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Chapter 1 : Long Range Planning

Long Range Planning (LRP) is a leading international journal for the field of strategic management. The journal has forged a strong reputation for publishing original research since The journal has forged a strong reputation for publishing original research since

Search form Search New for you: Listen at home or in the car to Great Meetings! Queasy About Conflict -- an hour-long interview with Dee and Pam on defusing conflict in groups. Putting out Brush Fires -- a 5 CD set of 5 hour-long teleclasses on how to intervene in difficult situations. It comes with a downloadable workbook. Long-Range Planning Long-range, or strategic, planning is a way to identify what you want in the future and how you are going to get there. Whether you are looking at school buildings or curriculum, the components of the planning process are the same. First, a group needs good information on which to base its planning. What is working well now? What are the problems? What are the external factors that will impact your future? Those are some of the questions that group members might need to answer in order to define a long-range plan. Gather as much information as possible about the building. To gather additional background data, use the SWOT analysis technique to define the current reality and likely future impacts. Engage all interested parties in creating a common vision for the future of the school building. What does it look like when it is the way you want it to be? See previous Great Meetings article, including Visioning the Ideal: Wish, Want, Wonder and Defining the Vision. Agreement on the vision and goals gets everyone headed in the same direction. Key Points To Take Away A group needs good information on which to base its planning, including a strong understanding of the current situation. Once you have collected the background data and have a set vision and goals, then you can work on a plan for how to get from the present to that vision; that is the roadmap to your goals. For each goal, you will need to develop a series of tasks that must be accomplished over time to meet the goal. Activities for warming up a group, increasing participation. They are also authors of the popular guide to meeting facilitation, Great Meetings! Learn more by clicking the links below:

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Chapter 2 : Long-Range Planning vs. Strategic Planning :: Competitive Intelligence Portal

Formalized long-range business planning, in particular that taught as a discipline in business schools or just reported in business books.

This plan includes more than just a statement of goals. For businesses, it may include identifying areas of expansion, new locations, and anticipating what competition may do over a long period of time. For governments, long range planning often includes developing a capital improvement plan for buildings and infrastructure, as well as zoning considerations. There is no set amount of time defining the difference between a long term plan and a short range plan, but planning over the long term generally takes place more than 12 months out. Generally, for most businesses, anything beyond a normal operational budget could be considered a long-range plan. For example, while chain stores and restaurants may set money aside for new locations, that is considered to be long range planning because there is no specific project in mind, or the funding for a specific project may be set aside over a number of years. An operational budget usually lasts for a fiscal year, and includes things such as payroll, utilities, insurance and other expenses. Some businesses may even break down plans into short range, mid range, and long range goals. Ad For governments, a long range plan could include a number of different factors meant to move the community forward. One of the most concentrated areas for long range planning is in transportation, and will include planning for roads, municipal transit systems, and perhaps airport and seaport improvements. Replacing or renovating government buildings and recreational facilities also factor into a long range plan. Budgeting for these projects may take place over a period of many years. Zoning is another common area where governments plan for the long term. Local governments, such as cities and counties, usually are in charge of zoning. In many cases, zoned areas may be designated for a certain purpose even if no development or little development has taken place in a particular area. Such development may not take place for many years, but represents a strategic plan for a local government to improve the quality of life for its residents, or to accommodate an expanding population. Long range planning helps define where a business or government wishes to go and helps those entities prepare for change. It is common for long range plans to change several times before they are implemented. These plans are generally fluid enough to allow for those changes quickly and without too many negative effects. Once a project starts, or as funding for it nears completion, the concept moves from a long range plan to an operational, or short range plan.

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Chapter 3 : Planning - strategy, organization, levels, style, definition, school, model, company, business

Write the Long-Range Plan If possible, involve owners, board members, and senior executives in writing the plan. If any of them perceive different goals than the others, this is the best possible time to eliminate the problem and ensure that future efforts will be united.

