



Strategies for Managing Uncertainty

All organizations must cope with future uncertainties. These uncertainties affect the strategic choices they make. They must commit scarce organizational resources to future outcomes which they have little assurance will come into being. Marcus explores how decision makers in the energy industry made choices in the face of such uncertainties, specifically examining two major uncertainties they confronted in the 2012–2018 period – price volatility and climate change. Marcus tells the story of how different companies in the integrated oil and natural gas sector and in the motor vehicle sector responded to these uncertainties. In the face of these challenges, companies in the energy industry hedged their bets by staking out paradoxical or contrasting positions. On the one hand, they focused on capturing as much gain as they could from the world's current dependence on fossil fuels and on the other hand they made preparations for a future in which fossil fuels might not be the world's dominant energy source.

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Strategies for Managing Uncertainty

Booms and Busts in the Energy Industry

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This book is dedicated to Ariel, David, and Laura, the next generation, and to my maternal grandfather Ignaz Fried, who influenced me in many ways but from whose life I learned that calculated wagers and hedging are important.

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