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Strategy Formulation and Uncertainty in Environments

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Abstract: Business trends in markets that are in steady state environments are easier to predict. In the past, the business environments were a steady state market. However, market environments have changed to be dynamic, complex, and uncertain. Strategy formulation in dynamic, complex, and uncertain markets presents many challenges for companies. This paper examines the effect of uncertain environments on strategy and strategic planning and methods to reduce uncertainty. The paper found that scenario planning is a common approach but needs adapting depending on the level of uncertainty in the environment. Another approach is to use pseudoplanning, but this does not provide a solution to uncertainty in environments and thus does not lead to tangible competitive advantage.

Key words: pseudoplanning; scenario planning; strategy; strategy formulation and uncertainty
JEL code: L1

1. Introduction

This paper investigates how the process of strategic planning operates in an environment that is uncertain and changing very rapidly. Business environments are never constant, but they could be slowly changing or moving rapidly. The issue is how to streamline the strategic planning process so that it is adaptable in uncertain environments and so that it becomes flexible and responsive as new environments operate. The objective of the literature review is to assimilate the literature required to develop insight into how the strategic planning process can evolve and develop to cope with uncertainty in the business environment.

The literature suggests that strategic planning is related to the long-term direction of the company and that time horizons for strategic plans are in the range of 5-20 years (Johnson & Scholes, 1993). Firms that implement a decentralized organizational structure are better able to respond to uncertain environments (Menon et al., 1996; Govindarajan, 1986). Furthermore, Menon et al. (1996) suggest that quality strategy formulation and implementation lead to superior performance. Moreover, formal strategic planning produces better organisational alignment and financial results (Armstrong, 1982; Ansoff, 1991). However, there is the suggestion that "plans" are put on a shelf and forgotten (Begun & Heatwole, 1999). Mintzberg (1994) suggests that two types of planners exist—the traditional planner and the creative planner—and their success will depend on the firm's environment. *The literature concentrates on environments that are slowly changing, static, or stable; thus, there are deficiencies in the literature, but this gap is closing. C*onsequently, the purpose of this study is to contribute to knowledge in the area of strategic planning and uncertainty in the business environment.

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2. Strategy and Strategy Formulation

Different approaches to the concept of strategy are proposed by Mintzberg and Quinn (1991), Sun Zi (1991), Hamel and Prahalad (1994), and Mintzberg, Ahlstrand, and Lampel (1998). The richness of the different approaches provides meaningful insights into the concepts of strategy. Mintzberg ("Crafting Strategy", reprinted in Mintzberg et al., 1991) refers to "crafting strategy"; strategy is a creative process that cannot be regimented (Mintzberg et al., 1991, p. 105). In the same paper, Mintzberg (1991) expands on his thoughts by explaining that strategies can "form" as well as be formulated, giving rise to the idea that strategy "emerges" in response to a given situation. Sun Zi's (1991) ideas on strategy are based on successes on the battlefield. Modern practitioners of military strategy have applied these ideas to businesses. The approaches to strategy by Mintzberg (1991) and Sun Zi (1991) are very different. Sun Zi (1991) likens strategy to strict rules, whereas Mintzberg (1991) allows the rules to develop to meet the different situations. Hamel et al. (1994) compare strategy as an "intent". This they call "strategic intent," which is a unique view of the future. Thus, strategic intent differentiates by having the following attributes: discovery, direction, and destiny. Mintzberg et al. (1998) list 10 different views on the strategy process.

Porter ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) contends that strategy formulation is about dealing with the competition. Hamel et al. (1994) are in broad agreement with Porter. In order for companies to beat the competition, they must have "foresight" to determine where the future markets are (Hamel et al., 1994, p. 23). Porter's ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) model is a static model of the existing competition, because it is based on trying to counter existing knowledge on the competition and market. Hamel et al. (1994) introduce the concept of looking forward in order to change the rules of the game. Hamel et al. (1994) are in broad agreement that strategy is about the competition, but Porter's ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) model is focused on the present environment. The model of Hamel et al. (1994) is about trying to define the future.

