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DOI: <https://doi.org/10.20535/2307-5651.31.2024.319019>**Obelets Tetiana**

Ph.D. in Economics, Docent

(corresponding author)

ORCID ID: 0000-0002-1553-5150

**Chornoshtan Anastasiia**

Student

ORCID ID: 0009-0001-2827-4498

National Technical University of Ukraine

"Igor Sikorsky Kyiv Polytechnic Institute"

**Обелець Т. В., Чорноштан А. Ю.**

Національний технічний університет України

«Київський політехнічний інститут імені Ігоря Сікорського»

## INTEGRATED BUSINESS PLANNING AS A KEY TO THE SUCCESS OF ENTERPRISE PROJECT ACTIVITY

## ІНТЕГРОВАНЕ БІЗНЕС-ПЛАНУВАННЯ ЯК ЗАПОРУКА УСПІХУ ПРОЄКТНОЇ ДІЯЛЬНОСТІ ПІДПРИЄМСТВА

*The article explores integrated business planning, which combines strategic long-term and operational short-term goals. It concludes that traditional business planning approaches lack flexibility and effectiveness amid dynamic economic changes and global uncertainty. An analytical assessment of key business planning issues identifies four main problems: rigid focus solely on strategic management planning or overly chaotic management decisions; formal and unsustainable business plans lacking continuity with economic changes; unrealistic financial goals disregarding available resources; and the absence of necessary tools to motivate the team. The analysis outlines key factors for project success in volatile conditions: focus on strategic goals and readiness to improve initiatives; continuity in business planning; clear measurable benchmarks; and tools for shaping a positive psychological climate and motivating employees toward strategic goals.*

**Keywords:** business planning, integrated business planning, project activity, enterprise management.

*У статті досліджуються аспекти процесу інтегрованого бізнес-планування, що надає можливість підприємствам поєднувати стратегічні довгострокові та оперативні короткострокові цілі. Визначено, що в умовах динамічних змін економічного середовища та глобальної невизначеності традиційні підходи до бізнес-планування вже не є достатньо гнучкими та досконалими. Проведено аналітичну оцінку низки проблем у процесах бізнес-планування, коли підприємства опиняються в пастці відставання, а проєктна діяльність відбувається у реактивному режимі, зорієнтованому на минулі події, а не в активному, спрямованому на перспективу. Означено чотири основних типи проблем бізнес-планування: жорстка орієнтація виключно на стратегічне управлінське планування або занадто лабільні управлінські рішення, що змінюються хаотично; формальність і нежиттєздатність бізнес-планів, відсутність логічної спадкоємності між циклами планування без урахування змін економічного середовища; припущення в процесі проєктної діяльності щодо досягнення певних фінансових цілей не завжди послідовні та реалістичні та не враховують наявних ресурсних спроможностей підприємства; відсутність необхідних інструментів мотивування колективу до ефективної роботи. На основі аналізу викликів та основних причин наявних проблем у процесі бізнес-планування окреслено необхідні фактори, які забезпечать більшу успішність проєктної діяльності на підприємстві у мінливих сучасних умовах. Серед них виокремлено наступні: орієнтованість на стратегічну мету підприємства та готовність до вдосконалення поточних ініціатив; спадкоємність успішності та інтеграція бізнес-планування з циклом управління; фокусування на чітких вимірюваних орієнтирах; наявність важелів впливу для формування необхідного психологічного клімату і мотивації діяльності працівників для досягнення стратегічних цілей підприємства.*

**Ключові слова:** бізнес-планування, інтегроване бізнес-планування, проєктна діяльність, управління підприємством.

**Problem statement.** The success of an enterprise project activity is heavily dependent on effective management decisions, which are made based on thorough business planning. Business planning enables the selection of the most promising operational scenario to maximize the enterprise's development opportunities, considering available internal resources, risks, and business prospects in a specific economic environment.

