

# Factors Leading to Strategic Business Plan for Growth of Construction Industry

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**Abstract**— For factors leading to strategic business plan for the growth of construction industry in commercial sector, getting an integrated view of business model of commercial region which gives pricing strategy and defines competitive conditions. All this are consistent and properly harmonized for determining financial needs. Strategy is divided into three broad levels like- corporate, business and functional level strategy. So to determine which strategy is applicable for a particular region and to examine competition, a simple portfolio analysis is done using questionnaire. By using coordinates from this, the competitive advantages and market attractiveness will be determined. Hence giving us our sector position in the market which allows to grade our business by matrix of strategies.

**Key words:** Business plan, Strategy, Property, Portfolio analysis, Competitive advantages, market attractiveness

## I. INTRODUCTION

Strategic planning is an organization’s process of defining its strategy, or direction, and making decisions on allowing its resources to parcel this strategy. It may also extend to control mechanisms for guiding the implementation of strategy. A business plan is a comprehensive, written description of business of an enterprise. It is a detailed report on company’s products or services, production techniques, markets and clients, marketing strategy, human resources, organization, requirements in respect of infrastructure and supplies, financing requirements and sources and uses of lands.

Strategic business plan consists of analysis, decisions and actions which behave as the core of strategic management. Analysis of strategic management is concerned with the analysis of strategic goals that are vision, mission and objectives along with analysis of internal and external environment of organization.



Fig. 1: Role of the employees in the business planning process

Hence the strategic business plans in an internal document that outlines an organization’s overall direction, philosophy and purpose. It also examines its current states in terms of strength, weakness, opportunities and threats (SWOT analysis), sets long-term objectives and formulates

short-term tactics to reach than. Now to make a business successful enough to compete the white elephants of the market, a successful and organized business planning is required. To hop a business reach its full potential, a successful strategic plan provides the information as guidance the management team needs to run the company with greater efficiency. Strategic planning is not strategic intent and can cause competitive decline. Most companies make strategic plans but do not have a strategic intent. The strategic planning process typically focuses attention on available resources and the flexibility of alternate strategies in utilizing existing resources.

## II. OBJECTIVES

In business planning, a particular path is followed to achieve desired goals and hence to obtain long term results we need to have mid-term goals that will lead as to the desired outcomes. Once a company has developed its mission statement, next step is to develop specific objectives that are focused on achieving that mission. Most important objective and strategic business planning is to know how vision as mission of construction companies helps to make strategic plans. They are the fundamental building blocks. It is necessary to know the ground reality of mission statements in just started companies, middle level companies, and finally the world class organizations. The relation and association between mission content and performance of organizations is very important. Strategic planning helps coordinate processes of formulation and implementation. After the planning is completed, analysis of factors affecting in implementation of the mission statement is done. To form mission statements, we have to find rules and responsibilities along our employees. Finding drawbacks of having non-affordable vision and mission statements is also required.

## III. HISTORY AND BACKGROUND

The term “strategy” derives from the Greek word “strategos” which means “general of the army”. Each of ten ancient Greek tribes annually elected a strategos to head its regiment. They gave strategic advice about managing battles. From these military roots, strategic planning has always aired at the “big picture”. The focus is on results and outcomes rather than products or outputs. Hence strategic planning is less concerned with how to achieve outcomes than with defining what those outcomes should be.

In modern strategy planning, one of the first strategic planning methodologies was ‘Harvard policy model’ for private business. This model defines “strategy” as a pattern of purposes as policies defining the company as its business. Strategies determine organizational structures, appropriate strategies that lead to improved economic performance. Through the 1960s, strategic planning became standard management tool in virtually every “fortune 500”

companies and many smaller companies as well. In the and the role of strategic planning has led to the realization that corporate strategy and operational strategies should be linked together. From beginning till now, one thing that has not changed about strategic planning is that it describes how to ends or goal will be achieved by the means of resources. Strategic planning provides inputs for strategic thinking which guides the actual strategy formation.

#### IV. TOOLS AND TECHNIQUES

Many tools and techniques are developed by planning companies and management consulting firms to help us provide a framework for strategic planning. They are such as SWOT analysis, which help us identify internal strength and weakness of the company compared to external opportunities and threats it can get. It helps to analyze the favorable and unfavorable factors for implementation of the business plan. SWOT identification is necessary for future steps in planning and attaining several objectives another is scenario planning, which is very popular among large corporations to analyze future scenarios. It is so popular due to its methods that produce flexible long term plans. It is taken from the military intelligence from the history of 1920's strategic planning, it involves the recognition that many factors may combine different ways to create effective futures. PEST analysis includes political, economic, social and technological environment. It is basically used for environmental scanning of the organization. It's a part of external analysis and market research giving an overview of different environmental factors that company has to take into consideration. Many strategic planning tools overlap, so during strategic planning process we cannot use all of them or even many of them. PESTLE analysis, competitive analysis, goal grid, etc are many other tools and techniques.

#### V. METHODOLOGY

##### A. SBP Model Structure

In a strategic business planning model structure, a particular region is targeted, after that its construction companies are identified. Analysis of vision and mission of construction companies is done for statement comparison of different sector companies which can be divided among world class companies, middle level companies and just started organization. On these companies different level of strategies are applied on them such as corporate, business and functional level strategies, which is the actual mission. These are the ground reality of statement which represent market condition.

##### B. Advantages

By preparing your business plan through SBP model, you get integrated view of all issues regarding your business. Reaching mutual understanding among the members of the management of the firm is particularly important in cases in which the recommended policy of engaging as many managers as practically possible is applied in preparation of the business plan. Determining the amount, type and sources of financing and when it is required. Using the business plan in the process of application for funds. Deriving from the business plan measure and objectives for units and individuals in the organization.

##### C. Limitations

Your business plan is based on a number of assumptions. No matter how carefully you have made these assumptions so RISK and SENSITIVITY ANALYSIS is required.

##### D. Applicability

It is a crucial element in any application for funding, whether to a venture capital organization or any other investment or lending source. Therefore, it should be complete, sincere, factual, well-structured and reader friendly.

The base of methodology is motivation, which forms aim, objective and scope of work. Review papers such as research papers and reports along with the case study forms the literature review.

It also includes competitive advantages and analysis of market attractiveness.

Primary data which is analysis of vision and mission of construction companies and secondary data come together to constitute data collection.

This forms analysis data using SBP model. Market condition forms the ground reality of companies for world class organization, middle level organization, newly started organization. The conclusion and findings of the whole structure forms the evolution of business plan.

#### VI. CONCLUSION

Bigger the mission statement (MS) lesser the chances that the company might miss any characteristics or components in mission statement evolution model (MSEM). "Technology" is very broad term and changes with time and its difficult for any company to define a particular technology to adopt in future, therefore if a company states that they would be adopting a good technology or state of the art technology that we have inferred and rated the company. Stake holder is common word in service sector and is commonly used in their MS. There are some findings which we understood after evaluating various sectors.

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