



Strategic Evaluation of Business Planning, Financial Planning and Controlling Methods

A Suresh, N Sai Sree, N. Naga Sai, K Nimmitha, K S Sibin Kumar

Department of Mechanical Engineering, CVR College of Engineering, Hyderabad, India,

ABSTRACT

Business planning at the outset is an important characteristic to be emphasized for the entrepreneurial skills. The present paper is an outcome of strategic evaluation of various business plans and their critical outcomes. In addition to it the financial planning its role and significance is evaluated critically. The various facets of the information are critically analyzed by reviewing the number of standard papers in this field. Particularly the strategic and short term plans are evaluated for the ease of application in the business planning and implementation. Also the financial planning and controlling the activities in the business environment are assessed.

Key words: Business planning, financial planning, controlling methods.

1. INTRODUCTION

As mentioned in the abstract the business planning is an essential tool to archive the objective. With the detailed study and analysis only it can be made possible for the people to formulate a plan that is of result oriented. The present work emphasizes on the logical and technological aspects of the planning for the business. This was made after the through study and understanding of the various aspects of the business and its planning.

There are so many definitions for the business planning but all it comes to the corner to a relation that do exist between the demand and supply. Basically the exchange of either services or goods as one for other prior to suitability and compatibility it is called as trading. But if the same process is done by the usage of money it is called business. It is a basic understanding. And coming to the planning for the business the understanding for the planning is desirable to know its value.

With this as a motive the work was made. From the research paper of Benson Honig and Michael Samuelson (Swedish Entrepreneurship forum) it is evident that the methodological approach to the planning for the business gives the best result. And that can be made optimized using the relevant functions too. Without any planning doing the business is very risky and may incur losses. The fundamentals of the planning and business were discussed along with the description of business planning. And next the need and necessity for the planning of business was elucidated with ease. It describes the adverse effects if the planning was not made. (Rhonda Abrams, 2019)

And also the objectives or the parameters needs to be considered for the planning of the business were set and they were explained to the extent desirable. Any business organization do needs the planning and the planning is not only limited to the business for any work it can be applicable. This is a major aspect in the work. Depends on the individual perceptions various persons have formulated their analogy about the planning and business. Using of all that data and information is a cumbersome task. Hence this work was expressed after the through study, understanding and analysis of the literature presented under the sky. A better way of planning for the best results was the used in this work.

Next the vision and missions to archive the objective was postulated. It also enhances the types of goals and role of planning in setting up of the goals in order to avoid the voids between the thoughts and actions. As though there are numerous number of planning was derived the emphasis is made on the strategic planning. The complete analysis of the strategic planning is elaborated. Such as the nature, scope and characteristics of the strategic planning coupled with its advantages and disadvantages were written. Next the focus is made on the short term planning; its features and characteristics were analyzed. In addition the advantages and disadvantages were written.

Then the reason behind using of the above said planning for the business was analyzed. The chief distinguishing features of these planning apart from the other were described. Next the various financial accounting methods used in the planning for the business were given. The presence of these methods in the business and their absence alone with the individual capabilities of these methods was illustrated. Finance plays an important role in acquiring the fruits of the business. And the quantities that are specified numerically are better for the analysis. Because no matter how important the things are if they are scarce they must be managed according to the demand and supply for that the accounting is needed. Again accounting in business is of multiple times it often uses the various functionaries of the accounting and all these are explained in the sub sequent chapters.

After the above work the skills that are illustrated in the above process for the planning and accounting along with the methods of controlling of the parameters was explained. Here the term controlling comes it means the adding or subtracting the quantities that are used in the business. These quantities may be are of dissimilar nature and sometimes they do have the multidisciplinary characteristics too. Hence these must be specified and given importance for the better utilization of the plans.

Then the interpretation of the business plans was made to ascertain the deep understanding and as well as for the better formulation of the methodology in future course of time. This is very helpful in analyzing the business and plans that are of various nature. This also supports the logical thinking while formulating the plans. (Michael Kraten, 2020)

Next the recommendations that are needed for the above said plans to identify them and make them better furthermore. These are developed by the complete understanding of the concepts involved in the plans that were used in the business. And it comes with the real time experience made by the understanding of the literature and data concerned about the business planning. This is extended further to the concepts of accounting and controlling methods too.

