

## SHORT COMMUNICATION

## BUSINESS PLANNING, STRATEGY AND OUTCOMES

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### 1. INTRODUCTION

“Business Planning, Strategy, and Outcomes” refers to the planning of business whether it is in the stage of start-up of an enterprise or while going on business. There is a need for proper planning along with implementing of good strategy from which a business should achieve its goals efficiently or effectively. Operating a business without a proper plan or strategy is not fruitful for achieving long-term goals. One can pass one milestone after another if one knows about the challenges coming their way and knows about the solution to face the challenges. An Entrepreneur or the management has a responsibility to involve finance or funds, as well as effective planning of operating or implementing work for the said target.



Sourced By: THE VALUE OF A BUSINESS PLAN – Logan Katz LLP

Strategy has a dynamic element of various activities that should be implemented from starting of a project till the closure of that project or achievement of organizational goals. Business should be planned just like a roadmap that describes the direction of the company to go on the planned path so that it can help to get rid of the challenges that come in the path of achieving the outputs.

### 2. CLASSIFICATION OF COMPANIES: STRATEGY AND OUTCOMES

#### 2.1 Small-Scale Companies

These types of companies are usually sole proprietorships. They help society by giving jobs to small numbers of employees. Their employees are not very much skilled. They don't work for long-term benefits. They usually produce finished goods, sell into markets, and retain their profits. So there is no requirement for timely revision of the strategy to reach their goals. They generally do the same task.

#### 2.2 Large-Scale Companies or MNC's

These types of companies are usually Joint Companies, Partnership firms or MNC's. They need a team of management with proper strategy to reach their outcomes while facing all challenges whether it will be market challenges or technical challenges. They usually have to revise their plan

during fixed intervals of time for the proper implementation of the plan and can control their workers to complete the task to meet the deadline

### 3. STRATEGIC BUSINESS PLANNING

Strategic planning is a systematic procedure to be followed by every level of management, from top management to middle management to the lower management to achieve its outcomes. The objectives and actions are prescribed in a framework of strategy to achieve the level of success keeping in mind the future vision and growth.



Sourced By: Strategic Planning in Organizational Governance - Health Information Technology Solutions

There is very common confusion between business planning and strategic planning. Business planning is used to start a business, obtain funding through loans or some stakeholders, or direct operations. It generally covers one year.

A strategic plan is about long term business needs and generally looks at 3 to 5 years. It can be created at any time and should be regular intervals and it should be revised at regular intervals.

When it comes to a company's long-term success or failure, it's the strategic operations team's collection of thoughts and actions that really matters. It consists of assessing the surroundings, expressing a plan, putting that strategy into action, and evaluating and controlling its success. Strategic operation, often known as business policy, is a kind of long-term planning and strategy.

Some of the companies that faced failure due to a lack of Proper Business Plans and strategies are as below:

#### 3.1 A Leading Gas Company

A very big failure due to a lack of Proper Business Plans and strategy. The gas tragedy in 1984 affected 500,000 people and animals, causing chronic

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eye and respiratory issues, stunted growth, and cognitive impairments in children and adults.

### 3.2 A Communications Company

Failed to market luxury cell phones in 2009 due to strategic planning failure, leading to millions of losses. New Company acquired the brand in 2014.

### 3.3 A Business Enterprise

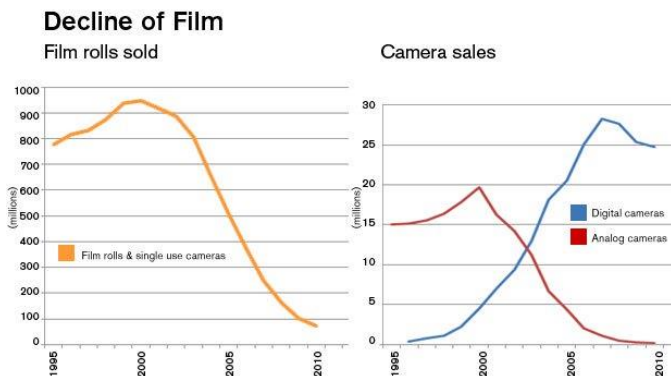
An online auction site, failed to integrate its values and systems with other company in 2005 merger, leading to significant stock decreases in 2009, highlighting the failure of strategic planning.

## 4. PROBLEMS IN BUSINESS PLANNING, STRATEGY, AND OUTCOMES

- Lack of proper delegation of ownership and responsibility
- Communication gap between departments and superior-subordinate
- Not properly following the rules and regulations prescribed by the management to complete the task.
- No motivation for the employees
- Lack of proper training and developmental programs
- Lack of proper skills and knowledge to meet the challenges

Example 1:

Digital camera that found in 1975. Despite investing millions in production, the company decided not to launch it until over 15 years later due to concerns about the impact on their film division. Despite knowing digital would completely displace film in 10 years, Company continued to resist to meet short-term financial KPIs, highlighting the importance of good strategy in overcoming failures.



Sourced By: Cascade

Company demise can be attributed to its executives' focus on short-term profit goals rather than long-term business viability. Despite declining film sales, they managed to pay bonuses regularly. To avoid this scenario, McKinsey's Strategic Horizon model can be used as part of a strategic plan. This model requires balancing revenue from business as usual, broadening revenue streams, and exploring new revenue streams. While it may not have saved the Company, it would have highlighted the company's insufficient focus on revenue beyond its traditional film business.

## 5. SOLUTIONS IN BUSINESS PLANNING, STRATEGY, AND OUTCOMES

- Set the Goals .
- Align your objectives which should be specific, time-bound, and measurable.

- Now make strategies at the department level and delegate some amount of authority to your manager. And set the tactics to complete the task in the given time or deadline
- Proper delegation of authority should be there so, that it will be easy to fix the responsibility of a person. And that person can be accountable for incomplete tasks.
- Proper communication should be there in any form whether written or oral to achieve the targets
- Controlling and Good leadership should be there to complete the task to meet the deadline.
- Motivate your employees either by giving handsome salaries, extra perks, health benefits, etc.
- Proper Training and development programs should be there to polish the skills and knowledge of employees so that they can be able to easily face the challenges. And help in achieving organizational goals.

Example 1:

Coffee brands faced financial pressure in 2008 due to increased competition, rising food and supply prices, and global coffee trading strains. To overcome these challenges, the Company focused on understanding its value proposition (WTP) and re-igniting emotional attachment with customers. They created the platform, generating 93,000 ideas and 1.3 million new ones on social media. This led to business model changes, such as free Wi-Fi, lounge chairs, and rewards programs, resulting in Company' high WTP due to its loyal customer base.

Example 2:

The world's largest sportswear manufacturer has achieved global revenue of over \$44 billion in 2021 through value-based pricing. The company leverages consumers' perceptions of its products to drive prices up within their WTP. The company's image and exclusive products, like Air Jordans, contribute to its perceived value. Brand value and customer loyalty are key pillars of the Company's long-term success in raising customer's WTP.

## 6. CONCLUSION

Business should be planned and goals should be set by keeping in mind all merits and demerits and the strategy to complete the task is very transparent. Proper motivation and control should be there to follow the rules made by the decision body to complete the task before the deadline to achieve organizational goals efficiently and effectively.

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