



# Planning

Ms. Nehal Adhvaryu



# Definition

- Planning is deciding in advance what is to be done for the future period of time.
- Planning is deciding in advance what to do, how to do, when to do & who is to do it. Planning is a bridge between present & future.
- It is an intellectual process & thinking before doing.
- For Example:

A student plans his studies for coming examinations. College authority plans for smooth conduct of examinations. Political leader plans for his elections. Government plans for proper utilization of resources to achieve a desired economic growth.



# Nature

- Objectives Oriented:

The main purpose of a plan is to accomplish the objectives of the organization.

- Basic Function of management

Planning is the foundation of organization. No planning, no organization.

The manager decides upon the policies, procedures, programmes and projects before proceeding with his work.



# Nature

- Directed towards Efficiency

The plan is said to be efficient, when the objectives are accomplished.

- It is flexible and dynamic:

Management is dynamic as well as flexible because future is unpredictable, and when future cannot be moulded to conform to the course of action, flexibility has to be ingrained.



# Objectives

- Planning & Objectives:
  - Planning is object oriented.
  - Every plan must contribute for accomplishment of group objectives. If objectives are not decided planning will be of no use.
- Efficiency of plan:
  - Planning should be done in such a way that maximum results will be obtained at minimum cost.
  - Efficiency of plan is measured by its contribution to objective as economical as possible.



# Objectives

- Planning & Forecasting:
  - Forecasting means looking ahead & making assumptions about the future.
  - It involves logical & intelligent guess work. Forecasting provides basis for planning. It helps management to make assumptions about future



# Objectives

- ▶ Planning & Forecasting

- ▶ Planning in various areas like purchase of raw material, production, marketing is based on forecasting. Forecasting describes what will happen in future.

# Objectives

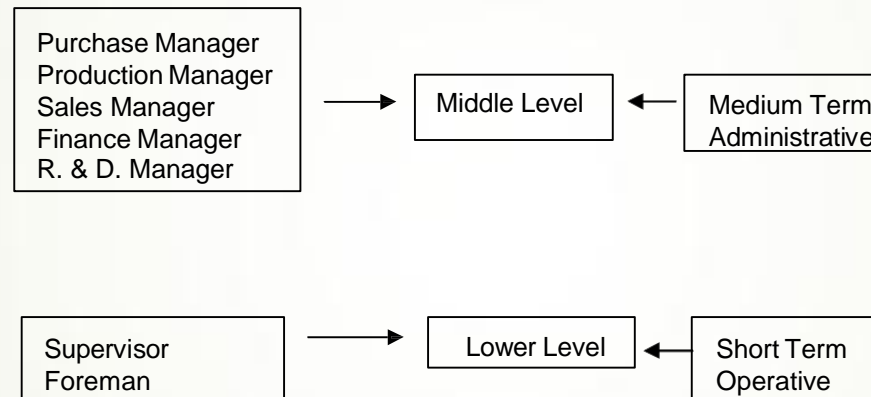
- ▶ Planning & Decision Making
  - ▶ Decision making is a process of selecting a better course of action from available alternatives.
  - ▶ Decisions are taken about the use of organizational resources. It is an important part of planning.
- ▶ Planning is essential at each level





