

## Organisation's Business Planning and Strategic Decisions

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**Abstract.** The report examines the nature and importance of the main objectives trends and strategic goals of the organisation G's Group over the next few years and the value of proposals for our main and most important products, in particular, the focus will be on the following three main areas: great place to work-teams and culture; sustainable products sustainability and environmental social and financial integrity; strategic clients-supply chain and innovation in products in a lean and resistant way. As a triple bottom line strategy, these objectives are based on achieving a series of economic, environmental and social measurements, a concept that our most valued clients, consumers, employees and members of the local community demand of us.

**Keywords:** *business planning, business plan, strategy, strategic decisions, organisation, sustainability.*

### Introduction

**Relevance of the article.** Nowadays, one of the main and most important issues for companies and organisations that develop different types of activities is the business plan and the need to prepare it, its proper implementation and control to bring ultimate success, efficiency and profit to the company or organisation. All companies need business planning. It is important for a company to have clarity about its business plan not because of outsiders or organisations, but because of itself. The business plan reflects the main goals, strategy and success of the company. In this aspect, business planning and business plan are necessary for every entrepreneur, for every senior manager, as well as for members of the management team.

The business plan covers the main goals of the company and contains detailed analyses, plans and budgets showing how the goals will be achieved; and at the same time, it is like a road map without which travel is possible, though this will only increase the likelihood of getting lost along the way. Instead of putting yourself in a position where you may have to stop and ask for directions or even go back and start over, entrepreneurs often use business plans to guide them. This is because they help business owners see the bigger picture, plan, make important decisions, and improve the overall likelihood of success. For any entrepreneur starting a business, this is a vital first step. For any entrepreneur who has been in business for a long time but does not have a business plan, this would again be a very useful step.

The purpose of this study is to examine the set of factors that influence the preparation of a business planning, business plan and strategic decision-making of an organisation, following the example of GS Group, a company in the agricultural sector that produces fresh salads and vegetables.

**The object of study** is business planning and strategic decisions of the organisation GS Group.

**The aim of the article** is to present the role of business planning for strategic decisions of the organisation. In this regard, the following tasks are set to present:

- 1) the concepts of business planning and strategic decisions, and their interrelation;
- 2) the role of business planning as a key factor for improving strategic decisions of the organisation;
- 3) the level of business planning in the GS Group and its relationship with strategic decisions.

### *Methods of the article*

The tools used for the study include the following methods: a content analysis of publications related to the topic and analysis of the planning documents of the organisation GS Group, i.e. strategy, plans, programmes.

#### **1. Importance of business planning**

Considered that the essence of planning is manifested in the specification and integration of development goals of the organisation for a certain period of time, the definition of tasks, including the means to achieve them, deadlines and sequence of implementation, determination of material, human and financial resources needed to achieve results, develop implementation and control mechanisms. In a narrow sense, planning is understood as the development of special documents – plans that create the basis for specific actions at different organisational levels. The main task of planning is the optimal use of the organisation's capabilities and prevention of wrong actions that can lead to a decrease in its effectiveness. In organisations, different types of planning can be realised in unity, interaction and complementarity. The process of developing a strategy, ensuring the achievement of organisational goals in the long run in the conditions of high uncertainty of the external environment. Tactical and operational planning is directly related to it. The first aims at defining the planned tasks arising from the long-term goals and providing resources for their implementation. In the process of operational planning, the greatest concreteness and detail is achieved in the company planning. As a result of the planning process, there is a variety of types of plans, forming the system of planning documents of the enterprise. The planning period and their content are determined by the nature of the activity, the functions of the internal structure of the organisation and a number of other factors. The effectiveness and quality of planning depend on the form of its organisation and the degree of compliance with the basic principles of planning/subordination of the whole, continuity, stakeholder participation (Vladimirova, et al., 2012; Slavova, 2011; Kamenov, 2008).

The role of the business plan, as an integral part of a company's business strategy, is constantly growing, especially in modern business systems. Nowadays, the business plan is one of the mandatory documents you need to be developed by the manager before starting the actual activity of the company. The business plan needs to be constantly updated and adapted according to the impact of various external and internal factors and circumstances arising in the business environment in order for it to be relevant to the set goals and objectives.

Why is business planning important? Good planning is an important tool that allows entrepreneurs to set their goals and track their progress as their business begins to grow. Creating a business plan should be the first thing you do when starting a new business. Plans are also important for attracting investors so that they can determine if a business is on the right track and worth investing in.

