

PLANNING

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PLANNING

- Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen.

- Koontz & O'Donnel

- Planning is a function that determines in advance what should be done. It consists of selecting the enterprise objectives, policies, programmes, procedures and other means of achieving these objectives. In his planning, the manager must decide which of the alternative plans are to be followed and executed. Planning is intellectual in nature. It is a mental work. It is thinking ahead and preparing for the future.

- Theo Haimann

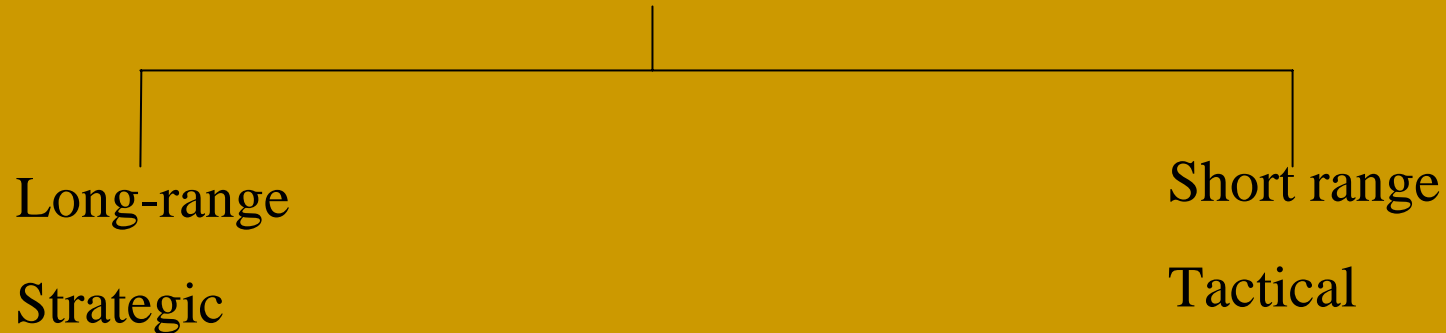
Who does planning

- Characteristics of Planning
 1. Intellectual process
 2. Goal oriented
 3. Pervasive
 4. Pervades all managerial activity
 5. Directed towards efficiency
 6. Integrated process

- Essentials of an ideal plan
 - Clarity
 - Simple
 - Flexible
 - Balanced
 - Optimum use of resources etc.

- Steps in planning
 1. Recognition of the need of action
 2. Collecting and analysing information
 3. Establishment of clear-cut objectives
 4. Building planning premises
 5. Examining alternative courses
 6. Selecting a course of action
 7. Determining derivative plans
 8. Provide for future evaluation

- Kinds of planning



Plans to face the effects of long term changes in business environment

1. Product Planning
2. Project Planning
3. Activity Planning

Types of Planning

- Standard/Repeated use plans
 1. Objectives
 2. Policies
 3. Procedures
 4. Rules
 5. Strategies
- Single use plans
 1. Programmes
 2. Budgets
 3. Projects

Standard/Repeated use plans

- Objectives
 - Specific goals or targets to be accomplished
 - Specific
 - Realistic
 - Backed by suitable subgoals
 - Flexible

Standard/Repeated use plans cont...

- M.B.O
 - A process whereby superiors and subordinates jointly identify the common objectives
 - Set the results that should be achieved by the subordinates
 - Assess the contributions of each individual and integrate individuals with organisations so as to make best use of organisational resources

Standard/Repeated use plans cont...

- Policies
 - Guiding principles established by the company to govern actions usually under repetitive conditions
 - Broad outline, consistent, sound, flexible
 - Functional Policies
 - Originated, appealed, imposed policies
 - Written/Unwritten

Standard/Repeated use plans cont...

- Procedures
 - Prescribe the manner or method by which the work is to be performed
 - Specific tasks, time to perform, persons who will perform
 - Outline course of action, basis of evaluation
 - secure uniformity and consistency
 - burden of decision making minimized
 - Steps to be followed standardized
 - redundancy, updating

Standard/Repeated use plans cont...

- Rules
 - a decision made by the management regarding what is to be done and what is not to be done in a given situation.
- Strategy
 - a policy formulated by top management for the purpose of interpreting and shading the meaning of other policies.
 - a special kind of plan formulated in order to meet the challenge of the policies of competitors

Single use plans

- Programmes
 - A specific plan devised to meet a particular situation
 - Action based, result-oriented.
- Budget
 - a plan
 - a statement of expected result expressed in numerical terms
 - Planning, Co-ordinating, controlling, Motivation
 - Plans translated into accomplishments.

Single use plans cont..

- Project
 - Part of general programme
 - a complex of policies, procedures, rules, to carry out a course of action

- Planning Premises

1. External

2. Internal

1. Non-controllable

2. Semi-controllable

3. Controllable

- Forecasting

- A picture of future based on inference from known facts.

- General business forecast, sales forecast, capital forecast

- “I keep six honest serving men, They taught me all I knew, Their names are What and Where and When and How and Why and Who”

- Rudyard Kipling