

with knowledge-based systems for fine tuning weights and subjective probabilities, and to infer in a non-algorithmic way, for example, by inductive reasoning. Neural networks also offer a potential for developing knowledge-based models in this area. SAM presents a step towards developing a more comprehensive model of strategic evaluation.

Finally, using a structured framework like SAM does not imply that we believe strategic decision making is deterministic. While the framework enables DMs to organize their beliefs, it should be used very carefully. SAM uses an exponential utility function because it is the simplest model of risk aversion and is not subject to the DMs wealth. However, in reality, many strategic decisions are subject to or conditioned by the firm's wealth position. While the exponential utility function is a good starting point, more complex utility functions need to be considered for DMs in firms where wealth is an important factor. Furthermore, managerial judgment is an essential element of SAM. Consequently, the effectiveness of the model relies heavily on the DM's cognitive abilities to provide valid judgments. SAM considers subjective estimation of probabilities and weights since they cannot be supported by empirical analysis. While these judgments can often mirror a DM's reflection or belief in the importance of certain environmental events, they should be used with caution. As with all the other decision calculus models, it is vital that the researchers and practicing managers remain aware of the limits of subjective estimates used in these models. When empirical analysis is feasible and makes economic sense, it should be utilized to improve these estimates [31]. SAM should not be used to plug-in numbers and crank-out optimal solutions. Potentially, DMs could make bad judgments as they do with any framework. Such judgments can generate misleading results and ultimately poor decisions. Fortunately, with the availability of computers, DMs can perform sensitivity analysis and evaluate its impact on various alternatives.

The model presented in this paper deals with the decision-making process of one DM. In reality, strategic decisions are rarely made by a single DM. The next step in enhancing the model will be to extend the model's capabilities to handle input from multiple DMs and summarize their input for strategy selection. The current enhancements in group decision support systems (GDSS) provide a wide range of options to extend the model in the future. We plan to extend SAM to a multiple criteria, multiple DM model for a GDSS environment. [Received: February 18, 1993. Accepted: December 12, 1994.]

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