**4th Year Business - Planning**

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**Exam Question 2004 Question 4**

**Evaluate how different types of planning contribute to the success of a business or community enterprise. Use examples in your answer.**

Answer:

Planning involves selecting goals and objectives and seeking out ways to achieve them. Planning is deciding what to achieve, who will achieve it and how it will be achieved. A plan gives purpose and direction.

Types of plans:

1. Mission Statement

The mission statement is a formal summary of the aims and values of the organisation. It outlines the reasons for existence of a business and informs the public of its hopes and aspirations.

It simply and briefly states the purpose of the organisation, in other words what the business was set up to achieve and goes on to list a set of organisational goals to add detail and further explanation to the mission e.g.

‘Google’s mission is to organise the world’s information and make it universally accessible and useful’.

I personally believe this type of planning contributes massively to the success of a business/enterprise as it clearly states the philosophy and overall aim of the business/enterprise, thus giving direction and purpose for success.

2. Strategic Plans

* Strategic plan is a medium to long-term plan 1-5 years.
* The strategic plan sets down clearly the important objectives to be achieved in the time frame allocated.
* This plan is similar to a mission statement but provides a more precise and detailed approach.
* The plan is designed by top managers and are communicated to all other managers.
* Finally, the plan requires the detailed examination of existing practices, deciding on the action to be taken and the setting of a timescale for completion. E.g. Nikes strategic plan was to meet a target revenue of 27 billion by the end of the fiscal year 2015.

I believe this method of planning is crucial and contributes to the success of the business/enterprise, it gives order and structure to allocation of tasks to be achieved within a certain time frame, as well as efficiency of time and organising of staff in the process to achieve the success of a business/enterprise.