

UNIT 4

PLANNING

Concept-

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 is one of the basic managerial functions. Planning involves setting objectives and developing appropriate courses of action to achieve these objectives. Thus it is closely connected with creativity and innovation.

Importance of Planning :-

1. **Planning provides directions :** By Stating in advance how work to be done planning provides direction for action. If there was no planning, employees would be working in different direction and the organisation would not be able to achieve its goods efficiently.
2. **Planning reduces the risk of uncertainty :-** Planning is an activity which enables a manager to look ahead, anticipate change, consider the impact of change and develop appropriate responses.
3. **Planning reduces wasteful activities :-** Planning serves as the basis of coordinating the activities and efforts of different departments and individuals useless and redundant activities are minimised.
4. **Planning promotes innovative ideas :** Planning is the first function of management : Managers get the opportunity to develop new ideas and new ideas can take the shape of concrete plans.
5. **Planning facilitates decision making :** Under planning targets are laid down. The manager has to evaluate each alternative and select the most viable proposition.
6. **Planning establishes standards for controlling :-** Planning provides the standards against which the actual performance can be measured and evaluated. Control is blind without planning. Thus planning provides the basis for control.

Features of Planning :-

1. **Planning focuses on achieving objectives :-** Planning function of management starts with determination of objectives. Once the objectives are set up, the next step is to determine the step that are to be followed to achieve these objectives.
2. **Planning is the primary function of management :** - Planning precedes organising, directing and controlling. It serves as the basis of all other function of management.
3. **Planning is pervasive :** Planning is required in all types of organisations and at all levels of management as well as in all departments of the organisation.
4. **Planning is continuous :-** Planning continues as a continuous process which an organisation has to undertake till its existence.
5. **Planning is futuristic :** Planning is deciding in the present what to do in the future. It is never done for past.
6. **Planning is a mental exercise :** Planning requires application of the mind involving creative thinking and imagination, therefore this is a mental exercise :

Limitations of Planning

1. **Planning leads to rigidity :** A well defined plan is drawn up with specific goals to be achieved within a specific time frame. A plan decide in advance the future course of action. This kind of rigidity in plan may create difficulty.
2. **Planning may not work in a dynamic environment :-** The business environment is dynamic, nothing is constant. Every organisation has to constantly adapt itself to the changes in business environment.
3. **Planning reduces creativity :** Planning is an activity which is done by the top management therefore it reduced other level creativity.
4. **Planning involves huge costs :** When plans are drawn up, huge cost involved in their formulation.
5. **Planning is time consuming :** Sometime plans to be drawn up take so much of time that there is not much time left for their implementation.
6. **Planning does not guarantee success**

Planning Process :-

1. **Setting Objectives :** The first and foremost step is setting objective. Objective may be set for the entire organisation and each department.
2. **Developing premises :** Planning premises are the assumptions about the likely shape of events of future. It forecasts the obstacles, problems or limitations in the path of the effective planning because of which the plans may deviate, planning premises supply relevant facts & information relating to future.
3. **Identifying alternative courses of action :-** Once objective are set and premises are developed. Then the next step would be to act upon them. All the alternative courses of action should be identified.
4. **Evaluating alternative Courses :** The next step is to be weight pros and cons of each alternative. Each course will have many variables which have to be weighted against each other.
5. **Selecting an alternative :-** After comparison and evaluation the best alternative is chosen for reaching organisation objectives.
6. **Implement the plan :** Once the plan are developed they are put into action.
7. **Follow to action :** To see whether plans are being implemented, activities are performed according to schedule.

Types of Plan :-

1. **Objective :** Objectives can be said to be the desired future position that the management would like to reach.
2. **Strategy :** A strategy refers to future decision defining the organisation's direction and scope in the long run.
3. **Policy :** Policies are general statements that guide thinking or channelise energies towards a particular direction. We don't sell on Credit is the example of sales policy.
4. **Procedure :** Procedures are routine steps on how to carry out activities.
5. **Rule :** Rules are specific statement that tell what is to be done. For example No Smoking is a rule.
6. **Programmes :-** Programmes are the combination of goals, policies and rules. All these plans together form a programme.

7. **Single use plan** : Plan made to be used only one time or at most, couple of times because they focus on unique or rare situations within the organisation eg. program, budget.
8. **Standing plan** : Standing plan are often policies, procedure and program developed to ensure the internal operation of a given business are operating smoothly. They other developed onces & then modified to suit the business needs requirements.
9. **Budgets** : A budget is a statement of expected result expressed in numerical terms for a definite period of time in the future.
10. **Method** : Methods are standardised ways or manner in which a task has to be performed considering the objectives.

1 Mark Questions

1. Define planning.
2. Explain Procedures.
3. Define Rules.
4. Write the meaning of Budgets.
5. Write one difference between Policies & Procedure.
6. One of the function of management is considered as base for all other function. Name that functions.
7. Name the types of plan in which the movement of competitors is considered.
8. No Smoking in the work shop This statement is related to which types of plan.
9. We do not sell on credit This statement is related to which types of plan.
10. Write the meaning of strategies.

3 and 4 Marks Question

11. Planning is the heart of management . How?
12. Control is blind without planning. How?
13. How planning provide base to controlling?
14. Write the difference between rules and policies.
15. Write the difference between Policies & Procedures.

5 - 6 Marks Question :-

16. Explain any four types of planning.
17. In spite of best effort of managers sometime planning fails to achieve desired result due to its limitations. Explain.
18. Planning keeps the organisation on the right path. In this reference explain the importance of Planning.
19. Explain the features of Planning.
20. Explain the limitations of Planning.
21. Explain the process of Planning.