

Scanning the business environment

Business, Business Environment



The ability to think and plan for the future in a manner that is strategically advantageous for the firm requires many creative techniques. Even though some of these techniques may prove to have better and more obvious advantages, many strategists prefer to use all of them to gain different insights into the data presented to them. The variety of perspectives that these different techniques provide enables strategists to develop strategies that encompass a variety of problems and opportunities.

They can then foresee many contingencies or issues and make plans to take account of them in their plans for the future of the company. Some of the techniques used include extrapolation, brainstorming, Delphi Technique and scenario building. Brainstorming is the most widely used extrapolation technique due to its incredible array of advantages. Some it being that it enables constructive criticism on the spot for all ideas and those ideas that cannot 'stand the heat' buck out. It enables many heads to come and focus on one core issue and bring in their various expertises onto the table.

Linneman & Klein, December 1983).

Delphi method is a different type of brainstorming where in different experts are presented with the same problem and asked to present their opinions, assumptions and solution based on their understanding of the problem at hand. Delphi Method is peculiar in the sense that the individuals do not meet face to face unlike in brainstorming sessions where in all members constructively criticize each problem and propose a final outcome via consensus. Morgan, Hunt, 2002) In Delphi method there is no face to face interaction at all and individuals are asked to report their findings to a coordinator who then compiles and resends the findings to the individual

members who then submit recommendations till a final consensus is achieved. This method takes much more time to reach a consensus due to the fact that there is no face to face interaction and a coordinator has to be present to compile data.

Its advantage on the other hand is that individuals are allowed to present their completely developed ideas without being interrupted and criticized (Linneman, Klein, December 1983). Prediction via extrapolation techniques involves having a set of variables, independent and dependent and then using them to logically calculate the unknown independent variable.

Mathematical calculations can be easily used to solve typical ratio or linear problems but since all relationships are not linear or so easily defined it comes down to the interpreter's capabilities to understand and rationalize a problem.

One can either use mathematical representation to solve such problems or they can also be solved graphically which is why their solution and interpretation are very easy to get compared to other predictive techniques.

Scenario building as a predictive technique also has its own advantages whereby individuals run marketing analyses of environmental contexts and this analysis leads to the determining of various marketing strategies for response, action or selection. The chosen strategies need to fit or be adaptive of the changing environments (Morgan, Hunt, 2002).

References:

Morgan, Hunt, Robert E, Shelby D. (2002). Determining marketing strategy: A cybernetic systems approach to scenario planning. Emerald, 36, Retrieved

<https://assignbuster.com/scanning-the-business-environment/>

June, 23, 2009, from <http://www.emeraldinsight.com/10.1108/03090560210417264>

1108/03090560210417264

Linneman, Klein, Robert E., Harold E. (December, 1983). Long Range Planning: The use of multiple scenarios by U. S. industrial companies.

ScienceDirect, 16, Retrieved June, 23, 2009, from http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6V6K-45K4MP1X8&_user=10&_rdoc=1&_fmt=&_orig=search&_sort=d&_docanchor=&view=c&_searchStrId=937302876&_rerunOrigin=google&_acct=C000050221&_version=1&_urlVersion=0&_userid=10&md5=f65f1a945e8f0c0751487b5d823e974e

com/science?_ob=ArticleURL&_udi=B6V6K-45K4MP1X8&_user=

10&_rdoc=1&_fmt=&_orig=search&_sort=d&_docanchor=&view=

c&_searchStrId=937302876&_rerunOrigin=google&_acct=

C000050221&_version=1&_urlVersion=0&_userid=10&md5=

f65f1a945e8f0c0751487b5d823e974e