Planning in Small vs. Large Businesses: Do Managers Prefer Different Tools?

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ABSTRACT

Evidence that large and small businesses approach problems differently has raised questions concerning the validity of applying large business prescriptions to small businesses. This issue was addressed by presenting both large and small business planners with planning problems differing in environmental volatility, system adaptation and nature of planning requirements. Different combinations of these factors were used to generate twelve distinct planning situations. Eight information processing aids were identified that have been described in the literature as planning tools. Each aid has been prescribed to be more appropriate for use in some planning situations than in others. The research tested hypotheses that planners in specific situations would use *planning aids prescribed for those situations and that large and small business planners would approach the problems differently. Results are interpreted as indicating that use of planning aids does not correspond closely to the theoretical prescriptions but that other* implicit *theories may be operating and the implicit theories used in small businesses may be different than those used* in *large* organizations.

PLANNING IN SMALL VS. LARGE BUSINESSES: DO MANAGERS PREFER DIFFERENT TOOLS?

There has been continuing discussion in the literature about management in large *vs.* small businesses, and an increasing recognition that there are differences in kind. Managing a small business does not necessarily involve doing the same things as in a large business (2, 7, 8, 12). Among the key factors which have been suggested as contributing to differences are need for managers of small business to become involved in all aspects of the business rather than to specialize (8), concentration on short-run, rather than long-run thinking (12), and the sense that the small firm is *to* a large extent at the mercy of an increasingly turbulent environment (15, 18).

A review of these differences leads to questions about how several traditional manageri functions should be performed in the small business, and it calls attention to the role of pla ning in the small business. Specifically, it seems reasonable to ask whether and/or what kin of planning is of value in a situation where there are no planning specialists, where the orie tation is short-run, and where the environment is turbulent and perhaps unpredictable.

Two distinct and very different approaches have emerged in the small business plannin literature. The first of these literature streams reviews the problems facing the small busines and concludes that there is need for more, and more extensive, planning in the small busine environment. Managers are told that they need to become deeply and personally involve in the process, using advisors as necessary to handle specialized functions (18). Furthermor they are told that formal planning and control procedures should be developed and inco porated into the everyday management of the organization (16). In general, this literature strea calls for planning in equal detail and scope as in a large business, and that ". . .in small firm specialized skills are usually in shortest supply. As a result, executives of small businesse should expect to invest more time than their counterparts in large firms to achieve the sam amount and quality of planning output:' (4)

The second literature stream draws different conclusions. It suggests that the differenc which separate small businesses from large ones are major enough to question the applicabilit of planning as it is practiced in the large business environment. Cohn and Lindberg, whi calling for increased emphasis on planning, point out that many small business manage would disagree with their ideas (4). These managers, they find, believe that the small firm susceptibility to rapid market fluctuations make anything beyond short-range, operational pla ning infeasible. Thurston attempts to maintain a balanced view and holds that the best pla ning approach for any given small business depends upon the style and abilities of the to manager(s), the degree to which others are involved in managerial decisions, and the com plexity of the business, as well as other considerations (19). He points out that to managers/owners in small businesses will, in many cases, have a more in-depth, "gut-leve understanding of market conditions, product, and customers than their counterparts in larg organizations and that this knowledge can often preclude need for formal planning. Furthe more, the length of the planning cycle may need to be substantially reduced in the sma business. However, more formal approaches to planning may be needed in cases technological complexity (16, 19), or where uncertainty is of the type where planning can serv to provide enough data to permit at least partial control over the company's future (19).

Overall, the literature raises questions about the role of planning in the small busines It is apparent that considerable research will be required if the role of planning is to b understood. Unfortunately, as Cohn and Lindberg point out, there has been very little researc devoted to the small firm. Instead, the attempt has been made to extrapolate from large fir findings to the small business (4). As the previous discussion suggests, this is risky. This stud represents an initial attempt to begin to examine one of the questions about planning in th small business which was raised by the literature. The question considered in this study whether planning is different in large versus small businesses.

