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Research Article

AGRICULTURAL BUSINESS PLANNING MANAGEMENT: DEVELOPMENT, MOTIVATION, STRATEGY AND DECISION MAKING

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Annotation:

At present, the planning management of any agricultural business is directly related to the formation and development of market relations.

The article reflects the goals and objectives of agricultural business planning and presents a model for managing the development process and the implementation of strategic planning given the concept of "planning management".

The management of agricultural business planning is of particular importance in the Russian context, since the Russian agrarian economy is emerging. It seems to us that the rapid adaptation and development of planning tools for domestic agricultural companies will help speed up the process of forming the market environment and summing up the mechanism for managing an economic entity in line with the existing scientific, technical, industrial and organizational potential as a microeconomic task.

Key words: *management, planning, agricultural business, strategy, motivation, economy, information.*

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INTRODUCTION:

Despite the important role of managing the planning of agricultural business in modern society, the majority of Russian businessmen pay little attention to this issue in real economic life [3,4,6].

Russian businessmen often do not have a clear understanding of their customers and buyers, partners and competitors, do not know the criteria for choosing sellers (intermediaries in transactions), do not study consumer preferences in choosing information channels of communication, do not conduct regular public opinion polls, do not have methods of influencing market participants [1,5,8].

As a result, an active intra-company business policy (assortment, pricing, customer, etc.) is not carried out, that is, there are no periodic decisions about what to produce, in what quantities, at what price, and to whom; this leads to a loss of management of the product range, price, distribution channels and

incentives for product promotion on the market [2, 7].

According to domestic researchers, the majority of Russian economic entities allocate only 0.1% of the funds from the turnover of their products for economic and marketing research, while the most sustainably operating economic entities in other countries spend about 10% of the total turnover for these purposes (including advertising), i.e. 100 times more [9,11]. There are serious miscalculations of economic subjects when making important decisions, a decrease in the turnover and profits of an organization, and all this leads to ruin and exit from the market or to the bankruptcy of an economic entity. From our point of view, at the first stage, the cost of business research in the Russian economy should be increased to at least 2% of the total turnover of an economic entity, i.e. increase these costs by 20 times.

METHODOLOGY:

Thus, it is necessary to develop and implement a market-oriented information and analytical system for making adequate business decisions [10,12-18].

A scheme for deploying a common goal of agricultural business into its constituent elements is shown in Figure 1. Arrows characterize several levels of goal structuring.

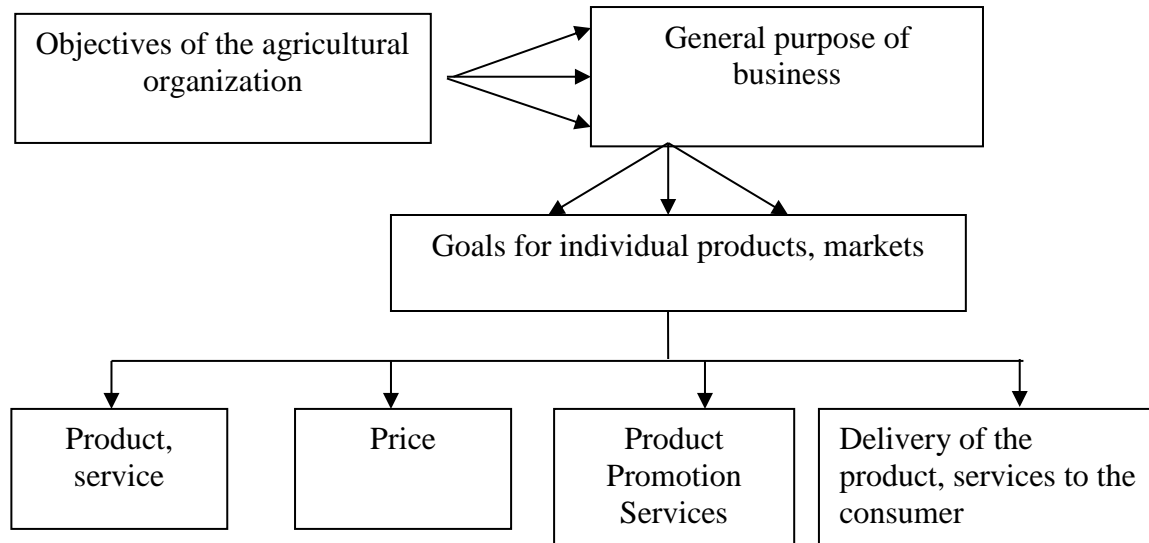


Figure 1 – The deployment of business policy objectives of an economic entity

In the matter of goal-setting, it is necessary to strive for the alternative formulations of individual goals and the determination of their priority.