Morgan (1997) compares the strategy-making process to a "brain" inside the "head". The brain takes in the information from the changing environment to foster learning; from the different pieces of information, it builds the "big picture". Lietka et al. (1996) refer to "strategic conversations" to design the future and further the intended strategy and also to prepare the ground for emergent strategy. Morgan (1997) likens strategy making to a "brain" that is the central control, but Lietka et al. (1996) take a different view that strategy making is to design the future and prepare the ground for emergent strategy. The concept of preparing the ground for emergent strategies is similar to the strategy of Mintzberg (reprinted in Mintzberg et al., 1991), who originated the concept of emergent strategies. Lietka et al. (1996), using the idea of strategy making as a design of the future, are in tune with the concept of Hamel et al. (1994) of "strategic intent".

Andrew's (1987) model facilitates agreement between stakeholders and also enables alignment between the internal and the external environments. Because senior management takes into consideration the views of stakeholders (employees and society), at least an attempt is made to facilitate agreement between the various stakeholders. Senior management will require information from external/internal consultants to provide responses to the questions in Andrew's (1987) model. It is unreasonable to expect senior management to have an in-depth answer to the questions in Andrew's (1987) model. Senior management will have the information to make informed decisions. The model is inclusive because it considers stakeholders (internal and external), although the decision making is under the control of senior management. It is a different approach from the traditional strategy making where only senior managers are included in the process (Westley, 1990). Andrew's (1987) proposal that strategy making requires a consensus approach flies in the face of the traditional approach to strategy making that only senior managers are responsible for strategy making (Westley, 1990). Managers must also not see strategy in the traditional sense as a controlling device and must place more emphasis on partnership strategies (Stubbart, 1985). Partnership strategies require managers to be open-minded and cooperate with other managers to maximise results. In a "learning organization", partnership strategies are more likely to occur. Senge (1997, p. 3) defines the "learning organization" as "where people continually expand their capacity to create the results they truly desire". Stubbart (1985) and Liedkta et al. (1996) agree that strategy making is about developing partnership strategies. There is a suspicion that partnership strategies are more likely to be successful in learning organizations. Partnership strategies are likely to be more successful in learning organizations because the managers are receptive of new ideas and are not opposed to change. Cocks (2010) posits that strategic planning requires the integration of strategy formulation and strategy implementation and uses a project management approach in the deployment of the strategic plan. Fundamentally, strategy can be a basis for organizational learning and underpin and embed the approach of organizational learning (Mumford, 2000). Senior managers need to appreciate content, context, and processes of strategy (Moore, 1995).

3. Competitive Advantage

Porter's ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) five forces analysis is an approach for companies to determine the state of their industry from different perspectives; these are competitors, new entrants, buyers, suppliers, and the threat of substitution. An understanding of all of these different forces and how they interact will lead to companies gaining a competitive advantage. Mintzberg ("Generic Strategies", reprinted in Mintzberg et al., 1991) argues that he is completing the list of generic strategies (cost leadership, differentiation, and focus) devised by Porter ("How Competitive Forces Shape Strategy," reprinted in Mintzberg et al., 1991). The additional generic strategies by Mintzberg ("Developing Competitive Advantage", reprinted in Mintzberg et al., 1991) are locating the core business, distinguishing the core business, elaborating the core business, extending the core business, and reconceiving the core business. Mintzberg ("Developing Competitive Advantage", reprinted in Mintzberg et al., 1991) argues that Porter's ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) list of generic strategies is limited, and he proposes five additional generic strategies. However, an analysis using Porter's ("How Competitive Forces Shape Strategy", reprinted in Mintzberg et al., 1991) model can lead to the generic strategies identified by Mintzberg ("Generic Strategies", reprinted in Mintzberg et al., 1991). Gilbert and Strebel ("Developing Competitive Advantage", reprinted in Mintzberg et al., 1991) point out that different industries offer different competitive opportunities and have identified three steps—industry definition, identification of possible competitive moves, and selecting among generic strategies. Ohmae (1982) states that business planning can be summarised as competitive advantage. His four business strategies of competitive advantage are key factors for success (KFS), relative superiority, aggressive initiatives, and strategic degrees of freedom. Hamel et al. (1994, p. 146) state, "Thus, we need a view of strategy as *stretch* as well as fit." Gilbert and Strebel ("Developing Competitive Advantage", reprinted in Mintzberg et al., 1991), Ohmae (1982), and Hamel et al. (1994) have different interpretations of strategy. Gilbert and Strebel ("Developing Competitive Advantage", reprinted in Mintzberg et al., 1991) and Ohmae (1982) appear to think of strategy as a static model, whereas Hamel et al.