Business plans improve the chances of business success as they show market analysis, competition analysis, customer segmentation, marketing, logistics and operational plans, cash flow forecasting and the overall path to growth and development. It is no coincidence that among the important factors for making adequate strategic and operational management decisions are the availability of the maximum amount of current information and its rapid processing (Stoyanova, 2019).

Among the main reasons that outline the importance of business planning are:

- *To help with critical decisions*

Although business plans have many goals, the paramount importance of the business planning process is that it helps business owners make better decisions.

Entrepreneurship is often an endless exercise in decision-making and crisis management. Sitting down and considering all the consequences of a decision is a luxury that entrepreneurs cannot always afford. Thus, the business plan becomes an indispensable assistant.

Business planning, and in particular the development of a business plan, makes it possible to determine relatively accurately the response to some of the most critical business decisions, as well as to determine strategic decisions in advance. Creating a solid business plan answers very difficult questions, even before they arise. Planning also provides in-depth thinking about the strategic vision for the development of the organisation, for making major strategic decisions and how these decisions will affect the overall strategy.

- *To smooth curves*

Creating a business plan requires entrepreneurs to ask themselves very difficult questions and take the time to come up with well-researched and insightful answers. Even if the document itself disappears as soon as it is completed, the practice of writing helps to formulate the vision realistically and to better determine whether there are gaps in the strategy.

- *To avoid big mistakes*

Although there are many reasons why small businesses fail, many of the most common are purposefully addressed in business plans.

According to CB Insights, some of the most common reasons why a business fails include:

- *no need for a market* (no one wants what you sell).
- *lack of capital* (problems with cash flow or business simply run out of money).
- *inadequate team* (this emphasises the importance of hiring the right people to help you run your business).
- *heavy competition* (it is difficult to generate a stable profit when you have a lot of competitors in your space).
- *pricing* (some entrepreneurs rate their products or services too high or too low; both scenarios can be a recipe for disaster).

However, business planning, the exercise of creating a business plan, can help avoid these big mistakes. Whether it is cash flow forecasts or product market fitness analysis, any part of the business plan can help detect some of these potentially critical errors before they occur, or help make decisions that will keep them to a minimum.

- *To prove the viability of the business*

Many businesses are created by passion, and although passion can be a great motivator, it is not a proof. Planning exactly how to turn this vision into a successful business is one of the most important steps between concept and reality. Business planning can help confirm that an idea makes good business sense.

Implementing the business planning process itself can be considered a strategic organisational decision because the strategy clearly shows how organisations plan to win (Zlateva, 2015). To explain the relationship between business planning and organisational strategy, we can create an analogy that sounds like this: business plans implement strategic decisions.

## **2. Business planning and strategic solutions of the example of G's Group**

Practice shows that the underestimation of planning as a function of management leads to economic losses for any company operating in today's market environment. Therefore, we will consider the

formulation of the main goals and objectives facing the organisation G's Group in the long run to ensure its financial stability and competitiveness in the market.

Therefore, the following several main goals and objectives of the organisation should be noted:

- To guarantee a year-round supply. Thanks to our production to grow the highest quality and freshest product all year round in different places depending on the season;
- To build on the extensive experience in managing categories with international traders and mature markets;
- To offer different sizes of packages, presentations and brands to meet the demand of different customers;
- Ensure food safety;
- To use opportunities for introduction of new technologies;
- Achieve environmental and financial sustainability through a five-year development plan;
- Ethical and social responsibility.

In order to achieve the desired results and success for the organisation, it is necessary to go through several stages, which are part of the business planning and the accompanying strategic decisions.

Processes and stages such as crop creation and plant growing-farming-further process, packaging-sales and marketing are first and foremost. The next important task is how to ensure the fastest delivery of a very good, quality and fresh product to the final user with a minimum shelf life and freshness. Trust, efficiency, quality, expertise, capabilities are just some of the common promises for final users and are at the top of the range of tasks that generally manage the organisation's strategy. Also, to be recognised as an exceptional organisation, market-driven and suppliers of sustainable, healthy, fresh products, and to be at the forefront of the industry in everything the organisation does. A progressive organisation must make a difference by developing people who care about the environment and support local communities.

In order to be responsible to itself and its employees, the organisation G's Group must assume and maintain strict corporate social responsibility, which includes the following rules:

- Manage environmentally sustainable businesses while minimising environmental impact through efficient resource management while remaining profitable and competitive
  - Have a positive impact on local communities, mutual forging useful long-term relationships
  - Produce products ethically and responsibly while supporting organisations, suppliers and customers to promote sustainability throughout the supply chain
- Work safely along with a sense of well-being while treating each other with dignity and respect and supporting everyone in reaching their full potential.