Being located at the highest level of the hierarchy of information solutions, strategic business planning requires special attention and careful study of the mechanism for its implementation, because losses due to incorrect choice of strategic orientation are almost irreplaceable [19-26].

Based on the identified goals of agricultural business, we define the concept of "planning management" as follows. Planning management is a set of strategic tools with the help of which an effective policy is developed to promote both the entire business and a separate (group) of agricultural products and services to consumers.

Our model of managing the process of developing and implementing strategic business planning is shown in Figure 2.

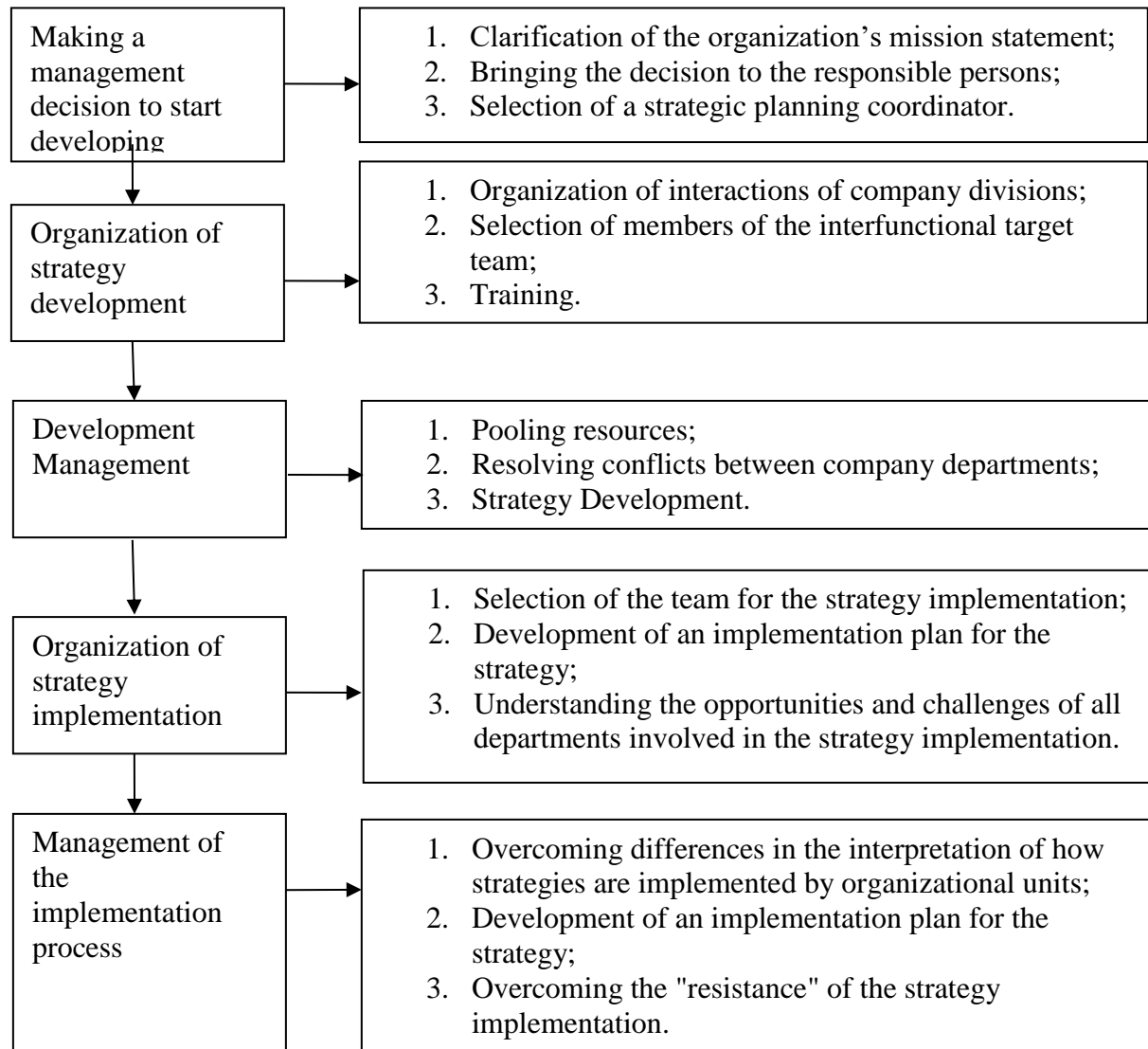


Figure 2 - The management model of the process of developing and implementing an organization's strategy in a business planning system.

RESULTS:

Further, the content of each stage developed by us is considered.

1. *The decision to start developing a business strategy.* The managerial decision to start developing a strategy is taken by top management, which brings the specified mission of the economic entity and its strategic goals in the forecast period based on the results of the organization's competitiveness assessment to the responsible persons. The refined mission defines the overall business philosophy of the organization, its basic boundaries and areas of promising interests.

At this stage, top management should select the leader of the future group; we called him the "coordinator" of strategic business planning. This should be a reliable specialist who can be trusted and delegated the necessary rights, and it is very important that top management provide full support to him at all stages. Such a specialist should be sufficiently independent for work efficiency.

2. *Organization of business strategy development.* Development begins with the formation of a working group - "interfunctional target team" (MSC),

consisting of members of various departments of an economic entity.

The “coordinator” of strategic planning should assume the function of organizing productive interaction between departments. There should be a sense of employee involvement in the development and, especially, in the implementation of a business strategy.

Another important factor is the training of all members of the interfunctional target team in techniques and procedures of strategic business planning, improving their educational level. In this case, employees can associate their knowledge with their tasks and daily work, they become more attentive and interested, and the contribution of each of them increases.

