

## ***Business Planning Approaches – the Crucial Differences***

**By Mark W. Womack**

### **Is Your Organization’s Approach to Business Planning Limiting Its Potential?**

*Our clients have greatly benefited from the below classification of approaches to business planning within the context of visioning, organization planning, and goal-setting...*

#### FOUR APPROACHES TO PLANNING (Ackoff, 1981):

1. REACTIVE
2. INACTIVE
3. PREAMATIVE
4. PROACTIVE

Here’s a summary of the four approaches:

REACTIVE PLANNING is focused on a backwards look at *what’s happened* and the results that have been achieved. Future plans are predicated on reasoning and decisions based on the past and what can be gleaned from it.

This tends to cause businesses to ignore or resist (intentionally or inadvertently) the changes and trends that are taking place. This type of planning implies a static environment, which is usually quite far from the reality in the 21<sup>st</sup> century.

INACTIVE PLANNING is the business version of “going with the flow” and largely counting on your ability to make things work out. This is essentially a lack of due consideration and precision regarding business planning. This approach entails a high degree of risk for those willing to bet their businesses in this way.

PREAMATIVE PLANNING is the approach used by most business enterprises. This type of planning follows the paradigm that your organization should be shaped to best fit into the future.

This approach focuses on predicting the future and how it will affect the business and then planning to prepare for that future. Such predictions are largely based on the identification and analysis of trends.

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An important finding for us about this type of planning is that businesses that use this approach typically think they are on the cutting-edge of forward thinking. The truth is that they're not even close. An understanding of the next approach makes this clear.

PROACTIVE PLANNING is the most challenging approach and demands the most from leaders who use it. This type of planning is practiced by leaders who believe they can *shape* the future by their actions.

This approach follows the paradigm that organizations can envision and then create their own future. It doesn't ignore the need for organizations to plan for and respond to things in the environment that are beyond their control – both threats as well as opportunities – it simply enables organizations to boldly shape their *best* future.

We recommend proactive planning. We encourage business leaders to INVENT THEIR PREFERRED FUTURE and lead their organizations to it. The truth is that the implications for leaders who put forth a plan for achieving a bold vision are more than most are willing to take on. Consequently, the potential legacy is more than most leaders ever achieve.



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### ABOUT THE AUTHOR

**His professional legacy includes business transformations with record highs in revenue and profit, and a *Fortune 500* list of stronger leaders.**

For over two decades, Mark W. Womack has dedicated his life to unleashing the potential of leaders and organizations. A uniquely successful executive, consultant, speaker and coach, Mark's passion for raising the bar of success for his clients is unquestionable. The list of success stories spans individuals from all walks of life, including many *Fortune 500* companies and their top executives.

Before establishing J.W. Webb, Mark held senior executive-level positions with the global management-consulting firm, Celerant Consulting. At Celerant, he was responsible for numerous companies achieving sustainable benefits ranging from \$10 million to \$100 million per engagement. He left the company as head of North American consulting operations and as a company leader with unsurpassed highs in both revenue and profit.

His specialty – helping top executive leaders define organizational goals and realize them – has benefited senior executives of General Motors, Bayer, ARCO, Novell, Capgemini, and many more.

More about Mark W. Womack is available at [jwwebb.com](http://jwwebb.com).