(1994) view strategy as a model that is static and dynamic at the same time.

Research in strategy has identified that organizational resources and capabilities are important and nonsubstitutable and are the basis of sustained competitive advantage (Barney, 1986, 1991). The resource-based view suggests that human resource systems can assist sustained competitive advantage by facilitating the company's resources (Reed et al., 1990; Barney, 1992). Barney (1992) and Reed and DeFillippi (1990) agree that the resource-based view of strategy can lead to sustainable competitive advantage. Resources and capabilities are listed as distinctive competence (Reed et al., 1990) and core competence (Hamel et al., 1994). Lado and Wilson (1994) summarized that achieving sustainable competitive advantage through organizational resources is an ongoing process. Reed and DeFillippi (1990) and Hamel and Prahalad (1994) all agree that resources and organizational capabilities are a competence, but they call the competence by different names. A recent perspective on Porter's idea of competitive advantage is that companies make specific choices based on their value chain to shift relative costs or relative price in the companies' favour. This is a source of sustainable superior performance (Allio & Fahey, 2012).

4. Strategy and Uncertainty

Strategic management aids organizations in understanding the impact of uncertainty in shaping the competitive environment, and it is to meet the competitive challenge (Allaire & Firsirotu, 1989; Porter, 1980). Strategic formulation is a reaction to perceived uncertainties in the competitive environment that require strategic action (Parnell, Lester & Menefee, 2000). Parnell, Lester, and Menefee (2000) also suggest that competitive uncertainty is not a predictor of the generic strategy because information to develop the strategy requires time before strategic development can take place, but also, they are limited by the firm's capability and react to change based on their customers' needs (Parnell, Lester & Menefee, 2000; Snow, 1978).

Mercer (2001) suggests that uncertainty can be classified into hidden uncertainties, expected outcomes, and random uncertainties, with the largest group being the expected outcomes. Hidden uncertainties are associated with techniques such as futurology and the use of thorough environmental analysis. Expected outcomes are from social decisions made by government or economic interactions and can be "pseudoquantified". Random uncertainties are unfathomable, but there are relatively few of them. Strategic management is most fruitful in solving expected outcomes. Long-range planning is generally accepted as the approach to tackle hidden uncertainties and corporate strategy to solve expected outcomes as these tend to be short term. Strategic management can prepare for random uncertainties and can be likened to the use of insurance. Khalifa (2008) suggests that an approach to uncertainty is the "strategic frame", which comprises the four Es: "exerting and leveraging", "extending and renewing", "exploiting", and "exploring". The "strategic frame" brings critical issues to the attention of senior management, by combing all the sources of competitive advantage. Risk management and uncertain management are closely related by drawing on propositions defined by Ojiako (2012); links between strategy and uncertainty are established—namely, intelligence reduces complexity within strategic risk management; dealing with strategic risk organization must focus on a small number of trained individuals who cope with constant evolution, and flexible structures are in place to support them so that they can respond to risks in a near-random way that their competitors are unlikely to predict; innovation is spurred by encouraging new entrants; strategic risk is important for survival, and that is why firms and the military focus on it; the business has a lot to learn from the military; and the operational strength is the area in the firm to formulate competitive advantage. A focus strategy appears to be more important to a high-performing firm's success, but this does not have to be in conjunction with a differentiation or cost leadership strategy (Parnell et al., 2012). Flexibility and simpler organizational structures are key areas of differentiation for small firms in dynamic environments, thus leading to differential competitive advantage. Small firms find it easier to adjust to technological change by managing the disruptive change in a timely manner (Didonet et al., 2012). Strategy should be seen as a dynamic organizational continuous process that requires new rules that are capable of creating ongoing dialogue and not the preservation of top management (Guttman & Hawkes, 2004). Strategic engagement is a driver for reducing uncertainty and should be across the organization and not the preservation of specially trained individuals (Ojiako, 2012; Guttman & Hawkes, 2004).

