

Five Functions of Management: Business Planning at the Local Level

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SUBJECT(S): Management

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, the teacher will address the “Planning” function of the “Five Functions of Management” as it occurs in the business context at the local level. Students will read “Eight Great Business Plans: Who Is This Year’s Winner?” Reassess how goals are met in a local business with a lack of resources. The planning function is the first function of the “Five Functions of Management” (see definition from standards below).

≡ NBEA STANDARD(S):

- Management, I. Management Functions

The Five Functions of Management

- **Planning** — Managers are responsible for setting the course of actions that will best fulfill the company’s goals. Planning involves knowing what to do, when to do it and how to do it. Managers are responsible for consulting with different departments of the company in order to set the appropriate path for allocating capital in the right directions.
- **Management Decision-making & Strategy** — Managers must identify the activities to be completed, assign duties, create and authorize responsibility and coordinate the different levels of operations.

- **Staffing** — Keeping individuals in the proper departments and matching talent to employee are also among the functions of management. Staffing includes recruitment, performance appraisal, promotions and transferring employees to the proper departments.
- **Directing** — Managers must supervise, motivate, lead and maintain communications with their employees.
- **Controlling** — Managers must control their departmental employees and operations to ensure that organizational goals are achieved.

NBEA Standard(s): Analyze the management functions and their implementation and integration within the business environment.

Objectives/Purposes: The purpose of this lesson is for students to comprehend elements of management planning for a business/organization, as a function of business management, at the local level. Students will be able to make connections at scale, understanding the organizational dynamics of a local business operation.

Knowledge@Wharton Article: [“Eight Great Business Plans: Who Is This Year’s Winner?”](#)

Other Resources/Materials:

For Teachers:

1. Internet Access — If the teacher has Internet and can project the screen to the class, this is fine.
2. Butcher paper/poster board and markers

Activity:

Introduction: Class discussion opener

(1) (5 mins)

In the introductory facilitation, the teacher should explain to students that establishing a small business enterprise at the local level (i.e., in a local community, neighborhood, “mom and pop” store, etc.) and maintaining/sustaining that business comes with a particular set of challenges and considerations for the business manager/leader. Because local level businesses are small

(i.e., small funding base, small marketing base, small client base, etc.), they may face competition from larger businesses who have access to more funding and perhaps a greater number and diversity of product. On the positive side, because of their size, small businesses are typically more flexible and have less “red tape.” Also, due to the fact that they are usually “locally, home grown” there is possibility for a loyal, local customer base.

Because students will be analyzing local business dynamics in the context of the **Planning** function of business management, discuss with them that planning involves knowing what to do, when to do it and how to do it. It involves an understanding of context, challenges and opportunities. It also involves problem solving. Explain to students that managers are responsible for setting the course of action that will best fulfill the company’s goals, as well as consulting with different departments of the company in order to set the appropriate path for allocating capital in the right directions.

(2) (5 mins)

Have students get into groups and briefly write a plan for an employee business conference in Hawaii. Have each group include specific planning details for the conference. For example, what are the flight details, hotel arrangements, meals and activities, group team-building activities, overall professional development goals, etc.?

Note: Teacher may decide to write discussed themes developing from responses on the board to keep a running list that may be referred to from time to time as student understanding of the topic evolves.

Guided Reading (10 mins):

Now, have students read the Knowledge@Wharton article: [“Eight Great Business Plans: Who Is This Year’s Winner?”](#)

Class Discussion (5 mins):

1. What is the purpose of a business plan?
2. How does planning affect the creation of a business?

Exploration Activity (5 mins): Local Business Domain

As a class, choose one of the business ideas they would like to write a business plan for. Have students break into groups. Each group should focus on one aspect of the business plan listed below (not included: Executive Summary and Financials).

- **Market Analysis** : State who your customers are, your geographical range, growth potential and customer satisfaction / customer service procedures),
- **Marketing Plan**: This is probably the most important part of the plan. You need to have the following: a marketing strategy, pricing scheme, timetable for growth and development, marketing budget, guarantee policies, packaging and presentation, plan to test the effectiveness of your marketing and knowledge of what certain media marketing costs.
- **Business Context**: Provide information that will give the reader an understanding of the larger market that you are in. Talk about growth potential, new products and economic trends,
- **Business Profile**: Explain in detail about your business, trends, organizational structure, influential factors in the market, patterns of research and development, contracts and operational procedures.

Group Reports/Discussion (10 mins):

Have groups share their part of the business plan with the rest of the class. Listen to the plans and provide feedback on things they might want to consider adding in each section. Compile all parts of the business plan and make copies of the compiled report for students as an example of a business plan (can be given to them by next class). Include the summary of the business (from the article) as an executive summary. Note: Students can use this business plan example as a future resource document.

Closing (5 mins):

Use this time to answer questions and clarify points of confusion.

Tying It All Together: Planning is the first function of the “Five Functions of Management.” The other four functions are: Directing, Controlling, Staffing and Organizing. In terms of an overall strategic view, now that students understand the directing and controlling function, the teacher may wish to contextualize this function vis-à-vis the other four remaining functions.

This lesson plan can stand alone or the teacher may wish to visit other Wharton Global Youth Program lesson plans that highlight the other “Functions of Management.” Bear in mind that

each function represents a unique element of business management and when the five are taken together, they collectively articulate the role of the business manager as leader/steward of the organization.

The “Five Functions of Management” are subsumed within the greater umbrella of Business Management, including but not limited to:

- Theories of Management
- Business Organization
- Personal Management Skills
- Business Ethics and Social Responsibility
- Human Resource Management
- Technology and Information Management
- Financial Decision Making
- Operations Management

Practice Outside of the Classroom: Students may be encouraged to think of businesses they can start as high school students.

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