

# Designing Management Control System for Creating Value through Real Options: A Key for Managing in Turbulent Times

Deepak Danak

*Professor, Institute of Management, Nirma University, Ahmedabad*

---

*Turbulence in the business environment is generally perceived as a curse to an enterprise as it either renders its strategies irrelevant or creates on it coping pressures and the resultant costs. However, there is a blessing in the disguise, too. The option theory suggests that the real options have value, and the value is positively correlated to the level of uncertainty. All that an enterprise needs to do in order to benefit from the chaos is to design the right management control system that would promote in the managers the 'option thinking'. This conceptual paper, based on library research, presents a framework for designing the appropriate management control system to induce the managers to create value through building the real options.*

**Keywords:** *real options, management control system, Stakeholder value creation.*