In this study, the primary focus is on what available theory suggests decision makers shoul do to process information. Available theory, however, deals implicitly with large firms rathe than with small ones. The assumption, which the previous discussion suggests may be inco rect, is that small businesses operate similarly to large ones except in terms of scale. Thu principles developed for large businesses should apply to small ones as well.

This study deals with planning and with the information processing aids which are available to assist the planner. While research, even for large businesses, is limited, theory suggests that decision quality can be improved to the extent that planners are able to call upon and use appropriate aids to information processing. Thus, it is necessary to examine the literature to determine what aids are available and how they should be used and then to examine actual use of the aids in specified situations.

THE PRESCRIPTIVE ·LITERATURE: PLANNING ENVIRONMENTS AND AIDS TO PLANNING

Recent theory development by Hartman et al. will form an important part of the basis for this study (9). In examining the prescriptive planning and decision making literature, Hartman et al. identified a number of information processing aids which are..available to the planner. However, little theoretical work had been done to specify and hypothesize the circumstances under which any given technique should be used. The Hartman et al. article proposed a contingency model in which three sets of factors are used to determine the most appropriate aid. The three factors are: (1) environmental volatility, (2) system adaptation, and (3) level of planning. The environmental volatility dimension was dichotomized into two sources of environmental uncertainty. The first is market volatility, in which uncertainty arises from market conditions and in which the problem is relatively more structured in Emery and Trist's (1965) terms in that linkages are too observable, concrete factors in the market environment. The second is technological volatility, a less structured situation where uncertainty arises from less concrete and observable societal, cultural, or technological changes.

The second dimension suggested by Hartman et al. is system adaptation. Based on work by Miles and Snow (11) and Chakravarthy (3), this dimension deals with whether internal conditions in the organization permit it to function in a prospector-like role and actively seek out environmental information (dichotomized as stable/neutral adaptation) or whether internal conditions are such that the organization functions in a reactor-like role, screening out environmental information and directing attention to internal problems (dichotomized as unstable adaptation). Jauch and Kraf t (10) point to the close link between perceptions of internal strengths and weaknesses and environmental perceptions. Bourgeois (1) points out that in cases corresponding to unstable adaptation, management tends to look inward and seek **consensus.**

The third dimension is type and level of planning. Three possibilities are considered: high level, long range, strategic planning; middle level, mid-range, tactical planning; and low level, short range, operational planning. When the three dimensions- environmental volatility, system adaptation, and type of planning- are considered simultaneously, twelve distinct planning situations result and it is possible to hypothesize that one or more of the available information processing aids would be most appropriate, from a contingency standpoint, in each situation. Hartman et al. provide a decision tree format, shown as Figure 1, as an aid in visualizing the linkages.

Figure 1shows that combinations of the three factors lead to twelve possible planning situations. In each of the twelve situations, at least one of eight aids to planning is suggested as most appropriate. This study focuses on the eight aids shown in Table 1and attempts to examine whether decision makers believe the aids would be useful in given situations.

FIGURE 1

Linkages among Enviromen tal Volatility, System Adaptation, Pla nning Requ irements, and Informat ion-Processing Strategies.

