

Theoretical Analysis and Business Practices About the Issue of Corporate Planning

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ABSTRACT

This is the critical period of my country's 14th Five-Year Plan. The dual background of the tremendous changes in the external situations and the needs for internal development have put forward higher requirements for the systematic, accurate and scientific corporate planning. In this context, in order to provide guidance for the management of corporate planning, this paper systematically studies the issue of the corporate planning from the theoretical perspective and the practical perspective. First, a detailed arrangement and systematic review about the research results of enterprise planning theory has carried out in this paper at home and abroad, and then the corporate planning management practices of three world-class companies are analysed, including IBM, GE, and Huawei. Finally, on this basis, some remarkable suggestions and opinions for the planning and management of Chinese enterprises are introduced.

Keywords: *planning, business management, management practice*

1. INTRODUCTION

2020 is the final year of the "13th Five-Year Plan" and the year of planning for the "14th Five-Year Plan". With the acceleration of economic globalization and increasingly fierce market competition, the external environment faced by enterprises is more complex and changeable, and the internal development needs are constantly increasing. In the face of new requirements and the situation of strategic innovation and management innovation, strategic planning needs to be effectively improved. The main manifestation is that the theoretical and practical basis for strategic planning needs to be further improved, and the quantitative basis for planning environmental analysis needs to be strengthened.

From the theory of planning, planning is often used together with strategy in business management. Some scholars believe that strategic planning is to formulate the long-term goals of the organization and implement them. It is a formal process and ceremony [1]. Some scholars even believe that corporate strategy itself is a top-down overall planning process. At this stage, although strategy and planning are gradually being used separately, strategic planning is still an important principle of corporate practice, and strategy and planning are closely related.

For enterprises, corporate strategic planning is the fundamental program guiding the development of business operations. At the same time, establishing a planning management system is also an important task

for building a modern enterprise. Strategic planning is a process by which an enterprise is based on its thinking about the future, through analysis of its internal and external environment, its strengths and weaknesses, and its problems and challenges, to formulate long-term goals for the organization and implement them. Enterprise planning is a complex and comprehensive task. It requires strategic planners to fully grasp the political, economic, and technological development trends of the entire country and even the world, as well as accurately grasping the development trends of the industry in which the enterprise is located. At the same time, it is also necessary to fully integrate the values of top corporate leaders. The core content of enterprise planning mainly includes clarifying the development direction of the enterprise, proposing business objectives and plans, formulating enterprise resource allocation plans and action plans, and guiding the daily operation and management activities of the enterprise.

In order to provide guidance for the management of corporate planning, this paper sorts out the basic theory of domestic and foreign enterprise planning management in detail. Secondly, this paper takes IBM, Huawei, and GE as examples to analyze corporate planning and management practices. On this basis, the experience enlightenment and important suggestions of enterprise planning management are given.

2. BASIC THEORETICAL ANALYSIS OF CORPORATE STRATEGIC PLANNING

2.1. Researches at Abroad

Strategic planning management theory has made great progress since the 1940s and 1950s, and the theoretical system of enterprise planning has gradually matured. As a systematic and scientific discipline, the theory of corporate strategic planning management has gradually evolved into traditional strategic management theory, competitive strategy theory, core competitiveness strategy theory, and comprehensive theory based on ability and strategy. Throughout the process, the theoretical system of corporate strategic planning management has been continuously enriched and improved.

Among them, Michael. E. Porter introduced the viewpoint of strategic positioning in his works "Competitive Strategy" and "Competitive Advantage", and deemed that how to obtain a company's competitive advantage is the key to corporate strategic planning management. The factors that affect a company's competitive advantage mainly depend on the profitability of the company's industry and the company's relative position in the industry. Amoli analyzed the success factors of corporate strategic planning management. Finding the factors that affect the successful implementation of the planning can manage more effectively and predict possible changes in time. For key factors, companies

can make full use of opportunities and resources to make human and material resources more effective. Riahi showed that the combination of analytic hierarchy process and strategic management can better evaluate the scheme of strategy planning. The implementation of the strategy is not constant, it changes dynamically, and is a process. When the environment of the enterprise changes, the implementation of the planning should be adjusted accordingly. Therefore, in the process of implementing the planning, the Analytic Hierarchy Process is used at any time to effectively implement the planning scheme. If the evaluation result is not satisfactory, the enterprise should change and revise the strategy implementation plan as soon as possible.

