





# **Module I – Team Work Management**

Topic 3: Managerial Leadership

Session 3: Planning & Strategic Management



# Outline

- I- Foundations of Planning
- II- Strategic Management





# I- Foundations of Planning

- Planning is one of the four functions of management
- It involves defining the organization's goals
- Establishing an overall strategy for achieving these goals
- Developing plans for organizational work activities.







# A- Purposes of Planning

- Gives direction to managers
- Reduces uncertainty
- Minimizes waste
- Establishes goals or standards for controlling





## B- Planning and Performance

- Planning and implementation play a greater part in high performance
- If planning has not led to higher performance, the external environment is often the reason





## C- The Role of Goals and Plans

- Planning is called the primary management function
- It establishes the basis for all other functions
- It involves two important elements: goals and plans





## D- Types of Goals

- 1- Financial goals versus Strategic goals
  - Financial goals related to the financial performance of the organization
  - Strategic goals are related to other areas of an organizations performance







## (Types of Goals)

- 2- Stated Goals versus Real Goals
  - Stated goals are official statements of what an organization says and what it wants its various stakeholders to believe its goals are
  - Real goals are those that an organization actually pursues, as defined by the actions of its members





# E- Types of Plans

- Breadth
- Time frame
- Specificity
- Frequency of use





## **F- Approaches to Establishing Goals**

- 1- Traditional Goal Setting
- 2- Management by Objectives (MBO)





# 1- Traditional Goal Setting

- Goals are set at the top level of the organization and then broken into sub-goals
- Assumes that top managers know what is best because of their ability to see the “big picture”





## 2- Management by Objectives (MBO)

- It is a process of setting mutually agreed-upon goals
- These goals are used to evaluate the employee performance







## G- Characteristics of Well-Designed Goals

- Written in terms of outcomes
- Measurable and quantifiable
- Clear as to a time frame
- Challenging but attainable
- Written down
- Communicated to all organizational members





# H- Five Steps in Goals Setting

- Review the organization's mission
- Evaluate available resources
- Determine the goals individually
- Write down the goals and communicate them to all who need to know
- Review results and whether goals are being met





# I- Developing Plans

- Three Contingency Factors:
  - Manager's level in the organization
  - Degree of environmental uncertainty
  - Length of future commitments





# J- Approaches to Planning

- Traditional Approach: Planning was done entirely by top-level managers
- Involvement Approach: Engage more members in the planning process



## K- Criticisms of Planning

- Planning may create rigidity
- Plans can't be developed for a dynamic environment
- Formal plans can't replace creativity
- Planning focuses managers' attention on today's competition
- Formal planning reinforces success







## II- Strategic Management

- It is what managers do to develop the organization's strategies
- It involves four basic functions:
  - Planning
  - Organizing
  - Leading
  - Controlling





# A- The Strategic Management Process

- Identifying Current Mission
- Internal Analysis
- External Analysis
- Formulating Strategies (SWOT, Alternatives, etc.)
- Implementing Strategies
- Evaluating Results





# B- Types of Organizational Strategies

- 1) Corporate Strategy
- 2) Business (Competitive) Strategy





# 1) Corporate Strategy

- Growth strategy
- Stability strategy
- Renewal strategy





## 2) Business (Competitive) Strategy

- Focused on how the organization will compete in each of its businesses
- Plays an important role in formulating the business strategy
- A competitive advantage is what sets an organization apart - its distinctive edge







# C- The New Directions Strategy

- E-Business
- Customer Service
- Innovation



Thank you