Then the various problems encountered in acquiring and understanding of these plans was given. (Rhonda Abrams, 2018) And while making this analysis the boundary conditions that are to be considered for the betterment were included. By doing the above process the knowledge acquired and also the concept that was developed is included. What are the things that were determined after the detailed understanding and analysis were included. At the end the conclusions were given. This part includes the various outcomes that were come after this work. It also specifies the results and their importance in the further process.

2. BUSINESS PLANNING LITERATURE SURVEY

It is a process of formulating a plan that is needed for business activities. The plan is made by the study and analysis of the activities that are involved directly and indirectly in the business. At first the aim or the objective is to be fixed. Then the detailed literature and case studies have to be studied with an emphasis made on objective. This will illuminate the mindset and makes an arena towards the objective of making the business. Then the compilation and coordination of the data and the limitations such as boundary conditions have to be understood. This will make an idea about the know-how concept in formulating the plan for the business.

As the business is not unique in nature based the goods or services the plan do changes one from the other. Usually the business planning is made as a written document. This will work as a foundation to the business. The business plan do consists of the various segments such as financial, operational and marketing etc. This will help in the overall design and development of the business. In addition to the above tasks the business also has the strategies and actions for the work to be archived. (Rhonda Abrams, 2017) Generally the objective of making a plan for the business is huge. That's the reason the complete work that is to be planned is break down in to small activities such that the process of formulation becomes easy and effective.

Planning leads to perfection in the work. Most of the times this planning is done by a thorough discussion such as brain storming that are collective opinions discussion to make a better and wise plan. This is covering the various segments of the market and business areas in a collaborative manner. Generally the planning is of various types. Suppose if the classification is made with respect to the time horizon then the planning may be of types such as short term planning, medium term or range planning, long range planning and much larger a project planning. All of these were in the ascending manner. Like this based on the emphasis being made the planning alters from one another.

Three important parameters have to be taken care while understanding the business planning. They were the initiation, organization and management. Someone or something needs to be initiated towards the plan being made. This is powered by the objective or the idea may think being generated in the individual or a mob. In the initiation the fixing of the objective, that is what needs to be archived, in what time, at what place, in which quantity, with what quality, at what price, with whom and where all these points must be justified. In addition the intervals for the parameters that are the boundary conditions to the above mentioned parameters have to be included. All these are the parameters or the points to be considered while formulating a business plan in the initiation stage. (Brain Finch) The more will be the efforts put the more will be the result. At this instance the perato's principle must be taken in to consideration. While defining the above said functions or parameters the activities must be separated. As perato suggests that "vital few, trivial many", the things that give 80% of the result are 20% only in any work. So those activities which gives the maximum productivity must be identified and separated and emphasis being made on them. These activities may be some times treated as trigger activities too. And the rest of the activities about 80% will give only 20% of the productivity. These may be treated as labor activities. And at the same time care must be taken at each step in each individual activity this will improve the rate of performance of the plan. (Michel kraten, 2010)

Then the organization: it is a process of organizing the above derived parameters and functions in order to justify the objective. In this stage the interrelationships exits among the activities and the functions must be identified. In addition the possible association and disassociation of the functions must be done to make the flow of the plan effective and efficient. The slacks must be optimized to reduce the time gaps. As the performance of anything generally does lies on three parameters that is the count or number say may be physical quantity, then the frequency of that particular physical quantity in the complete work. These will be analyzed one by one to organize the things or activities well. There is no specific methodology for the organization of a task or a plan. Because the organization is a form of management that means it is collectively art and science. It consists of technical specification along with management techniques too for better control. Organization is a very crucial stage in the formulation of plan for the business. If at all any things that are of not up to mark or not to the level of satisfaction, they must be sorted out in this stage. It is a check point for the finalization and authorization too. The tasks developed in this section and the decisions that are used as pillars to the roof. Hence it must be done with proper care and concern.

After this process the management of the above derived data must be done. Actually the significance of the management is more situations based rather than planned. Because while doing the work based on the actions the counter actions needs to be taken will be justified by the management. In a broader sense the management will serve the purpose of monitoring, regulating and decision making in the real time environment. (Rhonda Abrams, 2003) Management also involves the controlling function too. If at all a resource is not up to the level then that must be adjusted to

the level desirable. There are so many theories and case studies that elucidate the role of management in the business planning. It's a situation dependent issue more practical than theoretical. This can be enriched by the more and more case studies analysis along with the research and text books.

