

**СЕКЦІЯ 1. ІННОВАЦІЙНИЙ РОЗВИТОК НАУКИ, БІЗНЕСУ, СУСПІЛЬСТВА
ТА ДЕРЖАВИ В УМОВАХ СУЧАСНИХ ГЛОБАЛЬНИХ ЗАГРОЗ ТА ВИКЛИКІВ**

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ADAPTIVE STRATEGIC MANAGEMENT IN THE BANI WORLD

The world is changing and it demands answers. Recently, with the advent of COVID 19 and other socio-economic and political changes, a new term has emerged to describe the world that is called BANI.

From uncertainty to chaos, the pandemic has accelerated our transition from a VUCA to a BANI world.

In an ever-changing world, it helps to describe the current state of things. These two terms are meant to describe the turmoil in the post-Cold War world before the COVID-19 pandemic.

Created in the post-Cold War era, the concept of VUCA emerged to explain the new world dynamics. Global instability, rapid change and the emergence of technological transformation are just some of the characteristics of this scenario. VUCA is the understanding that the world is fluid, uncertain, complex and ambiguous.

Since then, the term has been used to describe technological and cultural changes and their impact on the daily lives of people and companies. The term has primarily acted to create meaning in the face of uncertainties in an increasingly interconnected and digitally transformed world.

However, the COVID-19 pandemic has created a scenario where even VUCA seems like an inadequate descriptor. Thus, a new acronym was born – BANI.

BANI stands for: brittle – the idea is that any business built on a fragile foundation can collapse overnight; anxiety – arising from a sense of insecurity in the systems people rely on; nonlinear-events are scattered and disproportionate. Determining cause and effect is difficult or impossible. Therefore, detailed long-term planning may no longer make sense; incomprehensible – misunderstanding is generated when people find answers, but the answers don't make sense. So they need to understand that they cannot control everything [2].

The BANI model goes further and helps companies to consider the chaotic and completely unexpected impacts that can significantly affect their operations. From COVID-19 and climate change to inflation and armed conflict, companies need to focus more on managing unexpected crises.

By understanding and planning for this new norm, companies can better prepare for it.

Finally, the model offers a way of thinking about organizational development that is fundamentally different from the traditional linear model. As such, it represents a valuable management tool in a chaotic world.

In order to implement a plan or strategy to maximize the use of resources for the benefit of the organization managers typically use strategic management concepts. But in an unpredictable world, companies are scrambling to adapt their strategies.

In such conditions, the concept of adaptive management, based on constant monitoring and maximum adaptation to changes in the external environment, is particularly relevant. Adaptive management is implemented at the level of tactical and strategic decision-making. It is a new business philosophy based on constant updating of management methods and principles in accordance with evolutionary development and economic, social and technological changes [3].

The mechanism for implementing adaptive business strategies allows for a comprehensive assessment of the market situation and the future development of the company in the digital environment. The flexible tools

of the mechanism allow to choose the most favorable scenario for external conditions and quickly correct it in case of market changes [5].

However, a multiplicative effect is achieved when the strategy scenario is quickly selected based on constant monitoring of the external environment provided by the diagnostics mechanism subsystem as part of the mechanism and the market requirements are constantly adjusted. Thus, the speed of decision-making increases, and feedback between subsystems of the mechanism ensures the cyclic nature of its action.

Among the functional limitations of the mechanism is the difficulty of countering the risks of business digitization, such as high levels of cybercrime, shadow copying of transactions, and the digital divide. This identifies new directions for further research and the possibility of improving the mechanism.

References

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