**Analysis of recent research and publications.** Theoretical issues of business planning at enterprises

have been explored by foreign scientists such as C. Barrow, P. Barrow, J. Bornstein, R. Brown, J. Collins, P. Pruitt, B. Ford, G. Friend, and S. Zehle [1–4]. Research on project success evaluation and the practical adaptation of project activities to changes in the economic environment throughout the project lifecycle has been conducted by H.K. Aroral, G. Gemünden, J. Meredith, and O. Zwickel [5–7].

Ukrainian scholars R. Bilyk, Z. Varnalii, T. Vasylytsiv, V. Karpov, L. Lavriv, R. Lupak, S. Makarenko, and

N. Oliinyk [8–10] have focused on the theoretical and methodological aspects of business planning and entrepreneurial project analysis. The evaluation of the investment attractiveness of entrepreneurial projects has been discussed in works by K. Hurova, M. Melnychuk, and A. Pashchenko [11; 12]. However, the integration of strategic long-term and operational short-term goals in the business planning process, which is essential for the success of enterprise project activities, remains insufficiently studied.

**Formulating the purposes of the article.** The purpose of this article is to define aspects of the integrated business planning process, where the enterprise's effectiveness can be ensured, provided that project activities are aligned with the company's chosen strategy and are adaptive to the instability and uncertainty of the economic environment.

**Presentation of the main research material.** Modern enterprises operate in a constantly changing environment, where new rules and restrictions appear daily. Economic and political uncertainty, the implementation of innovations, changing customer requirements for the quality of performed works and services, the transformation of employees' views on working conditions, employees' focus on physical and psychological safety in the workplace, the emergence of new labour market subjects, such as digital platforms that are actively breaking down geographical employment barriers and expanding job opportunities, are all impacting enterprises across all sectors of the economy. In this complex and often uncertain environment, enterprises must organize their project activities and select business projects while considering global transformations and new trends:

*digital technology market:* increasing and reducing the cost of computing power, growing volume and complexity of databases, the rapid spread of mobile devices, expanding communication technologies, and new business practices and approaches to enterprise project activities;

*labour market with no limits:* growing labour mobility in developing labour markets, demand-supply imbalances in terms of professional qualifications, changing employee expectations regarding workplace safety, and reviewing employment contracts in light of new working conditions, including the possibility of remote or hybrid work thanks to digital technologies;

*global market:* diversification of sales markets due to the emergence of unstable economic zones and the establishment of a multipolar global economic environment, shifting enterprise locations based on profitability, labour costs, and raw material and component expenses;

*resource market:* technological changes in resource extraction, reorientation of supply chains, rapid fluctuations in raw material prices, such as oil and gas, and constant inflationary pressures on enterprises due to rising prices and currency fluctuations.

In the context of dynamic changes in the economic environment and global uncertainty, traditional approaches to business planning are no longer flexible or perfect enough. Under such approaches, business plans may become detached from everyday reality, and enterprises fall into a trap of lagging behind, where management decisions are reactions to changes that have already occurred, and enterprise project activities take place in a reactive mode rather than an active, future-oriented one. The inability to navigate a changing environment and conduct project

activities by anticipating various scenarios of current market conditions can lead to several issues in business planning processes (Table 1).

Based on the analysis of challenges, issues, and the main causes of existing problems in the business planning process, we can outline the necessary factors that will ensure greater success in enterprise project activities under changing modern conditions. For the success of project activities, we consider the application of integrated business planning essential, with the following key components:

– *focus on the enterprise's strategic goal and readiness to improve current initiatives:* integrating the vision of strategic horizons and conceptual goals into project activities; adjusting current projects, if necessary, rather than creating new duplicative or chaotic ones, which do not logically align with the enterprise's strategic direction;

– *continuity of success and integration of business planning with the management cycle:* leveraging existing strategic initiatives supports momentum built in previous years, ensuring continuity and succession in business projects, and can create significant budgetary advantages by minimizing costs; a well-developed business plan, based on predictive analytics, should include all components of the business management cycle, starting with strategy and long-term planning, aligned annual plans, management reporting and analysis, and ending with forecast scenarios for project development;

