

Chapter 3 Types of plans

TheSage’s English Dictionary and Thesaurus defines the word ‘plan’ as:

- 1) Scale drawing of a structure
- 2) An arrangement scheme.
- 3) A series of steps to be carried out or goals to be accomplished.

So why is planning important?

According to Benjamin Franklin “If you fail to plan, plan to fail” and Alan Lakein (the writer of several self-help books on time management from the 1970s onward) is purported to have coined a ‘proverb’ similar to Benjamin Franklins (The Phrase Finder).

After searching the internet for examples of types of planning approaches and what steps to follow when planning I discovered the following:

- 1) Types of plans – about 269 million references
- 2) Planning steps –about 541 million references. This will be addressed in Books 2 and 3

With all these references is it any wonder that there is an enigma on the topic of planning. However to at least begin to tackle this enigma I persisted to locate a number of sites that showed some promise of identifying the types of planning genres and the steps needed to carry out planning

Types of plans

According to information gleaned from the following sites, I discovered some 19 terms that could be described as genres of planning. These included words such as:

Comprehensive rationalism	Long-Term	Single use
Contingency	Mixed scanning	Specific
Directional	Operational	Standing
Financial	Preactive	Strategic
Inactive	Proactive	Succession
Incrementalism	Reactive	Tactical
	Short term	

See Table of planning approaches for the details of websites and their suggestive planning types.

As 19 different names (or hash tags aka #tag) falls well into the realms of “[The magic number 7](#)” I decided to examine each of the words and terms and see if I could reduce the 19 into a more workable number and discover a more reasonable number of planning genres. On examining and defining each of the above terms (see my Table of Diagnosis of planning terms) it soon became blatantly obvious that a lot of the words and terms used by each of the reference sites could be reduced (rationalised) into 2 distinct genres.

For example: 1) *Comprehensive rationalism ; Long term; Preactive; Proactive and Strategy* could all be categorised under a single genre which I call a ‘Top-down method’ also known as strategic planning; 2) *Incrementalism, Mixed scanning, Operational, Short term, Specific and Tactical* could all be categorised under a single genre which I call a ‘Bottom-up approach’ also known as IT project planning.

Four of the remaining 8 could relate to both the top down and bottom up approaches.

For example: Both strategic planning and IT project plans have: *Contingencies; Financial* (need to be financed); *Reactive and Single use*.

I will leave the other 4 words your imagination. Suffice if to write that I have now discovered the 2 most significant planning genres. I will now go on to provide you with a number of examples of both.

Strategic planning - Top-down methods

According to business dictionary strategic planning is defined as:

“A systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them.

In contrast to long-term planning (which begins with the current status and lays down a path to meet estimated future needs), strategic planning begins with the desired-end and works backward to the current status.

At every stage of long-range planning the planner asks, "What must be done here to reach the next (higher) stage?"

At every stage of strategic-planning the planner asks, "What must be done at the previous (lower) stage to reach here?"

Also, in contrast to tactical planning (which focuses at achieving narrowly defined interim objectives with predetermined means), strategic planning looks at the wider picture and is flexible in choice of its means”.

The aforementioned definition is still far too implicit as it leaves far too much open to interpretation. For example what is the difference between a strategy and a tactic or a strategy and a long term plan?

To make matters worse Peter Drucker (the ‘father of strategic planning’) is purported to have stated that he:

“saw strategy in terms of the decisions we make today about a future that is inherently uncertain. This is the realm of unpredictable people not predictable objects. Most importantly, Drucker recognized that strategy cannot eliminate risks. Because we cannot predict the future, risks must be taken. The purpose of strategy is to not to eliminate risk, but in Drucker's words, to take the "right risks." Innovation is at its core, an act of discovery, in which we must embrace the uncertainty of the environment, exploring it for opportunities”

As far as I am concerned, these words leave much to be desired and really do not provide any clear understanding (explicit) as to what strategic planning is or should be.

Michael Porter argued that that competitive strategy is *"about being different"*. He added *"It means deliberately choosing a different set of activities to deliver a unique mix of value"*.