The next step with a very important role in the development of a successful business is investing in the training of young and ambitious people who are the future and key drivers of the organisation.

These people must join a potential management training scheme used to develop the leaders of the future.

To provide an opportunity to get to know each person better and an opportunity for young people to get involved in real business and find the best place to work to start a career.

The development strategy requires the training of young people. It takes into account their location and in accordance with the individual, with international opportunities, with the help of a special mentor to guide their careers, apprenticeships for leadership, management and professional and personal development.

The next step for the successful existence of the organisation is the commitment to employees and this is invariably related to the planning of:

## MANAGEMENT AND COMMUNICATION SYSTEM

- Integrated system for improving communication channels
- Ideas for improving safe behaviour

## RIGHT

- Workers representatives
- Equal opportunities
- Anti-harassment policies and protocols in place

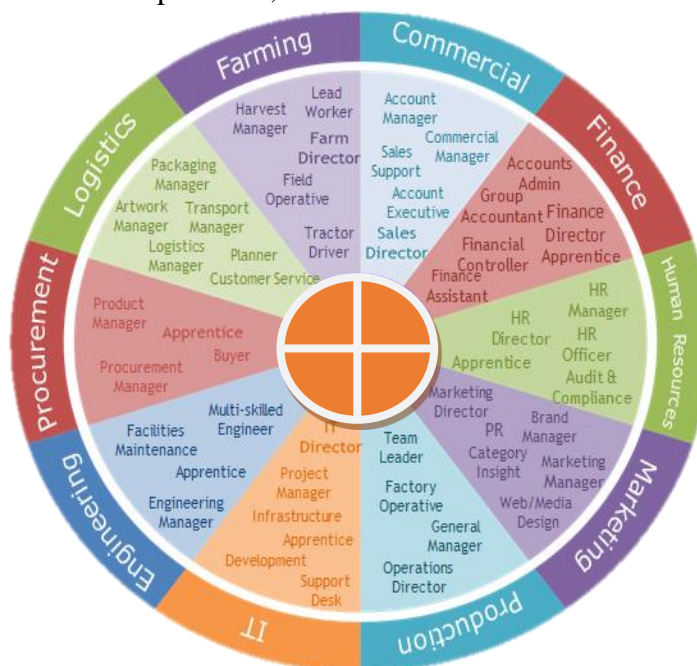
## OPPORTUNITIES

- Flexible working day to meet family needs
- Maternity and maternity leave

## PROMOTION

- Internal promotional system
- Training and development plans and performance reviews
- Psychosocial care of employees

The strategy for the development of the organisation G's Group envisages in the future the presence of job positions, people who have potential, share values and strive for achievement:



Source: created by the author

**Figure 1. Job positions in G's Group**

The implementation of the operational plans does not provide a look ahead and a vision for the future opportunities for the organisation and the challenges that lie ahead. In order to avoid surprises and follow the right path, development planning needs to consider the economic efficiency of the specialisation. It is cheaper to get a cooperatively produced product, completed by self-specialised companies than to produce each part in small quantities. Here the effect of large-scale specialised production and the effect of concentration and specialisation of production are unconditionally manifested (Stoyanova, 2020).

Planning is needed that can mark strategic decisions for the organisation G's Group:

*Creating a great place to work that requires:*

- building teams with high performance, results-oriented;
- empowering teams with information, competencies and resources to facilitate direct decision-making in favour of the organisation;
- ensuring leadership in ethical practices, safety and strengthening the sense of purpose and commitment to employers;
- achieving high job satisfaction, financial results and global results from a good job.

*Production of sustainable products*

- adoption of the principles of regenerative agriculture to achieve high-quality crops and economically sustainable returns and increased biodiversity;
- developing its own circular economy in order to minimise waste in all activities;
- benefit from the value of technology, valuable agriculture and a fully integrated system to facilitate data-based decision-making;
- measuring the positive impact of all teams and business on the environment and community and the return on all activities;

*Strategic clients*

- becoming the first unsolvable supplier for strategic customers, as the main products deliver to our customers high quality and level of service that exceeds their expectations;
- continuous investment in our production base and development of a strong and sustainable supply chain;
- involvement of new producer partners and new commercial realities, measured by global product margin, total sales and market share;

We will achieve all these main goals with a strategy G's Group for a triple result, which is presented below.