2.2. Researches at home

The theory of corporate planning management was introduced into China relatively late, and it was not widely accepted and recognized until the 1980s [2]. It can be considered that Liu Jisheng pioneered research in related fields in our country [3-4]. In addition, Qiu Haixiong, Xi Youmin and others have studied the relationship between social networks, corporate development and corporate performance from network vision [5]. Kuowei proposed the innovative management of state-owned enterprises in terms of industrial framework, organizational system, and product characteristics. The representative figures and representative works at home are shown as Table 1.

Table 1 Representative researches at home [2]

Representative figure	Representative theory	Core points
Wang Yingluo, Li Yuan	Flexible strategy theory	Flexible strategy theory believes that corporate strategic planning refers to the realization of future development goals of the enterprise. It needs to change various forms in a dynamic environment and make full use of the existing resources of the integration department to continuously improve competitiveness.
Gu Naikang	Enterprise knowledge theory	The theory of enterprise knowledge believes that enterprise strategic planning is to enable the growth of enterprises through knowledge acquisition to play an increasingly important role in enterprise management, which has attracted widespread attention.
Licensing, Xu Ming	Resource and Capability Relationship Theory	The theory of the relationship between resources and capabilities focuses on the research and analysis of the relationship between the resource school and the capability school, and demonstrates the development process and mutual influence of corporate strategic planning.

3. ANALYSIS OF TYPICAL PRACTICE OF EXCELLENT ENTERPRISE PLANNING

3.1. IBM

For the formulation, execution and evaluation of planning, IBM has proposed a business leadership model (BLM model), also known as the business leadership model. As a method and platform for connecting strategy formulation and execution, and evaluation, the BLM model proposed by IBM can be compared with the famous Boston matrix, SWOT analysis, and Mike Porter's five forces model. The BLM model helps the management to make regular strategy formulation, adjustment and execution tracking from the aspects of strategic intent, market analysis, innovation focus, business design, key tasks, formal organization, talents, atmosphere and culture. The BLM model deems that strategic planning is motivated by dissatisfaction. These dissatisfaction is a perception of the gap between the status quo and the expected performance. Strategic evaluation is to find the gap between the target and the actual situation and the reason, and then initiate the change and strategic planning. The enterprise gap can be mainly manifested in two aspects: one is the performance gap, and the other is the opportunity gap. In order to solve these two gaps, corporate strategic planning can include the strategic planning intentions, the market analysis, the innovation focus, the business design, the key tasks, the formal organization, the talent team, the corporate ecology, etc.

3.2. GE

GE has carefully constructed a "business management system" with an annual cycle and a quarterly unit. This system can ensure the planning and formulation of the headquarters to transform corporate vision into actual actions. At the same time, as an open and institutionalized platform, senior leaders, executive managers and employees from the headquarters and various business groups can compare gaps, exchange and share successful experiences and measures the business implementation.

The main task in the first quarter was the launch of the new strategic plan. GE held a meeting of operations managers attended by the leaders of all business departments around the world. The meeting mainly discussed the business list submitted by each business leader and announced the launch of the new year's planning and implementation plan. At the same time, the company is fully committed to implementing the new strategic plan. In addition, the company held an executive meeting. The main content of the first quarter is to check the response of customers and

markets, and check whether the resources required to implement the strategy are sufficient.

