MODELING AND DOCUMENTATION OF BUSINESS PLAN BY OPTIMIZATION OF THE ADMINISTRATION’S FUNCTION, PROCESS AND BEHAVIOUR

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Abstract
The modeling and documentation of the Business plan has been discussed in detail, by emphasizing the steps for optimizing the Administration’s Function, Process and Behavior. A new form of the Administrators Function has been given in the form –

\[ A.F. = f(d_1, d_2, d_3, \ldots, d_n) \]

where \( d_1, d_2, d_3, \ldots, d_n \) are the various duties being performed. This A.F. has to be maximized by any of the well-known techniques for the case under study. The importance of the equilibrium condition providing the maximum total output for the two markets together has been explained. The process for deriving this has been discussed for a fixed number of entrepreneurs \( N \), and then computing the sum of the outputs. The administrator’s role of looking for the innovators for sustaining the growth of the organization, and also to try for its enhancement, has been emphasized. The new emerging model of administrator’s function has been explained by taking examples from the Industry.

Keywords: Business Plan, Administration Function, Administration Process, Administration Behaviour

1 INTRODUCTION
Many of the modern business owners tend to think that a business plan is not required, which is really wrong on their part, since a business plan is of great use provided it is followed properly throughout the total period span of the business. A business plan is a crucial document for entrepreneurs and small business owners and managers, is primarily required while applying for a loan; but its real importance lies in setting the future goals, and planning the necessary actions for the likely contingencies. That explains the fact that those who fail to plan, actually are inadvertently planning to fail; and thus is really useful for the successful running of business. Burke et al [1] and Burke and van Stel [2] have investigated and discussed the topic of Business plan and the related parameters in the recent past. Brown and Hussels [3-5] have shown interest in the subject of the usefulness of the business plans and the related case studies. Thus, it is clear that the business plan not only helps the entrepreneur to obtain investors or financiers, but also helps him to self-manage. In fact, business plan is quite a necessary ingredient for successful Business administration and human resources management, which are considered as the two very important functions of a small-scale and large-scale business. Though these two functions have some common features, the companies can ensure that their greatest resources, time and money, are being used in the most effective manner, by understanding the differences between the two Business administration is a term broadly used to cover all the business functions of a business,
and is in fact is the process of organizing the business's personnel and resources in pursuit of the business goals and objectives, and therefore includes human resources, operations management, financial management and marketing management. Obviously, Human resources component is very important part of the business administration, since it looks after the personnel administration, since it is the business administration function used for determining the hiring, managing and retaining employees, and also for ensuring the deployment of the right employees, in the right numbers, in the whole of the organization to fulfill its aims.

Since, the Business Plan is very important roadmap for the success of the business, it is essential to create the Business Plan for the particular business, which documents the general projects 3-5 years ahead and outlines the path to me taken by the company for its all round growth. The different important components of the Business Plan are: (i) Executive Summary, which in fact is a snapshot of the business plan as a whole, based on the company profile and its goals; (ii) Company Description, which in fact gives the company description, and explains the appropriate steps to be taken, besides differentiating our plan from the other related markets, and throwing light on the markets being served by our business; (iii) Market Analysis, which deals with the industry, market and competitors. In our business line; (iv) Organization and Management, which deals with the differently structured businesses, and then finding the best organization and management structure for our business; (v) Service or Product Line, which goes into the details of the products to be sold, the likely benefits to our customers, and the product lifecycle; (vi) Service or Product Line, which explains the tips on how to explain our product or service; (vii) Marketing and Sales, dealing with plan to market our business, and the associated sales strategy; (viii) Funding Request about the necessary information to be included in our plan; (ix) Financial Projections for providing financial projections in support of our request; and (x) Finding out what information we need to include in our financial projections for your small business. Finally, an appendix may also be included to make the Business Plan more comprehensive, and in fact deals with the information about the resumes, permits and leases, so that we can make our Business Plan unique. Recently, Chopra [6-9] has emphasized the use of mathematical tools and mathematical modeling in various branches of Management and Industry like Electronics Commerce, Resources Management and Sustainable Development, Entrepreneurship Outperforming Innovation” for Efficient Performance of the Industry, and Advanced Strategic Marketing, since such a treatment helps in scientific analysis if the industry and management. In this paper, an attempt has been made in Modeling and Documentation of Business Plan by Optimization of the Administration’s Function, Process and Behaviour. A new form of the Administrators Function has been suggested, which is of the form –

$$A . F . = f ( d_1, d_2, d_3, \ldots, d_n )$$

where $d_1, d_2, d_3, \ldots, d_n$ are the various duties being performed. Methodology of the maximization of the Administrators Function has been briefly given. Administrative Process and Behavior have been described in terms of the modern management studies.

2 ADMINISTRATION’S FUNCTION

Administration is just the process of organizing resources in an optimized and efficient manner for achieving the required goal, and hence the Business administration is the application of this process to a particular firm or organization. A business manager has a variety of responsibilities depending on the type of organization, though some universal ones are planning, organizing, staffing, directing, controlling and budgeting.

