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The Meaning and Application of Strategic Planning and Short-Term Planning in Companies

For companies, resilience is no longer a preference, but a fundamental requirement for sustainable success. In today's world, capital, information, human resources, and production elements can move very quickly; balances between countries, institutions, and sectors can shift in short periods. Especially in the post-Covid-19 era, remote work and cross-border labor have become a permanent part of working life. In addition, the increased speed of circulation of raw materials, semi-finished goods, finished goods, and investment goods has made companies more exposed to both opportunities and risks.

In this increasingly fiercely competitive environment, companies can grow much faster, but they can also face the risk of shrinking or losing market share at the same rate. The value elements of products change rapidly, consumer expectations evolve, and substitute products can emerge unexpectedly. Geopolitical developments can create sudden disruptions in supply chains, and long-standing economic and political collaborations can change in a short time.

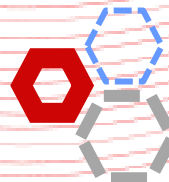
Therefore, companies have become structures trying to make the right decisions amidst a powerful, constantly shifting storm. As the opportunities and risks created by artificial intelligence technologies increase significantly, individuals are seeking to reshape their careers and lives in increasingly uncertain environments and must be more cautious. Sustainability pressures, expanding IT risks, data security issues, stakeholder expectations, and societal sensitivities are also among the critical issues that organizations must pay attention to.

In such an environment, simply complying with regulations and standards is not enough. Establishing the necessary corporate infrastructure to sustain commercial success has become both costly and indispensable. Organizations need not only to survive today, but also to strengthen themselves over time and ensure their continued existence in the future. This expectation has importance and impacts at the individual, corporate, national, regional, and global levels. The concept of resilience is multifaceted and multidisciplinary. It requires considering both short-term commercial success and long-term sustainability. Accurately analyzing changing environmental conditions, closely monitoring developments, and making the right strategic moves at the right time are fundamental elements of resilience. Therefore, the understanding of strategic planning has also changed. It is no longer sufficient to prepare strategic plans every three or five years, as in the past; they need to be reviewed and updated at much shorter intervals depending on the dynamism of the sectors.

Corporate resilience begins with correctly understanding risks, monitoring them in real-time, and taking necessary precautions. In addition, establishing a strong corporate governance structure, implementing accountability mechanisms, defining and continuously updating achievable strategic goals are crucial.

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Furthermore, planning assurance and management consulting activities, developing new products, implementing strategies for entering new markets, and strengthening equity against market contractions are also important elements supporting resilience.

In terms of financial sustainability, proper budget management, balanced cash flow, and effective management of financial risks play a critical role. In addition, ensuring customer loyalty, selecting the right employees, increasing employee satisfaction, and sustainably managing human resources are cornerstones of the corporate structure. Companies also need to continuously analyze market indicators and competitors, follow technological developments, and manage IT and legal risks. Matching payment terms and exchange rates, maintaining a balance between internal and external resources, ensuring the sustainability of quality documentation, and selecting and monitoring the right performance indicators are integral parts of this process.

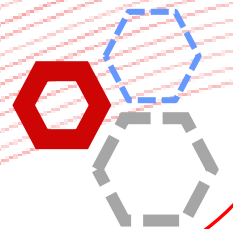
Within all these business processes, it is not enough for companies to focus solely on daily operations. Long-term planning should not be neglected alongside short-term goals. This requires organizations to allocate time, energy, and budget. The ability to develop foresight, conduct environmental analysis, make intuitive assessments, build capacity, establish the right collaborations, and possess planning and implementation skills are among the fundamental components of long-term corporate resilience. Of course, these efforts will have a cost. However, this cost is far lower than the cost of failing to make the necessary preparations and manage risks. Future generations expect from today's managers not only short-term successes but also sensible, sustainable, and long-term value-generating decisions.

What Are The Dynamics Of The Relationship Between Strategic Planning And Short-Term Planning And What Factors Influence It?



There is a reciprocal and continuous relationship between strategic planning and short-term (operational/tactical) planning. Strategic planning represents a high-level management approach that defines a company's long-term vision, competitive advantage, growth direction, and future expectations and goals. Short-term planning, on the other hand, describes the translation of these strategic goals into daily activities, department-based applications, performance criteria, and operational processes. In other words, while strategic planning determines "what will be done," short-term planning outlines "how it will be done."

The relationship between these two types of planning is not linear, but dynamic and cyclical. Strategic goals guide operational processes, while the results obtained from operations lead to a reassessment of strategic decisions.