History[edit] The post boom in business theory led, in the s and s, to a focus on forecasting as a major component of planning. The techniques were mainly numerical, and largely based on time-series analysis ; though regression analysis , for investigating historical trends, eventually also emerged as a much reported technique. The seemingly mathematical accuracy of the techniques was seductive and, in the relatively stable decade of the s, it often appeared that they worked well, even in the longer term. The s brought an end to this stability, most notably in the repercussions of the ending of the Bretton Woods agreement on currency stability closely followed by the oil shock of The emphasis moved to the development of alternative forecasts. The attempt then was to see what the possible range of alternative futures might be, so that contingency plans could be laid to handle whatever occurred in practice. The optimism of these futurologists , even if just in their focus on the future , was overtaken by the pessimism of the s. The result was that many organizations reverted to planning only for the relatively short term, if at all. Most concentrated once more on the one-year budgetary planning cycle they knew and understood. Indeed, there are practical limits to the resources which can be devoted to long-range planning. It can be a time-consuming process absorbing large resources of money and people, which many organizations do not have or are unwilling to make available. In too many organizations, however, it is also constrained by ignorance or indifference. With very few exceptions, both long-term and short-term planning are needed for successful corporate management. Proactive management[edit] As the experiences of the s and s showed, unpredictable changes can be very disorienting. These major changes, usually discontinuities referred to as fractures in the environment rather than trends, will largely determine the long-term future of the organization. They need to be handled, as opportunities, as positively as possible. While horizons of many corporations have grown shorter, some industries still require long term decision-making by the nature of their work. Examples include energy companies which need to take a view about energy prices over two decades ahead in calculating the potential returns from investing in a new oil field, and the pharmaceutical industry where it can take up to fifteen years to bring a drug to market, requiring a view about what health service demand will be for such a treatment some twenty years hence, and whether governments will be likely to pay for it. Proactive management is fundamental to leadership. Take hold of the future or the future will take hold of you. Indeed, the processes involved largely aim to identify these uncertainties and manage their impact on the organization. In this context, there are using the terminology of Kees van der Heijden three main types of uncertainty: Risks â€" where historical evidence of similar events allows us to estimate the probabilities of future outcomes. Structural uncertainties â€" where the event is unique enough not to offer evidence of such probabilities. Unknowables â€" where we cannot even imagine the event. Where no probable pattern of outcomes can be derived from previous experience the decisions involved become much more a matter of judgement; and this is the area where scenario planning can make a major contribution. Unknowables are, by definition, unknown, so nothing can be done about them in advance; except develop the ability to react rapidly to them. Forecasting, budgeting and organizational dynamics[edit] In the shorter term, there is often confusion between budgeting and forecasting. They are sometimes used interchangeably, but should be distinguished as shown below: The important element is that it is based upon certain general assumptions typically that all other things are equal, without any special action being taken on the part of the organization making the forecast. These assumptions may or usually may not be explicit. Budgeting expresses what the organization believes is specifically achievable and intends will be achieved, by its planned actions. In theory, if not in practice, the unbiased forecast albeit usually based upon hidden assumptions should be an input into the subsequent budget, which is then a measure of where the organization intends to go â€" and indeed is targeted to go! Many so-called forecasts prepared by organizations should, therefore, more correctly be called budgets. This represents not just a dispute about terminology, but a major problem of confused attitudes. The forecast is the basis for planning, and has to be as accurate and unbiased as possible. The budget is directly linked to implementation and to accountability by management: The requirements of the two are, therefore, very different; to confuse them weakens both processes. As soon as the organization introduces a bias resulting from this budgeting element the subsequent forecasts become less independent â€" the relationships between the elements more complex, the assumptions more clouded, and the figures less easily understood by the participants. A further problem with the organizational dynamics of forecasting is the adaptation of forecasts to changed circumstances in the external environment. It is often assumed that forecasts are immutable: It is felt an admission of failure if such forecasts have to be changed. This is understandable where these so-called forecasts are actually targets to which the organization is committed. But clearly true forecasts as opposed to budgets or targets should be amended as and when the environment changes. The best managed organizations probably have a quarterly review of their annual forecast and associated budgets , so that forecasts for the remaining quarters can be based on the latest information. The most sophisticated indulge in rolling forecasts whereby at each quarter a full year ahead is forecast â€" in other words a new fourth quarter is added to the plan. This takes much of the drama out of the annual planning cycle, and means that there is not a period in the year when the forecast may only cover a matter of days. This can happen, and often does, if the new annual forecast is only agreed in December, to cover January onwards! Even five-year forecasts may need to change quite dramatically each time they are reviewed, in this case typically on an annual basis. The overall economy will have changed direction, competitors will have changed strategies, consumers will have changed their tastes. The new five-year plan has to take all this into account. The position may be different in the case of long-range planning, since it may look decades ahead. The effort involved in such a process may mean that such forecasts are repeated less frequently; typically every three to four years, rather than three to four times a year. This is acceptable when the time horizon is two decades or more â€" since any interim changes are unlikely to have direct impact on the shorter-term budgets â€" though any major changes detected should, even so, prompt an immediate review. Iterative lagged asymmetric responses in strategic management and long-range planning.