5. Strategy and Environmental Uncertainty

Uncertainty does not appear to have a standard definition, but many definitions are given in the literature (Sutcliffe & Zaheer, 1998). A lack of information is associated with uncertainty, and there is a lack of understanding on how to respond to environmental challenges (Spender, 1986). The other perspective of uncertainty is based on a lack of knowledge at various levels and poor cognitive analysis (Van der Heijdn, 1996).

Miles and Snow (1978) classify the behaviour of the strategic relationship with the organization based on three topology prospectors, defenders, and analyzers. Prospectors assume that the environment is uncertain and dynamic, which requires a flexible approach to strategy making. From the defender perspective, the environment is stable and predictable. Thus, less agility is required by the organization. Analyzers are opportunistic and assume that the environment has a combination of stability to capitalize on opportunities and that uncertainty exists, which requires flexibility. Developing a multistrategy will give a stronger business performance over the long run (White, 1966; Wright, 1987). Parnell et al. (2012) found that SMEs that follow a multistrategy approach produced stronger business results. The results were based on Porter's generic strategies, and the most effective business performance is based on a multistrategy of cost leadership, differentiation, and niche and supports White (1966) and Wright's (1987) proposition. A word of caution, and that is that Miles and Snow's (1978) topologies fit with large corporations and Porter's generic strategies were applied to SMEs. Ghobadian and O'Regan (2006) contend that the literature states that there are differences in strategic behaviour between SMEs and large corporations.

Information that is reliable and relevant coupled with certainty enhances business performance (Ashmore, 1992). Top management and middle management are important actors in business performance (Wright et al., 1990), but Barney (1986) suggests that strategy formulation and plan implementation inputs come from a range of top and middle management positions across the organization. Organizations that are analyzers and defenders exhibited competitive action and the greatest confidence in the environment. Defenders focus on a subsegment of the environment and have the necessary organizational structure (bureaucratic and mechanistic) to support this topology (McCabe, 1990). Analyzers, on the other hand, have low uncertainty about the environment (Miles and Snow, 1986). Prospectors are looking for opportunities based on the Ansoff matrix and are less certain about the environment and implement organizational structures that are loose and flexible (McCabe, 1990). Strategy formulation is, to a degree, a response to uncertainty in the environment. The level of success of the strategy is dependent on the ability of the managers more so than resources and the level of competitiveness (Parnell, Lester, & Menefee, 2000).

The purpose of strategy formulation is to link internal competencies with the external environment. However, it is not possible to predict the future performance of the environment especially where it is uncertain, and managers need to make the appropriate strategic decisions. This will require approaches to limit uncertainty (Johnson, Gilmore, & Carson, 2008).

