

Good case study on strategic panning at ups

[Business](#), [Company](#)



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INSTITUTING AFFIIATED

- How to we optimize costs and services for transportation, routing, and load?

Optimization of cost and services for transportation, routing and load, can be achieved through using the Just-In-Time operations, JIT operations are where stocks whether raw materials or finished goods are enough at any given period t meet production requirements and consumer demand. This leaves a firm with little to store therefore, reducing inventory costs and improving consistency in supply since the quantity demanded is known for each period. The JIT strategy will program supply and distribution of their products in bulk therefore, reducing transport costs further (C. Larson, 1995). When production output equal quantity supplied it ensures that wastage through disposing of goods which have overstayed their shelf-life when there is

overproduction

- What are the strengths and weaknesses of scenario planning?

Advantages

Scenario planning enables decision makers to change a scenario if it occurs since probable consequences are already known to management. It also equips management with information which assists in identifying causes of discrepancies in strategies in case they occur (W. Pierre, 1985).

Disadvantages

Scenario planning is a difficult and time consuming activity which often requires the involvement of a team who adequately understand the decision in hand. The process involves interviewing high level management and extensive research in order to give a wider perspective as to consider forecasts that weren't before.

- What is your evaluation of UPS's 1997 scenario planning exercise? It's Horizon 2017 planning exercise? How do the two efforts compare?

The scenario planning exercise of 1997 dealt with solutions for long-term survival of the company therefore, focused on the global market and constraints to the supply chain. Interviewees here included traditional consumers and proactive but sophisticated consumers, and with their parties in the supply chain. Decisions taken in response to the scenario planning exercise included definition of their Corporate Charter and a change of the company's mission statement.

The scenario planning exercise from Horizon 2017 dealt with situations for the company in the shorter-term, focused on regional influence. The scope of

interviewees was wider with addition of academics, consultants and politicians.

The two scenario planning exercises were similar where management acted appropriately to the reports unlike common situations where recommendations are not implemented. Demand characteristics are a key variable in both exercises.

- What are the key elements of UPS's approach to strategic planning? In particular, what is your evaluation of:

The UPS charter

The statement of integrity and excellence holds the belief in quality of service and organizational structuring. All these together with a strong financial base guarantee to consumers and investors that the company is a going concern.

Focus on demand characteristics is catered for where they acclaim that the customers changing needs are met. It as identifies its focus market which is to support global business when they give mobility to capital and finished goods.

Employee issues are as align in the charter where innovation is encouraged therefore, giving value to employees contributions, along with their factors such as proper remuneration and opportunity of career advancement.

The Centennial Plan

It focused on improvement and development of their workforce all around the world, this guarantees efficiency in the organizational structure and quality service delivery. Quality of service is further stressed through value

addition from their customers who can get several but quality services through a single party, thereby creating a group of loyal customers who believe in their services

The Strategy Roadmap

The separating 24 critical initiatives from the 4 broad strategic imperatives shows confidence in the functional units or departments related to the critical initiatives. Employees are properly prepared to handle company business. The company also focuses on the main 24 issues to the company which affect key areas such as retains or turnovers.

- Why was John McDevitt put in charge of “ strategic integration?” Should he remain in that role?

He was put in charge of strategic integrating because some initiatives in the company were not progressing at all therefore, was selected from his proficiency in strategy implementation. If this were not so Mr. Esken would have been the one tasked with resolving issues at the implementation stage also. I think that he should maintain the position because there are opposing opinions on what should be done and what is to be accomplished he can therefore, be able to direct all teams involved on how to deliver.

References

W. Pierre (1985). " Scenarios: Uncharted Waters Ahead." Harvard Business Review.

C. Larson(1995). A Just-In-Time Supply Chain? Achieving Just-In-Time operational objectives

requires the coordination of Production Planning, Sourcing and Logistics.
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