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Chapter 4 : Long-range planning - Wikipedia

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Setting goals and developing plans helps the organization to move in a focused direction while operating in an efficient and effective manner. Long-range planning essentially is the same as strategic planning; both processes evaluate where the organization is and where it hopes to be at some future point. Strategies or plans are then developed for moving the organization closer to its goals. Long-range plans usually pertain to goals that are expected to be met five or more years in the future. People often confuse the role of planning and scheduling. They are different methodologies and utilize a different set of tools. For example, most enterprise resource planning ERP systems are good at the planning function, but are very poor at the scheduling function. A tool like finite capacity scheduling FCS is necessary to facilitate the daily tracking of material and labor movements. The traditional process models of strategic management involve planning organizational missions; assessing relationships between the organization and its environment; and identifying, evaluating, and implementing strategic alternatives that enable the organization to fulfill its mission. One product of the long-range planning process is the development of corporate-level strategies. Issues addressed as part of corporate strategic planning include questions of diversification, acquisition, divestment, and formulation of business ventures. Corporate strategies deal with plans for the entire organization and change relatively infrequently, with most remaining in place for five or more years. Long-range plans usually are less specific than other types of plans, making it more difficult to evaluate the progress of their fulfillment. Since corporate plans may involve developing a research-intensive new product or moving into an international market, which may take years to complete, measuring their success is rarely easy. Traditional measures of profitability and sales may not be practical in evaluating such plans. Top management and the board of directors are the primary decision makers in long-range planning. Top management often is the only level of management with the information needed to assess organization-wide strengths and weaknesses. In addition, top management typically is alone in having the authority to allocate resources toward moving the organization in new and innovative directions. Research has found that firms engaged in strategic planning outperform firms that do not follow this approach. Managers also appear to believe that strategic planning leads to success, as the number of firms using strategic planning has increased in recent years. Because planning helps organizations to consider environmental changes and develop alternative responses, long-range planning seems particularly useful for firms operating in dynamic environments. A review of studies regarding long-range and strategic planning and performance allows a number of generalizations to be made about how long-range planning can contribute to organizational performance. Long-range plans provide a theme for the organization. This theme is useful in formulating and evaluating objectives, plans, and policies. Planning aids in the anticipation of major strategic issues. It enhances the ability of a firm to recognize environmental changes and begin courses of action to prevent potential problems. Rewarding employees for recognizing and responding to environmental changes sensitizes employees to the need for planning. Planning assists in the allocation of discretionary resources; future costs and returns from various alternatives can be more easily anticipated. Strategies also reflect priorities resulting from multiple objectives and business-unit interdependencies. Plans guide and integrate diverse administrative and operating activities. The relationship between productivity and rewards is clarified through strategic planning, guiding employees along the path to the desired rewards. Strategies also provide for the integration of objectives, avoiding the tendency for subunit objectives to take precedence over organizational objectives. Long-range planning is useful for developing prospective general managers. Strategic planning exposes middle managers to the types of problems and issues they will have to face when they become general managers. Participation in strategic planning also helps middle managers to see how their specialties fit into the total organization. Plans enable organizations to communicate with groups in the environment. Plans incorporate the unique features of the product or company that differentiate it from its competitors. Branding communicates to the public an image of product attributes e. Similarly, dividend policies make a difference in the attractiveness of a stock to blue-chip, growth, and speculative investors. Essentially, the mission is what differentiates the organization from others providing similar goods or services. Strategies are developed from mission statements to aid the organization in operationalizing its mission. Long-range planning primarily is the responsibility of boards of directors, top management, and corporate planning staffs. Strategic decision makers are responsible for identifying and interpreting relevant information about the business environment. Thus, a key part of strategic management involves identifying threats and opportunities stemming from the external environment and evaluating their probable impact on the organization. The environment consists of two sets of factors. These include the macro-environment, consisting of factors with the potential to affect many businesses or business segments, and the task environment, with