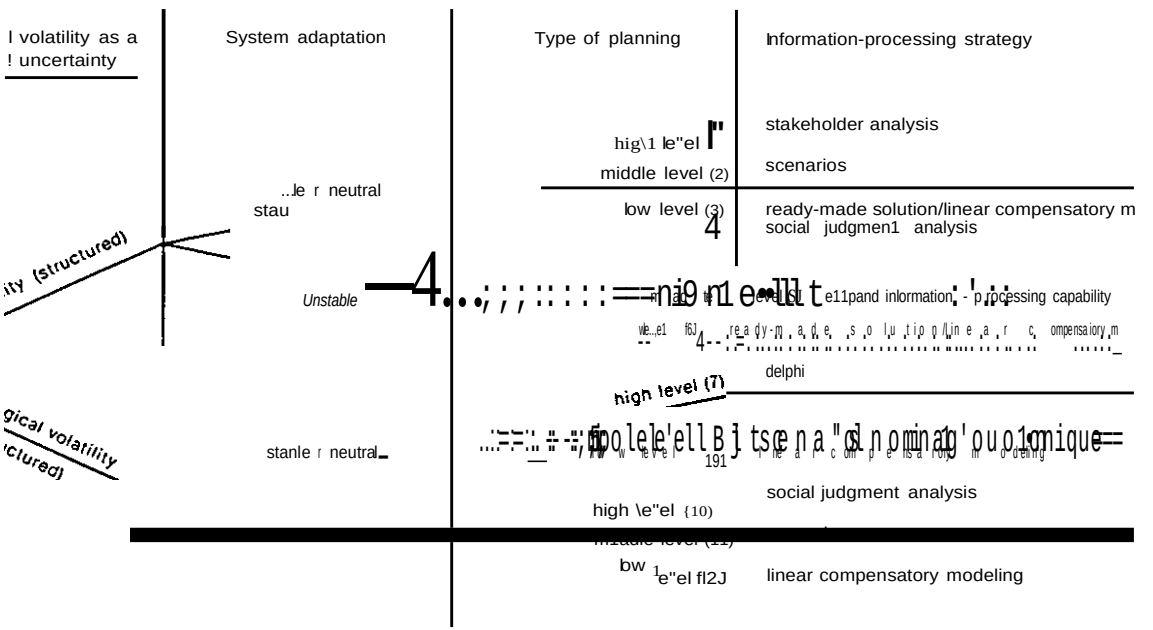

Table 1. Planning Aids

READY-MADE SOLUTION (Mintzberg et at., 1976): In this case, you decide to look for an approach which has been used in the past and which could be used or applied in the current situation.

NOMINAL GROUP TECHNIQUE (5): There are people available who could suggest approaches, but you are concerned that they will not contribute freely in an unstructured group discussion. You set up "nominal groups," where participants work independently in proposing solutions. After participants have listed their ideas, they are posted. Limited and controlled discussion follows, and a final decision is made through a ballot of group members.

LINEAR COMPENSATORY MODELING (13): You feel the situation is one where there are only a few alternatives to consider and only a few factors which need to be considered. You weigh each factor for each alternative (either in writing or mentally) and select the strongest alternative.

EXPAND INFORMATION PROCESSING CAPABILITY (6): You feel the situation is one where the number of possible approaches and factors to consider is greater than the number which you can deal with given your current resources. To come up with a solution, ·you believe you will need to expand your computer data processing capability to deal with the information to be processed.

STAKEHOLDER ANALYSIS (Nutt, 1982): You feel the situation is one where demands from groups outside the firm must receive attention. You identify representatives from the "stakeholder" groups and work with them to surface their assumptions and open a dialogue which permits their recommendations to be heard.

SCENARIOS (14): You are in a situation where you can specify most of the possible approaches which the firm could take. You consider each likely condition (i.e., state of the economy or degree of customer acceptance) and look for the approach which would work best under most or the most likely set of circumstances.

DELPHI (Dalky et al., 1972; Delbecq et al., 1975): You feel the situation is one where outside experts could make a substantial contribution. You ask several key experts, on an individual basis, how to approach the problem. Next, you assemble the recommendations of all the experts and ask each expert to comment and respond to the total list of ideas. You repeat this procedure as necessary until you feel you have an acceptable solution.

SOCIAL JUDGMENT ANALYSIS (17): You feel the situation is one where acceptance within the organization will be a critical factor. You also feel that those involved use differing rationales or differ in the importance that they assign to the factors involved. Therefore, you feel that primary attention needs to be directed toward getting those involved to reconsider how they approach the problem. You ask them to discuss and come to consensus on the approach to be used and the factors which are most important in the decision making process.

A review of Figure 1 and the Hartman et al. discussion of the rationale used to develo the linkages indicates that, first, there is little experimental evidence in the literature to sho where any given aid would be best used. Therefore, in suggesting linkages, Hartman et a were guided by several more general prescriptive planning pri nciples. It was assumed th the higher the level of planning, the more need to obtain information from outside the organiz tion. However, where organizational adaptation does not permit significant attention to th environment, primary attention must be given to obtaining consensus from within the organiz tion. As planning becomes more short range, internal factors, generating alternatives and read made solutions become more important. Finally, more and higher quality information is neede where the problem is less structured, as is the case with tech r10logical volatility.

