



**UNIVERSITY OF NICOSIA**  
**ΠΑΝΕΠΙΣΤΗΜΙΟ ΛΕΥΚΩΣΙΑΣ**

# Planning

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# Lecture's topics

- What is planning?
- Why is it important to analyse the external environment?
- How can we analyse the external environment?
- What are the basic steps of planning?

# What is Planning?

Planning includes defining **goals** and establishing **strategies**.

Planning is concerned with **ends** as well as with **means**.

# Advantages of Planning

- provides direction
  - reduces uncertainty
  - reduces wasteful or overlapping activities
  - helps to use resources efficiently
  - establishes standards that help people to monitor progress
- etc.

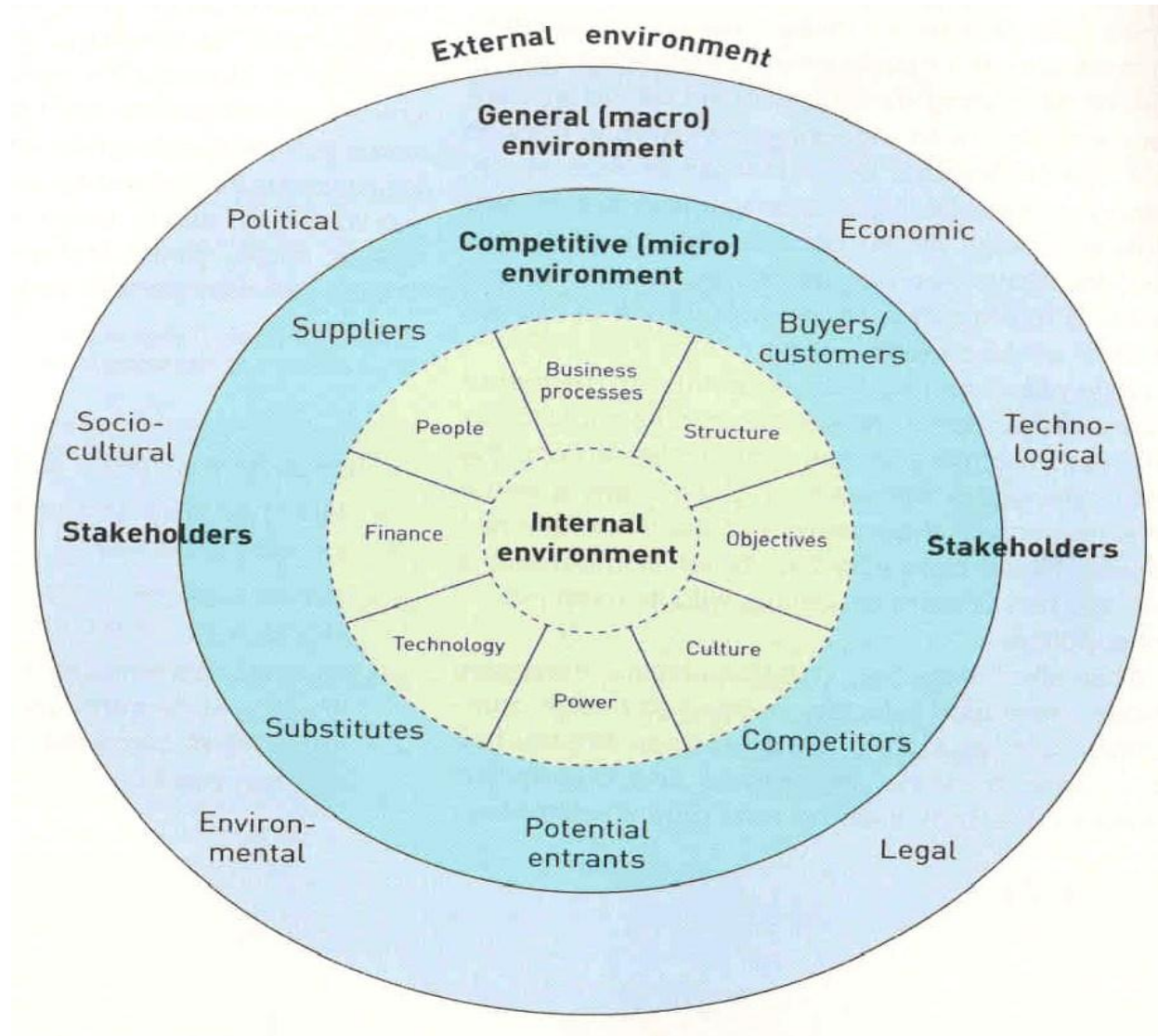
# The external environment

Planning is also very important because the external environment of an organisation is changing all the time.

