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FROM PLANNING TO IMPLEMENTATION: (THE THEORETICAL BASIS OF THE ENTERPRISE MANAGEMENT)

In the beginning of the fifties we were hired to build the first asphalt-paved road in the South of the State of Bahia, Brazil. The asphalt technology was not yet completely understood in Brazil, so it was necessary to associate ourselves with a European Firm with large experience in the field of Highways Engineering.

It seemed that the first half of the entrepreneurial task had been fulfilled by both associated firms, and the construction was about to start.

To accomplish such purposes, the European team arrived; it was led by an experienced professional whose reputation – a Man who knew how to „make things happen” – was highly praised by the directors of the associated firm. He was said to be able to coordinate the paving of various roads in Europe „from his desk” in the head-office of his firm; he could accurately follow the physical and financial schedules.

However, in the early fifties transportation and telephone systems did not exist in Bahia and – an even more serious fact – there were not, in that region of the State of Bahia, firms capable of furnishing sand, gravel, and other materials in the amount and within the time limits demanded by the work.

Consequently, the task of the work coordinator was very different from what it was in Europe; that is limited to „allocating with efficiency and effectiveness”, gravel, sand, and other materials necessary to complete the work. Such a method of operation was based on the supposition that the Men already knew asphalt paving technology.

The entrepreneurial task of „building a paved road at that place and at that time” involved more than assuring the suitable supply of materials; it involved, above all else, the training of Men in an unknown technology and, also, the production and transportation of those inputs. We needed a „versatile man” and not a „buyer” to coordinate the business.

Considering the specific nature of the contribution we expected from him, this leader was entirely inadequate; after some time he decided to return to Europe and left his task unfinished.

In this very same work, due to the distance, it had been necessary to establish a maintenance shop for machinery and equipment; the Man responsible for this shop was a very careful mechanic who knew a lot about his work. However, his care and knowledge gradually

diverted him from what should have been his business and greatly damaged the business of the Construction Company.

This Man „built up parts”, „wound electrical engines”, and „reconstructed equipment”; he did not consider as the first priority the challenge represented by that work which was the „simple” preventive maintenance of the material in use and the replacement.

Examples like this one, some with an extremely pernicious effect, are in the archives of mistakes of our Organization. They make evident that the *fundamental strategy* for small firm *growth* is that its leader should:

- first, identify and know the Men, their strengths and weaknesses before he defines what each one must and can do extraordinarily well, i.e., to know each of them by his potential for contribution rather than by his skills and techniques;

- second, understand profoundly and in detail the specific opportunity the Organization should develop with a certain client;

- third, integrate the individual businesses of his assistants thus obtaining through this integration the transformation of each opportunity into a business for the Organization.

The entrepreneur who acts in a different way will be unable to formulate with precision the first half of the entrepreneurial task; he will continuously and cumulatively fail in the definition of the elements of the program of action which constitutes his partnership agreement, i.e., in the definition of:

- the business itself,
- the philosophy of the business,
- the expected results,
- the structure for obtaining these results,
- the communication system,
- the partnership system with his entrepreneurs / partners,

- the budget, the accounting plan, and the reports.

Consequently if he fails in the second half of this same entrepreneurial task, his time schedules, instead of being well known and safe roads will be rough pathways, with traps created by amateurism and negligence.

The truth is that only through good planning, will implementation be safe and quick, allowing the

entrepreneurs/partners to obtain a high productivity in their result-centres, and the entrepreneur to control his business effectively.

Obtaining results at the operational level

The suitable determination of *what is correct*, which occurs in the first half of the entrepreneurial task, constitutes the pre-requisite not only *to perform well what is correct* but also *to perform it better and better, surpassing the expected results in the operational area*.

Each entrepreneur/partner is expected – while he produces the goods and services – to generate and apply continuous innovations in his own result-centre.

The leader of the small firm, within which the Men operate, is expected to enhance *the creativity* of each result-centre and *integrate* everybody’s creativity within his organization, while he himself generates and applies continuous innovation to the relationship with the client. This is demonstrated in the diagram below.

Considering that changes in the economic conditions of the business depend on the financial opportunities of the client, and of the negotiations which many times transcend the isolated action of the man in charge of the small firm, and even that of his immediate leader, the intellectual work of the entrepreneur must produce a greater impact exactly on the productivity of the the operational area.

Therefore, the increases in productivity are the most precise index of the control one entrepreneur has over his own business and of the leadership he exercises over the entrepreneurs/partners and other assistants.

As we have already mentioned, more than a *process*, and more than an attitude, productivity is the *result* of the continuous search for:

- increasing effectiveness,
- increasing efficiency,

- better levels of production,
- reduced costs.

Therefore, this term has, as we conceive it, a meaning quite different from the very ordinary expression „productivity per worker” or „productivity per machine”.

For this reason productivity in the operational area, previously agreed to in the program of action (partnership contract), is an inevitable obligation of the Man responsible for results and of his immediate leader; it is not possible to attribute to „the worker” or to the „mechanic” any influence on insufficient productivity.

