



FRAUNHOFER-INSTITUTE FOR PRODUCTION SYSTEMS AND DESIGN TECHNOLOGY IPK

# Fraunhofer-Institute for Production Systems and Design Technology

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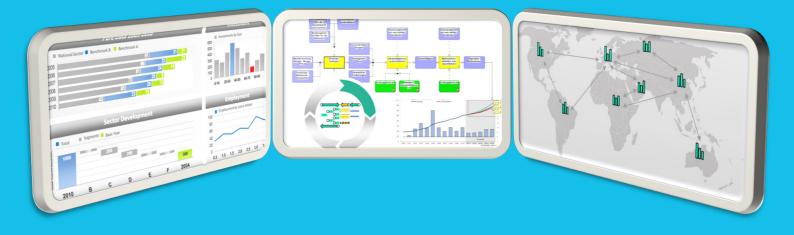
# STRATEGIC ECONOMIC PLANNING

The economic and technological development as the sum of individual economic activities plays a major role for the basis of decision-making processes in the strategic orientation of a national economy. The analysis of an economic sector, both from a private and public perspective, offers a range of examination and monitoring measures. It may therefore enhance and substantiate the basis for strategy development processes.

The Fraunhofer-Institute (IPK) provides a variety of methodologies to assist government and state associations in the strategic analysis, development of planning procedures and sector-based economic forecasting as well as the derivation of policy measures up to conceptual drafts of policy and regulation reforms. The provided methodologies have been successfully applied in strategic planning processes and sector studies bearing potential for various applications.

The modular design of these methodologies allows an adapted application in various sectors and economic activities. The main object of the initial analysis is the development of key figures such as contribution to economic growth, employment, investment as well as capital stock and capacity utilization rate. The performance profile of an economy on sectoral level with regard to the structure of the sector, its historical development and the involvement of stakeholders constitutes the basis for the result-oriented development of strategic objectives. These need to be consistent with regard to regional and international economic trends which are conceived as a limiting factor for the range of economic policy options. Thus subjective strategic objectives need to be balanced with the framework conditions regarding the public development policy to enable a sustainable development.

# Data AnalysisPerformance ProfileForecastingImplementationCollection, Evaluation and AnalysisEconomic Assessment of SectorsModelling and CalculationDerivation of recommended policies



The resources and competencies of the Fraunhofer corporate management division are applied to accompany the entire project and to build corresponding capacities within the respective project-owners' business environment.

#### **Comprehensive Review**

The initial data collection and analysis serves the comprehensive consolidation of sources of information and statistical data in order to illustrate and review the historical economic development. The resulting comprehensive performance review of the national economy is further analyzed by consulting national stakeholders, external industry reports and evaluated by means of benchmarking against international competitors. Integrating international best practices into the performance review allows the initial identification of potentials and deficits.

#### **Performance Profile**

The structure of the economy and each economic sector is reviewed to generate a comprehensive performance profile, re-consulting the collected data in regard to the allocation to specific industries and activities. Mapping the sector segments, stakeholders and supporting activities of other sectors along with the individual development allows the identification of strengths and weaknesses. The analysis of internal and external factors as well as potential economic development enables the completion of the sector's assessment with a detailed SWOT-analysis. Thus the generated performance profile initiates the identification of

possible development-strategical objectives. The integration of the most important public and private stakeholders ensures the integrity of the identification process in regard to the specific requirements and prerequisites imposed by these stakeholders.

### **Development Policy Framework**

The results of the preceding phases alreadyconfine the selection and composition of policy options. However, the national economic trends and the subjective expectations need to be related with regional and international forecasts to ensure a stable basis for the further strategic planning process. The economic development of each observed sector is projected, based on the collected quantitative and qualitative data within an individually adjusted forecasting model. This forecast is based on internal growth trends and external influences and thus provides a reference-scenario, specifically excluding effects of proposed policy measures. The underlying micro-economic model for each sector is broken down to unveil internal and external economic drivers for the development of the corresponding sector segments. Applying an internally generated micro-economic forecasting and calculation methodology allows the individual generation of adapted sector-based economic forecasts.

#### **Derivation of Economic Policies**

The generated complete economic model of the observed sectors, activities and their interaction provides a comprehensive basis for the derivation of economic policy options. Elaborating these options in a joint effort through an active exchange with stakeholders allows the generation of a detailed action and implementation plan. The monitoring and controlling of the implementation process is enabled by the deliverables of the applied methodologies, as they are adjusted to the local data-landscape and any given constraints. Due to the purposeful preparation of each dataset, they are easily used for such exercises.

The Fraunhofer-Institute (IPK) accompanies governments and administrative divisions from the initial situation analysis to the implementation-planning of derived measures. The application of competencies, experience and a comprehensive set of data-resources and tools will enhance your strategic economic planning process and build capacities for subsequent analyses, monitoring and implementation projects.

## **Sector Studies**

**Sector Performance Profiles** 

**Identification of Objectives** 

Micro-economic Forecasting

**Derivation of Policy Options** 

Implementation Planning