So to sum up strategic planning, it all about ‘Being different’, setting ‘Goals’, understanding ‘Objectives’, recognising ‘Opportunities’, ‘Reducing risk’, subdividing into ‘Tactics’, identifying ‘Values’ plus a host of other implicit terms words and phrases. This will be explained in Book 2 Chapter 1.

Perhaps it is time to give strategic planning a far simpler meaning. Perhaps the definition should be *“An elaborate and systematic plan of action”*, but this will mean having a really good grasp of the steps needed in order to fulfil the promise of this definition.

But I digress. There are a plethora of strategic planning methods and to examine every one of them would take a lifetime. However it would be remiss of me not to have a crack at identifying the various genres of strategic planning.

Here are examples of such methods (see the Annexure for further details):

- BA – Business architecture
- BPR – Business process re-engineering
- BSP – Business system planning
- EA – Enterprise architecture
- IA – Information architecture
- IE – Information engineering

There are a number of splinter groups or quasi approaches that purports to carry out some strategic planning activities. See the Annexure for further details. These include:

- Design thinking
- Digital transformation
- Key performance indicators
- Knowledge management
- Quality assurance
- Scorecards/Canvases

So who are the best people to carry out strategic planning and what are their capabilities?

First and foremost there is the philosopher. They are the quintessential strategic planner. A philosopher is (after all) supposed to be a wise person who is calm and rational; someone who lives a life of reason with equanimity.

Then there are the business analyst, the time and motion analyst, and then there are the new breed who calls themselves ‘architects’ by trying to parallel their activities to the profession of people who design buildings; Then there are the information engineer who tries to parallel their activities to those of the civil engineer.

What are the capabilities of this genre of people? This is a topic all of its own. Suffice it to say I made a study of these capabilities and published my findings in an article I wrote in November 2001 called the “Mind map protocol” which addresses both the strategic planner as well as the It project planner.

The one thing that most of these people lack is the ability to diagnose. It is this crucial ability that tends to make most strategic planners turn a blind eye to the real issues and they only ever seem to end up treating the symptoms rather than the causes.

According to TheSage’s English Dictionary and Thesaurus the word ‘diagnosis’ is defined as “Identifying the nature or cause of some phenomenon”.

To fully understand the word ‘diagnosis’ it is also necessary to understand its synonyms so here are a few:

Analysis	Interpretation	Pronouncement
Conclusion	Investigation	Scrutiny
Examination	Opinion	Summary

Hence to become a strategic planning ‘diagnostician’ you had better be prepared to understand the history behind strategic planning. To do this I had to undertake a journey through history to locate the great minds of the past and find out what they had to say and the rules that they laid down. It is important to note that, according to the writer and philosopher George Santayana (1863 – 1952), who is purported to have written "*Those who cannot remember the past are condemned to repeat it, which is often quoted as "Those who do not learn history are doomed to repeat it"*".

In my opinion, the following 3 great minds formed the basis of strategic planning: Charlemagne (742 –814); Immanuel Kant (1724 - 1804) and Peter Drucker (1909 – 2005). Then there is of course [Michael Porter](#) (1947 -).

Of these four, three of them preceded my work whereas the fourth is my contemporary.

There are of course others that may have influenced these 3 so if anyone would like to include them then please do the necessary research.

Charlemagne

The reason why I have included Charlemagne as one of my 3 foremost great mind of strategic planning is that he was purported to have instituted principles for accounting practice by means of the Capitulare de villis of 802, which laid down strict rules for the way in which incomes and expenses were to be recorded.

As the cost-benefit analysis approach is “a systematic approach to estimating the strengths and weaknesses of alternatives (for example in transactions, activities, functional business requirements or projects investments)” and as costs have a direct relationship with expenses and as I will prove later on (Book 2 chapter 1) that the cost benefit analysis is one of the deliverables of strategic planning, Charlemagne could well be regarded as being the ‘great grandfather’ of strategic planning.

It must be noted that Charlemagne was engaged in almost constant warfare throughout his reign so how he managed to lay down the reforms he did and with the limited technology at his disposal is truly remarkable. Perhaps it is no wonder that his planning methods were geared more towards military rather than commercial strategies.

