

Five Functions of Management: Business Planning at the Multinational Level

SUBMITTED BY: Mustafa Abdul-Jabbar, University of Pennsylvania

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 multinational level. Students will read “Wyndham Worldwide’s Stephen Holmes on the Changing Nature of Leisure Travel”

Then create a plan to expand the product offerings in a variety of contexts. 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

≡ RELATED ARTICLES:

- [“Zara’s ‘Fast Fashion’ Business Model”](#)
- [“5 Things You Should Know About a British Exit from the European Union”](#)

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 **planning** for a business/organization as a function of business management at the **multinational** level. Students will be able to apply planning skills to a multinational business context.

Knowledge@Wharton Article:

[“Wyndham Worldwide’s Stephen Holmes on the Changing Nature of Leisure Travel”](#)

Other Resources/Materials:

- 1) Internet Access — if the teacher has Internet and can project the screen to the class, this is fine.
- 2) Butcher paper and markers

Activity:

Introduction:

(1) (5 min)

In the introductory facilitation, the teacher should explain to students that operating a business at the multinational level requires the ability to be adaptive, to be able to adjust one's business model across a diversity of national contexts, communities and people. Companies at the multinational level usually offer a variety of services or products that may fluctuate from country to country or from context to context. This is due chiefly to the different norms and customs that are found across different countries (i.e., one nation's customs may require kosher/halal meat in their food, etc.).

Multinational corporations must be adaptive, meaning they must plan for change: as caused by political upheaval, natural disasters, economic downturns, etc. Because students will be analyzing multinational 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. 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. Students may be asked to think of examples/circumstances that require businesses to strategically plan (i.e., planning stock for the holiday season, opening a new store, offering a new product, competing with a new competitor, etc). Each group must generate a list of examples and why they believe each example entails planning.

Have students share their lists and discuss in class.

Note: The 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 min):

Students should read through the article "[Wyndham Worldwide's Stephen Holmes on the Changing Nature of Leisure Travel.](#)"

Once students have read the article, have them break out in pairs to answer the following questions.

1. What are some of the challenges that leisure travel has experienced over the past several years?
2. How did Wyndham account for these challenges? What plan did it implement?
3. What are some of the differences in doing business in the United States versus doing business in Europe?
4. How does the company plan in light of these differences?

Class Discussion (5 mins):

Have students discuss answers to questions as a whole class. Ensure that students are making connections between Wyndham's responses to challenges and the nature of effective planning and business success. Make sure students realize that certain *planning skills* are needed in order to prepare effectively (i.e., knowledge of the market, system of inventory organization, financial understanding, etc).

Exploration Activity (5 mins): Multinational Business Domain

Have groups compare and contrast the leisure business in the U.S with that of Europe.

Once this list has been generated, have students brainstorm ways to expand Wyndham's business in these two markets. From this list, choose one expansion idea for the U.S and one expansion idea for Europe (i.e., how to expand their businesses in "untapped" areas potentially available in each market (U.S./Europe) and create a plan to implement these ideas in each market respectively. For example, students can think of ways to appeal to different age groups (i.e., youth/family/retired, etc.) or other categories that may expand the demographic that accesses their services.

Remind students that the plans should be well thought out. Make sure to include details of how the plan will be implemented as well as how the plan will be assessed to see if it is working.

Group Reports/Discussion (10 mins):

Have students share their plans with the class. Make sure students justify and explain their understanding and thinking. Discuss the plans that the groups made. Feel free to add any items that students may have overlooked, as well as highlight one or two items for further whole class discussion.

Closing (5 mins):

Use this time to answer questions and clarify points of confusion. Make sure to connect SWOT analysis planning (identifying *strengths*, *weaknesses*, *opportunities*, *threats*) to the broader topic of planning in general. Remind students that “if you fail to plan, you plan to fail.”

Tying It All Together: Planning is the third function of the “Five Functions of Management.” The other four functions are: Staffing, Organizing, Directing and Controlling. In terms of an overall strategic view, now that students understand the planning 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 can be called to think about companies like Coca Cola, McDonald’s, Sony or BMW. The next time students encounter a soft drink or a Big Mac, etc., they can also look at these company web sites that target different geographic locations. Notice how their products hold common threads throughout each market, and encourage students to take note of how each company may have “subtle” differences unique to a neighborhood or cultural “niche” that it may currently possess as it strives to meet the unique needs of a more specific target market.

What Worked and What I Would Do Differently:

