

## Problems

4-A. Classify each of the following activities of a business as either strategic planning or operational planning by placing a check mark in the appropriate column.

| Business Activity   | Strategic<br>Planning | Operational<br>Planning |
|---|-----------------------|-------------------------|
| 1. A new warehouse will be built to serve new markets in the northeast region of the country. ....                                | _____                 | _____                   |
| 2. The advertising budget for the next three months will be increased by 2 percent to attract more customers into the store. .... | _____                 | _____                   |
| 3. The Cleveland facility will schedule a one-week shutdown in December to allow for equipment repairs. ....                      | _____                 | _____                   |
| 4. An export office in Rome will develop plans for European market development. ....  | _____                 | _____                   |
| 5. A small business owner has decided to expand into other states by selling franchises. ....                                     | _____                 | _____                   |
| 6. Employees will be asked to work three hours of overtime each week to meet the increased summer demand. ....                    | _____                 | _____                   |

4-B. Business goals must be specific and meaningful in order to be useful to managers and employers. Each of the following statements is very general but can be used as a basis for developing a goal for the business. Rewrite each statement to make it an effective goal.

1. The men's shoe department needs to increase its sales volume.

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2. Too many radios produced on the third shift are defective and have to be discarded.

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3. We've seen an increase in employee turnover since January.

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4. We would like to increase the amount each customer spends when he or she shops in our Westgate store.

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