



# A Strategic Planning Concept At Investments Company: An Analysis

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## ARTICLE INFO

## ABSTRACT

Strategic planning is defined as a continuous process of designing and developing an organization's plans. It is based on collecting information and data as well as developing strategic decisions based on a continuous assessment of local, regional, and international environmental variables, as well as changes in the organisation's internal environment, discovering opportunities and challenges, and identifying strengths and weaknesses. Investments company is a public company that plays a crucial role in managing and investing in the largest sectors. It is affiliated with the pension fund, as it manages and invests in the fund's funds, real estate, and affiliated hotels. A review of the company's administrative structure indicated that there is no department specializing in strategic planning but only the existence of a planning office. The problem of the study revolves around the need to design a model for the dimensions and elements in strategic planning. This study aims to strengthen the role of public sector companies to achieve the national vision as well as revive Islamic values and identity in organizations. This study also aims to enhance the application of proper management principles by examining the strategic planning of investment companies, and a field study. A qualitative approach was used, while the inductive approach was used to collect data from previous literature. Data collections would be analysis by content analysis method. Yield of this study showed that several defines and methods of the strategic planning in the investment companies.

**Keywords:** A Preliminary Study, Concept, Strategic Planning, Investments Company

## INTRODUCTION

Strategic planning can be defined as a continuous process of designing and developing plans that include the organization's functions. Strategic planning is based on an information system and strategic decision-making in the light of a continuous assessment of local, regional, and global environmental variables, as well as changes in the organization's internal environment. Its goal is simply to discover opportunities and challenges, identify strengths and weaknesses, and employ the strengths to seize opportunities and make good use of them to provide products or goods that meet the changing needs and expectations of customers in a rapidly changing world. Strategic planning by investment companies focuses specifically on guidelines and programs to achieve specific goals as well as defines the basic conditions and scope of future activities. It is also a primary tool for strategic management, which in turn is responsible for the organization's goals and

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visions. The rest of the investment companies that seek to achieve profitability, practices strategic planning that comprises five elements, namely vision, mission, goals, strategic analysis, and strategic choices.

### METHODOLOGY OF STUDY

This qualitative study relied on the qualitative and analytical approach for studying the phenomenon while the inductive approach was used for reviewing previous studies to collect, analyse and examine data for developing solutions and recommendations. The qualitative approach is a type of scientific research method that depends on gathering data and information as well as making observations to form conclusions. This approach was chosen because data collection focuses only on secondary data (Abdul-Gawad Muhammad, 2013). In addition, the document research method was chosen because data collection involved documents such as letters, newspaper articles, books, papers, and magazines. According to Hilal Muhammad Abdul-Ghani Hassan (2008), content analysis is the most suitable method for this study.

### BACKGROUND OF STUDY: STRATEGIC PLANNING DEFINITION

Strategic planning has become the comprehensive view of all educational problems. It is the primary tool and means of development. Furthermore, it has a general role in economic growth, social life, culture, and civilization. Therefore, countries tend to adopt it in search of guidelines and solutions for their economic, political, and social problems. Strategic planning represents the next stage in the quantitative and qualitative stages of planning thought development. This planning is based on measuring the changing environmental conditions and needs of the labour market, considering the present and future quality of society and life. The steps include analysing and identifying the internal and external surroundings, necessary resources (e.g., aid and facilities), competitive opportunities, the organisation's strengths, and weaknesses, and formulating current and future goals. The use of scientific methods can help develop plans and strategies, find alternatives for making decisions, solve new problems, analyse processes in quantitative and qualitative research methods.

Planning is the stage of thinking that precedes any action ending with decisions about what, how and when to do something. Planning is a series of decisions related to the future, as it includes predicting and preparing for the future. In fact, strategic planning is a new thought in the administrative field, and it includes a set of concepts pertaining to different fields; hence it is necessary to describe and analyse this thinking when the planning involves multiple fields. Therefore, it is evident, based on this point of view, that there is a set of definitions presented in various studies dealing with this concept.

Strategic planning is defined based on four points that cover the aspects included in this planning method, as a detail:

**The future of current decisions:** Strategic planning focuses on identifying strengths and weaknesses that lie in the future to find a reliable basis for the organization when making current decisions. The organisation can then take advantage of available opportunities and avoid risks, which defines planning as designing for the future and specifying the means to make it happen.

**Planning as a process:** Strategic planning is a process that begins with setting goals, followed by defining strategies, policies and detailed plans that include implementing the strategies in a way that leads to achieving the desired goals. Therefore, planning is a process that required predetermined effort, timing, implementation method, the person or entity responsible for the implementation, and how to deal with the results. In other words, it is a process that runs on understandable grounds and is characterized by continuous changes that might occur in the environment, although this does not mean changing plans every day, but only when the need arises.

**Planning as a philosophy:** Planning is a direction and way of life that focuses on performance based on the study and inspiration of the future. It also focuses on continuous planning and does not rely solely on a fixed set of procedures and methods.

**Planning as construction:** Strategic planning works by linking the three main types of plans, namely strategic plans, in the form of medium-term programs, short-term budgets, and procedural plans, with the aim of transforming their integration into current decisions.

Harry Cooper (1985) defined strategic planning as "the method or means by which an organization or association can identify relevant variables and trends in its surrounding environment, analyse the possible outcomes, and build an integrated strategy to identify these future events and their urgent changes".