elements more likely to relate to an individual organization. Industry analysis is an especially important part of analyzing the specific environment of an organization. Internal characteristics of an organization must be thoroughly identified and accounted for in order to effect long-term planning. Internal factors can represent either strengths or weaknesses. Internal strengths provide a basis upon which strategies can be built. Internal weaknesses represent either current or potential problem areas that may need to be corrected or minimized by appropriate strategies. This process essentially involves the identification, evaluation, and selection of the most appropriate alternative strategies. Strategic alternatives include strategies designed to help the organization grow faster, maintain its existing growth rate, reduce its scope of operations, or a combination of these alternatives. Corporate grand strategies are evaluated later in this discussion. Strategy implementation is another important part of long-range planning. Once a strategic plan has been selected, it must be operationalized. This requires the strategy to be implemented within the existing organizational structure, or the modification of the structure so that it is consistent with the strategy. Strategic control essentially brings the strategic management process full circle in terms of comparing actual results to intended or desired results. In a multi-industry or multiproduct organization, managers must juggle the individual businesses to be managed so that the overall corporate mission is fulfilled. These individual businesses may represent operating divisions, groups of divisions, or separate legal business entities. Corporate-level plans primarily are concerned with: What businesses should we be in? Which businesses represent our future? Which businesses should be targeted for termination? The business must look beyond financial performance to evaluate the number and mix of business units. Has the firm been able to achieve a competitive advantage in the past? Will it be able to maintain or achieve a competitive advantage in each business in the future? Do the organizational components fit together? Are responsibilities clearly identified and accountabilities established? Products and their respective strategies fall into one of four quadrants. The typical starting point for a new business is as a question mark. If the product is new, it has no market share but the predicted growth rate is good. What typically happens is that management is faced with a number of these types of products, but with too few resources to develop all of them. Thus, long-range planners must determine which of the products to attempt to develop into commercially viable products and which ones to drop from consideration. Question marks are cash users in the organization. Early in their life, they contribute no revenues and require expenditures for market research, test marketing, and advertising to build consumer awareness. If the correct decision is made and the product selected achieves a high market share, it becomes a star in the BCG Model. Star products have high market share in a high growth market. Stars generate large cash flows for the business, but also require large infusions of money to sustain their growth. Stars often are the targets of large expenditures for advertising and research and development in order to improve the product and to enable it to establish a dominant industry position. Cash cows are business units that have high market share in a low-growth market. These often are products in the maturity stage of the product life cycle. They usually are well-established products with wide consumer acceptance and high sales revenues. Cash cows generate large profits for the organization because revenues are high and expenditures are low. There is little the company can do to increase product sales. The plan for such products is to invest little money into maintaining them, and to divert the large profits generated into products with more long-term earnings potentials i. Dogs are businesses with low market share in low-growth markets. These often are cash cows that have lost their market share or are question marks the company has elected not to develop. The recommended strategy for these businesses is to dispose of them for whatever revenue they will generate and reinvest the money in more attractive businesses question marks or stars. Collectively known as grand strategies, these involve efforts to expand business operations growth strategies , maintain the status quo stability strategies , or decrease the scope of business operations retrenchment strategies. Typical growth strategies involve one or more of the following: Concentration strategy, in which the firm attempts to achieve greater market penetration by becoming very efficient at servicing its market with a limited product line. Vertical integration strategy, in which the firm attempts to expand the scope of its current operations by undertaking business activities formerly performed by one of its suppliers backward integration or by undertaking business activities performed by a business in its distribution channel. Diversification strategy, in which the firm moves into different markets or adds different products to its mix. If the products or markets are related to its existing operations, the strategy is called concentric diversification. If the expansion is in products and markets unrelated to the existing business, the diversification is called conglomerate. When firms are satisfied with their current rate of growth and profits, they may decide to employ a stability strategy. This strategy basically extends existing advertising, production, and other strategies. Such strategies typically are found in small businesses in relatively stable environments.

