

Five Functions of Management: Business Planning at the National 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 national level. Students will read “Building a Brand on the Smell of Mom’s Kitchen: How Panera Found Success in a Down Economy.” They will then conduct a SWOT analysis as a class on Panera Bread and create a plan based on their SWOT analyses. The planning function is the first function of the “Five Functions of Management.”

≡ NBEA STANDARD(S):

- Management, I. Management Functions

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“Wisdom from the Parlor: Ice Cream Entrepreneurs Share Their Struggles”](#)

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 national level. Students will be able to apply planning skills to a national business context.

Knowledge@Wharton Article:

“Building a Brand on the Smell of Mom’s Kitchen: How Panera Found Success in a Down Economy”

<http://knowledge.wharton.upenn.edu/article.cfm?articleid=2744>

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 and markers

Activity:

Introduction (5 min):

As an introduction, the teacher should explain to students that operating a business at the national level is often complex due to various state regulations and different business norms within and across different state-based/provincial/tribal contexts. Due to this, national level businesses must be able to adapt and vary their structures from one area to another. In order to streamline fiscal costs, many national level businesses seek to mitigate against rising costs and encourage operational efficiency by mass-reproducing the same exact model in different locations (i.e., If you are in Los Angeles, Boston, or Dallas every Target store is going to be virtually the same with minor differences.) Thus, generally speaking, in most cases, management functions on the national level involve efforts to *normalize* business operations.

Because students will be analyzing national 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.

Students may be asked to think of examples of how businesses plan (i.e., planning stock for the holiday season, opening a new store, offering a new product, competing with a new competitor, etc.).

Note: The teacher may call on various students to articulate various examples of planning across business contexts, and may write student 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):

Students should read through the article [“Building a Brand on the Smell of Mom’s Kitchen: How Panera Found Success in a Down Economy.”](#)

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

1. Why has Panera been successful? What role did planning have in this success?
2. Is Panera fulfilling its vision? If so how? If not, why not?
3. What role does the vision play in Panera’s planning and expansion strategy?

4. What are some of the challenges that Panera faced when expanding to the national level?
5. How did Panera plan for these challenges?
6. In the article, Lawrence Hrebiniak says, “When you’re on top what do you do? It’s difficult to maintain that advantage.” Why do you think this is? How can planning keep you “on top” or how can planning cause you to lose your advantage?

Class Discussion (5 mins):

Have students discuss answers to questions as a whole class. Ensure that students are making connections between strategies/ways of thinking strategically as modeled by Panera and effective planning skills and success. Make sure students realize that they need certain skills in order to plan effectively (i.e., knowledge of the market, system of inventory organization, financial understanding, etc.).

Exploration Activity (5 mins): National Business Domain

Split students into groups to complete a SWOT analysis.

During a SWOT analysis students analyze a business enterprise for its Strengths, Weaknesses, Opportunities, and Threats. From the vantage point of planning in a national business context, have students record their analyses on butcher paper.

Have one group analyze the strengths of Panera based on the article. Have the second group analyze the weaknesses of Panera based on the article. Have the third group analyze the opportunities of Panera based on the article. Have the fourth group analyze the threats of Panera based on evidence presented in the article.

Create a SWOT analysis chart on the board. Once students have analyzed the business in groups, they should present their findings to the rest of the class and add their information to the SWOT on the board. Once this is complete, the class should be able to see a SWOT analysis of Panera on the board.

Next, have the groups choose one of the strengths, weaknesses, opportunities or threats and devise a plan for Panera in light of the item chosen. The group who generated the strengths should choose a strength to plan for, the group who generated the weaknesses should select a weakness, or if the group of students are strong in this area, they can be encouraged to select an

option given by another group, in a different area than the one they initially brainstormed in, to challenge themselves in another category.

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 min):

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 minutes):

Use this time to answer questions and clarify points of confusion. Make sure to connect SWOT analysis planning 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 consider a national business that has had a plan fail (i.e., General Motor's creating a fleet of SUVs that did not sell in light of rising gas prices). Why did these plans fail? How did the company plan after a failure? How might they have adapted, adjusted or have prepared better?

What Worked and What I Would Do Differently:

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