# Objectives

- ▶ Planning is essential at each level

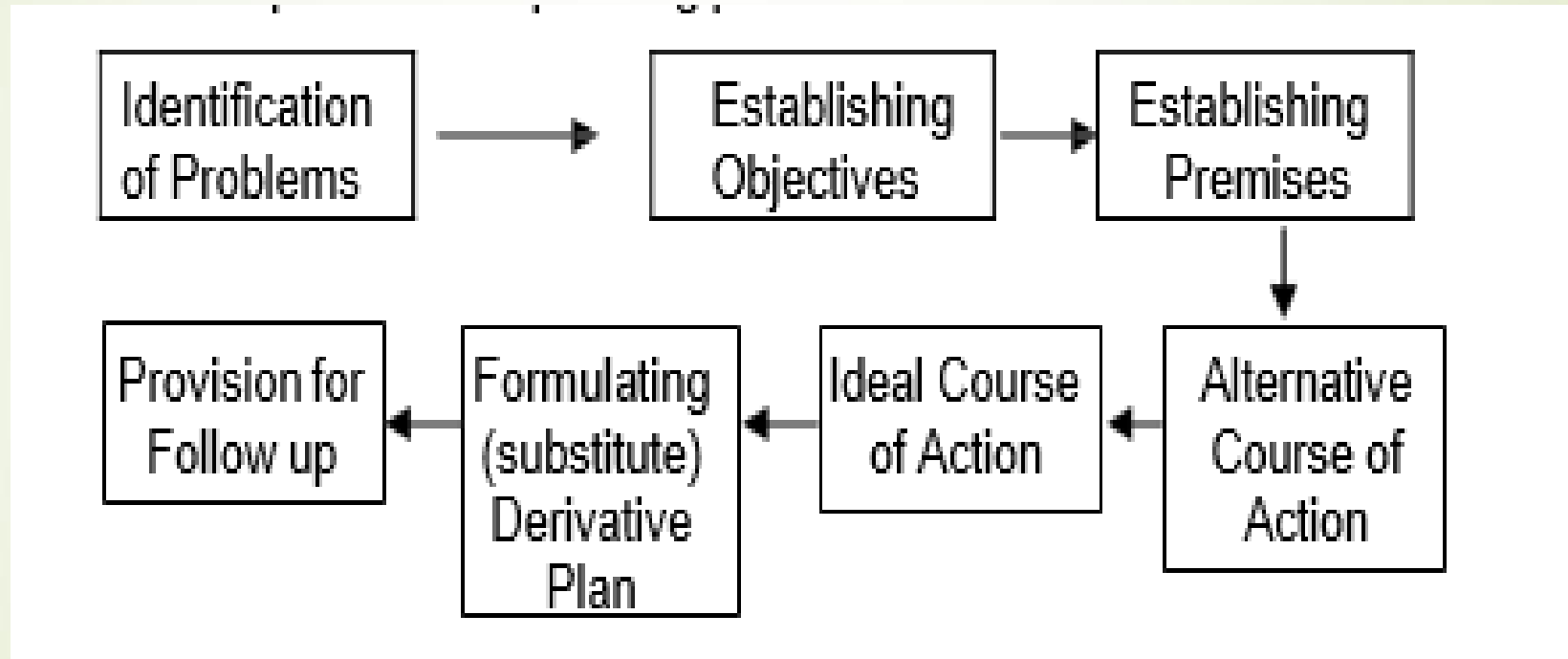




# Objectives

- ▶ Planning & Controlling: -
  - ▶ Planning is flexible & it is continuous process.
  - ▶ It is never ending activity.
  - ▶ On the basis of feedback, controlling function changes.
  - ▶ Planning is looking ahead & controlling is looking back. Planning means fixing objectives & preparing budget. Controlling involves comparison of actual results with planned result.



# Process of planning





# Process of planning

- Identification of problem & awareness of opportunities.
  - The manager must identify the problems while planning so that suitable action can be taken.
  - Planning starts with analysis & external environment. This is essential for businessmen to be aware of opportunities in the market. They must consider changes in consumer demand, number of competitors, change in habits, change in technology etc.

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- the businessmen has to conduct internal analysis of its strengths & weaknesses. It means it has to examine its resources & production.



# Process of planning

- **Establishing Objectives: -**
  - The entire planning activity is directed towards achieving the objectives of the enterprise.
  - Determining objectives is a real starting point of planning process.
  - Once the objectives are fixed it is necessary to finalize objectives for various department.



# Process of planning

- Establishing Planning Premises: -
  - Premises are forecast about the future.
  - Premises may be internal or external; it may be controllable & uncontrollable.
  - Normally, internal premises are controllable & external are uncontrollable.



# Process of planning

- Establishing Planning Premises: -
  - Internal premises include capital investment, availability of material, labour & financial position.
  - External premises include economical, social, political & competitors. It also includes government policies.





# Process of planning

- Determining Alternative Courses: -
  - In this step various possible course of action or plans are developed to achieve a particular object.
- Selecting Ideal Courses of Action: -
  - After the careful examination of various alternatives ideal course of action, the most suitable course of action or plan is selected to achieve pre-determine objective.