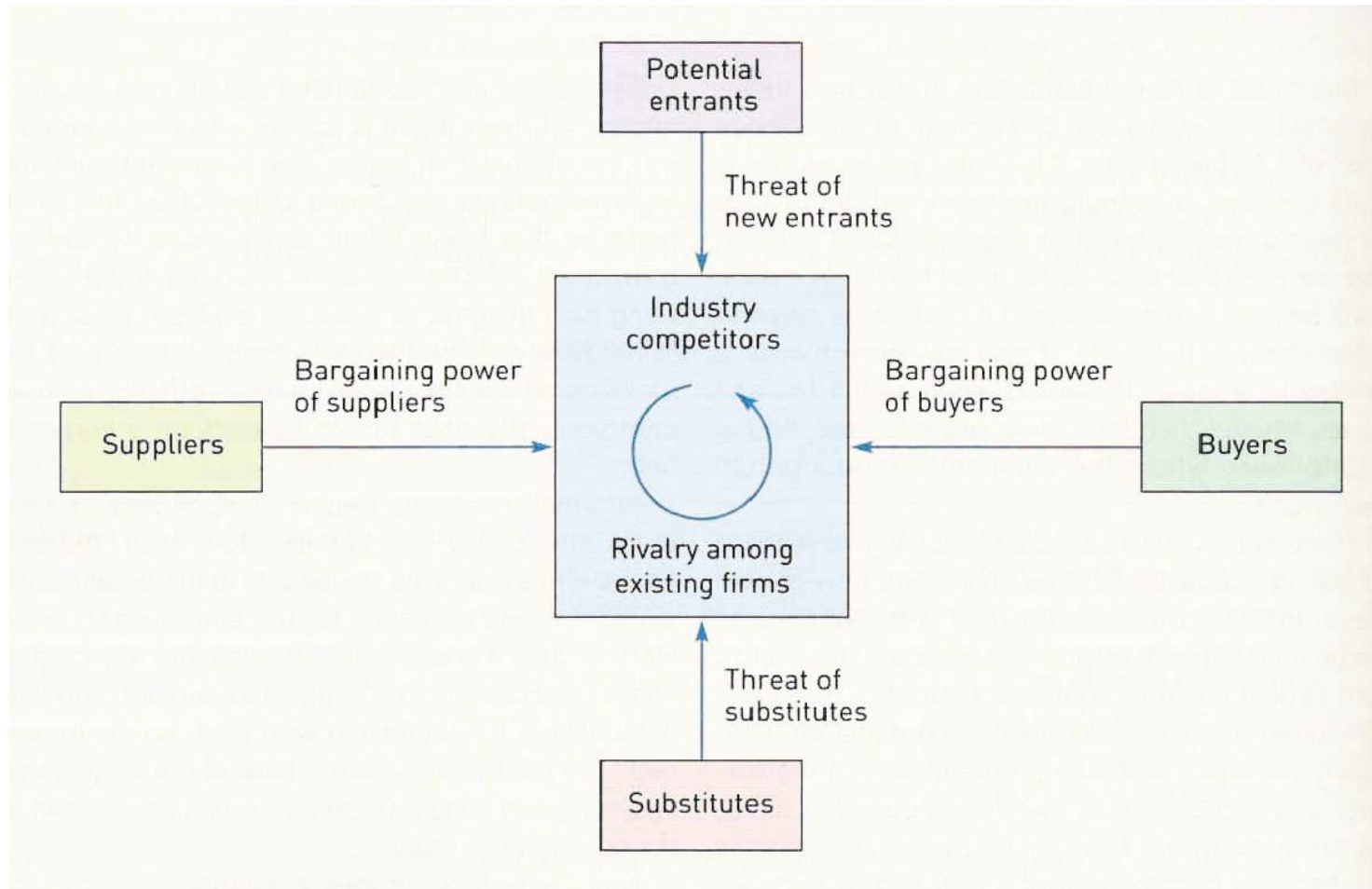
# Changes in the external environment

- new trends in the market
- advances in technology
- a new competitor
- new government policy
- the weather
- a disaster
- a financial crisis
- etc.

