



Strategic Planning for Turning Technological and Managerial Challenges into Opportunities

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ABSTRACT: All business organizations strive for achievement in the various business satiations and environment. They look for opportunities which are normally associated principally with the alteration, creativeness and modernization.

Prospects for the business organizations are developing with dynamism with the happening changes; so with opportunities, it becomes tuff to take proactive approach for strategy formulation. It seems that the key elements which are concerned with the strategic management process should be helpful for betterment. Its implementation enforces the preparation for alterations and commences new development opportunities.

Keywords: Strategic management tools, Scenario based planning organizational performance, Challenges, Strategic Planning and development.

I. INTRODUCTION

In today's dynamic money-making situation, every business organization is trying to evaluate its performance on routine basis. In order to undergo, companies are taking steps to spread out by accessing newer markets; making their products, services and value more attractive; satisfying customers; developing ground-breaking strategies. Thus, top officials and the managers of the organizations are look for an appropriate strategies to examine cost of the products/service, get market information, analyze consumer needs and wishes, predict and review organizational performance, as well to ensure aggressive advantage in manufacturing activities.

Markets globally, are set to practice increasing instability in recent times which results in more ambiguity for strategic planning – more instability, more tricky situation and more uncertainty. The tools, manager's use for strategic planning and forecasting have imprecise significantly in the current times. Scenario-based planning is being the answer to handle with the examination of today's multifarious trade environment.

There are many questions relating to following of strategic supervision. When analyzing the strategic management process, it is justified to point to the need to transact with the challenge posed by the paradox of unpredictability and sturdiness.

II. OBJECTIVE

The main purpose of this paper is to discuss the idea that the multifaceted challenges that organizations are confronted with can be tackled instead as paired opportunities. The aim of the study is to examine and identify the elements of the strategy that are associated with new fields of action. Study indicates that the formalization of the strategy, the preparation of development plans, the selection of ambitious development priorities, taking liberal measures with business partners are associated with the search of prospects as an expression of the striving for innovations.

The research standard engaged in this study is qualitative and the approach for this research consists mainly of literature review from books, academic journal and mass media are hooked up with experiential learning. Data analysis is done through contents and dialogue analysis.

III. VARIOUS FACTORS OF ENVIRONMENTAL UNCERTAINTY

Improbability is an entrepreneur's daily dealing. It can be understood as an individual's incapacity to forecast anything exactly. In the trade, executives at various levels have to contract with different kinds of ambiguity. They face vagueness in their explicit industry. Another way of categorization is to distinguish between uncertainty about the actual state, uncertainty about effects and impacts, and uncertainty about responses or adequate measures (Miliken, 1987) [1].

IV. THE EVOLUTION OF STRATEGIC PLANNING

Whoever wants to set up an effective process of strategic planning needs to understand how organizations and their specific situation interact with the overall environment? Therefore it is useful to observe the improvement of different solutions over time. Large American and European companies began formulating strategies for individual business and coordinating these strategies with each other. Researchers and practitioners such as Igor Ansoff, Bruce Henderson and Alfred Chandler [2-4] greatly influenced the budding field. Popular frameworks included the product/market grid, the SWOT analysis and the BCG matrix. These iconic methods spread to other areas of business, too.

V. MOST POPULAR TECHNIQUES OF STRATEGIC PLANNING

(i) **SWOT analysis** - SWOT (strengths-weaknesses-opportunities-threats) analysis is a way of looking at a company's strategic position in the market. Its origins lay in the work of business policy experts at the Harvard Business School and other American business schools from the 1960s onwards. Thus, Kenneth Andrews (Andrews, 1971) claims that good strategy means make sure a fit between the external situation faced by a firm (its threats and opportunities) and its own internal qualities or characteristics (its strengths and weaknesses) [5-6].