Apart from the above said data the planning is of three types based on the implementation. That is the pre planning next Active planning and last the post planning. These three segments will work out the entire planning fruitful. After the planning stage action phase will be there this is for the dispatching of the plan being made. At the end the controlling stage will be used to control the various activities and functions of the business.

3. NEED FOR PLANNING A BUSINESS

This is about the need and necessity of the plan for business and its importance. From the general sense of consciousness it is understood that the planning is essential, vital and important for the business. But in addition to that there are some more important points that do lie in it. This section will express those hidden points that support the need and necessity of the planning in business.

- Planning makes the idea about the future course of actions along with a vision to employee the various alternatives. It filters the thoughts while presented on the paper that secures the property. It helps in understanding the business much better by market research and segmentation.
- Planning makes an arena for the equi-marginalism to protect the recourses and use them wisely. It supports the growth and reduces the risk of incurring losses too. Planning secures the intellectual property and it gives the best results.
- Suppose to make an action planning will stimulate the thought and make it wise, proper, discipline. This will improve the quality of the action that promotes the productivity.
- Cash flow or cash management is another facet in the planning. As cash is an important parameter in the business, it must be used correctly. No business is profitable unless made. Particularly the start-ups needs to be go through the break even. This is very essential. And to reach this a careful planning so desirable.
- Any business may be goods or services have come across its life cycle. For example product life cycle in the case of products. During the saturation stage for the product of service in its life cycle a decision must be made to restart the business either by suitable modifications or say may be replacement too. This can be made possible only by the planning.
- Planning is also needed for setting up of the objectives for the business. An objective is not perfect unless it was planned. Objective is not a single line as seen visually but it's a specific, clear and well distinguished destination to be reached.
- The decision making and formulation of priorities for the business is done using the planning. Prioritizing the actions is very much essential for the business. Generally four cases do exist for the action they were important, urgent, unimportant and non urgent. So in which case the actions lies must be determined by planning only.
- Another important aspect of planning in business is the displacement. The actions of a business itself are a displacement from one place to the other in the journey of business. This is safe and secure when planned. Unplanned displacements or journeys may yields misery.
- Decision making based on the verdict of the cost accounting say may be to hire or purchase anything. Such decisions affect the growth of the business. The planning is desirable for such purposes.
- The decision about the rationale of the people works for the business and how they will be used for the business these things must be taken care by the planning.
- To communicate with the people within the business planning is very much essential. A well planned communication will prevent so many confusions, controversies and conflicts too.
- Generally most of the business does have fixed costs and variable costs in addition a planned expenditure and unplanned expenditure all these must be balanced or controlled by the accounting techniques. But even in this planning desirable in formulating the time interval for auditing and inspection.
- In order to expand the business or to make alliances with the new business firms or organizations planning is needed. This will promote the growth of the business.
- Some times in business it is desirable to meet the professionals this can only be advisable to precede with proper planning. Otherwise adverse results need to be faced.
- In business it is essential and important to seek investments from so many people or organizations. This can be made successful by the planning and implementation. The quotation or communication must cover all the points in a sequential manner to get attracted by the investors. This also covers under the policy making too.
- For the formulation of the strategies and development of the business against the competitive environment planning is essential.

4. OBJECTIVES TO BE CONSIDERED DURING PLANNING PROCESS

The following were the objectives of importance need to be considered for planning process.

- Specific: The planning process must be specific and should be tangible. So that the planning is made effective and efficient. All the details pertaining to planning must be mentioned specific such that they can be archived at any instance.
- Measurable: the parameters must be measurable and they are from the reliable source. This can be made possible preferably if the data taken from the records or the sources of standards. In addition they must be able to process further more.
- Achievable: What needs to be planned must be achievable. Without having the consciousness for the activities their nature, characteristics planning does not fulfill the objective.
- Relevant: There should be relevancy in the quantities needs to be planned. The interrelationship along with adoptability and applicability of these quantities in the fulfillment of the objective must be proper.
- Time bound: The planning is essentially a time frame process. It must subject to optimization of time period for the activities. They should

never go out of time bound.

5. TYPES OF GOALS AND PLANNING

There is little number of goals pertaining to the business. They were as follows.