# The organisation's external environment

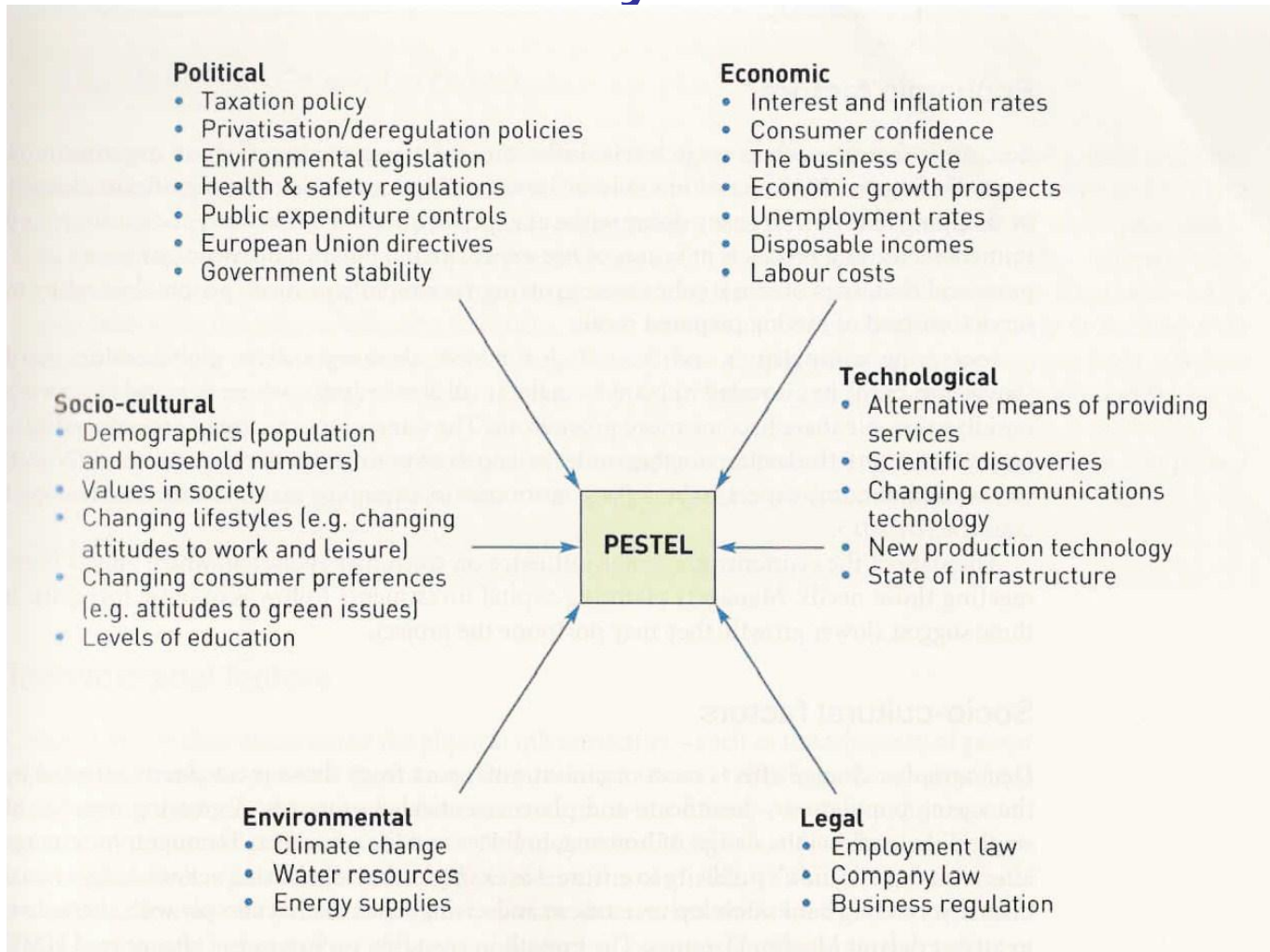


# The micro environment - Porter's five forces model





# The macro environment – PESTEL analysis



# Types of Plans

## Strategic plans:

- apply to the entire organisation and establish the organisation's overall objectives
- long-term