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For example, in line with a long-term digital transformation strategy, a business may make short-term investments in software, personnel training, and process improvements. However, increased costs, employee resistance, or technological shortcomings encountered during implementation may lead to a reassessment of the strategic plan and the development of a new roadmap.

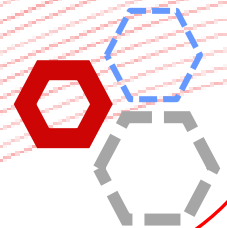
This demonstrates the interdependence between strategy and operations. A strong integration between strategic and short-term planning enables organizations/companies to use their resources more efficiently, reduce deviations from their goals, and adapt more quickly to changing circumstances. Conversely, if there is a mismatch between the two types of planning, strategic goals may not be reflected in practice, and the strategy may remain merely a theoretical document, creating a risk of daily life failure. On the other hand, the inability to connect employees' daily activities with corporate goals can lead to problems such as decreased performance, waste of resources, and inconsistencies in decision-making processes. This situation can also create motivation problems stemming from a lack of understanding of the mission and vision.

The success of this relationship is influenced by many internal and external factors. Chief among these are market volatility and intense competition. In sectors with high competition and rapid technological change, strategic plans need to be more flexible and adaptable to changing circumstances, while short-term plans need to be updated more frequently. Global economic fluctuations, changes in consumer behavior, and technological transformations directly impact planning processes. Organizational competencies also play a significant role in this dynamic. The institution's human resource capacity, leadership structure, corporate culture, and decision-making mechanisms determine the success of translating strategic goals into operational levels.

In institutions with strong leadership structures, employees have higher alignment with strategic goals, while the applicability of strategic plans decreases in weak communication structures. It is particularly critical that top management accurately conveys the vision to employees and that all units act in line with common goals. Internal capacity affects the ability to cope with external challenges. Furthermore, data quality and the level of digital infrastructure directly affect the relationship between strategic and short-term planning. Today, thanks to data-driven management, businesses can monitor performance indicators in real-time and update their strategic decisions more quickly. Digital tools such as ERP, CRM, and business intelligence systems enable operational data to be transformed into strategic analyses, creating integration among planning processes.



In conclusion, strategic planning and short-term planning are two fundamental management elements that complement and continuously reinforce each other. The success of strategic plans depends on the effectiveness of short-term implementations. Similarly, feedback from operational processes helps improve strategic decisions. Therefore, for organizations that want to achieve sustainable success, establishing strong integration between strategic goals and daily operations, and making the strategic planning process a well-established practice, is of great importance.



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Do The Durations Of This Planning Vary Depending On The Sector?

Strategic and short-term planning timelines vary significantly depending on the dynamics of the sector. For example, in rapidly changing sectors such as technology and e-commerce, strategic plans are generally considered within a 1-3year perspective, while operational plans are updated on a monthly or quarterly basis. In contrast, in capital-intensive sectors such as energy, infrastructure, and manufacturing, strategic planning can cover 5-10year periods, and investment decisions are based on long-term projections.

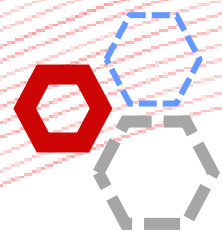


The main reasons for this differentiation are investment payback periods, regulatory complexity, the speed of technological change, and the competitive structure. For example, in renewable energy investments, strategic plans are designed for longer periods because project development, licensing, and financing processes take a long time; while in service sectors, the planning horizon is kept shorter because customer behavior changes rapidly. Therefore, the "ideal planning timeline" depends on the accurate analysis of sector-specific risks and opportunities.

Advantages and Disadvantages of Short, Medium, and Long-Term Strategic Perspectives

Short, medium, and long-term strategies are planning approaches that directly affect how organizations achieve their goals, utilize resources, and manage risks. Each approach has a different perspective, priorities, and advantages.

Short-term strategies generally focus on daily, weekly, or annual goals. They offer advantages in terms of operational efficiency, quick results, and solving immediate problems. They produce effective results, especially in areas such as cash flow management, sales targets, customer demand, and operational performance. However, focusing solely on the short term can cause organizations to miss out on long-term competitive advantage and fall behind in strategic areas such as innovation and sustainable growth. Constantly thinking short-term can lead the organization to become stuck in a "day-to-day" approach. Medium-term studies act as a bridge between short-term operations and long-term strategic goals. They typically cover a 1-3year perspective and play a crucial role in managing an organization's transformation processes. Entry into new markets, digital transformation projects, human resource development, and process improvement efforts are all carried out from a medium-term perspective. This approach offers organizations more balanced decision-making opportunities and provides flexibility in adapting to changing market conditions. However, the level of uncertainty in medium-term plans is higher than in short-term plans, and incorrect predictions can lead to resource loss. This can directly affect the sustainability of businesses.