The main task in the second quarter is to check the implementation progress and effects. First, the company conducted an anonymous CEO survey of employees online, asking them whether they felt the implementation of major initiatives, how their customers responded to them, the status of resource support during the implementation process, and whether internal communication was smooth. At the same time, GE began to conduct performance appraisals on all business leaders and employees. In addition, the focus of the work in the second quarter is to summarize the excellent experience in the implementation of the strategy, inquire about the leadership in the implementation process, and summarize the customer's process and influence on the implementation of the new strategy.

The main task in the third quarter is the strategic planning stage. GE holds regular strategic planning meetings. The theme of the meeting is to analyze the economic environment and the competitive environment, discuss the overall financial return, propose new measures or strategies, and analyze the resources required for implementation. At the same time, the results of the discussion and suggestions are collected and discussed at the executive meeting.

The main task in the fourth quarter is the operational planning stage. The purpose of this phase is to transform the strategic plan into an implementable operational plan. GE held a company-level manager meeting attended by global managers. All business leaders are required to propose a detailed operational plan, including the desired goals and the business plan of each business department. In addition, the main topic is to formulate an implementation schedule for the operation manager meeting, and to adopt key action measures proposed by each business department.

3.3. Huawei

Based on the introduction of strategic consulting services from well-known companies and summarizing its own development experience, Huawei has formed a core framework for strategic planning management, including strategic planning insights, strategic planning formulation, strategic planning decoding, strategic planning execution and evaluation.

1. Strategic planning insights. Strategic insight is to conduct environmental and value analysis, and output strategic opportunities by looking at industry trends, market customers, competition, yourself, and opportunities.
2. Strategic planning formulation. Based on strategic insights, formulate strategic goals and strategies. On the one hand, the business design for strategic opportunity points, including customer selection,

value positioning, profit model, business scope, strategic control points, organization, etc. On the other hand, formulate mid- and long-term strategic plans, including three or five year plans, financial forecasts, customer and market strategies, solutions and strategies, technology and platform strategies, quality strategies, cost strategies, delivery strategies, etc.

3. Decoding strategic planning. According to strategic goals and strategies, formulate annual business plans, such as annual action plans, business priorities, key financial indicators, budgets, and organizational KPIs. At the level of company business, departmental business, and job business, Huawei decomposes business priorities and KPIs from six major areas.

4. Strategic planning implementation and evaluation. Huawei monitors and evaluates strategy implementation from four aspects: finance, customers, internal processes, learning and growth, mainly through a balanced scorecard. Among them, in terms of finance, evaluate the completion of KPIs, comparison with competitors, and company performance and deficiencies; in terms of customers, evaluate customer satisfaction and internal customer satisfaction; in terms of internal processes, evaluate departmental business strategies, core competitiveness enhancement measures, and departmental work Key points and project implementation, etc.; in terms of learning and growth, assessing professionalization and skill improvement, and the creation of organizational atmosphere.

4. CONCLUSION

In order to provide guidance for the management of corporate planning, this paper systematically studies the issue of the corporate planning from the theoretical perspective and the practical perspective. Some remarkable conclusions can be summarised as following.

1. The analysis of the factors affecting company planning should be guided by strategic thinking and methods. Planning is produced with the emergence of strategic thinking and strategic theories. It not only inherits the comprehensive and long-term characteristics of strategy, but also absorbs the standardized thinking of planning management in strategic management. Therefore, it is a basic premise to analyze the influencing factors of company planning with strategic thinking.

2. The analysis of the influencing factors and mechanism of company planning is a systematic process, and a combination of qualitative and quantitative analysis should be adopted. When we analyzing the influencing factors of the company's planning and its influence mechanism, a combination of qualitative and quantitative methods should be adopted, which not only realizes the accurate description of the key factors, but also realizes the

overall understanding and comprehensive judgment of the influencing factors.

3. Planning rolling adjustments are made based on changes in internal and external environments during the implementation process, and the size of the adjustment is related to the degree of environmental changes. Enterprises can make partial or overall adjustments to the plan according to changes in the external environment. The impact of various environmental factors on enterprises often starts from a certain aspect. Therefore, enterprises should first adjust the aspects that have the greatest impact.

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