Diana Schelder (1997) defined strategic planning as "a process which has an answer to the following questions: What is the status of the organization? What resources does the organization have? Where does

the organization want us to be in the future? How does the organization get there?”. In other words, according to Diana Schelder's view, strategic planning should provide a clear picture of what the system wants to achieve, provided the aspirations are not static, but within the framework of organized change.

### ANALYSIS RESULT

Strategic planning in investment institutions is a necessity and not an option because it raises the institution's current and future performance, if applied appropriately. Adopting the strategic planning method provides several benefits with the instrumental benefits being the definition of the organisation's road map, increasing its ability to face intense local and international competition, and the capability to possess a continuous competitive advantage. It also enables the organization to use resources effectively and provide opportunities for participation at all administrative levels in the process, which leads to reduction in the resistance to change. In addition, it provides homogeneity of management thought and practices among company managers.

#### The Importance of Strategic Planning

The rapid development of many developed countries is the reference for strategic planning. It is based on the system's framework that aims to overcome obstacles and improve conditions related to individuals and society according to the development plans and mechanisms commensurate with inherent capabilities and aspirations. This idea does not mean the existence of planning in itself, but rather, the main objective of this process is to design a successful plan, set the initial goals and bridge the strategic gap between the organisation's current capabilities and its surrounding environment to keep pace with consequential changes, as well as preparation for the future, and increase organisational effectiveness in response to social requirements and environmental changes, because it is committed to identifying priority issues on the basis of a hierarchical structure based on scientific research (Al-Zanfali, 2012). This promotes strategic thinking and acting, which helps in collecting sufficient information about the internal and external environments. It also helps to improve the decision-making mechanism based on the possibility of setting narrative and strategic goals that help determine the direction and general intention of the organization's mission according to the total quality principle. This would contribute to the existence of a competitive mechanism with similar organizations in various aspects (Bryson, 2003).

Accordingly, organizations interested in applying strategic planning in all their operations and activities stand to gain numerous advantages and benefits, the most important of which are:

- i. Strategic planning helps to clarify future vision.
- ii. Strategic planning helps to achieve long-term environmental interaction.
- iii. Strategic planning helps to achieve satisfactory economic and financial results.
- iv. Strategic planning helps to strengthen the organisation's competitive position, whether at the local or international level.
- v. Strategic planning helps to bring about real change in organisational performance.
- vi. Strategic planning helps to allocate resources and capabilities in an efficient manner by directing institutional efforts in the right direction in the long run, and contributes to the effective use of its resources and capabilities in order to exploit its strengths and overcome weaknesses (Sami, 2005).

#### Strategic Planning Goals

The strategic planning system aims to achieve numerous goals according to the organization's trends and characteristics. Following is a presentation of the most important goals that strategic planning seeks to achieve.

- i. Prepare the organization internally by adjusting in the organizational structure, procedures, rules, regulations, and workforce to increase its ability to efficiently and effectively deal with the external environment.
- ii. Determine priorities and relative importance so that long-term goals, annual goals, and policies are established, and resources are allocated based on these priorities.
- iii. Find an objective criterion for judging the management's efficiency.
- iv. Increase the effectiveness and efficiency of the decision-making processes, coordination, control, as well as detection and correction of deviations.
- v. Collect data on strengths, weaknesses, opportunities, and threats.
- vi. There is a clear standard for resource distribution and allocation for different alternatives (Sami, 2005).
- vii. Stewart (2002) asserts that strategic planning activities are a source of information that influences the success or failure of an organization's executives who apply the strategies.

### CONCLUSION OF STUDY

This study concluded several results, the most important of which are:

- i. It is generally necessary to determine and apply strategic planning and its relationship with human resources so that they can think in a strategic way, which reflects on the organizations in general.
- ii. Most administrative leaders are aware of the concept and importance of strategic planning and have the ability to analyse and provide solutions to problems.
- iii. Most managers in the public sector agree that strategic planning plays an important role in investment organizations. It helps in the continuation of the institution in the presence of challenges and contemporary changes facing government institutions.
- iv. Research results also indicated the weakness of available resources, whether human, financial or technical, necessary for the implementation of strategic planning.
- v. Lack of a system of material and moral incentives related to strategic planning.
- vi. Results indicate that strategic planning has an effective and operative role in qualifying personnel and human cadres and developing their skills.
- vii. Some results illustrate the necessity for certain requirements that enable the practice of strategic planning, for example provide training and qualifying some individuals to carry out strategic planning and participate in formulating an organisation's vision, mission, and objectives.

### **RECOMMENDATIONS**

Based on the analysis of the results, this study suggested several recommendations, the most important of which are:

- i. Achieve a link and balance between the organisation's strategic planning and the state's general strategic planning.
- ii. Reconsider traditional methods and systems and use strategic planning as a modern administrative method to help institutions adapt to internal and external environments.
- iii. Lend importance to strategic planning at basic university education and postgraduate levels.
- iv. Focus on developing the skills of human cares and provide training courses for creating a distinguished generation that practices strategic thinking.
- v. Seek solutions and proposals to demonstrate the difficulties and problems faced when initiating strategic planning in public institutions.
- vi. Involve employees when formulating the organisation's mission and vision because they play an effective role in organizational planning.

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