Applied to small business, these ideas could require mod ification. If, as Rice (15) an Stevenson and Sahlman (18) point out, the small firm is more at the mercy of the enviro ment than t he large firm, environmental factors may be especially important in the proces Greene finds that in the small business, there are relatively few managers, and they are mo often generalists than specialists (8). Where this is the case, internal adaptation may be relative unimportant to the small business. Finally, if, as M urphy suggests, planning is predomi na n ly short run, longer-range planning approaches may be seen as irrelevant (12).

This study involves simulated planning situations, using twelve variations of a case co responding to the twelve situations outlined in Figure 1. The first hypothesis is: All pla nner presented with case situations corresponding to the twelve situations given by Hartman al., will select planning aids generally in line with the prescriptions advanced by Hartma et al. The second hypothesis deals with differences between planners in large and sma businesses. The second hypothesis is: Pla nners in large businesses will conform more close to the prescriptions than those in small businesses. For example, the Hartma n et al. prescri tions suggest that in situations involving high level strategic planning, internal consensus w be sought in cases of internal instability. Hypothesis 1 suggests that all planners will sho evidence of doing this, but Hypothesis 2 indicates that the tendency will be most marke in the case of planners from large businesses.

Methodology

This study examines the idea that decision makers will make use of different informat io processing aids in different situations and that they will select aids in line with the Hartma et al. rationale and theory. It f urther examines the differences in preferences of small vs. lar business planners.

Subjects

Subjects in this study were 165 plan ners from a wide variety of organizations throughou **the United States. Forty-nine reported working in manufacturing and eighty-three in servi** organizations, with the balance reporting 'other:' One hundred fifteen reported that they we in staff jobs, with the balance being li ne managers. There was considerable range in the si of their organizations: 35 over 5,000 employees; 22 between 2,500 and 5,000; 26 between 1,0 and 2,500; 25 between 500 and 1,000; and 57 under 500. This study, usi ng criteria suggeste by Rinholm anbd Boag (16) and Greene (8) considers size to be based on number of employe and considers firms with fewer than 500 to be small businesses. Based on this criterion, of the ma nagers were in small and 108 were in large businesses.

nstru ment and Study Design

Hartman et al. hypothesized that planning could be seen as falling into twelve planning ituations, as shown in Figure 1, and that in each situation, some information processing aids re more appropriate than others. The authors developed twelve versions of a case by ystematically varying the three Hartman et al. factors-environmental volatility, system adap-ation, and planning level. The appendix shows one version of the case. Each subject received only one version of the case. Subjects were asked to read the case and then to indicate how ikely they would be to use each of the eight information processing aids, using a five-point Liker! scale ranging from "very likely" to "very unlikely:' Subjects also received a definition heet similar to Table 1 which briefly described each technique.

Assignment was random and made so that approximately equal numbers of planners would eceive each of the twelve cases. The case data was analyzed using a 2 x 2 x 3 factorial design epresenting the two volatility situations, the two kinds of ada ptation, and the three levels f planning.

Pretest/Manipulation Check

Before the study was begun, it was necessary to insure that the twelve versions of the case which had been prepared would act ually be recognized by subjects as corresponding o the twelve environmental volatility/system adaptation/planning level combinations suggested y Hartman et al. Roughly 100 student subjects from a large Southern university participated n pretesting the twelve cases. Each student subject was given one version of the case and l ist of definitons of technological versus market volatility, stable/neutral vs. unstable adapta" ion, and strategic vs. tactical vs. operational planning. Subjects were then asked to classify he case they had been given in terms of the three dimensiions. Nearly 98 percent of the cases were correctly categorized.

Results a nd Discussion

Several methods were used to analyze the data. First, the data were examined by developing 8 x 12 level multiple analyses of variance (MANOVAs) for the large vs. small business plan-. ners. I n this design, variations among the eight information processing aids were examined or the 12 situations. Table 2 below reports tests of significance for the overall design for the wo groups.

