MARKETING STRATEGIC PLANNING – A MODERN APPROACH WITHIN PUBLIC INSTITUTIONS’ MANAGEMENT

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Abstract:
The concept of strategic planning was discussed in various specialty papers that emphasized both the positive consequences of implementing it in private companies and public service units and the factors of influence. This paper recognizes the importance of strategic planning, highlighting the factors that can lead to its success, but also the obstacles encountered by managers. The study continues by presenting the planning tools specific to public administration. The tools used within central government are the mission, the state budget, the objectives and the decentralization of public services. Local administration organizations adopt both measures specific to corporate or divisional level and to strategic business units, when they are planning their activities.

Keywords: marketing, strategic planning, public administration.

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1. Introduction
As in any business, the planning provides the fundamental basis for success; very few experts disagree with the planning concept. Most studies in the marketing literature take into account the existence of dependencies between market success of companies and their concern for initiating a marketing plan, “without this mean that those companies that adopt formal planning procedures will automatically be successful in their business activities” (Pop, 2000, p.191).

Thus, there were highlighted both the favorable consequences of high quality strategic planning and the influencing factors of this very important process for any company. Also, research shows a direct correlation between qualitative strategic planning and superior institutional performance (Oliver, 2007, p.16). In other words, companies that have a good market position have previously developed an efficient planning process.

Moreover, in some cases the strategic planning is not optional, but mandatory for the business to survive on the market (Fiddler, 2007, p.46). In the specialty literature, most authors, including Leighton, Ansoff, Thune and House, Denison and McDonald, believe that decisive and significant evidence confirm that firms, which have assimilated marketing planning gain superior results compared to those, which haven’t been oriented towards this kind of planning (Pop, 2000, p.191).

In addition, within international specialty literature (Dew, 1997), the quality is defined as that value which “defines an organization and establishes the expected performance”, which leads to the link between strategic planning and proactive quality programs (Regel, 1998, p.105). On this connection is basing the author John R. Dew when he says that Quality managers should coordinate the strategic planning process.

In fact, the companies that want to be successful must evaluate their strategic planning process and focus on strategic thinking, a dynamic process that requires constant review of the mission, strategies and operations related to consumer needs and market forces (Struebing, 1996, p.22).
2. Determinants of marketing strategic planning

However, if managers are convinced that the planning is fine in theory, why the planning process is not always successful in practice? Clearly, there are barriers to successful planning. Often, these barriers have to do more with the human aspects of business management. They include people, politics, skills and culture to a greater extent than formal systems, methodology and database. Thus, these barriers, which can be turned into factors that ensure successful implementation of planning, are: (1) culture, (2) power and politics, (3) analysis, not action, (4) resource issues, (5) skills. (Drumond, Ensor, 2002, p.240)

First of all, the predominant culture cannot be influenced by marketing plans. If the fundamental marketing principles are not respected by companies, then they can hardly become market leaders or customer oriented. Usually there is a considerable resistance to change and a gradual regression to old practices.

Second of all, all companies are subject to internal policy. Development of strategic planning becomes a battlefield where interested persons are fighting for their own proposals and argue about the status and resources.

Third of all, the planning consumes a lot of time and energy by analyzing the data, rather than simply act. Although a rigorous process is recommended, it should not replace action. In addition, in any case of planning there are negotiations on resources. Indeed, a major aspect of the process is that resources meet strategic goals. Managers must know the state of resources so as to ensure that they are not excessive, but not missing.

Finally, sometimes the managers do not have the skills to contribute to the planning process. Often, planning is reduced to increases or decreases in the annual budget, without taking into account the opportunities needed to develop the business.

However, many of these barriers are more related to implementation of plans than to the planning process.

Another study has led to awareness of the three obstacles in the development of an effective marketing planning: (1) organization’s inability to assimilate the concept; (2) particular attention to the system and form, not to the content; (3) inability to recognize and consider creative alternatives or plans of action and trend to base future plans on current policies, slightly modified. (Ames read in Shapiro, Dolan, 1985, p.401)

Moreover, Ringbakk identified the ten factors with the role of inhibitors for effective planning (Ringbakk read in Cornescu, Marinescu, Curteanu, Toma, 2008):

- Planning is not integrated in the global management system.
- Some aspects of a formal planning process are not fully understood by managers.
- The managers at all levels were not appropriately involved in planning activities.
- The main responsibility for planning was given to a single department.
- It is considered that long-term plans can not be changed.
- For starting the planning process there were chosen more expensive or more complex systems than was needed.
- The leadership failed to act in accordance with drawn up plans.
- Forecasts and budget design have been confused with planning.
- Inappropriate data were used in the design process.
- The managers failed to look at the plan, as a whole, and they were lost in details.