6. Reduction in Risk and Uncertainty

Leavy (2007) suggests that there is no such thing as failure for large organizations, but mediocrity. This implies that they somehow manage the risks inherent in the environment to reduce the effects of failure. It further suggests that successful or mediocre organizations have the ability to minimize risk. Leavy's (2007) approach to uncertainty is adaptability with clear roles and responsibilities in the strategy process. Where organizations face a range of possible future outcome scenarios, those future outcomes need to be developed. These outcomes need to be limited in number and are distinct and, second, identify scenarios that probably account for all the likely scenarios for the future environment (Carbonara & Caiazza, 2010). Proactive firms use strategy to understand uncertainty and integrate external and internal information (Dvir et al., 1993; Carbonara & Caiazza, 2010). This implies that the strategy process is also proactive (Dyson et al., 2007). The firm's reaction to and perception of uncertainty can be characterised as an opportunity (Barr & Glynn, 2004). Courtney (2003) states that there are different scenario approaches, namely, "vision driven" and "decision driven". The vision-driven scenarios are used by senior management to articulate the future and "think outside the box". However, decision-driven scenarios are applied on deciding on the best strategic choice in environments that suffer from uncertainty. Furthermore, decision-driven scenarios are hierarchical (four levels), and the complexity of the scenario will vary according to the level of uncertainty, with level 4 making decision on future outcomes that are unknown and unknowable. Practicing strategies is achieved by testing the strategy using strategic models, a balance scorecard, and the application of robust testing before implementation (O'Brien & Dyson, 2007). To practice the strategies, uncontrollable events should be captured using scenario planning and simulation (Schoemaker, 1993; Kunc & Morecroft, 2007). In order to minimize risk in a financial crisis, firms focus on financial metrics at the expense of nonfinancial metrics. Firms also focus on stakeholders, especially suppliers and customers, more in a crisis. Interestingly, innovation strategy maintained its importance even in a crisis (Kunc & Bhandari, 2011). Traditional scenario planning is based on static strategy and does not clearly identify the risks. To overcome this problem, a dynamic decision-making approach is required. Projects are considered to be a series of adjustable decisions that change and influence managers' expectation on budgeting and planning. Consequently, with dynamic decision making, contingencies can have an entrepreneurial flair when responding to uncertainty (Arms, Wiecher, & Kleiderman, 2012). Bowen (2002) suggests that organizations may reduce uncertainty by using pseudoplanning. This is the appearance, through the existence of a formal corporate planning system, that corporate planning is taking place. Underlying pseudoplanning is the relegation of strategic planning to extrapolation of numbers and events, and it assumes that a linear relationship exists over the planning horizon. By adopting a pseudoplanning approach, the company has a semblance of strategic planning even if, in practice, this is not the case.

7. Decision Making and Organizational Effectiveness

Gottlieb and Sanzgiri (1996) posit that companies have to solve the conflict between business needs and ethical behaviour, but they often find it difficult to resolve. They go on to define three key dimensions of ethical decision making: leaders who have integrity and social conscience, organizational cultures that foster dialogue, and dissent organizations that are willing to reflect on and learn from their actions. Gottlieb and Sanzgiri (1996) also suggest that a constantly changing environment, where “time to market” is essential for competitive advantage, does not allow organizations to reflect on or think about the next action. Argyris (1982) would say they are not “double-loop learning”. Double-loop learning is a model or process to enable organizations to learn what designs or decisions they should choose. Gottlieb and Sanzgiri (1996) argue that in uncertain environments, companies do not have the time to think strategically. Argyris (1982) calls the ability to think strategically “double-loop learning”; companies are not able to reflect on their strategy. The assertion by Gottlieb and Sanzgiri (1996) that in uncertain markets companies do not have time to think is questionable. Companies that only concentrate on immediate changes to their market are not able to define future products and technologies. These companies are not exhibiting strategic behaviourism. Then the issue becomes where the definition of future products and technologies is going to come from. This function is not suitable to go to a third party, as this would be equivalent to giving away the “crown jewels”. Clearly, the management must ensure that product and technology strategic planning remains in the company because these are core competencies.

Quality of plan includes formulation and implementation of the plan (Menon et al., 1996). Their research also supports the hypothesis that decentralization is a suitable approach to handle environmental uncertainty (Govindarajan [1986] also reaches this conclusion). Another point made in this paper by the authors is that quality strategy formulation and implementation lead to superior market performance (Menon et al., 1996).

Liedtka and Rosenblum (1996) have found that decision making must be shared if the entrepreneurial spirit is to flourish. Briggs and Keogh (1999) are of the opinion that effective strategic decision making must first identify the mission and the vision, and these must be transmitted to the stakeholders. The stakeholders must also be allowed to contribute to the decision-making process. Liedtka and Rosenblum (1996) and Briggs and Keogh (1999) agree that decision making should be shared if it is to be effective.

Wright and Snell (1998) express the view that even a single business unit, operating in a dynamic and uncertain environment, cannot have decision makers with all the knowledge required to make perfect decisions. Bryson (1988, p. 74) supports a formal planning process and suggests that key decision makers rarely have time to discuss what is “truly important”. Wright and Snell (1998) take the view that even a single business unit operating in a dynamic and uncertain environment cannot have all the required knowledge to make decisions. Bryson (1988) is of the opinion that decision makers do not have the time to make the important (strategic) decisions. The external market defines the strategy and not the company. There is a suspicion that both views are correct. Wright and Snell (1998) and Bryson (1988) all agree that decision makers need assistance when it comes to important decisions.

