

The Centrality of Planning

The Zionists of the 20th century, faced with the challenges of creating a State amid tremendous obstacles, had a saying which has been credited to the father of the Zionist movement, Theodore Herzl, which loosely translated stated “If you will it, it is not a dream”. This served as a meaningful and motivating slogan for people who needed desperately to believe that their struggle against the odds had a chance for success.

In business the use of slogans can be equally as motivating and can also serve to push people to extraordinary performance. This being said, however, it was not the powerful slogan that ultimately brought about the establishment of the State of Israel, but rather the planning for the eventuality of Statehood and the development of the infrastructure that was necessary to meet the needs of the new State once it was created. In other words, the success was in the planning.

All too often planning is disregarded as a futile exercise dependent on the non-existent ability to foresee the future. While no one has a crystal ball giving them the precise unraveling of future events, there are ways for companies to arrive at faithful assumptions upon which they can draw up scenarios against which they can develop plans.

The wisdom of planning is in the decision making process whereby decisions are made now for events that are expected to occur in the future. This exercise in long term planning positions a company at a distinctive advantage over competitors that fail to plan because it is able to respond rapidly to changes in the market and to market events that fall within the parameters of the scenarios considered. The presence of plans for such events leaves the Company flexible and able to respond swiftly since the decisions were made long ago. These decisions will most likely be of higher quality because they were made calmly, based on assumptions, and with an eye toward proper execution. Conversely, decisions by companies that failed to plan, if formulated at all, are made under the pressure of time and without the benefit of calculation.

Planning is central to good business. It is not an exercise in forecasting, it is an exercise in management.