- Official goals: these are the goals set by the group of people or by an individual towards the attainment of something for the organization.
- Operative goals: these goals are made by the management or the people in the organization for the smooth functioning of the system to attain the objective. The official goals are high level goals or external goals and the operative goals are internal goals.
- Professional business goals: these are been laid by the people or organization against the mob in the market for may be its betterment or development in their respective professional field.
- Personal business goals: these goals are small or medium scale goals at micro level of the organization. It may be individual or common among a group of people for their business to get influence.
- Long term goals: these goals are made for about a long time span generally from months to years. It requires a well established plan and authority to fulfill. The time span in most of the times is 1 year to 5 years.
- Short term goals: these goals are set for a period less than a year. They are intended for the achievement of the mission in general.
- Process business goals: they are for the smooth flow of the process in the organization and to promote the productivity. These are made at micro level.
- Outcome business goals: these are focused at macro level. As a whole by summing up of all the departments of the organization the outcome must reach the level set.
- Quantitative business goals: these are prescribed by the organization to get the result in a tangible manner. Particularly the statistical may be cost based or financial based.
- Qualitative business goals: these are for improvement of the quality in various facets of the organization; say may be for ISO 9000 series and ISO 14000 series certification.
- Virtual business goals: these goals are set by the organization mainly for their passion towards the goals. The goals may be fictions in nature. They may get fulfilled or many not too.
- Real time business goals: these are goals made by the support of a well established planning section along with the most tangible way. The success rate is more in this case.

Then the types of planning were given below.

- Financial planning: it is aimed at the return on the investment and development of the business and to eliminate any problems financially raised of.
- Strategic planning: it is intended to make a strong and solid organization against the problems that may come. Those were supposed to get eliminated by the strategies and techniques that are well planned.
- Contingency planning: this is made for an abnormal or unexpected outcome. This planning would tackle the adverse effects that may come in the way.
- Succession planning; this is intended for the improvement of the availability of the potential persons to develop the business. This planning uses the identification of key elements may be persons for the business to get succeed.
- Tactical planning this is a plan being used to support the strategic planning in the way of work break down structure. To ease the formulation of strategies.
- Operational planning: this is intended for the better flow or smooth function of the operations. It includes the scheduling, routing and sub routing functions too.
- Short term planning: this is made for the time period of 15 days to three months. Uses the methodology the gives the instant result.
- Medium term planning: this is made for the time period of 3 months to 1 year. It is used for operational and functional activities.
- Long term planning: this is made for the time period of 1 year to 5 years. This is for say may be strategic planning and yields a long run profits when implemented properly.
- Project planning: this is generally made for may be 15 years or more. This is used for a specific purpose of business say may be construction or development of a resource to fulfill the needs for about 50 years or more.
- Rolling planning: this is a continuous planning and a plan being implemented and completed then immediately one more will play its role in its further consequences and development.

5.1. STRATEGIC PLANNING

Strategic planning is a type of planning intended for formulating the strategies to come over the anticipated risks and consequences. This is not a conventional plan used all the time but applicable for a long period to get the results. Phillip kotler and Arm strong defined strategic planning as “the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities”.

5.1.1. CHARACTERISTICS OF STRATEGIC PLANNING

This section includes the qualities of a strategic plan possess and the requirements for an effective strategic plan too.

- It must be able to understand the existing and established activities and plans, and then the formulation of strategy is fit for the purpose. A strategy is developed well and all round if it is made by thorough understanding of the existing properties of the system.
- The strategic planning is made successful as a team rather than an individual because of its task to be implemented by the employees. Hence a wide spread effective communication must be made among the employees to make it successful.
- The strategic plan formulated must fit to the organization depends on the nature and style. It encompasses the resourceful information, yet the applicability must be taken care of say geographical features etc.

