

Ups's scenario planning



**ASSIGN
BUSTER**

1. What are the strengths and weaknesses of scenario planning? •An in depth understanding of the world around the organization •Robust strategic thinking and planning process
•Great decision making

StrengthsWeaknesses

•Widened field of vision for organization
•Help to identify new strategies to face possible scenarios that could occur in UPS future •Guide future investment decisions as by living in the future through scenarios, there is a better, more enhanced and impactful view of the world in both the short and long run. •Foster robust strategic planning, thinking, and process

•Improve decision making and planning for the unknown
•Facilitates strategiccommunicationand vocabulary
•One vision, one goal one corporate objective across various departments and •Long term investment that requires off site meetings •Commitment to extended research
•100% of management involvement and commitment required to be successful •Presence of union

OpportunitiesThreats

•Overseas markets encourage UPS to expand and remold itsculture•Advancement into different markets as seen with UPS entry into logistics and airlines •Ability to maintain strongholds over its entire operations •Free trade agreements between countries
•Technological advancements driving online shopping
•Likelihood of an emerging middleclass globally

- Increased competition from new entrants into this market could affect profit margin negatively.
- Loss of customers to private companies such as Federal Express and government preferred agencies like Deutsche Post.
- Reduced bargaining power for UPS

- More innovative and technologically advanced innovation from competition

2. What is your evaluation of UPS's 1997 scenario planning exercise? It's Horizon 2017 planning exercise? How do the two compare? 1997 Scenario Planning:

The UPS 1997 scenario planning overall can be termed a success. It led to the birth of the UPS Charter in 1999 which redefined the company's mission statement and led to the very successful IPO. It became more appropriate for the changing times, was more graphic, short, and concise and provided a clear direction of UPS goals. It expanded the scope of UPS planning process and encouraged executives and employees to think out of the box. This can be seen in management's proactive focus shift to end users while leveraging relationships to win additional B2B customers. It allowed management to seek out opportunities along the demand chain while maintaining and seeking growth globally. Thinking abilities were enhanced; it made management more innovative and strategic in their thinking as with each decision, they would run through the different possible scenarios that could befall the organization. It led UPS to acquire Mail Boxes Etc. which was a result of a need for retail presence driven by the scenario planning. There was also the decision to build the service-parts logistics business to give them play in the technologically enhanced " Brave New World" scenario (see Exhibit 1 for the axis of uncertainty and possible scenarios.) These outcomes

allowed management to see how decisions made in one environment today, can affect their organization's position in different futures and how to make choices that will help mitigate future risks or provide better positioning for new opportunities in the future. Horizon 2017

- Target regional markets and operations
- Infused new talent and ideas into planning
- Extensive interviews that incorporated customers, academicians and political perspective

1. You are the presenter: your colleagues at ARP have convinced you to request \$2 million in project funding from your boss. Make your case about this. Problem

Situation, Alternatives-pro and con for each; Recommended Solution & Implementation). Post your presentation on discussion board.

Notes for presenters:

You ARE Peter Vyas. You may NOT sit on the sidelines and criticize his actions or comment on what you think he should do. I am interested only in what you would do if you were in his shoes.