Immanuel Kant

The reason why I have included Immanuel Kant as one of my 3 foremost great mind of strategic planning is that he

“is a central figure in modern philosophy. Kant argued that the human mind creates the structure of human experience, that reason is the source of morality, that aesthetics arises from a faculty of disinterested judgment, that space and time are forms of human sensibility, and that the world as it is "in-itself" is independent of man's concepts of it” - Wikipedia

His 3 books “Critique of Practical Reason (Kritik der praktischen Vernunft, 1788), the Metaphysics of Morals (Die Metaphysik der Sitten, 1797), which dealt with ethics, and the Critique of Judgment (Kritik der Urteilskraft, 1790), which looks at aesthetics and teleology” formed the basis of his ‘Critique of pure reason’ which is after all part and parcel of strategic planning.

However it must be said that Kant was not a well liked philosopher and through his work he was always at odds with the work of other notable philosophers such as John Locke (1632 – 1704, his predecessor) and David Hume (1711 – 1776, his contemporary).

It is through his work that I regard Kant as the ‘grandfather’ of strategic planning.

Peter Drucker

I have no option but to include Peter Drucker as one of the 3 as he is often claimed by many as the ‘father’ of strategic planning even though H. Igor Ansof had more claim to that title. Ansof appeared to have written 2 major works, and it was the Vanderbilt University that established the Ansof MBA scholarship, whereas Peter Drucker has written over 40 books and is instrumental in setting up the Harvard Business School’s MBA course. See the reference to these courses in the Annexure.

Michael Porter

I am including Michael Porter purely for the sake of those followers of his who think that his ‘value chain’ analysis has had a huge impact on strategic planning. However according to my research Mr. Porter’s approach to strategic planning did not help him (or his consulting company) from going insolvent. For more information please [follow this link](#).

IT project planning – Bottom-up approach

This brings me to the second genre of planning, namely the IT project planning approach. This genre is even more complicated than strategic planning. In fact the majority of IT projects have a hard time aligning their very existence to any of the business’ strategies. Here are a few examples:

- 1) The Traditional, Sequential Methodologies
 - 1.1) Waterfall
 - 1.2) Critical Path Method - CPM
 - 1.3) Critical Chain Project Management - CCPM
- 2) Project Management Institute - PMI
- 3) Project Management Body of Knowledge
- 4) The Agile Family
 - 4.1) Agile
 - 4.2) Scrum
 - 4.3) Kanban
 - 4.4) Extreme Programming - XP
 - 4.5) Adaptive Project Framework – APF

I could go into the detail of every one of the above planning methods but I am sure that if you were to use a search engine you will find the detail that you are looking for. Suffice it to say that the risks pertaining to every one of the above approaches lie in the lack of integration with the strategic planning component. If the strategic planning component is weak, how can the next step be strong?

Risks of failure

The basic difference between the failing of a strategic plan and an IT project is that when a strategic plan fails it could destroy the organism whereas when an IT project plan fails, management simply find another project to promote as the ‘next best thing’.

Annexure:

Table of planning approaches

Web site	Types of planning	Additional reference
Study.com	Strategic; Tactical; Operational; Contingency	
Oxford Scholarship Online	Comprehensive rationalism; Mixed scanning; Incrementalism”	Book by Andrew Green
greatgame.com	Financial; Strategic; Contingency; Succession	
LinkedIn member	Strategic; Operational; Long-Term; Short term; Specific; Directional; Single use; Standing	Dr. G C Mohanta, BE, MSc(Engg), MBA, PhD(Mgt) Professor
EnTarga	Reactive; Inactive; Preactive; Proactive	

