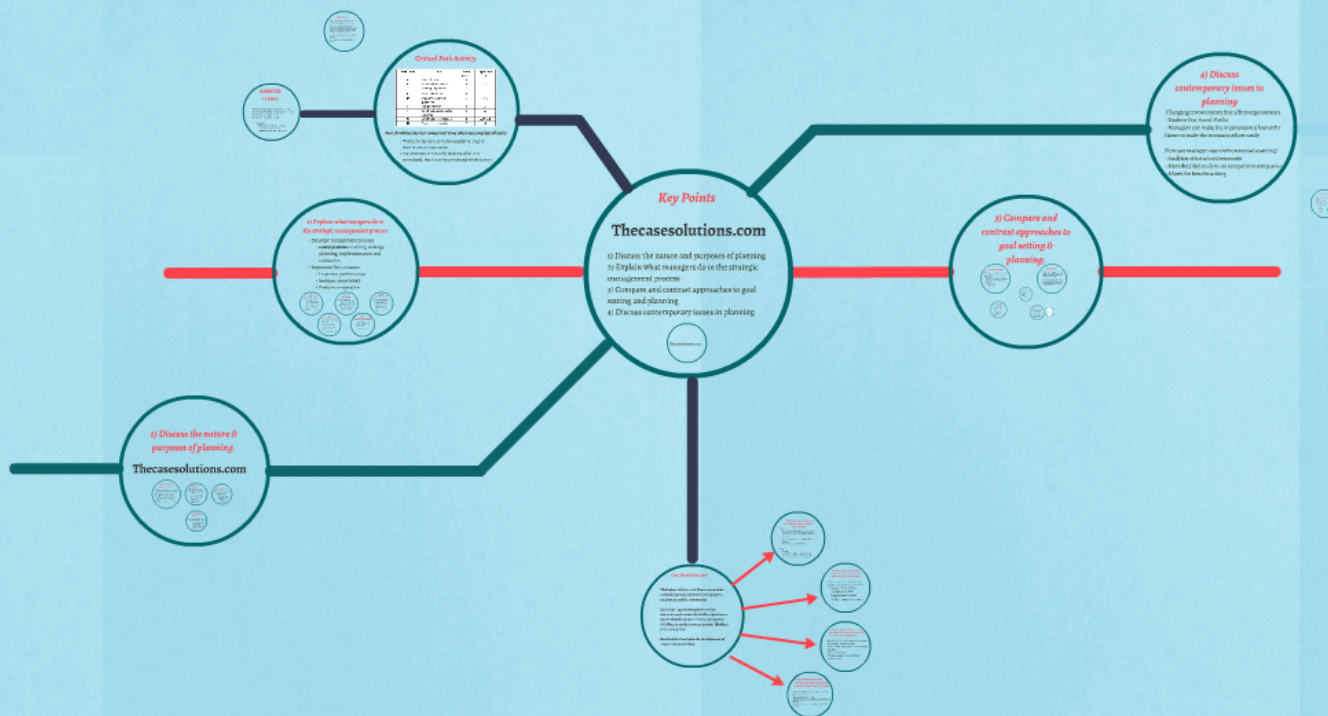


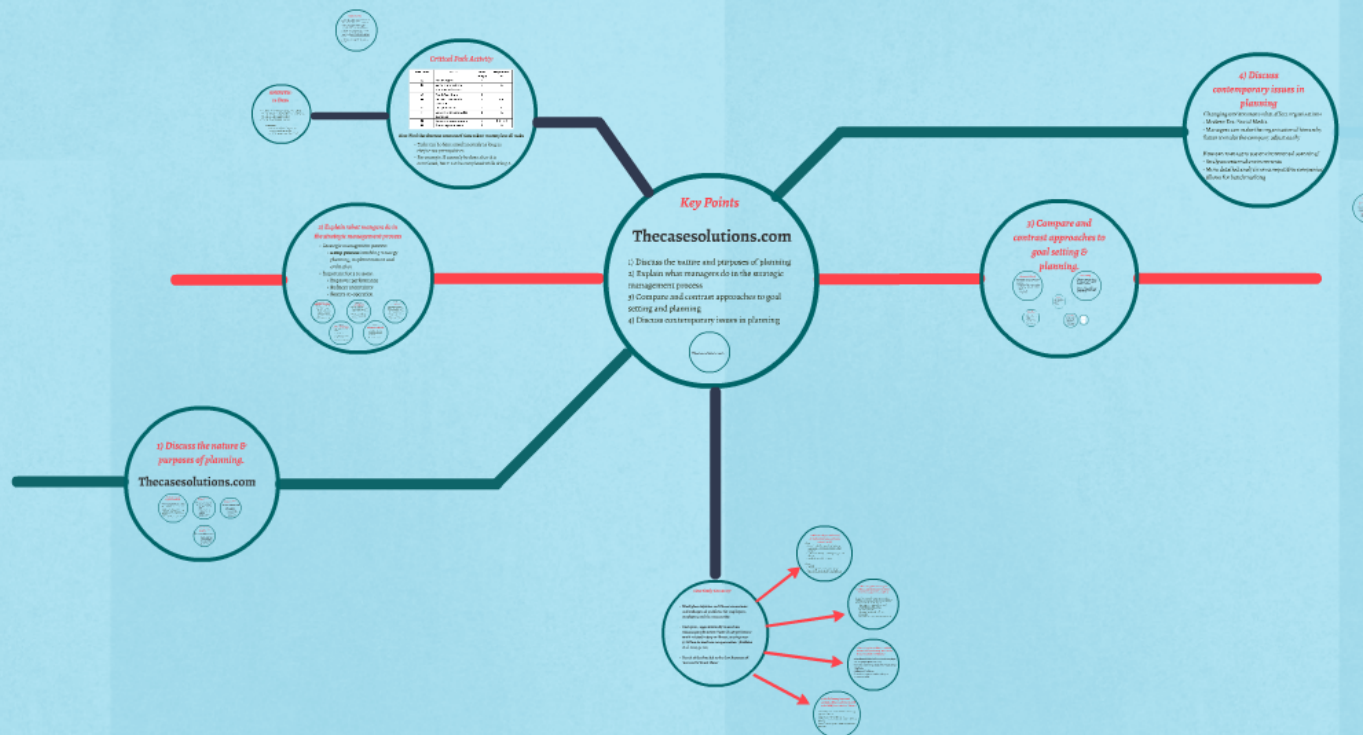
Strategy Planning Sequence

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Key Points

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- 1) Discuss the nature and purposes of planning
- 2) Explain what managers do in the strategic management process
- 3) Compare and contrast approaches to goal setting and planning
- 4) Discuss contemporary issues in planning



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1) Discuss the nature & purposes of planning.

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What is planning and why do we need to plan?

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- **Planning Definition:** Encompasses defining the organisation's objectives or goals, establishing an overall strategy for those goals and developing comprehensive plans to integrate and coordinate activities (Robbins et al. 2014, p.94)
- Planning = Primary Management Function

Why should managers formally plan?

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- Formal v Informal Planning
 - 1) Establishes coordinated effort.
 - 2) Reduces uncertainty
 - 3) Minimises waste and redundancy
 - 4) Sets the standard to facilitate control.

What are some criticisms of formal planning?

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- 1) Planning may create rigidity
- 2) Formal plans can't replace intuition and creativity
- 3) Planning focuses on a single alternative not today's opportunities, not on resources
- 4) Formal planning reinforces success, which may lead to failure.

Does formal planning improve organisational performance?

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- Generally, research indicates a positive link between formal planning and performance.
- When formal planning hasn't improved performance, uncontrollable factors are to blame.

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