- Consolidation of the individual plans or actions into a unique way is a foremost quality the strategy must obey while formulation. This can be understood vice versa too. At the time of implementation too it must have the summing up of the information at the root levels.
- As it is also a planning basically it does have the constraints and limitations. In this perspective the analogy of constraints of top level management to middle level management and subsequent. At each stage the individuality must be protected and the constraints and conditions to be made in such a way that it will create an environment to cope up with the strategies. (Small business plans explained, Business plans)
- The strategic planning must be able to foresee the anticipations and future demands as the time lapses. The planning must be made in association with the future opportunities.
- The strategic planning for business does take care for the customer demands. That plan must be able to fulfill the customer demands and this happens as an internal challenge for the formulation and implementation of the strategy.
- The strategy plan must be time dependent too. It usually fulfills the gap between the organizational strategy and tactical planning. Sometimes researchers suggest that one and half to three years might be the optimal time horizon for the strategic planning.
- The strategic plan must be powered by the past experience with sight on the future to nullify the voids and gaps between the aspirations and real time response.
- It must encompass the external factors and market trends. Most of the times the strategic planning is focused internally rather than external.
- The strategic planning even uses the equi-marginal aspect of financial outcomes. This will support a minimum outcome definitely.
- As the strategic plan is more focused on a unique target growth. It justifies the objective for fulfillment.
- Communication strategy is another important characteristic for the strategic plan as mentioned above.

5.1.2. ADVANTAGES OF STRATEGIC PLANNING

The following data will show the advantages of the strategic planning.

- It's better to proactive than reactive. This is what strategic planning does in support of the business. It's a well planned and result oriented long term process. It does promote the growth.
- This is directional plan do have the nature of giving the results in support of the organization. This is more realistic and consistent when compared with the other planning.
- This is useful for making the wise decisions and do have a clear vision of what must happen and 'know-how' features.
- It supports the long run ability and capability of the business. So that this will make a sustainable and more consistent environment to the business.
- At the same time it also promotes the profitability of the business and in addition the expansion of the business does possible. This will increase the market share.
- Most of the times there is a problem in clash between the competitors that will drag the growth rate. This problem gets rid of using the strategic planning. Because of the chief distinguishing features and uniqueness in the formulation and implementation the competition made clear and process free.
- The strategic planning is a challenging task hence the risk and return both are there in it. This will give the satisfaction to the people working in the organization.
- Risk identification and better control is possible in the case of strategic planning. In addition the consistency in the performance, along with the strategic decision making allows the business to stand struggle free.
- This will improve the operational efficiency and durability of the business. In also improves the resources allocation. That finally leads to optimality of business.
- This will minimize the risk as this is well planned of and also it promotes the motivation among the employees and supports innovation too.

5.1.3. DISADVANTAGES OF STRATEGIC PLANNING

This section will show the limitations or the development needs the strategic planning must have. In the other sense they may be treated as disadvantages.

- Strategic planning requires lot of knowledge and skills to interpret that knowledge this is a challenging task and may not be possible all the time with all the people. It also have the inter dependencies of the units that are inside and outside of the business. This is a cumbersome activity.
- This must have the technical as well as logical knowledge to get the result. That means this is managerial in nature. Hence the knowledge of subject is not just sufficient for the strategic planning it requires more practical exposure and expertise.
- This also takes in to account the financial considerations and sometimes may require accounting too. Hence the process may take more time that is not advisable to all the circumstances.
- The applicability of the strategic planning also does not suitable to all the grounds. Because this is basically intended for the long range planning and this do gives the results subsequently lengthy.
- As all of the features combine together the cost of the strategic planning is more. Hence the adaptability and applicability is not suitable for the small and medium business.
- The process of implementing the strategic planning is complex and cumbersome as discussed above hence the rate of success in implementation is less.
- The strategic planning is more forecasted that this may happen and according this strategy must be implemented. And in all the cases the anticipated things may not happen. In those circumstances the cost of expenditure made for the strategic planning will be loss.
- The flexibility is less for the strategic planning and sometimes a situation may come that may lead to lose the resources or opportunities. However this is not the case every time happens.

5.2. SHORT-TERM PLANNING

Short term planning is a process intended for the short time span. This gives the results returns in the short time sufficiently in days to weeks of time only. Short term planning aims at the performance of the business to give the results in short span of time using the mythology provided.

5.2.1. CHARACTERISTICS OF SHORT-TERM PLANNING

This section will give the characteristics and nature of the short term planning. Its features, applicability and other issues were included in it.