Administration’s Function, in the simplest terms, can be defined as the job of stating the objective, which the administrative action is aiming to achieve, which in other words means to clearly bring out (i) the carrying out, executing, or implementing the policy decisions of the
business, (ii) coordinating activity for accomplishing some common purpose, and (iii) achieving cooperation in the interest of the achievement of the business goals. It can also be defined as the job of describing the steps to be taken by the administrators to determine the consequences and the implications of their activities, which is advantageous in the sense that it is free any irresolvable argument about what they should do and also what their purposes should be, and in this way it tries to discover function, instead of giving its prescription. It has to be appreciated that description here is based on certain inbuilt assumptions about what to state and what to ignore, as it is just not possible to describe every aspect of any phenomenon, and also selection is based on convictions and guesses about the points important for the short term purpose and aim. The convictions are based on understanding that the administration is a process of reaching decisions operationally homologous to other decision making processes in the large scale organizations, and its importance should be judged and measured not by its uniqueness of its function, but by the degree of the preference given to the number of administrators as compared to other participants in arriving at the decisions favourable to the organization.

Clearly, the administrators discuss with the appointed officers doing supervisory job. In addition, they have to perform the duties connected with the legislative bodies, chief executives, courts, and other groups related to the betterment of the organization. The Administrators Function can be given a form as given below:

\[ A \cdot F = f (d_1, d_2, d_3, \ldots, d_n) \quad (2.1), \]

where \( d_1, d_2, d_3, \ldots, d_n \) are the various duties being performed. The function \( A \cdot F \) has to be maximized by studying or guessing the effect of changing \( d_i \) (ith duty) by assuming fixed values of other duties. This can be done by giving proper weightings \( w_1, w_2, w_3, \ldots, w_n \) respectively to \( d_1, d_2, d_3, \ldots, d_n \), both importance wise and time wise, which is done mostly on the basis of guess and the intuition of the administrator. It has to be noted that in certain cases, the some particular duties are given to one particular administrator, and certain others to other administrator, in which case the experience of the individuals related with the duties is taken into consideration.

Some of the routine executive duties of the Administrator are: (i) appointment, supervision, removing, and directing the subordinates, besides keeping them under discipline; (ii) preparing and defending programs for their agencies and distributors by drawing up and justifying budgetary requests and making/authorizing the expenditures; and (iii) issuing contracts and making purchases.

Another important aspect for the administrator is to look for the innovators for sustaining the growth of the organization, and also to try for its enhancement. In fact every organization, whether big or small, is struggling with the meaning and application of sustainability as related to its geographic location, industry and business model. They are also influenced by the fact that a large number of institutional investors are including the parameter of sustainability in their resource allocation and decision making process. This has led to the emergence of a new view of the role of the corporation in society, which discusses with the shareholders' and other stakeholders' objectives.

The function of Administrator concerning innovation, also has to carry out research on (i) bureaucracy, (ii) human relations focusing on motivations, increasing job satisfactions and productivity, (iii) organizational equilibrium, for the purpose of understanding the survival and growth of organizations related with the motivations of the involved personnel., and (iv) the
decision-making process, with main emphasis on cognitive processes and the equilibrium condition.

Though, the innovation can be expressed by a number of mathematical expressions, it is also customary to define innovation as the sum of the strengths development and the engagement, as given below:

\[ Innovation = Cf \{ Strength_{development} + Engagement \}^m \]  \hspace{1cm} (2.2),

where \( C \) is a constant depending on degree of the innovation and the resistance for that, is the function of the strengths development and the engagement, and \( m \) is the maturity level of the frameworks employed for exploiting the innovation, and is determined statistically.

The administrator’s function and administrative behavior are closely related to the organizational equilibrium, which is based on the interaction of individual motivational mechanisms. It is customary to consider that each participant in an organization is both positively and negatively motivated in order to be a part of the system, the positive motivations being the “inducements” provided by the organization to the participant; and the negative motivations being the “contributions” provided by the participant to the organization. It is understood that the participant can remain in the organization till his inducements outweigh his contributions, on his personal utility scale. Clearly, the contributions of the participants are transformed by the organization into the inducements, which are then redistributed by it. Hence, the organization can survive till it can distribute sufficient inducements, transformed from the received contributions, so as to maintain the stream of contributions. This inducements-contributions cycle provides a base for the economist of consumption behavior, the marketing specialist, and the psychologist, who are interested in understanding the product purchases, and brand preferences, or response to the various advertisements of consumer products, and also directs the economist’s attention to the non-economic components in the total motivational structure.