Table 2 indicates that the tests were significant for the planners in large, but not in small businesses. These results suggest that the model for planners in the large f irms showed signifi-cant differences in use of the planning aids w hile no such differences were shown for the planners from the small firms. To permit understanding of this phenomenon, the next step was to break the design do\vn into individual one-way analyses of variance for each informa-ion processing aid in each of the 12 situations. Table 3 reports means and significance for the large versus small business sa mples.

Table 2. Multivariate Tests of Signif icance

	SIGNIFICA NCE LEVEL	
TEST	LARGE FIRMS	SMA LL FIRMS
PI LLAIS	.036*	.248
HOTELLI NGS	.040*	.292
WI LKS	.038*	.268

* - p <.05
** - p < .01

Examination of Table 3 provides several interesting findings. For large businesses, results are signi cant for one of the eight information processing aids, linear compensatory modeling. This finding su gests that large business planners did, in fact, make differing use of this aid in different situations. Howev a comparison to the Hartman et al. prescriptions, indicated by the asterisks, does not provide eviden that these planners were conforming to the prescriptions. The most likely conclusion is that the pla ners were making different use of the aids but were apparently doing so according to some logic heuristics of their own, not in line with the prescriptions advanced by the Hartman et al. theory. review of the corresponding breakdowns for the small business planners shows little variation with the columns and therefore little evidence that this group of planners is making different use of ai among situations. Thus, Hypothesis 1is rejected for both groups of planners. Planners in large business give evidence of making differential use of one planning aid, but not in line with Hartman et al., a small business planners do not show evidence of making differing use of aids in different situation

Table 3. Use of Planning Aids in Twelve Situations

LARGE FIRMS

	RMS	NGT	LCM	IPC	SA	SCEN	DELP	S)A
MSH	3.75	3.50	3.83	3.33	2.42.	2.42	2.58	2.83
MSM	3.45	3.36	2.55	3.45	2.82	2.00 •	3.45	2.27
MSL	2.50 -	3.50	1.75•	2.50	4.25	1.50	3.75	3.25
MUH	3.44	2.78	3.67	3.78	2.67	2.00	2.89	2.33"
MUM	3.88	3.13	2.63	2.50 -	2.38	2.13	2.38	1.38
MUL	3.90 -	3.20	3.40•	3.70	2.60	1.70	2.60	2.20
TSH	2.80	3.20	3.40	3.80	1.60	1.60	2.60 •	3.40
TSM	3.20	3.00•	3.90	3.00	2.40	**2.30** •	2.30	2.60
TSL	2.56	3.33	**2.78**•	3.22	3.11	2.22	2.67	2.78
TUH	3.33	2.50	3.50	3.17	2.83	1.83	2.67	1.50"
TUM	3.40	3.10	3.10	3.60	3.10	**2.20** *	2.20	2.30
TUL	2.63	3.25	**3.13***	2.50	2.25	1.75	3.13	1.88
MEAN	3.31	3.17	3.21	3.25	2.67	2.03	2.73	2.36
SIG.	0.18	0.89	0.01 - -	0.27	0.23	0.59	0.34	0.06

SMALL FIRMS

MSH	3.00	3.33	2.50	2.50	2.67"	1.50	2.17	1.67
MSM	3.00	2.00	2.00	3.50	3.00	2.00 •	2.00	3.00
MSL	**3.50** -	2.75	3.25.	2.25	2.00	1.75	2.50	**2.75**
MUH	3.13	2.75	3.00	3.50	2.13	1.63	3.38	1.50"
MUM	3.33	3.33	3.33	3.17 -	3.17	1.50	3.00	2.00
MUL	**3.00** -	3.33	2.67 "	3.00	2.67	2.00	1.33	3.67
TSH	3.20	3.40	3.80	2.40	2.20	2.00	**2.20** *	2.40
TSM	3.00	3.71•	3.43	3.43	2.86	1.86•	3.00	2.86
TSL	2.00	4.00	4.00 "	2.00	5.00	1.00	5.00	1.00
TUH	3.50	2.00	4.25	2.50	2.50	2.50	1.50	**1.75***
TUM	4.33	4.00	3.33	3.33	2.00	3.oo·	2.00	1.00
TUL	3.00	4.00	**2.25** *	2.75	3.25	1.25	3.25	2.50
MEAN	3.21	3.21	3.15	2.94	2.62	1.81	2.60	2.17
SIG.	0.98	0.43	0.36	0.68	0.34	0.49	0.06	0.11