– *focus on clear, measurable benchmarks* that can be used to determine the effectiveness of the enterprise in achieving strategic goals: business planning should be based on well-defined performance indicators directly related to the enterprise's strategic goals, serving as a measure for evaluating the effectiveness and success of business projects;

– *the presence of levers to shape the necessary psychological climate and motivate employees toward strategic goals:* motivational values act as the missing link between the enterprise's strategy and business performance indicators, functioning as levers through which management can encourage desired employee behaviour and workforce activity to achieve strategic objectives.

Given the rapid pace of changes occurring in the external environment, which affect the internal resources and capabilities of a business, there may be a temptation to downplay the role of long-term strategic business planning. In fact, in this dynamic environment, more than ever, businesses need to recognize the importance of purposeful project activity and be guided by an integrated approach to business planning. All the available resources of the enterprise must be used optimally, and the efforts of the entire team (project teams, production staff, organizational support personnel, etc.) must be clearly directed towards achieving a common goal.

*A focus on the enterprise's strategic goal and readiness to improve current initiatives* will allow for the optimization of the benefits of integrated business planning, ensuring that this process is driven by the strategic objective and that project activities are based on key performance indicators aligned with the enterprise's goal. The strategic goal of the enterprise should serve as the foundation for prioritizing the allocation of financial, human, time, and other resources. Strategic planning must be carried out with consideration of changes in external conditions and

Table 1

<b>Challenges in business planning processes</b>	
<b>Challenges and issues</b>	<b>Main causes of the problems</b>
<p><b>A rigid focus solely on strategic management planning prevents meaningful real-time analysis of the enterprise's activities and the appropriate adjustment of management decisions</b></p> <p><b>Current management decisions are disconnected from the strategic vision and contradict future decision-making processes</b></p>	<ul style="list-style-type: none"> <li>– business planning is not properly linked to the enterprise's strategic goals, and project activities are not integrated into the business management cycle</li> <li>– project activity departments only acknowledge market changes and the mismatch between current annual and strategic plans with new trends and challenges</li> <li>– business process is fixed on an approved plan, which may become outdated for various reasons but is not adjusted throughout the year</li> <li>– business plan does not answer the question of which strategic goal the project aims to achieve within the enterprise</li> </ul>
<p><b>Business planning is often just a non-viable paper project, a formal submission «from the bottom up»</b></p> <p><b>The lack of continuity between planning cycles makes the quality of the business plan worse</b></p> <p><b>Project activities do not improve existing strategic initiatives considering changes in the economic environment</b></p>	<ul style="list-style-type: none"> <li>– projects start chaotically, and new business plans are not a consistent development of previous successful projects</li> <li>– business planning is fragmented and does not align with real business processes, such as planning, management reporting, budgeting, and forecasting</li> <li>– project activities do not include scenario planning in real-time</li> </ul>
<p><b>Input data and assumptions in the project activities are not always consistent or realistic</b></p> <p><b>Business planning may assume the achievement of certain financial goals without considering the enterprise's available resource capabilities</b></p>	<ul style="list-style-type: none"> <li>– conceptual formulations of strategy and high-level goals do not provide enough factual basis to be realistic and actionable</li> <li>– project activity targets weakly correlate with strategic tasks and/or current management decisions</li> <li>– there is a lack of predictive analytics based on the analysis of the enterprise's resource capabilities</li> </ul>
<p><b>The lack of necessary tools to motivate the team for effective work leads to chaotic project activities and the inability to successfully implement any business projects</b></p>	<ul style="list-style-type: none"> <li>– project activity departments struggle to align and implement strategy and business plans due to the lack of motivation tools for employees to commit to their work</li> <li>– insufficient employee engagement in business processes and a lack of interest in achieving set goals</li> </ul>

Source: developed by authors

internal capabilities, making project activities more flexible and enabling the company to maintain profitability in challenging and unstable conditions.