Although decision makers attend board meetings and staff meetings, they normally discuss “relatively trivial matters”. Maranville (1999) suggests that the “trivial” meeting may be the organization’s way of strategy formulation and implementation. This is a broad conclusion by Maranville (1999) and is probably not applicable to most organizations. Bryson (1994) explains that the political approach to decision making is more important to nonprofit organizations compared with for-profit corporations. A major feature of the political approach to decision making is the ongoing tension between the formal and the informal processes in the organization. Maranville (1999) implies that “relatively trivial matters” occupy important decision-making time. Bryson (1994) holds the view that political decision making is how senior management makes decisions. Suppose Maranville’s (1999) hypothesis is true. What are the implications? The judgment of senior management is questionable. If senior management cannot identify the pressing problems for the organization, then it is only a matter of time before something serious happens. Is senior management so inept? Maranville (1999) exaggerates the incompetence of senior managers. Bryson (1994) claims that the political approach to decision making is more important to nonprofit organizations. The senior management in publicly quoted companies is just as likely to use political processes to make decisions because they have to make decisions that involve the interests of the shareholders and the company's employees. It is possible that the interests of the shareholders and the employees conflict. In a sense, Bryson (1994) is correct, because nonprofit companies that are government sponsored or rely on government funding must have well-developed political skills.

Employee participation in strategic planning gives employees a sense of importance and belonging. The process of engaging all employees in the strategic planning process has improved organizational effectiveness (Tonnessen et al., 1999).

Drury (1996) suggests that employees' participation in the budgeting process should be selective. Employee participation in all aspects of the budgeting process is not always effective. Managers in decentralized organizations perceived themselves as having more influence, as participating more in budget planning, and as being more satisfied with activities associated with budgeting than counterparts in centralized organizations (Drury, 1996). Arnstein (1969) refers to a typology of participation and "nonparticipation". The bottom two rungs of the typology describe "no participation". Rungs 3 and 4 progress to "tokenism", and rung 5 is a higher form of tokenism and is referred to as "placation". Further up the typology are increasing degrees of decision-making authority. Rung 6 is the "partnership" level in the typology, enabling communities to "negotiate and engage in trade-offs with traditional powerholders". At the topmost rungs, "delegated power" (rung 7) and "citizen control" (rung 8) are defined as "have-not citizens obtain the majority of decision-making seats, or full managerial power" (Arnstein, 1969, p. 217). The model assumes that participation and no participation can be divided into eight separate rungs. In reality, the divisions are not as distinct, and many other rungs of the topology might exist. Heeks (1999, p. 6) suggests that three key questions must be asked where participation is being considered.

(1) What is the political and cultural context?

(2) Who wants to introduce participation, and why?

(3) Whom is participation sought from? Do they want to, and can they, participate?

According to Eisenstat (1996), position in an organization can improve organizational effectiveness. This is different from Heeks (1999), who suggests that culture and willingness to participate contribute to organizational effectiveness. Tonnessen and Gjefsen (1999) note the view that employee participation in strategic planning gives all employees a sense of importance. Einenstat (1996) argues that human resources' unique partnership with the organization maximizes the effectiveness of employee participation. Is it true that human resources have a unique relationship with all employees? Human resources have a unique relationship with employees because of their function and position in the organization. There is no guarantee that human resources can leverage their unique relationship with all employees to improve corporate effectiveness. Human resources are generally not a department held in high esteem by employees. Of course, there is also the issue of whether mass employee participation in strategic planning is beneficial to the organization, and it could be the case of too many cooks. Similar issues arise with the consensus approach to strategy making. Armstrong (1982) and Ansoff (1991) provide evidence to support the assertion that formal strategic planning produces better organizational alignment and financial results. An ad hoc approach to strategic planning is likely to lead to chaos. Lam and Schaubroeck (1998) argue that a formal planning process is required to manage all the interactions effectively. Armstrong (1982), Lam and Schaubroeck (1998), and Ansoff (1991) all agree that a formal strategic planning process is beneficial to an organization. This appears to be a sensible view. For an organization to generate a higher rate of return, the strategic planning decision should include the political and enforced strategy modes and in equal measure. However, it assumes that the organization has an accurate understanding of the external environment based on monitoring and scanning that underpins the enforced strategy (Gunby Jr., 2009).