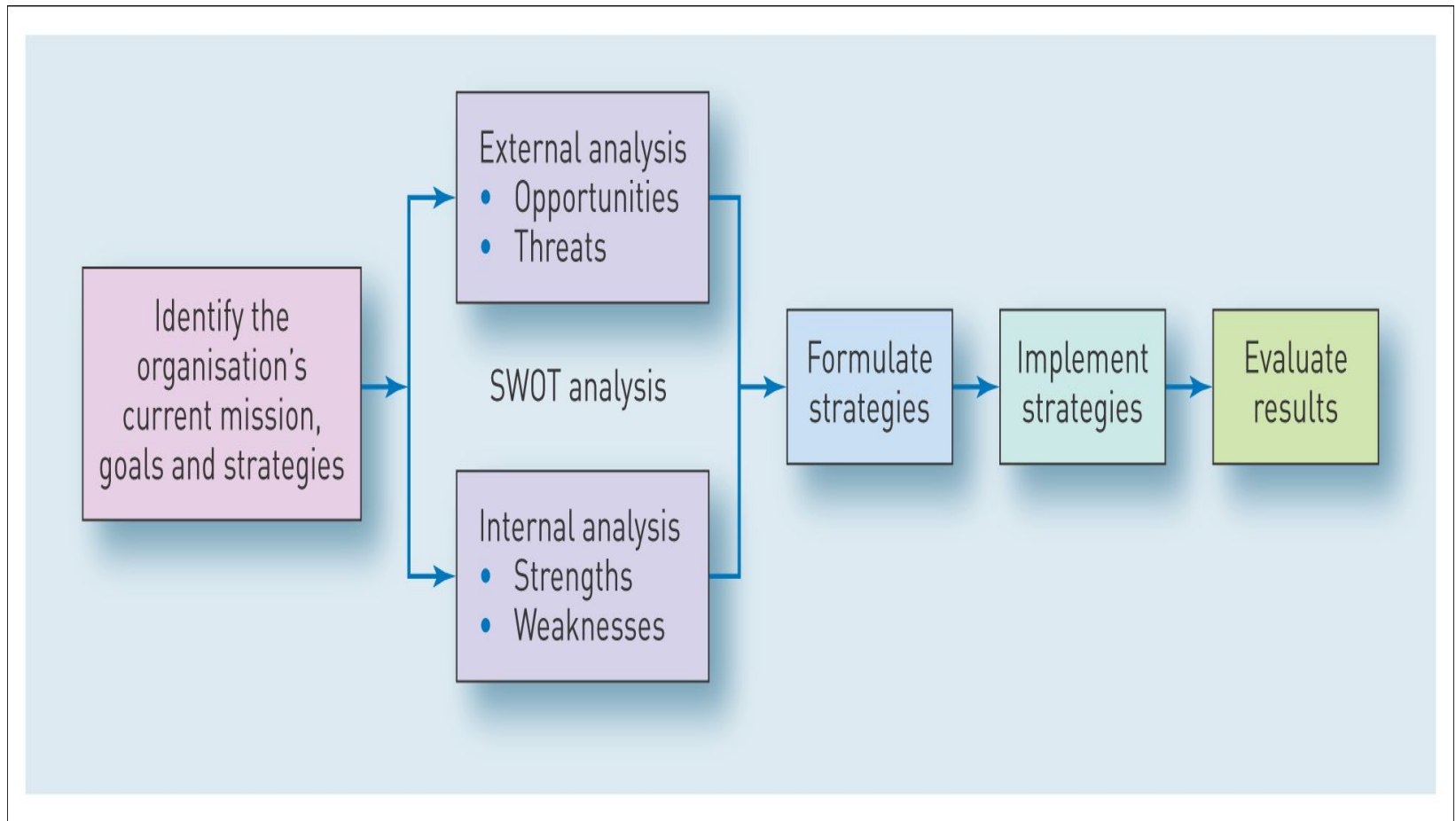
## Operational plans:

- specify how the overall objectives are to be achieved
- short-term

# The Strategic Management Process

- the process that senior management goes through in order to develop the organisation's **strategy**
- a five-step process that involves strategic **planning**, **implementation** and **evaluation**

# The Strategic Management Process



# The Strategic Management Process

Step 1: Identify the organisation's current mission, goals and strategies.

# The Strategic Management Process

## Step 2a: External analysis

Identify **opportunities** (i.e. positive external environmental factors) and **threats** (i.e. negative external environmental factors).

External analysis can be based on Porter's five forces model and PESTEL analysis.

# The Strategic Management Process

## Step 2b: Internal analysis

Identify **strengths** (all the things that the organisation does well) and **weaknesses** (those things that the organisation does not do well or the resources it lacks).

# The Strategic Management Process

The organisation carries out a **SWOT** analysis by merging the externalities (step 2a) with the internalities (step 2b) in order to reassess its mission and goals.

SWOT stands for **Strengths**, **Weaknesses**, **Opportunities** and **Threats**.



# The Strategic Management Process

Step 3: Formulate strategies.

# The Strategic Management Process

Step 4: Implement the selected strategies.

# The Strategic Management Process

Step 5: Evaluate the results.

# Group Work

In small groups carry out a SWOT analysis for the University of Nicosia. What are the main strengths and weaknesses of this organisation? What opportunities and threats can you identify in its external environment? What strategy would you recommend for this organisation to follow over the next few years?