# Process of planning

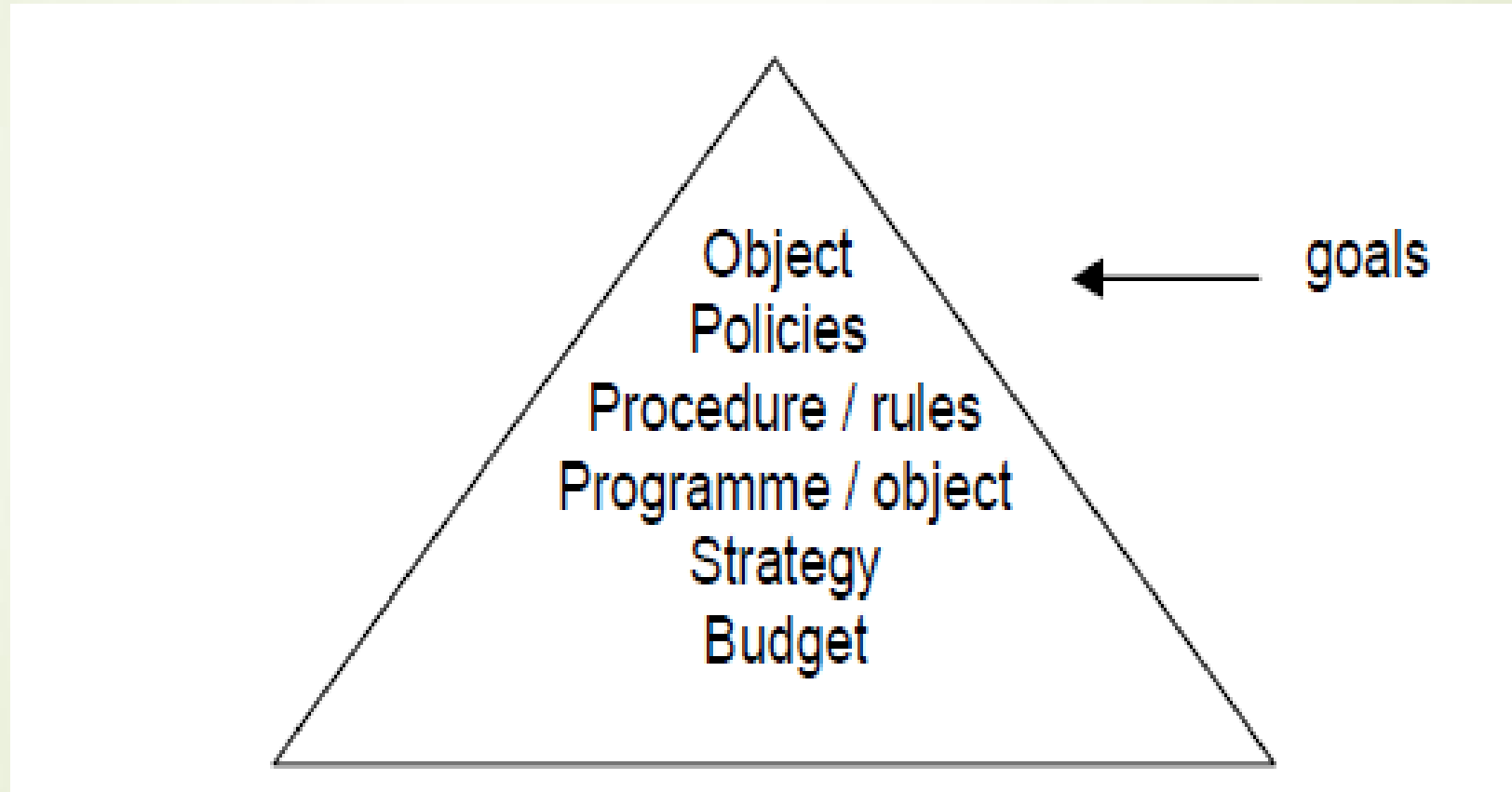
- Formulation of Derivative Plans: -
  - Once the overall plan is selected it becomes essential to fix the detail sequence & timing of the plan. Then subsidiary or derivative plan is to be considered. Primary plan of action is decided by preparing separate derivative plans for each section or division of the enterprise.



# Process of planning

- Provision for Follow-up: -
  - Planning is always followed by action. Some modifications may be required for achieving pre-determined objective & adequate follow up provides assurance about fulfilment of objective.

# Types of Planning





# Types of Planning

- ▶ Objectives:

Objectives are of broad purpose for which organization comes into force & decisions are taken for attainment of objectives



# Types of Planning

## ► Policies:

Policies are general statements of principles of completion of objectives. They help as guideline for actions & decisions.

Policies may be classified :

Written or Unwritten

Originated or Imposed

Originated policies means implemented by Top Level Management.

Imposed policies means directed by outsider.



# Types of Planning

A good policy includes following points:-

1. Clear & Understandable
2. Related to important objectives
3. Based on judgment
4. Stable & can be changed according to situation
5. It should be accepted by all.

Policies are made at various levels. Policies should be properly communicated to all levels.



# Types of Planning

## ➤ Procedure

It makes a fix path to be taken to achieve the objective.

It helps in establishing the way to perform the work.

It helps in training for new employees.





# Types of Planning

- ▶ Programme

  - It is comprehensive plan.

  - It includes use of different resources in the organization in particular time.

  - It also shows line of action to be taken by whom, when & where.



# Types of Planning

Program may be repetitive or non-repetitive, major or minor.

Repetitive programs are called 'Routine Planning' (production).

Non-repetitive is called as 'Creative Planning'. Sometime instead of program method component planning is accepted for getting better results.



# Types of Planning

## ► Strategy

Strategy is a special kind of plan which is formulated for meeting the challenges for competitors.

Strategy is developed by making use of plans of the competition as a background.

It is a choice of the means of available resources for achievement of objectives.



# Types of Planning

## ► Budget

It is define as financial or quantitative statement prepared for definite period of time.

A budget is examination of future operation of business.



# Advantages of Planning

- Provides direction.
- Reduce risk of uncertainties.
- Reduce overlapping of work.
- Planning is helpful in forecasting.
- Focus on objectives.
- Provides standard for controlling.



# Limitations

- Leads to rigidity.
- Does not work in dynamic environment.
- Reduce creativity.
- Time Consuming & Expensive.
- Does not guarantee of success.