8. Plan Implementation

If little attention is given to the implementation of the plan, it is not as effective as it should be. All of the key players (senior management) must be committed and dedicated to the implementation of strategies (Begun et al., 1999). Researchers have expressed that too much effort is placed on the development of the plan and strategies and not enough on implementation and monitoring. The plan is an end in itself (Abell, 1993; Curtis, 1994). Begun and Heatwole (1999), Abell (1993), and Curtis (1994) all agree that the implementation of the plan is important, and not enough resources are committed to this stage of the planning cycle. Begun and Heatwole (1999) argue that all too often, the "plan" is put on a shelf and forgotten. In addition, the feedback loop in the strategic cycle is only closed when implementation strategies are continually evaluated. When employees participate in the strategy process, it builds ownership and makes implementation easier (Tonnessen et al., 1999). Begun and Heatwole (1999) and Tonnessen and Gjetsen (1999) agree that the plan is not complete until it has an implementation plan. Tonnessen and Gjetsen (1999) further speculate that employee participation will make the plan implementation easier. What they do not state is whether all the employees would make the same contribution. It is difficult to understand how all employees could participate in the plan without weakening the overall thrust of the plan. Heeks (1999) argues that before participation can be used, the political and cultural context of the organization must be considered. Other considerations include who wants to introduce participation and why, whom is participation sought from, and do they want to, and can they, participate. Tonnessen and Gjetsen (1999) have taken a naive approach to participation.

Poister and Streib (1999) posit that strategic management must assist in the implementation of strategies through vehicles such as action plans, the budgeting process, the performance management system, changes in organizational structure, and program and project management. Furthermore, strategic management must assign implementation responsibilities to specific strategic business units or individuals, and a process should be in place to measure the organization's success or failure against the strategic objectives. Dimma (1985) takes a slightly different view on the importance of plan implementation. To Dimma (1985), the formulation of strategy and its implementation are of equal importance. He also disagrees with plan time horizons beyond the limit of the environment or the nature of the business. Monitoring of the "fit" between the organization and its environment and watching external trends are all functions of strategic management (Poister & Streib, 1999). Poister and Streib (1999) claim that implementation strategies work better when strategic management is effective, and responsibility for the implementation of the plan is assigned to a person in the organization. Dimma (1985) considers strategy and plan implementation to be of equal importance. There is a strong suspicion that unless the plan implementation is elevated in importance to strategy making, this will always be the poor relation. Effective strategy implementation requires a project management approach whereby people and resource issues are at the head of the agenda at review meetings. If the plan is clear and communicated, then the allocation of people is the next step in line with the roles and skills required. However, if the execution is still failing, then either the resources are inadequate or the wrong people have been allocated (Cocks, 2010).

9. Conclusions

This paper argues that even in uncertain, complex, and fast-moving environments, there is a need for sensible planning based on a strategic planning process. Scenario planning is a common method to de-risk the uncertainty in business environments, but it will need adapting depending on the level of uncertainty. In uncertain environments, strategic plan implementation is even more acute, and one suggestion is to adopt a project management style for the execution. People and resources are key to plan implementation and should always be paramount in the strategic implementation plan process. Organizations that do not apply scenario planning to reduce the level of uncertainty appear to adopt a semblance of following a strategy formulation process that does not attempt to build future scenario outcomes and thus are not linked to the business environment. This approach to dealing with uncertainty is known as pseudoplanning and relegates strategic formulation to a totally mechanical process with limited decision making.

10. Suggestions for Further Research

Some industries are more adept at using scenario planning, and if so, a best practice to the application would be appropriate. Another area that needs further investigation is the application of project management techniques to the strategic planning process. However, can these techniques be used "off the shelf", or is adaptation required to hone them to the strategic planning and implementation processes? Does an approach to uncertainty linked to the idea of pseudoplanning have mileage in strategic formulation?

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