



TRINITY COLLEGE FOR WOMEN NAMAKKAL

Department of Commerce

BUSINESS MANAGEMENT

21UCM04 - EVEN Semester

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PLANNING

MEANING

Planning is the fundamental management function, which involves deciding beforehand, what is to be done, when is it to be done, how it is to be done and who is going to do it.

It is an intellectual process which lays down an organisation's objectives and develops various courses of action, by which the organisation can achieve those objectives. It chalks out exactly, how to attain a specific goal.

CHARACTERISTICS OF PLANNING

- **Managerial function:** Planning is a first and foremost managerial function provides the base for other functions of the

management, i.e. organising, staffing, directing and controlling, as they are performed within the periphery of the plans made.

- **Goal oriented:** It focuses on defining the goals of the organisation, identifying alternative courses of action and deciding the appropriate action plan, which is to be undertaken for reaching the goals.
- **Pervasive:** It is pervasive in the sense that it is present in all the segments and is required at all the levels of the organisation. Although the scope of planning varies at different levels and departments.
- **Continuous Process:** Plans are made for a specific term, say for a month, quarter, year and so on.

Once that period is over, new plans are drawn, considering the organisation's present and future requirements and conditions.

- **Intellectual Process:** It is a mental exercise as it involves the application of mind, to think, forecast, imagine intelligently and innovate etc.
- **Futuristic:** In the process of planning we take a sneak peek of the future. It encompasses looking into the future, to analyse and predict it so that the organization can face future challenges effectively.
- **Decision making:** Decisions are made regarding the choice of alternative courses of action that can be undertaken to reach the goal. The alternative chosen should be best among all, with the least number of the negative and highest number of positive outcomes.

Importance of Planning

- It helps managers to improve future performance, by establishing objectives and selecting a course of action, for the benefit of the organisation.
- It minimises risk and uncertainty, by looking ahead into the future.
- It facilitates the coordination of activities. Thus, reduces overlapping among activities and eliminates unproductive work.
- It states in advance, what should be done in future, so it provides direction for action.
- It uncovers and identifies future opportunities and threats.
- It sets out standards for controlling. It compares actual performance with the standard performance and efforts are made to correct the same.

STEPS IN PLANNING

Setting Objectives

The planning process begins with the setting of objectives.

Objectives are end results which the management wants to achieve by its operations. Objectives are specific and are measurable in terms of units. Objectives are set for the organisation as a whole for all departments, and then departments set their own objectives within the framework of organisational objectives.

Developing Planning Premises

Planning is essentially focused on the future, and there are certain events which are expected to affect the policy formation. Such events are external in nature and affect the planning adversely if ignored.

Their understanding and fair assessment are necessary for effective planning. Such events are the assumptions on the basis of which plans are drawn and are known as planning premises.

Identifying Alternative Courses of Action

Once objectives are set, assumptions are made. Then the next step is to act upon them. There may be many ways to act and achieve objectives. All the alternative courses of action should be identified.

Evaluating Alternative Course of Action

In this step, the positive and negative aspects of each alternative need to be evaluated in the light of objectives to be achieved. Every alternative is evaluated in terms of lower cost, lower risks, and higher returns, within the planning premises and within the availability of capital.

Selecting One Best Alternative

The best plan, which is the most profitable plan and with minimum negative effects, is adopted and implemented. In such cases, the manager's experience and judgement play an important role in selecting the best alternative.

Implementing the Plan

This is the step where other managerial functions come into the picture. This step is concerned with "DOING WHAT IS REQUIRED".

- In this step, managers communicate the plan to the employees clearly to help convert the plans into action. This step involves allocating the resources, organising for labour and purchase of machinery.

Follow Up Action

Monitoring the plan constantly and taking feedback at regular intervals is called follow-up.

Monitoring of plans is very important to ensure that the plans are being implemented according to the schedule.

Regular checks and comparisons of the results with set standards are done to ensure that objectives are achieved.

THANK YOU

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