NOTE 1 • THE COLUMNS ARE THE PLANNING AIDS DESCRIBED IN TABLE 1.
NOTE 2 - THE ROWS ARE THE TWELVE SITUATIONS INDICATED IN FIGURE 1. M - MARKET VOLATILIT T ·TECHNOLOGICAL VOLATILITY, S - STABLE/NEUTRAL ADAPTATION, U - UNSTABLE ADA TATION, H - HIGH LEVEL, M - MIDDLE LEVEL, L - LOW LEVEL.
NOTE 3 - THE CELL ENTRIES ARE THE MEANS OF RESPONSES RANGING FROM 1 (VERY LIKELY TO U THE PLANNING AID IN THE SITUATION) TO 5 (VERY UNLIKELY TO USE THE PLANNING AID
NOTE 4 - THE ASTERISKS ARE THE HARTMAN ET AL. PRESCRll'TIONS.
NOTE S - # AND ## INDICATE STATISTICALLY SIGNIFICANT VARIATION AMONG MEAN RESPONSES FO THE PLANNING AID (1 ·SIGNIFICANT AT THE .05 LEVEL, #I - SIGNIFICANT AT THE .01 LEVE

Further examii1ation of the grand means for each aid for the two groups of planners, in Table 3, provides another finding of interest. While the small business planners show little variation of means among situations for any one aid, there is considerable variation in means from aid to aid. The range s from 1.81 for scenarios, indicating a marked preference for this aid, to 3.21 for nominal grou p technique and ready-made solutions, indicating much less preference for these aids. One possible reason or the preference for scenarios is that this grou p of planners may have seen them as a familiar, "doable" echnique. Generally, more exotic techniques such as the nominal group technique \Vere not preferred by this grou p of planners. Perhaps, in line with Greene's views, 'the control exerted by top managers/owners and the degree of consensus among managers in the small firm, who are often in a situation of having o work closely together, make techniques such as nominal group technique which are aimed at gaining nternal consensus largely irrelevant in the small business (8). The use·of ready-made solutions was reected as \Veil, a finding which seems to contrast \Vith the general preference of this grou p of decision makers for less exotic, more practical techniques. Possibly, they believed the case itself was too complex or this technique.

One additional possibility discussed previously is that environmental volatility, internal stability, and planning type, the three factors incorporated into the Hartman et al. model, may operate differently for large vs. small businesses. To consider this question, a series of 2 x 2 x 3 factorial designs \Vere developed for each information processing aid, with technological vs. market volatility, stable/neutral vs. unstable ada ptation, and long, medium or short-range planning as the levels. Table 4 belo\v provides the results.

Table 4 offers some support for the idea that Hartman et al. factors may not be equally applicable to large and small businesses. All of the differences \Nith p< .05 involve the large business planners. Planners in large firms preferred ready-made solutions in cases of technological volatility (mean = 3.00 for technological compared to 3.59 for market volatility), social judgment analysis was preferred for unstable ada ptaton (mean = 1.98 for unstable, compared to 2.75 for stable/neutral ada ptation), linear compensatory modeling \Vas preferred for lov.er level planning (mean = 2.94 for low, 3.05 for middle and 3.66 for high level planning). Taken together, these findings indicate that the planning specialists found in large firms tend to apply specific techniques to specific situations more than the small business generalists, a finding supporting Hypothesis 2. The small business plan ners showed preferences for specific aids and tended to use them across situations.