- This will make the best things out of the present situation and suitable for particularly small business. The cost of making this plan and its implementation is less hence the applicability will be more.
- This planning takes the data concerning about the various departments and can be able to work with the people of semi skilled too.
- It doesn't result in the high end outcomes as it cannot be able to handle the constraints that were laid off. This does not account the parameters that are of complex in nature and because of this the reliability of this planning is less in a sufficiently long time.
- Because for the present instance the planning may gives the appropriate results but over a period of time the same may results in the adverse effects.
- In order to avoid such paradoxical situations care must be taken and a proactive environment is needed.
- Using the short term planning the growth rate, profitability is less and the business expansion too. This must be justified by applying it to the small business organizations and start-up companies too.
- The versatility and adaptability is quite affordable for the business particularly for example in the product life cycle at the saturation stage.
- Studying the situations, understanding and analyzing them and after that formulating the plan all these must be done in less time. Hence these is need for the team of experts in association with the group of assistants were requires to this.
- As this does not have the enough time to do all the activities and use all the resources hence the plan must be made according with an emphasis made on time. Short term planning may subjected to crashing.
- The competition does not influence much because as it is more based on the internal factors. And the short term planning doesn't use much about the external factors and situations. At the same time it must be answerable to the customer needs.

5.2.2. ADVANTAGES OF SHORT-TERM PLANNING

- As this will use less time to formulate and implement it requires the less resources and compatible too. This will be applicable to small industries and organizations.
- It have the low risk rate and that makes it to use by the more number of business units. This also facilitates the use of taking the risk in business against the change of the market.
- It gives the results rapidly. This is one of the objectives to be attracted by the mob of the business. Hence it develops a motivation in the employees and management to do such kind of practices more and further.
- This also gives the directional tendency and the top management could easily identify where the organization is moving and to what extent. It also able to see the boundary conditions such that further planning is made simple and secure.
- As a popular proverb a small change a day leads to a big result. In the same way short term planning boost up the organization to build a cumulative and strong base.
- This planning makes the management stress free and a clear vision can be experienced by organization such that clarity in the thoughts will be maintained.
- The usage of the resources and other things pertaining to the short term planning is optimal. And hence it gives a since of purpose of doing.

5.2.3. DISADVANTAGES OF SHORT-TERM PLANNING

- There is a possibility to have a more and better plan and idea may comes as the time lapses at that instance this short term planning may be roll back or may a chance of missing the opportunity.
- There are so many speculations doing happens in the market and the noteworthy thing is that it's not always possible to get profits in the short span of time.
- As business involves taxation policies, in the short term planning the net profits will be reduced after tax. Yet the rate of tax being same for the goods or services.
- The 80% of the nation's growth depends on the business that is of long range planned. Hence the business corresponding to the short range planning does not influence much for the nation.
- This is focused more on individual level that is micro level rather than at macro level.

6. FINANCIAL ACCOUNTING AND CONTROLLING METHODS

Financial accounting is a process of accounting technique for handling the business transactions. It makes the sense in recording, analyzing, summarizing and retrieving the interactions made in the business that are truly tangible and financial in nature. This will have clumsiness in understanding for the financial nature. Is finance and cost or money both are same from the perspective of business. Financial accounting is about the complete aspects of transactions being made in the business and is prepared according to a standard either of national or international. Whereas the cost accounting does the same thing but in the micro level at a very high level of detail, this does not need to follow the either national or international standards except to follow the rules being made by the management. In general sense both of the accountings were depended one on another.

Financial accounting has various concepts such as Business Entity Accounting, Going Concern Accounting, Money Measurement Concept, Cost concept, Realization/Accrual concept, accounting period concept, matching concept, Dual aspect concept and many more. Depends on the need and necessity various techniques will be employed. Accounting in business is made by three methods they are financial accounting, cost

accounting and management accounting. Each of this is further divided in to various sub categories.

Controlling methods are intended to serve the purpose of providing the resources when they are scarce and limiting the resources when they are huge. Here the term resources used it means anything that is required by the business to run. For example may it be money, materials, methods, machinery and many more. This can be made possible by a well defined methodology and principles. Some of they were briefed below.

- Direct supervision and observation
- Financial statements
 - Balance sheet
 - Income statement or profit & loss account
 - Cash flow statement
- Financial ratio analysis
 - Liquidity ratio
 - Profitability ratio
 - Debt ratio
 - Activity ratio
- Budgetary control
- Break even analysis
- Return on investment
- Management by objectives
- Management audit
- Management information system
- PERT and CPM techniques
- Self control
- Visual controls
- Embedded controls

7. ILLUSTRATED SKILLS

The skills that were developed by the through study and understanding of the above concepts were illustrated below. Business planning is not just a normal planning it requires so much of well defined methods and their practice too. The skills that are been illustrated were described below.

