

4 Types of Planning

Remove your misconceptions about strategic Planning



Long-Range Planning

Views future as predictable- assumes current trends will continue

Focus on setting long-range objectives

Assumes a most likely future and emphasises working backward to map out a year-by-year sequence of events

Asks the question: "What should we be doing each year for next 3 to 5 years"



Strategic Planning

Views future as unpredictable

Views planning as continuous process

Considers a range of possible futures and emphasises strategy development based on assessment of the organization's internal (strength and weakness) and external (opportunities and threats) environment

Asks the question: "Based on our current understanding of the environment, are we doing right thing? How can we best use our resources to achieve our mission?"



Operational Planning

Focuses on setting short-term (less than one year) objectives

Assumes much more detailed planning regarding by whom and how activities will be accomplished

Asks the question: "What do we need to be doing for the upcoming year and/or immediately to best accomplish our mission"



Business planning

Is typically expected to include not only strategies and goals but also detailed (at least three years worth) projections for revenues and expenses

is issued by a business owner to convince existing and potential investors (the audience of a traditional business plan) that the business activity will generate enough money to pay a return or to pay back a loan