Table 1

**Strategy G's Group for a triple result**

| CMI              | OBJ. MAIN 2025   | OBJ. SOCIAL  | ENVIRONMENTAL OBJECTIVES  | FINANCIAL OBJECTIVES  |
|------------------|--|--|---|---|
| <b>CUSTOMERS</b> | <b># 1 In strategic clients (in main products) ...</b> | New OFPH partners and local business partners, offering a new and transparent access to the opportunities of the European market.  | Increased resilience across the core production base and supply chain from field to end consumer. Reduction in the frequency of food safety incidents.  | Higher average returns and production margin. Greater market share and sales growth in DNP. External reject cost reduction. |
| <b>PEOPLE</b>    | <b>Great place to work ...</b>                         | Increased job satisfaction and sense of purpose through greater empowerment, greater commitment, ethics, and health and safety at all levels.  | Technical training to reduce inefficient practices, reduce product defects and improve the culture of good the first time   | Reduction of person turnover. Higher productivity 2% / year in direct and indirect cost and salaried work / unit sold.      |
| <b>PROCESSES</b> | <b>Sustainable products ...</b>                        | Identification of the means to have a positive impact on local communities. Integration of systems to achieve greater transparency throughout the supply chain and ensure that performance is properly recognized. | Increased health and role of wages, water management, plant, insect and reptile biodiversity, and carbon sequestration through regenerative agriculture. Technology-supported waste reduction throughout the supply chain through the principles of reduce, reuse, recycle including zero waste to landfill | Net return increase / hectare. Lower supply chain cost driven by efficiency. Lower administrative costs. ISO 45001          |
| <b>BENEFITS</b>  | <b>Sales growth /5% Net Profit</b>                     | Reinvestment of 100% of the profit (after taxes and debt reduction) to develop local business activities, promoting economic activity and subsequent job creation.   | Investments in supply chains, including; efficiency and renewable energy projects. Better inventory management / reduced obsolete, better asset utilization.  | 5% net profit / increasing net sales. Cash generation. Debt reduction   |

Source: created by the author

It is known that the implementation of sustainable development at the national level is based on strategies, and although they are not legally binding documents, they are of particular importance (Mikalauskiene, et al., 2018). Socially responsible companies must also develop their sustainability strategies according to their specifics in their business activities. This can be defined as a strategic decision for the direction of their development.

The future is generally characterised by a high degree of uncertainty, and in a world with rapidly changing information flows, it is growing significantly. A challenge for any organisational management, G's Group as well, is to be able to do business planning in response to the strategic vision for development and the decision to implement it. An important prerequisite for this and increasing competitiveness is the application of innovation management, creation of the necessary innovation infrastructure and maintenance of innovation activity at different levels (Zlateva, 2019).

However, acquiring a complete picture of the business from the target customer to production, delivery and product feedback, before preparing a specific business plan is needed to clarify the basic logic of a company. In this way, changes in the external environment can be responded to quickly and effectively (Pavlov, 2011).

### **Conclusions**

A successful business project is characterised by the presence of an effective business strategy that helps to properly allocate and manage the available resources in the organisation and to achieve specific company goals. In most cases, the business strategy includes the formation of the main goals of the organisation, defining ways to successfully and efficiently implement them, creating and managing available resources, and creating a business model-guide on how to most effectively manage a business project (business plan). Therefore, we can assume that business strategy is both strategic planning and strategic thinking. The business plan as part of strategic planning is the practical application of business strategy.

In conclusion, it can be summarised that the role of the business plan is a key tool in the implementation of strategic decisions, and business planning as the main function of management fills the management process with content. This requires some prerequisites, such as integration of the planning system into the management system; establishing rules and procedures for summarising and dividing plans at different levels; meeting the needs of the planning process; if possible, use of specialised software; purposeful training and job training of managers to master modern methods and techniques for strategic planning and management.

Modern science and practice consider business planning as an important tool that serves to reveal the prospects for business development; targeted provision, allocation of resources; increasing the ability of management to make management decisions in an environment of uncertainty, risk and others. Practice unequivocally confirms that the success or failure of a company is largely embedded in planning and plays a key role in the development of entrepreneurship and small business.

The successful start of a business can only be guaranteed by a well thought out and carefully developed business plan. It should be noted that the tendency for domestic entrepreneurship to become a driving force for revolutionary changes in corporate governance. Large corporations are moving to an entrepreneurial form of organisation, providing freedom of action and internal capital to their divisions to implement innovative ideas and endeavours.

Modern entrepreneurship is related to the need to apply a planned approach and tools to identify and maximise the opportunities and strengths of entrepreneurial endeavours and minimise costs and weaknesses. Business planning is a support for the strategic development and successful growth of

companies with their business plans. Finally, we will summarise that no matter how good the business plan of any organisation, people will always be the key, because they make the operational, tactical and strategic decisions for planning.

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