Diagnosis of planning terms

Term	Definition
Comprehensive rationalism	A broadly scoped doctrine that knowledge is acquired by reason without resort to experience
Contingency	A possible event or occurrence or result
Directional	Showing the way by conducting or leading; imposing direction on
Financial	Involving a commercial activity of providing funds and capital
Inactive	Lacking activity; lying idle or unused
Incrementalism	Belief in or advocacy of change by degrees; gradualism
Long-Term	Relating to or extending over a relatively long time
Mixed scanning	A hierarchical mode of decision making (Goldberg, 1975, p. 934) that combines higher. order, fundamental decision making with lower order, incremental decisions that work out and/ or prepare for
Operational	Pertaining to a process or series of actions for achieving a result
Preactive	Causing activity or change; capable of exerting influence
Proactive	Descriptive of any event or stimulus or process that has an effect on events or stimuli or processes that occur subsequently
Reactive	pertaining to or characterized by an action in response to some influence
Short term	A period of time of or relating to a short term, especially one year or less

Term	Definition
Single use	Having only one purpose
Specific	Stated explicitly or in detail
Standing	Having a supporting base
Strategic	An elaborate and systematic plan of action
Succession	A following of one thing after another in time
Tactical	A plan for attaining a particular goal

Peter Drucker MBA course material

Introduction

Peter F Drucker is a world-renowned author and management consultant in the field of business strategic planning. He has authored some 29 books covering industrial organization, management, leadership development, the culture of business, employee motivation and strategy. In addition to this he has set up a post graduate school to train students to plan strategically.

People wishing to know more about the school can visit the following web site <http://www.drucker.cgu.edu/>.

The Peter F Drucker graduate school of management delivers two major courses, each with their own set of curriculum.

They are the MBA course (see <http://www.drucker.cgu.edu/html/prospective/fullpart/courses.htm>) and the Executive MBA course (see <http://www.drucker.cgu.edu/html/prospective/executive/courses.htm>).

Available courses

MBA course

This course has 23 units that address the 3 major components of strategic planning as follows:

7 address objectives

3 address knowledge

13 address strategy

For completeness sake I will use the definition of strategic planning as given by the business: “A systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them” and identify the 3 major strategic planning categories, namely: ‘Objectives’ (which includes vision, and goals); ‘Strategies’ (the sequence of steps); and one other which I find conspicuously missing, namely ‘Knowledge’.

The following table contains the course units for the basic MBA course and the Ripose related cross-reference:

Course unit	Type
Organization information processing systems	Knowledge
Technology management and operations	Strategy
Managerial & global economics	Objective
Morality & leadership	Objective
Marketing management	Objective
Marketing research	Strategy
Financial & managerial accounting & control	Objective
New products/services planning	Strategy
Institutional investment management.	Objective
Corporate financial management	Strategy
Management, derivatives and risk.	Strategy
Financial derivatives	Strategy
The strategy course	Strategy
Organization performance improvement-business process reengineering	Strategy
Organizational behavior/organizational theory	Objective
International and multinational business	Knowledge
Applied operational methods	Strategy
Entrepreneurship & corporate revitalization	Strategy
Managing crisis: contemporary theory & practice	Strategy
Management control of projects	Strategy
Corporate financial policy & strategy	Strategy
New venture finance	Objective
Honors consulting projects	Knowledge

Executive MBA course

This course has 40 units that address the 3 major components of strategic planning as follows:

13 address objectives

7 address knowledge

20 address strategy

The following table contains the course units for the Executive MBA course and the Ripose related cross-reference:

Course unit	Type
Strategy & the implementation of change	Strategy
IS management issues	Knowledge
Electronic customer relationship management (eCRM)	Strategy
Strategy: the new realities of competition	Strategy
Financial and managerial accounting	Strategy
Quantitative methods	Objective
Strategic decision-making	Strategy
Strategic thinking	Strategy
Team Leadership	Objective
Financial side of management	Objective
Organizational behavior	Knowledge
Designing more effective organizations	Knowledge
New demands on the executive	Objective
Information based organizations	Knowledge
Global human resource management	Strategy
Management of technology	Strategy
Marketing management	Strategy
Managing electronic commerce	Strategy
Executive leadership	Strategy
Strategy implementation	Strategy
New product marketing	Knowledge
Knowledge mgmt-how to use information science	Knowledge
Revitalization	Objective
Change management	Strategy