Orienting the business planning process towards strategic goals and integrating a corrective component into the business planning can help reduce risks and provide competitive advantages for growth by balancing the enterprise's long-term objectives with short-term operational performance indicators.

*The continuity of success and the integration of business planning with the management cycle.* A well-developed business plan integrates all components of the business management cycle, including strategy and long-term planning, the annual plan, management reporting, budgeting analysis, and forecasting. The integration of all these components within the business planning process enables the creation of projects in the next project cycle that inherit the successful experiences of the previous cycle, further developing the enterprise's competitive advantages.

Understanding the strategic direction of operations remains the foundation and starting point of the business planning process, into which the current annual, operational, and financial plans are integrated. Planning assumptions are aligned with business activity tactics and the quantitative assessment of the enterprise's resources. Management reporting allows for the analysis of the effectiveness of the selected project and adjustment of the course if such corrections are needed. Various business activity scenarios are created during the forecasting stage and are continuously updated, enabling optimal adjustments

to current operations and laying the groundwork for future plans and projects. In this format of business planning, conclusions and key benefits derived from previous projects are incorporated into the development of new ones, ensuring the continuity of success.

Without implementing the strategic direction and a comprehensive business plan into a coordinated set of strategic initiatives, enterprises may end up with many well-intentioned but ultimately ineffective and resource-intensive projects that do not reflect their goals and objectives. The development of a well-thought-out plan for the execution of strategic initiatives is a crucial element of the integrated business planning process.

*Focusing on clear, measurable benchmarks* transforms the enterprise's strategy and its vision of business objectives into tangible goals and indicators. These enable the transition from a concept to a business activity model, providing the means for control and effective management of business processes. Control indicators are applied at various levels of management: managers of different departments can focus on specialized indicators relevant to their areas of activity, while company leadership can monitor broader indicators that reveal the overall picture.

Measurable performance indicators of a company serve as a quantitative measure of project success and allow project activities to become more constructive.

*The presence of leverage for shaping the necessary psychological climate and motivating employees to achieve strategic goals.* All employees must understand the enterprise's purpose, strategy, and key operational priorities, as well as their role in achieving them. Integrated

business planning that considers the need for a motivational component can help translate the enterprise's strategic goals into financial and commercial drivers that influence employees' day-to-day behaviour.

Many of the best specialists, due to their competencies, can be involved in multiple projects within the company. However, without understanding the ultimate goals of these projects or the strategic tasks they aim to fulfil upon completion, these employees may become overloaded, leading to burnout. Therefore, the projects chosen for implementation must be ranked according to their value to the enterprise and the efforts and resources required for their execution. This prioritization, along with the goals that will be achieved through the completion of each project, must be clearly understood by the employees. This will enhance employee engagement and improve their work efficiency.

**Conclusions.** Thus, the success of project activities depends on how well business planning processes are integrated into the enterprise's strategy and current business activity of the enterprise. Integrated business planning is a holistic and permanent process that is embedded in day-to-day work and oriented towards strategic perspectives.

The success of project activities in this context can only be ensured by balancing, on the one hand, the fundamental concepts and strategies that define the primary prerequisites for the enterprise's activities and outline the horizons of opportunities, and on the other hand, the current changes in the economic environment that require regular adjustments to the strategic direction of the enterprise's business activities.

Integrated operational planning formalizes weekly and daily processes and aligns them with the plans established in the monthly and annual cycles of integrated business planning. This improves key operational indicators and frees up time that employees and managers at various levels can devote to work that has long-term objectives. As a result, both strategic long-term and operational short-term goals can be achieved methodically with optimal resource expenditures.

In today's world, where the factor of instability is becoming determining, integrated business planning helps companies assess both the impact of changes in the near term and establish a foundation for successful project activities and maximizing operational efficiency.

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