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## Specificity of the strategic planning in conditions of uncertainty

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### ABSTRACT

In conditions of turbulent global surroundings, business administration is becoming the managerial art of dealing with uncertainty. Elasticity, which also concerns the aspect of the organizational strategy, is the crucial factor of success of contemporary enterprises. Ensuring the strategic elasticity of the enterprise requires redefining the traditional conception of strategic managing. In the new conception, the importance of planning in many variants and emerging strategy are being stressed. The scenario planning is the method which serves the improvement of strategic elasticity of the enterprise and it was positively verified in practice. Work on scenarios requires leading strategic conversations on different levels of the organizational hierarchy in different functional cells. It helps to break barriers in communication and it directs the enterprise to organizational self-teaching. Organizational considerations of possible variants of the future enable earlier preparation of the organizational system for the change.

**Keywords:** strategic planning; multivariate planning; scenario planning; organization elasticity; strategic management

### 1. INTRODUCTION

The occurrence of variance observed already at turn VI and V century B.C. the Greek Heraklit. Philosopher celebrated words: *panta rhei*”, that is to say everything liquid”, just as the ascertainment of Hippocrates, that only one fixed thing is a change”, they are particularly current presently in universal epoch and systematically gaining strength of variance. The

surroundings of contemporary company it is possible to describe turbulent name. The surroundings such brands growth: the newness of change, relying on this, that the essential factors conditioning functioning of company in significant manner from these, which became recognized in the past, the intensity of the surroundings, evincing in this, that support of proficient interactions between company but its partners requires repeatedly larger energy resources and absorbs repeatedly more attention of leadership, the speed of the changes setting in the surroundings, the degree of the complexities of the surroundings. As a result of growth of the number of changes and the complexity of occurring processes in the surroundings (Krupski R. 2005 ).

## **2. IT NEEDS TO FLEXIBILITY OF ORGANIZATION**

Survival and development of company in the conditions of a turbulent surroundings is conditioned flexibility of system. H. W. Volberda affirms, that the creation of flexibility is one from the components evolving paradigm of administration by organizations (Volberda H. W. 2008). Appearance of the need of the flexibility in practice of functioning of enterprises results from changes taking place. Changes are happening both in surroundings, and in very organization. Also a pressure on the improvement in the widely understood effectiveness of functioning of enterprises is becoming more and more strong, as well as for getting and keeping the competitive edge by them in the long term. These factors are inducing managers for seeking more and more effective tools of the management. Due to the fact that the flexibility is a desired feature of the organization and an important determinant of the efficiency for her of functioning and the development, finding the answer to a question against the being of the flexibility is significant of organization. The flexibility is one of these notions which didn't stay in sciences of the organization and the management, so far, explicitly defined. Such a state is hampering flexibilities, and consequently, assortment of effective tools of housemaids for her forming. The majority of authors interesting itself by the problems of the flexibility of organization emphasizes, that conception frame of this notion they are unusually broad. In the light of submitted interpretations notion the flexibility of organization” determines the collection of different properties, shaping capacious space for a different kind of mechanisms, activities or behaviors.

Colloquially flexibility indicates such property of organization, which is brought to its susceptibility on the changes under the influence of definite impulses. Flexibility indicates, therefore special ease and speed in the reaction on the changes. Appears, that is adaptation. By opinion year. Flexibility is broader notion and more complex than adaptation; however, author this admits, that the essential differences between the flexibility but by adaptation they are not identical, but their indication is difficult job and in great measure carried out with the help of the intuition (Krupski R. 2005).

Differentiated nature of flexibility confirms also the analysis of formulated definition by the separate authors of scientific works on space last between 20 and 90 years. Majority from them exhibits polymorphic nature of the flexibility of organization, showing its different types and dimensions. Below submitted selected encompassed definitions in the literature from the range of the organization and of administration.

At first in the literature of stressed object such understanding of the flexibility of organization, which was concentrated on the increase of the abilities of organization to the

reaction on the changes setting in the surroundings. By the supporter of such approach was among others H. I. Ansoff, who perceived flexibility, as such property of organization, which permits it principally to react on the changes of the surroundings through the increase of the liquidity of possessed stores (H. I. Ansoff 1965). With time authors interesting itself by the problems of the flexibility of organization began to exhibit its dual character and to propagate directed activities on the reduction of the influence of the changes of the surroundings. D. J. Eppink treated flexibility, as the feature of organization, which makes it less susceptible on the changes of the surroundings or would put it in the more convenient position of this, successfully could she on these changes react (D. J. Eppink 2008).

