companies and

communities have been considered (Deigh et al., 2016). In this new context, strategy plays a relevant role in strengthening organisations' resilience, serving as a basis for developing sustainable management within different economic frameworks (Palazzo, 2019). This approach views the company from an external perspective, connecting it with the entire community, and allowing organisations to create a flexible and dynamic set of relationships (Palazzo et al., 2017, 2020). Every organisation operates within an entrepreneurial ecosystem, which can be compared to a biological ecosystem (Cavallo et al., 2019). It involves dynamic interactions between various subjects that influence and reinforce entrepreneurship (Stam & Van de Ven, 2021). Different domains of the ecosystem, such as the market, institutions, and universities, are interconnected, resulting in a complex exchange of data, information, activities, capabilities, skills, knowledge, and ideas (Acs et al., 2017). Actors and components that are typical of entrepreneurial ecosystems coexist and interact in real-time, forming (or eliminating) numerous reciprocal ties (Meyers, 2015). However, existing studies tend to adopt a static approach to entrepreneurship, overlooking the evolving connections between companies and their micro- and macro-environments (Spigel & Harrison, 2018). Therefore, it is crucial for managers to have a comprehensive understanding of both their internal and external backgrounds (Hill et al., 2014). To achieve this goal, companies have conventionally used different tools, such as the PEST/PESTEL analysis, Porter five-forces model, balanced scorecard (BSC), Boston Consulting Group (BCG) matrix, General Electric (GE)/McKinsey matrix, and SWOT analysis (Leiblein & Reuer, 2020). All these tools have been applied in different sectors and geographical areas to sustain managers' decision-making processes.

In this scenario, SWOT analysis is a well-known decision-making tool used to assess opportunities and threats developed in the external environment in which an organisation operates, and to evaluate its strengths and weaknesses (Helms & Nixon, 2010). It has been widely used as a crucial component in companies' strategic decision-making processes. Many studies suggest that a SWOT analysis can assist organisations in making effective strategic choices. Additionally, the SWOT analysis has proven to be an effective tool that can be applied in different areas, including education, management, healthcare, sustainability, government, marketing, and bio-agriculture (Humphrey, 2005). Nevertheless, Vlado and Chatzinikolaou (2019) stated that conventional SWOT analysis has an issue that the author called 'analytical myopia'. This limitation arises because the tool focusses only on corporate strengths and weaknesses, considering them as single dimensions, while failing to provide a complete perspective of the overall company (Hill & Westbrook, 1997). Conventional SWOT analyses also assume that the opportunities and threats faced by organisations in the same industry are homogeneous and uniform, which can lead to poor business decisions (Helms & Nixon, 2010). It overlooks the potential advantage that an organisation can seize in its business sector or the specific problems it may encounter (Houben et al., 1999).

The book *Rethinking Decision-Making Strategies and Tools: Emerging Research and Opportunities* explains why companies still need to use decision-making tools in complex scenarios. In addition, it challenges conventional frameworks by emphasising their limitations and obsolescence. The book

suggests a new approach to decision-making strategies and tools by introducing a new matrix consisting of eight quadrants within a dynamic SWOT analysis. This matrix incorporated three facets: (1) actual versus potential, (2) positive versus negative, and (3) internal versus external. Additionally, the book recommends applying this revised matrix, the APPNIE model, to various case studies for a comprehensive understanding (Cusi et al., 2023).

The book reached several objectives:

It examines the various stakeholder groups that need to consider new decision-making strategies and tools. It covers multiple aspects of this issue and provides examples from diverse industries and companies to illustrate the different dimensions of innovative approaches and revised theories.

- Readers gain an understanding of research on decision-making strategies and tools from different perspectives. They can compare and comprehend how these strategies and tools are applied in various sectors. This allows students and practitioners to understand the dissimilarities and potential implementations of the selected approaches.
- Readers fully comprehend issues in marketing theories, the significance of strategic planning and management in current challenging contexts, and the latest developments in decision-making tools. They also learn how to analyse complex stakeholder audiences that need to be addressed and develop effective stakeholder strategies.

It offers an exploration of different decision-making tools able to sustain the analysis of the relations between organisations and key factors/trends, in diverse business contexts. It caters to doctoral, postgraduate, graduate, and final-year undergraduate students studying marketing, management, corporate communication, and organisational behaviour. This book serves as a valuable resource for marketing and management professionals seeking more than anecdotal evidence on strategies and organisational structure. Readers will find it intriguing to compare the values of decision-making strategies and tools across different research methodologies and settings, as well as explore various markets and their significance in decision-making processes.

## **Organisation of the Book**

This book is organised into six chapters, with brief descriptions of each as follows:

**Chapter 1**, developed by Maria Palazzo, introduces the key concepts in the book.

**Chapter 2** 'Decision-Making Strategies and Tools: State-of-the-Art and Advancement', developed by **Maria Palazzo**, presents different tools that have been developed to assist managers, researchers, and consultants in making informed decisions within complex scenarios. This chapter explores several decision-making strategies and tools, including the BCG matrix, GE matrix, BSC, PEST, PESTEL, and SWOT analyses.

**Chapter 3** 'Barriers, Drivers, and Application of Decision-Making Strategies and Tools', developed by **Maria Palazzo**, investigates the barriers and drivers of

the decision-making tools and proposes existing alternative paradigms for analysing and comprehending the evolving business environment. This section demonstrates how these decision-making tools can be implemented through examples and case studies.

**Chapter 4** ‘The SWOT Analysis: An Evolving Decision-Making Model’, developed by **Maria Palazzo**, focusses on analysing the origins and evolution of the SWOT analysis. It explains the drivers and limitations of the conventional SWOT analysis, laying the groundwork for new decision-making models that can aid researchers and practitioners in comprehending both external scenarios and internal characteristics. This chapter demonstrates how the strengths, weaknesses, opportunities, and threats of a SWOT analysis can be approached dynamically. Conventional SWOT analysis offers only a limited perspective on the environment and employs concepts that can confuse users, hindering their clear understanding of the factors that influence an organisation’s background.

**Chapter 5** ‘The APPNIE Model’ developed by **Alessandra Micozzi**, shows the importance of planification and strategy in a chaotic scenario, especially for nascent entrepreneur in high-tech sectors, presenting a model that starts from the limitations of SWOT analysis and proposes some improvements.

**Chapter 6** ‘LiMiX and BIOerg Case Studies’ developed by **Alessandra Micozzi**, applies APPNIE to two case studies: BIOerg srl and LiMiX srl, that are innovative start-ups born in the Marche Region in Italy. We chose to analyse two companies in the same region because the surrounding ecosystem of innovation and entrepreneurship has a strong impact on the development of innovative start-ups. Using these two case studies, this chapter shows the differences between the SWOT and APPNIE analyses.

**Chapter 7** ‘Towards a Conclusion: Do We Still Need Decision-Making Strategies and Tools?’, developed by **Maria Palazzo**, concludes and presents insights into what it means to rethink decision-making strategies and tools in the current scenario. The main aim of the book is to present the revisited SWOT analysis and the APPNIE model, and to inspire researchers and practitioners to apply this framework, exploring, in practice, its potential benefits and drawbacks.

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