In fact, according to Malcolm McDonald there are four levels of acceptance of marketing planning (McDonald read in Pop, 2000, p.190):

1. marketing planning is deliberately ignored;
2. marketing planning is treated as a difficult to understand formula and the organization hardly recognize it in the end;
3). marketing planning is largely considered and it is admitted that resources must be allocated on the basis of this process in order to achieve the desired results;
4). marketing planning is considered very seriously and it is admitted that not only the resources must be allocated accordingly to a plan, but also the plan may fundamentally change the direction and nature of business, including the power structure within the organization.

3. Central government planning tools
In public services, the political component of the marketing macro-environment strongly influences the activities of any unit. The stages of the corporate level planning in public services are: development of the Government mission, naming the ministries, establishing the state budget and the funds allocated to various divisions.
Thus, if “governance is to set the main directions for a country to follow: economic, cultural, and social policies”, with “the public authority right to dictate general rules, top directives of state life and work”, “administration has the right to decide the means through which to achieve the general goals pursued by the government and implement these means to obtain the result” (Costea, 2000, p.51-52). As such, in addition to mission, the planning tools specific to the central administration are the budget and the objectives.
As Siegel said in one of his works (Siegel read in Mintzberg, 2008, p.86-87): “The budget is the most important political statement of any government. The expenditure budget tells us <<who is receiving the public funds>>, and the revenue side says <<who supports the costs>>. There are few activities or government programs that do not require expenditure of funds, and not a penny of public funds can be spent without budget approval ... Budgets determine which programs and policies will be amplified, reduced, postponed, initiated or renewed. The budget is the central element of the public policy.”
In Wildavsky’s opinion, the budget is also very important, having several meanings, according to planners’ goals, and it finally records the outcome of the battle for national policy control (Wildavsky, read in Mintzberg, 2008, p.87): (a) prediction, (b) plan, (c) contract, (d) example/ precedent.
A fourth instrument specific to the central government planning is the decentralization of public services.

4. Local administration planning tools
Local administration organizations adopt both measures specific to corporate/ divisional level and to strategic business units, when they are planning their activities. They have the decision power in the management of public services and can choose one of the following forms of management:
 direct (direct, depersonalized, or autonomous administration);
 delegated (concession, lease or interested administration);
 half-direct (joint management).
Administrative public services have a direct management, which means they don’t have separate budget, being provided to community by local institutions.
The public services, which are rendered by depersonalized management, lack juridical personality, they “are always mistaken, in terms of legal, as the administrative authority to which they are subordinated” (Costea, 2000, p.105), but they have financial autonomy. Autonomous management gives industrial and commercial public services both financial autonomy and legal personality.
Through these decisions on public services management, which are adopted by local government, are set both the strategic business units and the resources that will be allocated. Some services, such as street lighting, sanitation or heating, may be entrusted to
companies from the private sector. However, in this case, there are several particularities of planning.

Thus, the responsibility of local public institutions restricts, the private companies assuming the risk of providing public services, using its own resources, both financial and material (infrastructure, equipment). The process – mostly consisting of a concession agreement – is seen rather as an outsourcing of services that are normally rendered by municipalities or county councils. In this situation, as private companies have their own autonomy and resources, cashing income from fees paid by service users, they can hardly be called strategic business units. However, decisions and measures adopted by local institutions in the management of public services are checked and controlled by Government representatives in the territory, namely the prefectures.

If public services are not leased, interested or half-direct managed, they will be managed by municipalities, local or county councils, being the strategic business units, with greater or reduced administrative and financial autonomy and belonging, at the same time, to local public institutions.

In other words, the category of tools specific to the local planning includes primarily the tools specific to the central level planning (mission, objectives, budget), and the tools specific to public company planning (segmentation, positioning, strategies, programs).

5. Conclusions
Marketing planning is important in public services field because it helps the institution to answer questions related to business environment, marketing objectives it need to achieve, or its customers segments. Also, through this instrument, the managers of the public institutions will identify opportunities and challenges they face and will select the most effective ways of communicating with consumers.

Another reason for which is effective to create a marketing plan is that it can provide a greater discipline in the strategic planning process, with the consequence of setting strategic directions for the institution of central or local public administration.

However, if based on incorrect data analysis or incorrectly interpreted information, the same marketing planning may lead to erroneous marketing decisions or can create unrealistic financial projections. Thus, the seven “sins” of planning, identified by Ian Wilson are (Mintzberg, Ahlstrand, Lampel, 2005, p.64-65): (1) staff is above the planning; (2) process dominates the staff; (3) planning systems were constructed so as to not produce any results; (4) planning has focused rather on more tempting activities, such as mergers, acquisitions and diversification at the expense of basic business development; (5) planning process failed to develop strategic options; (6) planning has neglected the cultural and organizational requirements of the strategy; (7) use of narrow forecasts was an inadequate basis for planning in an era of restructuring and uncertainty.

This is why a good marketing planning should include: a) time, energy, imagination; b) current information; c) thinking time for a complex analysis, which results in new and creative ideas; d) initiative (Levinson, Lautenslager, 2005).

6. References


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