Course unit	Type
Syllabus creativity & innovation	Objective
Leadership & the making of meaning	Strategy
Morality and leadership	Objective
Critical issues in strategic management	Objective
New venture finance	Strategy
Financial strategy	Strategy
Syllabus global strategy	Strategy
Economics of strategy	Strategy
Introduction to global economy	Knowledge
Current issues in global economy	Objective
Strategic alliances	Objective
Japanese markets	Strategy
Mergers, acquisitions & valuation	Objective
Quantitative methods for Ph.D. students	Objective
Quantitative methods (literature review)	Objective
Strategy (literature review)	Strategy

Conclusion

The course material covered in both the MBA and Executive MBA appears to be comprehensive.

The time taken to complete these courses is the only issue. The following table is an attempt to estimate how much time a full time and part time student would require to complete each post graduate degree:

	Part time	Full time
MBA	3 years	1½ years
Executive MBA	5 years	2½ years
Total	8 years	4 years

For my complete analysis of Dr. Drucker's work, please [follow this link](#) (24 pages).

Strategic planning approaches

I will now provide you with my brief explanation of each of these planning methods. In Book 2 I will explain the main causes of their likely failures to achieve the benefits that they purport to deliver.

Business architecture – BA

I found 426 million references to this term. According to the Wikipedia, [business architecture](#) is described as being an enterprise blueprint. It also describes the people who develop and manage this blueprint as business architects.

Business process re-engineering – BPR

I found 37.5 million references to this term. According to the Wikipedia, [BPR](#) is described as a method which focuses on the analysis and design of workflows and business processes within an organization.

Business system planning – BSP

I found 98.9 million references to this term. According to the Wikipedia, [BSP](#) is a method used to analyse, define and design the information architecture of organizations

Enterprise architecture – EA

I found 36.4 million references to this term. According to the Wikipedia [EA](#) is a method/practice undertaking an analysis of an enterprise in order design, plan and implement some form of business strategy.

Information architecture – IA

I found 592 million references to this term. According to the Wikipedia [IA](#) is typically involved with the modelling of information.

Information engineering – IE

I found 387 million references to this term. According to the Wikipedia [IE](#) has a number of purposes not dissimilar to the 5 previously mentioned approaches.

Quasi management planning approaches

The following planning methods do not quite fit the same mould as the 6 aforementioned approaches. I do however need to take them into consideration as they seem to be used whenever the main stream approaches do not seem to live up to their promises.

Design thinking

I found 3.54 million references to this term. According to the Wikipedia [Design thinking](#) is a design approach aimed at creating strategies using the designer's sensibility and methods to match people's needs and to create a technological solution that best fits those needs.

Digital transformation

I found 117 million references to this term. According to the Wikipedia [Digital transformation](#) is ostensibly used to bring about a change in the way the human being interacts with technology.

Key performance indicators - KPI

I found 12.1 million references to this term. According to the Wikipedia [KPIs](#) are a way of measuring and evaluating the possible success of an organization or of a particular activity.

Knowledge management - KM

I found 170 million references to this term. According to the Wikipedia [KM](#) is a process used to create, share, use and manage knowledge and information.

Quality assurance - QA

I found 57.4 million references to this term. According to the Wikipedia [QA](#) is a process which assists to uncover defects in systems, notably products and services. It can therefore also be used to ensure that the goals of the said systems are met.

Scorecards/Canvases

I have combined these two under a single heading as they both seem to provide the same function. They both provide an approach whereby common business elements/artifacts are grouped together under a common heading providing a mechanism to assist management identify and manage the most significant aspects of their business.

Scorecards - I found 1.68 million references to this term. According to the Wikipedia [Scorecards](#) (primarily the balanced scorecards) is a strategic management performance tool.

Canvases – In order to diagnose canvases, I concentrated on the [Business Model Canvas](#) (BMC 83.2 million references) and Operating Model Canvas (OMC 1.39 million references).

According to the Wikipedia the BMC is a lean start-up template used to develop new or existing business models.

According to the Wikipedia the [OMC](#) is used to display the business' operations on a single page.