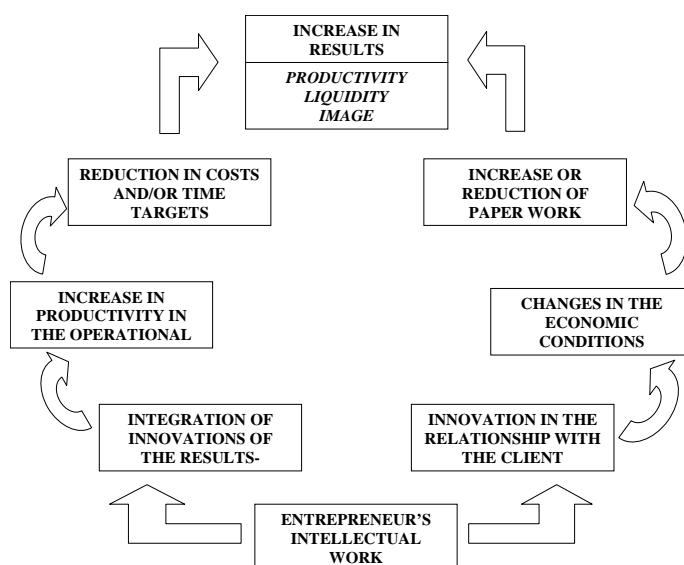
Productivity, undoubtedly, derives from the application of the specific entrepreneur’s assets – his knowledge duly applied – to the coordination of human resources as well as other key-sources for each contract or enterprise, such as:

- time,
- money,
- processes,
- equipment,
- other tangible assets.

By coordinating these resources the entrepreneur generates the results which, when integrated, assure the survival of the small firm where the entrepreneurs / partners and their immediate leader are located; he also creates the conditions for the continuous growth of the large company and the perpetuation of the Organization.

As we have noted, the capacity to conceive and put into practice continuous innovation – the *applied knowledge* – is essential to success. For this reason, our

Organization needs to operate as an *organization of knowledge*; i.e., an organization of *Men of knowledge* endowed with an *entrepreneurial posture*. And, the larger the number and the quality of these Men of *applied*



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knowledge, the larger the number of decisions with actual impact on the firm and its *results*.

Guarantee for the quick and safe implementation

In accordance with what has been pointed out, how can and should we deal successfully with the second half of the entrepreneurial task?

The performance of this second half is not easy, precisely because the entrepreneur must be a *Man of applied knowledge*, a simple and pragmatic man, able of guaranteeing:

- the *organization*. based on the result-centres – the conceived structure throughout the first half – which should be tested and adjusted according to need; only through the establishment of these centres it is possible to identify exactly where the *employee-employer relationship* starts and ends, and therefore to make possible the establishment of the partnership;

- the *delegating* (planned delegation only, or partnership) of what is correct for each one of his assistants;

- the *integration* of partnerships or planned delegating, so as to endow his organizational unit with *synergy*;

- the *continuous* amendment/endorsement of the specific natural unit of the business;

- the amendment/endorsement of the expected results;

- the *coordination* of the Men responsible for the result-centres, helping them to act on the human and material resources put at the service of each one;

- the integration of the results obtained in each result-centre;

- the *evaluation – follow-up – and judgement* of the productivity of each Man responsible for results and of his own productivity, together with his immediate coordinator.

It is evident that, to have a successful performance in this second half as characterized above, the entrepreneur must be an authentic leader, able of combining:

- simplicity,
- humility,
- focusing on contribution, on the opportunities and on the results,
- determination,
- perseverance.
- self-discipline.

all of which are based on the knowledge which is only gathered through the continuous performance of the economic task.

This *knowledge* also reveals the decisive truth for the future of the Organization; the complete fulfilment of the potential of the Men under its leadership.

The most experienced leaders in the Organization face a new challenging entrepreneurial task, i.e., the identification, training and development of Men of applied knowledge so as:

- to stimulate them, to examine, understand, and accept our technology;

- to help them to become, through this practice and technology new and good entrepreneurs;

- to facilitate the integration of each of them into the Organization.

We used the verbs „stimulate”, „help” and „facilitate” above in order to describe the leader’s actions, because the Man committed to applied knowledge and who really wants to be a good entrepreneur must necessarily go through a form of self education, committing himself to:

- make his knowledge and his effort contribute to the creation of those results the Organization needs in order to survive, grow and perpetuate;

- concern himself with the use of opportunities and results for the only resource which is really under his control: *himself*;

- perform in a disciplined, systematic, objective, and organized way not only the first, but above all, the second half of the entrepreneurial task.

Дубницький В. І., Іванов С. В., Луїна В. Ю.
Від планування до реалізації: (теоретичні основи управління підприємством)

У статті розглянуто особливості планування та реалізації стратегії управління підприємством, визначено цілі інтелектуальної праці підприємця для підвищення продуктивності праці своїх співробітників та свого бізнесу в цілому.

Ключові слова: планування, підприємство, стратегія, праця.

Дубницкий В. И., Иванов С. В., Лунина В. Ю.
От планирования к реализации: (теоретические основы управления предприятием)

В статье рассмотрены особенности планирования и реализации стратегии управления предприятием, определены цели интеллектуального труда предпринимателя для повышения производительности своих сотрудников и своего бизнеса в целом.

Ключевые слова: планирование, предприятие, стратегия, труд.

Dubnitskij V. I., Ivanov S. V., Lunina V. Yu.
From Planning to Implementation: (the Theoretical Basis of the Enterprise Management)

The article describes the features of the planning and implementation of enterprise management strategies. Objectives of the entrepreneur’s intellectual work are identified to increase the productivity of their employees and the business as a whole.

Key words: planning, enterprise, strategy, labour.

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