



PLANNING

Content as per
CBSE Syllabus

- Planning- **Concept, Features, Importance & Limitation,**
- **Planning Process,**
- **Types of Plan,**
- **Classifications of Plans.**





Meaning

- Planning is **Deciding in Advance What to do & How to do,**
- Planning **bridges the gap between Where we are & Where we want to go,**
- Involves setting **Objectives,**
- Developing **Appropriate Course of action.**



(Present Position)

Planning



(Future Position)





Features

1. Planning focuses on achieving objectives :

- Specific goals are set out in the **Plans, Activities to Achieve Goals,**
- Contributes to **achievement of Goals.**



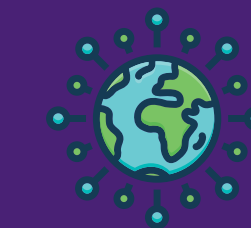
2. Planning is Primary function of Management :

- Lay down the **base** for other functions,
- Performed within the **framework** of plan drawn.



3. Planning is Pervasive :

- Required at **all level of management & Departments.**



4. Planning is Continuous :

- Prepared for **Specific period of time,** (Months, Quarter, Year)
- At the end, **New plan to be drawn** on the basis of **New Requiriments & Future Conditions.**





5. Planning is Futuristic :

- Meet Future Events **Effectively** to the **Best advantage**,
- **Forward looking** function.



6. Planning involves Decision making :

- Involves **Choices** from among Various alternative & activities,
- **Examination & evaluation** of each alternative & choose **most appropriate one**.



7. Planning is a Mental Exercise :

- **Logical & Systematic** thinking,
- Must be **Orderly** & Based on analysis of the **facts & forecasts**.



Importance



1. Planning provides Direction :

- Ensures **Objectives** are **Clearly stated**,
- Act as a **Guide** for Deciding **What action** should be **taken** & in **which direction**,



2. Planning reduces the risk of uncertainty :

- **Look ahead** & **anticipate Changes**,
- **Deal** with changes & uncertain event.



3. Planning reduces overlapping & wasteful activities :

- **Coordinating** the activities & efforts,
- Useless & redundant activities are **minimised**,
- **Clarity** in thought & action.



4. Planning promotes innovative ideas :

- **New ideas** can take shape,
- Most **challenging** activity,
- It guides all future action leading to **growth and prosperity** .





5. Planning facilitates decision making :

- Helps managers to make a **choice** from amongst various **alternative** courses of action,
- Setting **targets** & **predicting future conditions**.



6. Planning establishes standards for controlling :

- Provides the **goals** or **standards** against which **actual performance** is measured,
- It is a **prerequisite** for controlling,
- Provide the **basis of control**.





Planning leads to rigidity

- Needs to be **flexible** to cope with **changed circumstances**,
- **Difficult** to change pre-decided plans.

Planning does not guarantee success

- Plans needs to be **translated** into action or it becomes **meaningless**,
- The kind of complacency & **false sense** of security may actually lead to **failure**.

Planning may not work in a dynamic environment

- **Difficult** to **accurately** assess future trends,
- **Competition** in the market can also **upset**.
- Cannot **forsee** anything

LIMITATIONS

Planning is time consuming process

- Lot of **time** is **wasted** in **listing & evaluating** various alternatives.

Planning reduces creativity

- Usually **done** by the **top management**,
- Employees **stop** giving **suggestions & new ideas** of doing work.

Planning involve huge cost

- **Cost** involves in terms of **time & money**,
- Sometimes cost incurred > **benefits** derived
- **More expenses** in **gathering information**.





PLANNING PROCESS

1. Setting objectives :

- **First & foremost** step is setting objectives,
- Objectives should be **clearly stated** for **all units & Departments**,
- If end result is **clear** it becomes **easier** to work **towards the goal**.



2. Developing Premises :

- Depend upon the **assumptions & predictions** regarding **future**,
- Assumptions are **base material** upon which plans are drawn,
- Assumptions should be **same for all**.



3. Identifying alternative courses of action :

- There are **many ways** to **achieve objectives**,
- **All alternatives** should be **identified**,
- If project is important, then **more alternatives** should be generated & thoroughly discussed amongst the **members of the organisation**.





4. Evaluating alternative courses :

- **Comparing** all the available option with their **pros & cons**,
- The **positive & negative aspects** of each proposal need to be **evaluated** in the light of the objective.



5. Selecting an alternative :

- This is real point of decision making,
- The **best plan** has to be **adopted & implemented**,
- Choosing **one** or **Combination of two or three alternatives** for achieving goal.



6. Implementing the plan :

- Manager prepare **main plans** on **paper** & put them in **action**,
- i.e, **Doing work as per plan**.



7. Follow up action :

- **Checking & keeping an eye** to find whether plans are **working successfully** or not.



TYPES OF PLAN



Single - Use Plan

- **One time event or project,**
- **For non - recurring situation,**
- **Includes budgets, programmes & projects,**
- **They consist of details including name of employees who are responsible for doing the work & contributing.**

Standing Plan

- **Used for activities that occur regularly over a period of time,**
- **Ensure that internal operations of an organisation runs smoothly,**
- **Enhances efficiency in routine decision making,**
- **Modified from time-to-time to meet business requirements,**
- **Includes policies, methods rules & procedures.**

These are the part of **Operational Planning process.**





CLASSIFICATION OF PLANS

1. Objectives :

- **First step,**
- Desired **future position management** would like to reach,
- The **end result** of activities,
- Usually set by **top level management,**
- Guide for **overall** business planning.
- Measurable in quantitative terms + written statements within time

2. Strategy :

- **Comprehensive plan** for accomplishing an organisational objective.
-It includes 3 Dimensions :
 - i. Determining **long-term** objectives,
 - ii. Adopting a particular **course of actions,**
 - iii. **Allocating resources** necessary to achieve the objectives.
- **Business environment** needs to be considered.





3. Policy :

- **General statement** that **guides** thinking or channelise energies towards a **particular direction**,
- **General response** to a **particular problems** or **situations**,
- For all **level & departments** from major to minor policies,
Major policies - Customer, Clients, Competitors.
Minor Policies - Insiders, Employees, etc.



4. Procedures :

- **Routine steps** on how to carry on activities,
- Specified in a **chronological order**,
- Generally meant for **insiders** to follow,
- Policies & Procedures are interlinked with each other,
- Procedures are steps to be carried out within a **broad policy framework**.





5. Method :

- **Prescribed way or manner** in which task has to be performed,
- Specifies **how the step** is to be performed,
- **Selection of proper method** saves **time, money, effort** & increases **efficiency**.



6. Rules :

- **Specific statements** that inform what is to be done,
- **Do not allow** for any **flexibility** or **direction**,
- Simplest type of plan,
- No **compromise** or **change** unless a policy decision is taken.



7. Programm :

- **Detailed statement** about a project all types of plan,
- Include the **entire gamut** activities as well as the organisations policy's,
- How it will **contribute** to the overall business plan,
- The **minutest details** are worked out.





8. Budget :

- **Statement of expected results expressed in numerical terms,**
- **Easy to compare actual figures with expected figures and take corrective action,**
- **It is a control device from which deviations can be taken care of,**
- **It involves forecasting.**

