



Planning

“The supreme task of business management is to identify specific business goals, through which should be achieved an ultimate goal, long-term profit maximization, and a formulation of business policy, i.e., marching axe’, that enterprises must meet to efficiently achieve these goals.”

Günther Wöhe

Planning is one of key managerial functions and therefore applies to all fields and aspects of an organization: Economy and Finance, Informatics, Quality, Human Resources, Logistics and Transportation, Organizational management, Marketing, Services, Production.

According to the period in which the planning takes place, are distinguished, **Strategic planning**, **Tactical planning and Operational planning**. Forecasting deals with long-term development.

Strategic planning is crucial for the long-term direction of an organization (business), for marketing, investment decision making, human resources development and research and development.

Tactical and operational planning plays a key role in those organizational fields, where there are strong flows of resources, namely financial resources and material in production process (purchase and sale).

- › Financial plan (integrates all plans by financial statement)
- › Sales plan
- › Project plan
- › Production plan
- › Human resources development plan
- › Personal Development Plan
- › Investment plan
- › Maintenance plan

Partial plans must be interdependent.

The essence of planning is to determine the goals or target values and, possibly, ways how to achieve them. When planning is taken into account all relevant internal and external factors affecting a successful achievement of goals or target values.

Basic plan of an organization is its global strategy.

Planning methods:

- › Bidirectional Planning (Top-Down/Bottom-Up)
- › Progressive Planning (Bottom-Up)
- › Retrograde Planning (Top-Down)
- › Strategic Alternatives
- › Strategic Management

Methods and integrated planning systems in production and logistics and **resource planning**:

- › APS (Advanced Planning & Scheduling)
- › ERP (Enterprise Resource Planning)
- › MRP (Material Requirements Planning)

- › MRP II (Manufacturing Resource Planning)
- › JIT (Just-in-time)
- › KANBAN
- › DBR (Drum Buffer Rope)
- › SCM (Supply Chain Management)

Financial planning includes:

- › Financial result planning
- › Revenue planning
- › Costs planning
- › Capital planning
- › Cash flow planning

Analytical techniques used in planning:

- › BCG matrix
- › Differential Analysis
- › Five Forces Analysis (Porter)
- › Pareto principle
- › PESTLE Analysis
- › Princip of strategy → structure (Chandler)
- › Scenario technique
- › SMART – goals setting
- › SWOT Analysis
- › VRIO Analysis

Related terms:

- › Business purpose and function
- › Contingency Approach
- › Equifinality principle
- › Global strategy
- › Hierarchy of strategies
- › Managerial functions
- › Metrics
- › Objectives
- › Organizational life cycle
- › Plan
- › Organizational mission
- › Organizational vision
- › Resources
- › Shared values
- › Surroundings
- › Time

Related management fields:

- › Forecasting
- › Risk Management
- › Strategic Management