Table 4. Comparison of Signficance Levels From Factorial Design Analyses of Volatility/Stability/ Planning Level for Each of Eight Planning Aids For Large Firms and Small Firms

Sources of Variation	RMS	NGT	LCM	IPC	SA	SCEN	DELP	SJA
Main Effects								
VOL								
LARGE FIRMS	0.020·	0.384	0.184	0.781	0.578	0.830	0.163	0.703
SMALL FIRMS	0.827	0.261	0.091	0.623	0.744	0.204	0.856	0.936
STA								
LARGE FIRMS	0.185	0.152	0.636	0.935	0.784	0.393	0.339	0.001..
SMALL FIRMS	0.502	0.787	0.825	0.277	0.934	0.559	0.808	0.143
PLAN								
LARGE FIRMS	0.242	0.559	0.007* *	0.432	0.344	0.367	0.468	0.347
SMALL FIRMS	0.879	0.392	0.573	0.167	0.323	0.644	0.759	0.054

• p < .05
•• p < .01

NOTE 1 - THE COLUMNS ARE THE PLANNING AIDS DESCRIBED IN TABLE 1
NOTE 2 - THE ROWS ARE THE VARIABLES INDICATED IN FIGURE 1. VOL - VOLATILITY, STA - STABILITY, PLAN - PLANNING LEVEL.

SUMMARY AND CONCLUSIONS

The results of the study are interpreted to suggest that there are differences in kind be tween planning as it is done in large vs. small businesses. Small business planning may no simply be large business planning on a reduced scale. The small business planners appea to approach planning somewhat differently from the large business planners. Rather than us ing different aids in different situations, they appear to have overall preferences for certai aids and the aids they select appear to be less complex and ones which reflect the specifi needs of the small business.

Further study will be required to determine whether these initial findings can be replicate in other situations. For example, this study did not consider factors such as type of busines or ownershi p which could potentially affect results. Even if future study replicates these in itial findings, a number of issues and questions remain. Assuming that large and small busines pla nners approach the planning process differently, a major una nswered question is whethe their approaches should differ. Both large and small businesses appear to be departing fro theoretical prescriptions, as offered by Hartman et al., and it is possible that their plannin processes a nd/or effectiveness could be substantially improved if they were to follow th guidelines established by the theory. Alternatively, perhaps the theory itself needs to be recon sidered in light of what planners actually do. Finally, questions need to be asked about whethe there is need for theory development which deals specifically with the small busines **environment.**

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APPENDIX

Case A

You are a consultant hired by a large locally-owned audiovisual retailer. The organization esembles Sound Trek but is only local. It has a main office in the largest retail store and, n addition, there are three branch locations. Management has told you that the organization has been successful in past years and that it is showing steady growth. However, management feels that they need special assistance with planning and have brought you on as a consultant to head up the planning process. Management gives you the following information which they feel is most important to the planning process:

The company has been competing successfully on a price basis, but large national firms uch as Sound Trek, which have greater economies of scale, are moving into the market area. Unfortunately, the customer base is extremely fickle and price conscious, and management ears disruption of the customer base. In addition, many of the customers are fickle in that

they are extremely "fad conscious" and it is difficult to predict the lines and brands they wi prefer at any given point. Management is also concerned because the low price strategy the have pursued has led to reliance on Japanese and other foreign imports. With frequent change in both import regulation and the government's tarif f policy, the future availability and co of supplies are uncertain. These appear to be the major problems to deal with in planning Other changes are not expected in the immediate future.

Another set of factors to consider relates to the company's ability to adapt to change. Yo talk to top management as well as to a broad group of employees and outsiders. There substantial agreement that the company is in a good position. Specifically, the company ap pears to be "on top of things": contacts with national trade organizations and similar group leave them feeling that they have a good handle on what's going on, and these same industr trade groups have strong effective lobbyists to protect their interests. Management an employees at various levels work well together and feel it is important to anticipate and re spond to change. The company also has solid supplier relationships which should provid flexibility in dealing with uncertainties.

Your task is to formulate a strategic, long-range plan for the company. Your plan will guid the company's overall activities over a period of several years.