3. *Managing the process of developing a business strategy.* The first step of this phase should be resource mobilization, which implies, among other things, increasing the responsibilities of functional department employees and employees involved in developing a business strategy.

An important issue in the management phase of the process of developing a business strategy is the resolution of conflicts between members of an interfunctional target team. Conflicts can occur due to lack of time or insufficiently clear definition of tasks, various goals and personal characteristics.

The “coordinator” of strategic business planning should deal with conflict resolution, identifying and solving problems before problems become a serious obstacle to the effective work of the group. A

significant role in reducing internal conflicts can be played by creating an atmosphere of cooperation between departments of the organization, which is actually associated with the formation of a new organizational culture.

4. *Organization of business strategy implementation.* An important point of this stage is the selection of the team responsible for the implementation of the developed business strategy. The “coordinator” must make a choice taking into account the opinion of the top management: to leave the composition of the interfunctional target team as it is, or to introduce representatives from other departments of the organization; the choice will depend on the specifics of the economic entity, the developed business strategy and the existing cross-functional relationships.

Developing a plan for implementing the strategy involves setting goals for each department of the organization. In order for the plan to be detailed and understandable to everyone, it is desirable to involve all interested departments in its development, for example, to hold a “round table” to discuss all ideas.

We believe that the central issue of developing a plan for implementing the strategy is the development of a balanced scorecard, the principal structure of which is presented in Table 1. Such a system is primarily aimed at linking indicators in monetary terms with operational measures of such aspects of an economic entity as customer satisfaction, intrafirm business processes, innovation activity, and financial results.

Table 1 - Balanced Scorecard

Indicator	Objectives	Indicators	Tasks Activities	Activities
Customer				
Financial aspect				
Intercompany business process				
Innovation and Learning				

Thus, the development of a balanced scorecard becomes a broad management system and turns long-term plans and strategies into a set of goals and activities.