- Financial management
The art and science of finance was understood to the extent may be sufficient enough to manage the financial accounting and their management for a business. This has made an arena for the things that are financial and non financial in nature.
- Problem solving
The ability to tackle the problems that may arise during the formulation and understanding the strategic and short term planning were dealt. The fundamentals of the business planning can handle the difficulties and bottlenecks with appropriate methodology. Then the accounting and controlling techniques were analyzed in such a way that a business brought under can be handled with proper tools.
- Business management and planning
This is another facet of the management for business learnt and illustrated. This is by far the most important tool in enhancing the business profitable. This also makes foundation for the usage of various plans for the business management. These plans are intended to promote the growth rate for the business.
- Time management
This is the all time important parameter to be adopted and followed for the efficient and effective utilization of the resources. This will eliminate the bugs and slacks might present in the activities of the business. It also improves the method of operation to promote the productivity.
- Communication and negotiation
The way of communication right from the usage of language to the communicating with the investors to develop the business round the globe was illustrated. This has a proven record in most of the cases and made the process struggle free. As a saying "a problem well put is half solved". This can be made by the proper communication. That is what explored in the above work.
- Organizing and planning
The importance of organizing and planning were explored and the way how best one can make use of the skills of organizing elaborated. This in turn results in eliminating so many numbers of problems.

8. INTERPRETATION OF BUSINESS PLANS

There are two plans described in the above work. They are strategic planning and short term planning. There two are the unique plans that used by many number of business organizations. The interpretation of one with the other makes the best way to think towards a business. This will also eliminates the barriers between the short and long range planning such as may be hybrid planning. As the short range planning do suggests a low risk and low return plan in a short span of time and the strategic planning makes the best methods or rules in other words strategies for the implementation and this is by far a long range planning. It has the high level of expertise in the formulation and implementation. This is made considered for the development of the low cost and high return in medium span type of plan. Such an idea has developed by interpretation. And not only limited to this, the planning also makes the best things for the business to take a new shape. There are some positive and negative points in both the sides for the plan that was made by the interpretation of the strategic and short term plans.

9. RECOMMENDATIONS REQUIRED

There is a lot of literature available from the research database, books and many other sources. All this will give us the theoretical knowledge to know about the business. But the practical experience is a must for the business to get succeed. After the understanding the following recommendations were made.

- There is a need to develop a methodology for the guarantee return on investment. This will make the business much flexible and affordable.
- The strategy formulation and implantation is a cumbersome process hence it must be made a bit simple to adopt and implement. The return may be of paradoxical in nature for any business hence a business model of “equi-marginalism” must be adopted.
- The operational control for business is an impotent issue it must be decentralized and monitored periodically. There is need to address about the strategic business units by emphasizing the business plans.(Bruce Bowhill, 2008)
- The adoptability and complexity must be enhanced for the accounting and control methods.

10. DIFFICULTIES FACED AND KNOWLEDGE ACQUIRED

Difficulties were faced during the understanding and analysis they are as follows. The literature survey and data collection become cumbersome and took so much of struggle. Yet at the end a well refund data and knowledge has found. This is the foundation for the database. Then the study and understanding of that data is another aspect in knowing and analyzing the business plans. This in turn developed a difficulty in understanding the relationship between the business and planning. By combining of these two makes the best outcome can be made. Then the critical analysis of the strategic and short term plans for the development and optimization of the business. This applicability of these plans in the business plans with the time and cost have illuminated the understanding. This has given a clear picture of planning and business along with the characteristics of the various plans. The advantages and limitations of the strategic and short term planning were understood. This knowledge is very much useful in the preparation and practice of business plans. Then the financial accounting and control methods have analyzed to know the principles behind business. The understanding is a bit difficult and however finally archived and understood. This is very valuable information in understanding the business.

11. CONCLUSION

At the end it is concluded that the business planning is rich in knowledge and is very much useful for the development of the plan for any business. The strategic planning has a great significance in the long range planning. Some recommendations will be made to this. In addition the short range planning was understood. The characteristics, advantages and disadvantages of these two plans were elucidated. This in turn makes us understood the applicability of the short range planning. And next the financial accounting and control methods were analyzed and known to the extent desirable. As a whole this has made the content rich and valuable.

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