

## INNOVATION (KNOWLEDGE) STRATEGIC PLANNING FOR BUSINESSES Summary

**Business Planning** is a management tool for planning, controlling and analyzing a project or a firm. In addition to managers, business plans are also being used by investors and financial institutes.

**Financial Planning** is an important part of a documented business plan. Following main stream economic principles, financial planning has been evolved and articulated around the principle of fixed technologies and assumes no or minimal innovation. In the knowledge-intensive industries, where the life-cycle of the technology can be shorter than life-cycle of the project, managers should associate innovation and knowledge planning with conventional financial planning.

**Innovation Strategic Plans (Innovation Strategies)** characterize the main patterns - and potential changes - in the innovation strategies and programs of a business. Innovation planning are much wider than just defining the technical aspects of products or processes of a business, or management of R&D / engineering section. Innovation plans, however, encompass R&D as well as training programs. Innovation plans should be considered as knowledge tools for top managers of a business and should be used at the same level as business plans. Innovation plans are not usually an integral part of conventional business plans. Rare businesses have documented their innovation plans to be associated with their financial and business plans.

**Tacit Innovation Plans** exist in almost all business, although they are not often documented; they are mainly a matter of clue in CEOs' mind. Tacit innovation plans, up to the time that are not articulated and documented, are not able to act as a knowledge tool for managers. Tacit innovation plans can not be studied. It is neither possible to analyze tacit innovation plans, nor to make guidelines out of them. There would be no organized feedback from and to the tacit innovation plans. Any changes in the tacit innovation plans are not transferable to other plans, including business plans.

**Documented Strategic Innovation Plans (Innovation Strategies)** are based on developing and articulating the tacit innovation plans, and then document them. Documented innovation plans make an excellent management tool to plan, execute, analyze and control the different aspects of a business. Documented innovation plans should be utilized in association with business plans. Innovation and financial planning should complement each other. The combination of financial and innovation plans make it possible for the members of an executive board, as well as managers, to figure out all aspects of a comprehensive action plan for a business.

**Strategic Innovation Plans (Innovation Strategies)** constitute a holistic outlook towards the following interrelated and integrated set of structures; each one to be studied later in detail:

- I. **Organization and Leadership**
- II. **Learning**
- III. **Market and Customer**
- IV. **Technology**
- V. **Performance and Measurement**