

### ***Lesson nine\_The Planning School***

This stems from the work of Igor Ansoff (1965) whose book *Corporate Strategy* is another classic text in the field. Another major contributor is George Steiner (1969) with *Top Management Planning*.

The stages in the planning model are:

- \_ Set objectives.
- \_ External audit, including scenario building, industry analysis and competitor analysis.
- \_ Internal audit, ie strengths and weaknesses.
- \_ Strategy evaluation. Several possible strategies are delineated and evaluated with the aim of selecting the best. The comparisons are made chiefly in financial terms using such techniques as risk analysis and the various methods associated with calculating shareholder value.
- \_ Strategy operationalization. This involves a whole hierarchy of strategies and sub-strategies. Long-term plans sit on top, followed by medium-term ones and short-term annual operating plans, each with associated targets and budgets.
- \_ Scheduling – the timetabling of the whole process.

Along with the planning approach came the planners – new senior management positions – whose task was to prepare strategic plans for top management’s approval. Mintzberg and his colleagues argue that the planning approach ‘ran into trouble in the early 1980’s when the activity was cut back in many companies. Most dramatic was its emasculation at General Electric, the company that “literally wrote the book on the subject”.’ Despite this one of the major journals in the field still carries the title *Long Range Planning*, while the UK association known as the 16 *Strategic management and its context Introduction to strategic management* Strategic Planning Society commands healthy support. Mintzberg’s book (1994) *The Rise and Fall of Strategic Planning* tells the full story.