(ii) **BCG portfolio matrix**: The BCG portfolio matrix helps companies find growth fields in their product lines. The tool was developed for Boston Consulting Group by Bruce Henderson in the 1960s (Florin Tudor Ionescu, 2011) [7]. Products are mapped in terms of market growth and relative market share. On this basis, they are classified as "dogs", "cash cows", "stars" or "question marks". The BCG template is based on two ideas: the "product lifecycle curve" and the "learning curve". The product lifecycle curve emphasizes on the idea that products go through different stages from start to decline. The learning curve expresses the relationship between practice and efficiency: the more frequently an assignment is performed, the cost of doing the task, decreases.

(iii) **Porter's five forces analysis**: He states that, top level executive's job is to understand and cope up with competition. His analytical model makes it possible to review the nature of contest in trade. It looks not just at established industry rivals, but at four further competitive forces: customers, suppliers, potential entrants, and substitute products (Porter, 2008) [8]. The rivalry that results from all five forces defines an industry's structure and shapes the nature of competitive interaction within it. The five forces thus determine industry attractiveness and long-term industry profitability.

Now, we will discuss about the three core dimensions of uncertainty – volatility, complexity and ambiguity.

Volatility—Earlier, entrepreneurs probably knew what “normal” was in their business and in their market; but, today, that comforting sense of normalcy has disappeared for business owners. Organizations are experiencing more volatility in their markets. This is putting extra stress on their capability to manage growth and time. In “normal” growth circumstances, ordinary management practice are effective, but setting up, communication, and responsibility is increasing day by day [9].

The common situations that most of the businesses face today; quick growth and growth in a volatile environment. Both are actually a difference on the fundamental theme of managing ambiguity. In swift growth, the volatility is created inside the company; in an unpredictable market environment, the uncertainty comes from external environment.

Steps to Manage Volatility –

- (i) Set practical standards
- (ii) Practice short term planning
- (iii) Continuous communication should take place at various levels
- (iv) Highlight weakness and blind spots in business
- (v) Rapid response

Complexity - Many companies today expresses serious concerns about their capability to successfully manage complexity and strives to simplify their business, make economies to a constant portfolio of foundation products and processes. Complexity is a but natural to the daily decisions taken by managers which are prejudiced by all the factors which are embedded in a company's overall environment and gives a large impact on the company's approach (Rüdiger *et al.*,) [10].

Strategies to Manage Complexity–

- (i) Simplification
- (ii) Reconfiguration
- (iii) Make incorporated business resolution
- (iv) Flush out the unseen link
- (v) Just in time approach

Ambiguity – Top executives in organizations face many indistinguishable and conflicting situations every day. They need to manage the ambiguity both in formulation of the strategies and their execution. Ambiguity can be defined as words, concepts, and situations that have multiple meanings. This ambiguity may show the way to unclear decisions and ending up in ruining business situations [11].

Strategies to Manage Ambiguity

- (i) Interpret the threats and opportunities
- (ii) Clarity in vision of the organization.
- (iii) Active resolution of tensions
- (iv) Have a practical approach
- (v) Have an understandable mindset and open conversation with the executives at different levels in the organization.

VI. RECOMMENDATION

In today's complex world, companies need another approach to manage with the uncertain future: scenario-based strategic planning. It enables organizations to develop unique strategies for the future and to prepare themselves for the different business situations in near future. The approach has great prospective to increase the quality of decisions and companies' performance. Scenario-based planning conquers the limitation of the aforesaid strategic planning approaches and forecast techniques.

VII. CONCLUSION

The first decade of the twenty-first century has been portrayed by uncertainty in many different shapes: rapid globalization, accelerating innovation and growing competition, bringing with them volatility, complexity and ambiguity. Neither the aforesaid tools of tactical planning, nor the techniques of forecasting the future provide a holistic solution for strategic planning in this uncertain environment. The tools used for strategy implementation prior may not work in recent times as new complexities and ambiguities are occurring day by day. The tools to plan strategy in the year 2010 may not work today due to new complexities.

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