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Long-term studies aim to shape the organization's future position, sustainable growth, and competitive advantage. They are typically approached with a perspective of 5 years or more. Corporate vision development, major investment decisions, brand positioning, and sustainability strategies are all considered within this scope. A long-term perspective enables organizations to become more resilient to crises and to identify future opportunities earlier. However, the biggest disadvantage of long-term plans is that they may require revisions due to the unpredictability of variables such as economic conditions, technology, and customer behavior over time.

Therefore, the most effective management approach is to establish a structure where short, medium, and long-term plans support each other. Short-term successes ensure operational sustainability, medium-term efforts support transformation, and long-term strategies determine the future direction of the organization. In this way, organizations can both meet today's needs and be prepared for the future.

What Are The Implementation Challenges?

The biggest challenge in implementing strategic plans is the failure to properly disseminate the strategy to all levels of the organization. In most organizations, the strategy remains at the top management level, and middle and operational teams struggle to translate this strategy into concrete goals. This leads to a lack of ownership of the goals and weak performance measurement. Furthermore, a lack of clear strategic priorities or setting too many goals is a significant factor that reduces implementation success. In addition, resistance to change, resource constraints, and lack of data complicate the implementation process. Organizations are often reluctant to change their existing ways of doing business, which slows down strategic transformation projects.

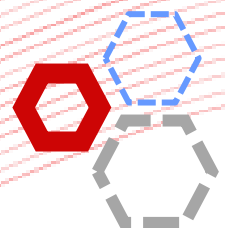
Moreover, the failure to define the right success indicators and regularly monitor performance makes it difficult to measure the impact of the strategy. Therefore, the implementation process requires not only planning but also a strong change management approach.

Project Planning, Implementation Process and Monitoring of Strategic Objectives

For strategic goals to be successfully achieved, transforming these goals into projects is a critical step. In this process, each strategic goal should be defined with concrete outputs, a timeline, those responsible, and performance indicators. Prioritization is crucial in the project planning phase because attempting to implement all goals simultaneously leads to resource dispersion. Therefore, strategic goals should be ranked according to impact and feasibility criteria, and a roadmap should be created.



In the implementation and monitoring process, regular performance monitoring mechanisms should be established. Project progress should be evaluated through success indicators, tables showing these indicators, and periodic management meetings.



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The most critical element at this point is the effective functioning of the feedback loop. Project results should be analyzed, deviations identified, and strategic goals re-evaluated as necessary. In this way, the strategic plan ceases to be a static document and becomes a living and continuously evolving management tool.

How Should the Budget Process Be Managed Within This Framework?

The budgeting process should be considered as the financial manifestation of strategic plans. Effective budget management primarily requires budgeting based on strategic priorities, not on past expenditures. This approach ensures resources are directed to areas that create the highest value. Furthermore, the budgeting process should be structured not merely as an annual activity, but as a dynamic and adaptable system.



In this context, periodically updated budgeting (rolling budget) and scenario-based planning approaches stand out. Creating alternative budgets for different economic and operational scenarios, especially during periods of high uncertainty, increases the organization's flexibility.

In addition, budget performance should be regularly monitored, and deviations between actuals and targets should be analyzed to allow for swift action. The relationship between cash flow and budget should be regularly monitored.

Strategy and Budget Governance and Management

Strategy and budget governance ensures that decision-making processes within an organization are transparent, accountable, and coordinated. While leadership from top management is critical, strategy and budget processes should not be limited to top management alone.

Involving different departments improves data quality and fosters ownership of goals. Furthermore, establishing a clear governance structure (committees, responsibility matrix, etc.) enhances process effectiveness.

An effective governance model requires the integration of strategy, budget, and performance management processes. Through this integration, organizations not only plan but also measure implementation results, enabling continuous improvement.

The use of digital tools supports a data-driven decision-making culture, while regular reporting and audit mechanisms guarantee the sustainability of the process. Thus, strategy and budget management becomes a fundamental driving force for corporate success.

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