In his concept he emphasized the possibility of the active or passive attempt of the organization at the change. In this direction they effected developing of the concept the flexibility of the organization A. C. J. De Leeuw and H. W. Volberda. With their sentence flexible organizations, being open systems, not have to be "puppets" in hands of their surroundings. They can have a defined scope of the autonomy relative to surroundings and simultaneously in chosen spheres can exercise control over these surroundings (De Leeuw A. C. J., Volberda H. W. 2006). A. C. J. De Leeuw and H. W. Volberda they stressed this, dualism of flexibility evincing in the necessity of the adaptation of organization to the changes of the surroundings in the range, in what sort she am from dependent surroundings and the necessity of the adaptation of the surroundings to the organization in the range, in what sort is it dependent on the organization. The former considerations of the problem of the flexibility of organization became focused about occurring account between the impulse to the change but the reaction of organization on this change. On this base year R. Krupski favored four kinds of the flexibility (Krupski R. 2005).

- adaptation-inert, (if will step out impulse but, after a while appears answer former),
- adaptation - relative (if will step out impulse but, immediately appears answer former, at the same time former awaits on the appearance but),
- creative (between and former do not have body; however, former is not a straight reaction/by answer on but - is answer more complex and veiled).

Century Golden and P. Powell exhibit four dimensions characterizing flexibility of organization. They belong to them (Golden W., Powell P. 2014):

- time dimension - determinant time, which is necessary, in order to react on the impulse,
- the dimension of range - determinant the number of the option of activities, which the organization initiates or possesses, in order to react and impulses,
- the dimension of connected features with the reactive or active attitude of organization in view of the impulses,
- the dimension of the concentration of activities and of resultant efforts from the kind of impulses to
- change (internal, outer).

Useful appears to be approach to the flexibility of organization taking into consideration its dimension strategic and operating. Operating flexibility refers most often to repeatable carried out activities within the framework of this technology and directed on the realization

of the strategy of organization. Hence also operating flexibility often is identified with the flexibility of production even treats, as instrument about the pivotal meaning in the overcoming of uncertainties. Its characteristic feature is the relatively short period of time, what sort steps out between the appearance of impulse but the reaction on it (Eppink D. J. 2013). Strategic flexibility possesses many meanings. Its characterization possessions scientific in this range introduced but. de Toni and S. Tonchia. They distinguished are four kinds of strategic flexibility (De Toni A.F., Tonchia S. 2005):

- flexibility, as the number of strategic option within the framework of carried out the activity,
- flexibility, as the speed of the change of the priorities of competitiveness within the framework of carried out the activity,
- flexibility, as the variety of possible kinds of activities,
- flexibility, as the speed of moving from one kind of activities on other.

The tests of the isolating of essential features settling about the conception frames of flexibility induces towards the ascertainment, that is this occurrence about very complex. Nevertheless the idea of proposed flexibility by J. B. Quinna appears particularly current in the conditions of a turbulent surroundings, in what sort function the contemporary organizations. In its opinion the flexibility of organization ought to be treated, as components (Volberda H. W 2005). In such picture/formulation she indicate support of the system of strategic option together with broadly specified the goals and consent on this, in order to they competed with itself so long, as long as is this rationally justified. Such approach to the flexibility requires support of definite reserves of suitable stores for the purpose of their utilization, in the situation, when appears to this occasion. By opinion J. Brillmana, not each organization is predisposed to the flexibility. Author shows, therefore the features of a flexible organization, numbers to which (Brilman J. 2003):

- ability of having time after the changes of surroundings and development quicker, than competitors,
- in good condition system of recognition of opinion of clients and rapid reacting on their expectations,
- short processes of flat organizational structure, legalization of executive (empowerment) workers,
- personnel used to the changes.

Among conceptions of that, in their mind of authors, must provide flexibility to organization, interesting approach of "adaptative of enterprise" seems. It presents suggestion for managers in the sphere of the strategic thinking about modern business. The creators of "adaptative of enterprise" compare business to nature, and certainly to the processes that take place in living organisms able effectively to adapt oneself to unstable surroundings. In the wild the occasion of reaction of organism is the so-called stimulator, id sudden and unexpected change that takes place in an environment. In business but a that can touch clients is by him. Scientists surrendered to analysis manner, in what sort on the changes setting themselves in the environment they react the cell of bacterium I, using analogy between the world of nature but the world of business, they stated, that in recent years successes brought

back these company, which the behaviors reminded the reactions of bacterium. Company these could identify each essential factor which could exert influence on their functioning. Then like lightning took they so named in order to remove, to put straight it or to use. Managers realizing idea "adaptative enterprise" they receive, that in the economy is not certain anything beyond the returns of situation sudden and difficult to the foreseeing. Are concentrated they on this, in order to not to give to be surprised rivalry, new caprice customers and at the right moment to perceive unknown earlier market-place. Try they to use the sudden returns of situation, as much as even had this to indicate the fundamental change of strategic domain. Their attention does not concentrate (Hendler A. 2003).

