

# PLANNING

## Introduction

Planning is the fundamental function of management that involves deciding in advance what to do, how to do it, when to do it, and who is to do it. It bridges the gap between where we are today and where we want to be in the future.

## Characteristics of Planning

- \* Goal-Oriented
- \* Primary Function
- \* Pervasive
- \* Continuous
- \* Intellectual Process
- \* Forward-Looking

## The Planning Process

The planning process follows a logical, step-by-step sequence:

1. **Setting Objectives:** Define clear, specific, and measurable goals (e.g., "Increase sales by 15% in 6 months").
2. **Developing Premises:** Make assumptions about the future environment (economic trends, government policies, competitor behavior).
3. **Identifying Alternatives:** Brainstorm various ways to achieve the set objectives.
4. **Evaluating Alternatives:** Weigh the pros and cons of each option based on cost, risk, and feasibility.
5. **Selecting the Best Alternative:** Choose the most

profitable and feasible course of action.

6. Implementing the Plan: Put the plan into action by communicating it to the team and allocating resources.

7. Follow-up Action: Monitor the progress regularly to ensure the plan is on track and make adjustments if necessary.

## **Types of Plans**

1. Strategic

Long-term plans (3 to 5 years) made by top management.

2. Tactical

Medium-term plans (1 to 3 years) focused on departments.

3. Operational

Short-term, day-to-day plans for specific tasks.

4. Standing Plans

Used repeatedly (Policies, Procedures, Rules).

5. Single-Use Plans

Developed for unique, non-recurring situations (Budgets, Programs).

## **Objectives of planning**

1. To Provide Clear Direction

2. To Reduce the Risks of Uncertainty

3. To Minimize Waste and Redundancy

4. To Establish Standards for Controlling

5. To Facilitate Decision-Making

6. To Promote Innovation and Creativity

## **Importance of Planning**

- \* Provides Direction: Clearly states what needs to be done, ensuring all employees work toward the same goal.
- \* Reduces Risk of Uncertainty: By anticipating the future, managers can prepare for changes rather than just reacting to them.
- \* Reduces Overlapping & Waste: Coordination ensures that resources aren't wasted on redundant activities.
- \* Promotes Innovation: It encourages managers to think creatively to find the best ways to reach goals.
- \* Facilitates Control: Planning sets the "standards" against which actual performance is measured.

## **Limitations of Planning**

- \* Rigidity: Once a plan is set, managers may become inflexible and fail to adapt to sudden changes.
- \* Does Not Work in Dynamic Environments: In a rapidly changing market (tech, fashion), long-term plans can become obsolete quickly.
- \* Reduces Creativity: Employees may feel forced to follow instructions strictly, stifling their own initiative.
- \* Huge Costs: The process involves extensive data collection and expert analysis, which can be expensive.
- \* Time-Consuming: Sometimes the time taken to plan results in a loss of opportunity when quick action is needed.