

Planning

Concept: Planning is the process of setting up of organisational objective, and developing the course of action to achieve those objectives.

Characteristics:

1. **Focuses on achieving objectives:** As plans are made for the achievement of organisational objective, their focus use to be to achieve objective in the most efficient manner.
2. **It is pervasive:** Planning is used to in each and every organisation irrespective of its nature, size and any other characteristics.
3. **It is a continuous process:** As plans are drawn for a specific time, but after that there is requirement of new plan. Hence, it's a continuous process.
4. **It is futuristic:** It involves looking ahead and preparing plans according to the future happenings.
5. **It involves decision-making:** It involves choosing the best alternative among the all the available alternatives.
6. **It is a mental exercise:** It requires application of mind involving foresight and vision, intelligent imagination and sound judgement.

Importance of planning:

1. **Provides direction:** in the process of planning organisational objective gets clearer and helps in developing a clear roadmap.
2. **It reduces the risk of uncertainty:** as planning involves foreseeing future uncertainties, it makes the enterprise ready to face any uncertainty.
3. **It reduces overlapping and wasteful activities:** as what and how to be done is already determined it develops proper coordination and reduces overlapping and wastage of resources.
4. **It promotes innovative ideas:** planning is primary function at this stage enterprises are usually flexible enough to introduce innovation and required changes.
5. **It facilitates decision-making:** in this stage management have to take concrete decision by making a choice, from all the possible alternative courses of action.

6. **It establishes standard for controlling:** as planning involves setting up of targets, these targets later became basis of analysis against actual performance in the process of controlling.

Limitations of planning:

1. **It leads to rigidity:** because changing plan is difficult as it takes time to revise it and manager may not be in the position of changing the plan.
2. **It may not work in a dynamic environment:** because it is very difficult to accurately forecast the future changes.
3. **It reduces creativity:** Initiative and creativity of employees get lost or reduced since they cannot use their creativity while implementation of plans.
4. **It involves huge costs:** Organisation have to spent on resources and research for the formulation of plan.
5. **It is a time-consuming process:** sometimes, plans are formulated but, not much time is left for implementation of plans.
6. **It does not guarantee success:** It is meaningless unless it is translated into action. The success of plan is totally contingent and depends on the environment situation at the time of the application of the plan.

Planning of Process:

1. **Defining objectives:** in this step the organisation has to set up its goals, where they want to see them self in few years.
2. **Developing planning premises:** it refers to developing some assumptions about future happenings for development of plan.
3. **Identifying alternative courses:** searching for all the possible & feasible ways to achieve the objectives.
4. **Evaluating alternative courses of action:** Comparing all the identified alternatives on the basis of several characteristics according to the business requirements.
5. **Selecting an alternative:** According to the above evaluation best plan has to be adopted and implemented, which is the most feasible, profitable and with least negative consequences.
6. **Implementing the plan:** this step is associate with putting the plan into action by fulfilling all the requirement for the plan implementation.

7. **Follow-up Action:** to check whether plans are being implemented and activities are being performed according to schedule is also part to the planning process.

Difference between Standing and single-use plan:

Criteria	Single-use plan	Standing plan
Duration	It is used for short-term.	It is used for long-term.
Objective	It is developed for one-time event.	It is used for the activities which occurs regularly over a period of time.
Rigidity	Once they are created, they are not modified.	These plans are created only once and modified over the period of time.
Examples	Budget, programme, etc.	Policies, Procedures, Methods & rules, etc.

Types of Plans:

1. **Objectives:** It refer to setting up of long-term goals, we the organisation wants to see them self in few years.
2. **Strategy:** It is a comprehensive plan prepared for meeting the challenge posed by environmental forces.
3. **Policy:** It is a general statement that guides decision making or channelise energies towards a particular direction. These are response to a particular problem.
4. **Procedure:** A procedure determine the sequence of steps to perform an activity.
5. **Method:** Methods states a prescribed way of doing steps.
6. **Rule:** Rules are the simplest but, least flexible type of plan. These are the specific statements that inform what to be done in particular situation.
7. **Programme:** A programmes are detailed statement and combination of objectives, policies, procedures, rules, resources, etc. about a project.
8. **Budget:** A budget is a statement of expected results expressed in numerical terms for a definite period of time in the future.