Chapter 5 : Long Range Planning Section â€" City of Albuquerque

The Long Range Planning Division is responsible for the planning, development and management of statewide transportation studies and planning tools that help guide the policies and programs of TDOT and its various divisions. The division identifies transportation needs through the analysis of travel.

OVERVIEW [top] In the rush to get to market and begin business, companies often skip over key elements, such as putting their mission statement into print and creating a plan to ensure the business remains on track. As a result, a company may lose its direction even as it continues to be successful in the short term. This Quick-Read presents ways to use the mission statement to create a long-range plan that keeps the company targeting only its most-profitable niches. In this Quick-Read you will find: How to set goals based on the mission statement. How to establish a long-range plan. SOLUTION [top] As successful companies grow, they often follow the profits, taking work in new areas that shift the business away from its core competencies. This can ultimately lead to problems when that new business line begins to fade and the company has lost its central objective. To avoid this trap and keep the company strategically focused, a mission statement and long-range plan derived from that statement must be articulated and put in writing. When the long-range plan is in place, a strategic plan should be developed to define the objectives and actions necessary to achieve the goals spelled out in the long-range plan. The Mission and Vision Statements Serve as the Guide The mission statement and vision statement define the business and its customer base. The process of creating these statements begins with self-analysis by the owner to define his or her vision for the company. When your company activities are aligned with good mission and vision statements, drafting a long-range plan should just take a few meetings over a few weeks, with time spent between meetings incubating ideas and optimizing phrasing. Once it has been created, the plan should be consulted whenever there are major business decisions â€" and either followed or adjusted. Set Goals To identify goals for a long-range plan, answer the following questions: What do we do best? What is our core competency? What are our strengths and weaknesses? Where do we want our business to be one year from now? Do we have the personnel and resources to go there? What does our existing and potential customer base want? Are any current or developing niches in our target market not being exploited? Goals may be specific and measurable: They may be general and immeasurable: Write the Long-Range Plan If possible, involve owners, board members, and senior executives in writing the plan. If any of them perceive different goals than the others, this is the best possible time to eliminate the problem and ensure that future efforts will be united. Owners of proprietorships normally do most of the plan preparation with the aid of senior staff members. The long-range plan should provide guidance for all areas of activity in the company: Approaches to Market â€" These are specific statements that summarize how the company plans to accomplish its mission. Marketing Message and Direction â€" Is the proper market being reached with the proper message in an appropriate frequency? What is the new message? What direction are you heading with your marketing? Measurable Sales Goals â€" These should be based on the assessment of existing markets. How much are we selling now, how much do we want to sell in the future? Examples of what can be measured: Measurable Operational Goals â€" Set specific goals such as zero invoice errors, zero delivery errors or more production per shift. Measurable Feedback Improvements â€" Identify ways to improve customer satisfaction and then measure progress. Tracking increases in customer-service ratings obtained via surveys is one possibility. Implement the Plan Translate your goals into specific action plans for each department. Ensure consistency between departments: Each department plan must be brought together with action plans for other departments to ensure they mesh. But Brown realized the growth was untargeted, comprising any construction work offered. This included roofing, siding, major remodelings and even new homebuilding. In he wrote his first true mission statement by analyzing what work the company did best, what employees enjoyed doing and where open niches existed. This focused the company on upscale major remodelings. He opened an office and cabinet shop near the section of town where demographics focused this work, and he eliminated all other types of construction to focus marketing efforts in this niche. The company now has five divisions: DO IT [top] Think about what set the company apart when it opened. Was the change directed or did it simply evolve? Have the changes been strategic for the long-term or did they simply create short-term profit? Do the mission and vision statements reflect present reality? Look at the company as an outsider or customer, reviewing strengths and weaknesses to find areas of opportunity and improvement. Ask managers to report how their units contribute to the mission and what goals related to the mission could make them more effective. Communicate your strategy to all levels of your organization to ensure everyone is operating with the same goals. Link your long-range plan to employee performance and compensation. Refer to elements of the long-range plan frequently â€” whenever it can be used to provide guidance. It shows others that you consider the plan important and encourages them to refer to it. Aaker uses lots of jargon, but he identifies and gives examples of hundreds of elements that should be considered in long-range planning. Lasher uses the term "strategic objectives" for long-range goals. The first quarter of Strategic Thinking is a guide to setting the mission statement and developing a long-range plan. The rest is about shorter-term strategic planning.

Chapter 6 : Long Range Plan | Port of Seattle

For long-range transportation planning, public involvement is important to help articulate the community's/state's vision and goals, provide the public with the opportunity to champion a variety of transportation interests, and receive valuable input into the planning process.

Chapter 7 : Planning: Long Range Planning

Long-range planning essentially is the same as strategic planning; both processes evaluate where the organization is and where it hopes to be at some future point. Strategies or plans are then developed for moving the organization closer to its goals.

Chapter 8 : Long Range Planning Division

Long Range Planning Horizon Definition. Long range planning is a part of corporate planning that clearly states the company's objectives over a long-term period - this used to be about five years, but is now commonly around three years.

Chapter 9 : Long Range Planning | Pasco County, FL - Official Website

Business planning involves setting short-term, mid-term and long-term objectives and scheduling the series of actions necessary to achieve them. Long-range business planning includes developing a.