

**Research
Paper**

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Scenario Planning Approach to Strategic Management of Small Travel Business in Malaysia¹

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Abstract: Scenario planning, an alternative strategic management tool, has given a new meaning and dimension to the way strategy should be thought, discussed and implemented in organizations. This paper introduces scenario planning in the way the turbulent world should be better managed by looking for possible futures and not predicting the only future. No matter how rational strategic planners are, the complexity of the business environment would still leave the planners guessing of their planned and predicted future. This study undertaken using scenario planning technique by looking at the future of the small travel business in Malaysia. The three plausible scenarios discovered were 'stormy weather', 'blizzards' and 'occasional shower'. The study recommended that strategic options available for the businesses were 'differentiation', 'new services', 'diversification and mergers/acquisition'. These options are applicable for all scenarios.

Keywords: Scenario planning, strategic management, entrepreneurship, small travel industry, management imperfection, evolutionist, revolutionist

INTRODUCTION

In recent times, change has become an ultimate issue for organizational survival. To keep abreast with the latest in products, designs and innovations of competitors and incorporating a copycat strategy is not the recipe for long-term success. Only organizations that have the ability to scan the environment effectively with a shared mental model, leading to innovation within can see success and profit potential in the

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