### **3. NEW CONCEPT OF STRATEGIC MANAGEMENT**

The critics of the idea of strategic administration affirm, that the iron consequence of managers in the realization of strategy causes, that in the unsuitable manner they react on appearing chances and threat. Is effective this by lack of flexibility in functioning of company. Statement this is with respect to these company which the strategies are formulated in place categories, which long-wave goals are and in which originally planned the means of the realization of goals they do not succumb to modification. By one from basic notional categories in the sciences about the administration are goals. The theory of the goals of company originated in time, in which the surroundings were relatively stable and homogenous, but future. In such conditions strategic planning in company was brought to the choice of strategic goals, their transfer on tactical goals and operating and the term of necessary means to their achievement. In turbulent conditions (Krupski R. 2005).

Strategy being the compact system of the decision and of activities, ought to be evolutionally shaped in the course of functioning of company. Ought she gradually to appear from all mass of detailed operating decisions, corrected on day by day on the base of flowing information. The legal procedure of strategic planning ought to be used in the process of construction of organizational strategy only to the creation of the outlines of next activities. M. Bratnicki affirm, that the victorious strategy is not so much by the result of a definite sequence of the activities, that appears by the experimentation and the succeeding approximations. Already in the course of decision process, choice servant of goals strategic company, is examined chance of the achievement of these goals. Strategic intention, strategy and tactician are surrendered simultaneous analysis and opinion by the prism of strategic abilities of company (Bratnicki M. 2000). A similar opinion is year. R. Krupski, which considers, that strategy, as the system of prompt actions of company, do not receive figures in the mountains of a premeditated plan, but gradually appears and develops together with the flow of time. Does not originate according to fixed legal procedures, whether also formalized but is shaped gradually in the process of organizational learning (Krupski R. 2005).

Emergent itself strategy can, therefore to be from one side by the result of characteristic giving advice" company with the commonplaceness, or by the effect of permanent planned corrections of strategy as a result of the perceived by managerial personnel of the changes setting in the surroundings, in this appearing occasions and threats (Krupski R. 2005). By one from pivotal competence of contemporary company is a ability to the identifying and the utilizations of occasion. Indicated is, therefore the perception of organizational strategy not in the categories super of the project of futures, but rather, as the system of individual, dynamic

activities, which they are directed on the outstripping of market-place competitors in the identifying and the utilization of occasion. Lasted competitive advantage of company is result not only of delivery the customers of higher value-added in comparison with the competitors, but also a faster reaction on the occasions. In the turbulent surroundings the goals as before determine basic category in business management (Krupski R. 200 ).

Louis Pasteur stated, that the accidental discoveries occur only prepared minds” (Krupski R. 2005). Contemporary managers usually do not like to think about the distant future. By will they to extinguish current fires”, than to be protected before the risk of their formation in the future and to be prepared on the events, which they can diametrically change given orders situation by them organization (Krupski R. 2005).

In the decisive majority of Polish strange company is idea of strategic thinking. Next, in company using the idea of strategic administration dominates so named stepping three-year-old strategies (*Author, on the base of secured experiences in the course of advisory practice in small and average company, acquired convictions, that the idea of strategic administration is not a known decisive majority managers of managing small and average firms. They refer to the essence of strategic planning, affirming, that the speed of the changes setting in the surroundings definitely limits or simply excludes earlier chance of the activities of company. Elect they the road of systematic giving advice” with the reality, through the reaction on the changes, which already stepped out and at the same time ignoring the need planning of possible reactions of company*). Which they exemplify precisely defined goals and job on the nearest year and guiding on the nearest two years. Practical this does not provoke managerial personnel to the discussion about the occurrences and processes, which they can influence on the diametrical change of the surroundings of firm (Remisiewicz M., Białkowska-Gużyńska A., Stawarz J. D. 2003).

Bolko von Oetinger, the co-author of book pt. Clausevitz about the strategy” considers, that incompetence or lack of time of managers on the exit beyond the general schemas of thinking in the business determines the essential cause many defeats of company, which they engage huge stores after this, in order to become by the master of old game” and they lose with these competitors, whom they will be able to predict the rules of a new game”. Firms usually are concentrated on the battle about today and on the base of earlier successes they construct conviction about the own infallibility. Occurrence this named by the euphoria of success” causes, that the execution of distance to the masters of a new game” or in general is not possible, or becomes prolonged and very expensive (Krupski R. 2005).

The results of carried out research by The Global Future the forum among five hundred largest world syndicates (according to ranking Fortune) they show, that nearly 60% from them introduces changes in inefficient manner or few effective (Krupski R. 2005). W above researched half of syndicates considers, that the largest transformations are result.