Communication barriers can be an obstacle to the coordination of activities of all departments in the implementation of the strategy. Members of other units may face communication problems due to a

misunderstanding of the specialized language of a department. General terminology and its perception, the creation of communication channels in the form of regular reports and meetings between departments will help the economic subject to improve the quality of relations between its departments.

5. *Managing the process of implementing a business strategy.* This is one of the most pressing issues today.

Despite the fact that top management would like to assume that all departments of an economic entity have the same goal - increasing the efficiency of the organization's work at the cross-functional level may arise other goals and objectives. A business strategy proposed for implementation may threaten the prestige and influence of a unit, and then employees can "resist change," defending their sphere of activity.

Resistance to the implementation of a business strategy may arise for various reasons of an organizational and behavioral nature: lack of managerial capacity to set and solve strategic tasks by top management, suppression of strategic activity in favor of current production and business activities ("routine"), group opposition of a team that is psychologically oriented inertial scenario, non-acceptance of change by linear managers - lack of

professionalism, lack of bank Strategic Data (weak Computing Base, poor organization of information flows) and others.

DISCUSSION:

If the strategic planning system will function on an ongoing basis, employees of the enterprise taking part in cross-functional teams will be driven by a common vision of the future of the organization and their contribution to the achievement of the final goal. All this can provide not only the motivation of actions, but also the active cooperation of workers, the reduction of "overcoming resistance".

In a broader sense, the cycle management of business planning is presented in the form of Figure 3.

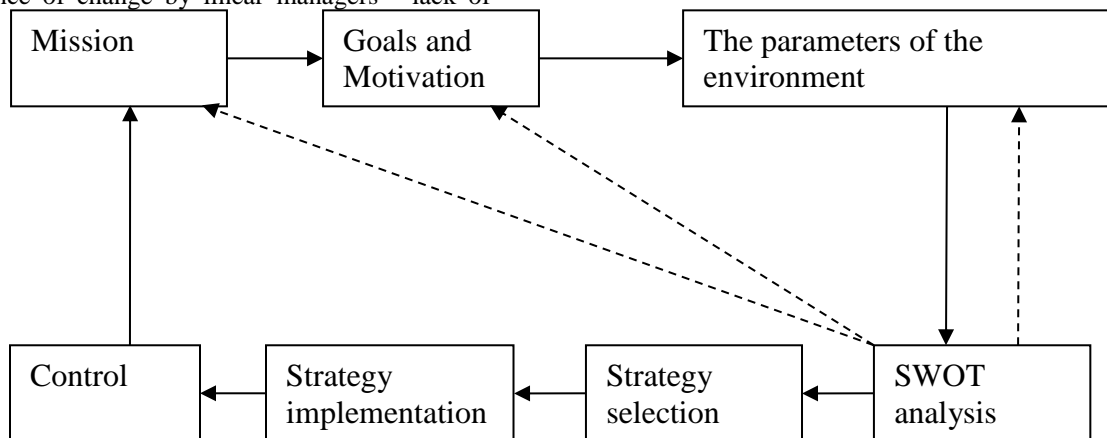


Figure 3 - Business Planning Management Cycle

In the economic entity, a reward system should be developed that would contribute to the acquisition of knowledge and skills necessary for the development of a business strategy. The desire of managers at all levels should be assessed both materially and in terms of career development.

At the organizational level, members of the inter functional target team also need to develop additional incentives for effective work, which may be related to the timing of bringing the product (service) to the market, the timeliness and efficiency of project management, and increasing market share tied to the business strategy being implemented. In addition, recognition and respect can be an important motivating force in the strategic planning process.

CONCLUSION:

Considering the issue of the specifics of managing agricultural business planning, it should be noted that the research results are of great price value for agricultural enterprises in the process of collecting and analyzing information, as well as in conducting SWOT analysis of the agricultural market, developing

management and marketing strategies for successful functioning of an economic entity.

Increasing the role and deepening of strategic business planning increases the requirements for information exchange, the development of an information strategy with the transition from operational to strategic

communications. Today, strategic business planning as information is the most important component of the resource potential of an economic entity. Accordingly, a successfully functioning management information system can become one of the competitive advantages enabling an organization to retain its leadership position.

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