Finally, it has to be understood that this equilibrium condition provides the maximum total output for the two markets together. To derive this, we have to note that for a fixed number of entrepreneurs \( N \), we can take \( N_j = (N - N_i) \), and therefore the sum of the outputs is given by:

\[ Q_i + Q_j = \left[ a_i \frac{N_i - 1}{N_i} + a_j \frac{N - N_i - 1}{N - N_i} \right] / \beta \]  \hspace{1cm} (2.3),

where \( \alpha \) s denote the fixed costs, \( \beta \) s denote the variable costs, both being identical for the firms.

3 METHODOLOGY

The methodology of profit maximization is mainly based on two techniques: (i) Marginal revenue vs Marginal cost perspective, and (ii) Maxima and Minima technique of Differential Calculus. In the first, the curves of Revenue vs Quantity, and Cost vs Quantity are drawn for the case, and their intersection is noted. At the output level at which marginal revenue equals marginal cost, marginal profit is zero and this quantity corresponds to one that maximizes profit. The second methodology is based on Calculus, where the second order coefficients of the Profit wrt
Quantity $\frac{\partial^2 P}{\partial^2 Q}$ and of the Cost wrt Quantity $\frac{\partial^2 C}{\partial^2 Q}$ are computed. The profit maximization corresponds to the point where the $\frac{\partial^2 P}{\partial^2 Q} < \frac{\partial^2 C}{\partial^2 Q}$.

4 ADMINISTRATION PROCESS AND BEHAVIOUR

Administrative Processes can be considered as a sequence of tasks and activities, which provides an integrated, dynamic picture of organizations and managerial behavior. In fact, the modern Managers are enamored of processes. This is because of the fact that many modern organizations are functional and hierarchical; and hence suffer from isolated departments, poor coordination, and limited lateral communication. In most of the cases, the work is fragmented and compartmentalized, and therefore, the managers find it difficult to get things done. The same is the case with the research scholars, who face similar problems in their research work, and have to struggle for describing organizational functioning in other than static, highly aggregated terms. In order to achieve real progress, the firm, considered as black box has to be opened and studied from within. It is now well realized that the Processes provide a likely solution, and thus in a broad way, they can be defined as collections of tasks and activities that are capable of transforming inputs into outputs, if they are able to act together. It is obvious that within organizations, these inputs and outputs are in general as varied as the materials, information, and people. The simplest examples of the processes may be the new product development, order fulfillment, and customer service. In certain cases, resource allocation and decision making can also be counted as belonging to this category, though not in so obvious manner. In modern courses of Management studies, a number of process theories are studied and given in the academic literature, but no serious effort seems to have been made on reviewing them systematically in an integrated manner. We come across the Process theories in many fields like organization theory, resource management, strategic management, operations research, group dynamics, and studies of managerial behavior. It must be noted here that most of the studies have focused primarily on a single type of process theory, and few research efforts seem to have been made to tackle processes as a collective phenomenon. It has now been well established that when the theories are considered together, they provide a powerful insight for better understanding of the organizations and management. Researchers are of the firm view that initially, the processes provide a convenient, intermediate level of analysis, since they consist of diverse, interlinked tasks, and therefore, open up the black box of the firm without exposing the analysts to the wholesome problems plaguing earlier research. It is only recently that studies have started focusing on both, the trees in the form of the individual tasks or activities, and the forest in the form of the organization as a whole. It is the process perspective that throws light on the needed integration, and thereby ensuring that the realities of work practice are linked explicitly to the firm’s overall functioning. In addition, the process provides new insights into the aspects of the managerial behavior. The studies have mostly been straightforward descriptions of the time allocation, roles, and activity streams, and only few attempts have been made for integrating these activities into a coherent whole. Hence, it is obvious that the modern research has to highlight the quality of managers’ jobs in a coherent manner.

5 DISCUSSION AND CONCLUDING REMARKS

From the discussions and the explanations given in this paper, it is clear that a good business plan is a must for setting up a successful business, as it creates a written outline of a new business venture, and evaluates all aspects of the economic viability of the venture. There are many
advantages of the business plans, since they help companies to define the enterprise objectives and scope of operations, products and services, and also most importantly the operational strategies, besides helping in the analysis of the competition, forecasting the sales, profit, and cash flows. Recently, increased interest has been shown in the studies on Administration and Behaviour. Grimmelikhuijse et al [10] have discussed that Behavioral public administration is the analysis of public administration from the micro-level perspective of individual behavior and attitudes by drawing on insights from psychology on the behavior of individuals and groups, and have discussed as to how scholars in public administration currently draw on theories and methods from psychology and related fields, and point to research in public administration that could benefit from further integration. It has been emphasized that (i) an analysis of public administration topics through a psychological lens can be useful to confirm, add nuance to, or extend classical public administration theories, and hence behavioral public administration complements traditional public administration; and (ii) it could be a two-way street for psychologists who want to test the external validity of their theories in a political-administrative setting. In addition, four principles have been proposed to narrow the gap between public administration and psychology. Hence it may be concluded by stating that the business plans are sort of summaries of the operations and provide the inputs on future performances, lenders and investors demand to be used as tools for evaluating requests for financing.

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