#### **4. MULTIVARIANT PLANNING, AS A REACTION ON THE UNCERTAIN FUTURE**

Planning treated, as the conscious formation of the futures of company, ought to take into consideration the prognoses of the future states of the surroundings and the processes in it setting. Contemporarily, in the conditions of a growing turbulence of the surroundings, planning is link of the process of administration. The increasing uncertainty, resultant from a



repeatedly larger variance and the complexities of a contemporary surroundings, brings planning process strategic to drawing of type miss-came across” (Krupski R. 2005). Helpful method with the strategy in the conditions of a turbulent surroundings is scenario planning. In the context of the strategy of company scenarios consider for the instrument of managing with the factors of the uncertainties than of technology other statistic or tools of quantitative analysis. Scenario planning was with used success already during World War 2 by U.S. Air Force. The formula of this method worked out in the years 60.XX century Herman Kahn - military Air Force, but then one with.

Scenario is necessary to understand, as a number of expected pictures in the next situation of the surroundings (so-called alternative future). Pictures these they ought to show on the process of the self-creation of a hypothetical situation and on the chance of influence on its course (Heinen E. 2012). One from the pioneers in the range of using scenario analysis in the business - Pierre Wack with Royal Dutch/shell - defined it, as art of the detection of original enterprising ability to a creative look in the future in the context of accelerated changes, increased complexities and authentic uncertainty”. By the goal of scenario planning is not a anticipation (Krupski R. 2005). Therefore also in the method of this is taken into consideration many similarly probable variants of futures. Become they experimental serving as the vision of the idea of business, what sort has organization. As a result appear the broad chances of its improvement (Van der Heijden K. 2000 ).

The idea of scenario planning relies on potential scenarios. Them their larger number will become surrendered analysis, by this larger is probability, that some or other from them will be fulfilled”. The logician of scenario planning is contained in the ascertainment, that the best discernment of a current situation gives base to this, in order to act in the optimum manner, at the same time the surroundings and like lightning introducing necessary corrections in the event of the appearance of changes. The goal of the aims of company ought to be, therefore explicit, but managers they ought to be ready to this, in order to in the justified cases again to define. Necessity such stepped out in the syndicate of shell in the years 70. XX century, when oil crises made large devastation in the fuel. When European firm and American informed in the new rules of enforced game through the countries OF OPEC, was already too late on the efficient reactions. Only shell could be protected on the eventuality (Krupski R. 2005).

Shell built two scenarios of development of events. The first from them established, that price of oil stay on the unaltered level, for example thanks to discovery. The second however took into consideration the world oil crisis (Remisiewicz M., Białkowska-Guzyńska A., Stawarz A. 2005). J. D. Management Shella was informed, that probability of a factual appearance of submitted events in the second scenario is high. In connection with this took decision about the decrease of the sizes of the fleet of tankers and the signature of long term contracts on the deliveries of oil, being protected before the sudden rises of its price (Penc-Pietrzak I. 2007). How commands foregoing example, scenario planning does not rely on precise forecasting of the values of selected variable in the future, but on the continual organizational learning. The readiness of a practical utilization of scenario analysis is word of the open accesses of company on the changes setting in the surroundings, testifies about its ability to their constant investigation, extractions on this base of proposals and modifications of the assumptions (Haffer R. 2006).

In practice of functioning company very often it happens that the period of a relative stability of business, whether also the achievement by company of success puts to sleep” the

vigilance of managers, causes, that think they in schematic manner and they train the former manners of conduct. In the conditions of a turbulent surroundings is effective this by the stiffener of organizational system (Porter M. E. 2006).

Scenario planning requires however thinking about the future in flexible manner, that sympathizes to scoring by company of moving” goals. Is this ability simplifying to company the conquering of a constant advantage. M.E. Porter considers, that the firm, which is interested obtainment of a constant competitive advantage, must have at disposal by mechanisms making difficult competitors the imitating of its methods. Because mechanisms these they cannot to restrain competitors in the long period, obliged firm they are usually to present rivals something in the kind of a moving goal - they ought, therefore continually to invest. Planning process scenario it is possible to bring to three fundamental stages (Krupski R. 2005):

- the working out of the scenarios of the surroundings,
- identifying the strategy of company for each scenario separately,
- the working out of the system of monitoring and the criteria to pass from one scenario on other, in the situation, when observed event more they answer this other scenario.

## **5. CONCLUSIONS**

Scenario planning is undoubtedly labor-consuming method. Discourages this of managers to the using it. The with respect to its application results also hence, that scenarios they do not lean on mathematical model. The effects of scenario planning difficult are, therefore (*In practice four types of scripts are most often drawn up: optimistic, pessimistic, most probable and surprise. These factors ranked among the macroenvironment and microenvironments which in the significant way influence at present should be included in scripts and will influence functioning of the enterprise in the future* ). The preferring by the managers of mathematical methods, which in the broad conviction they are more reliable, is consequence of two predominant among Polish managerial personnel of the styles of administration: the style of the accountant and of engineer's style. They are, though in various ways, informed on the single working out of optimum strategy.

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