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George R .Terry



“ Planning is the selecting and relating of facts and the making and using of assumption regarding the future in the visualization and formulation of proposed activities believed necessary to achieve desired results .”

Dalton E.Mcfarland



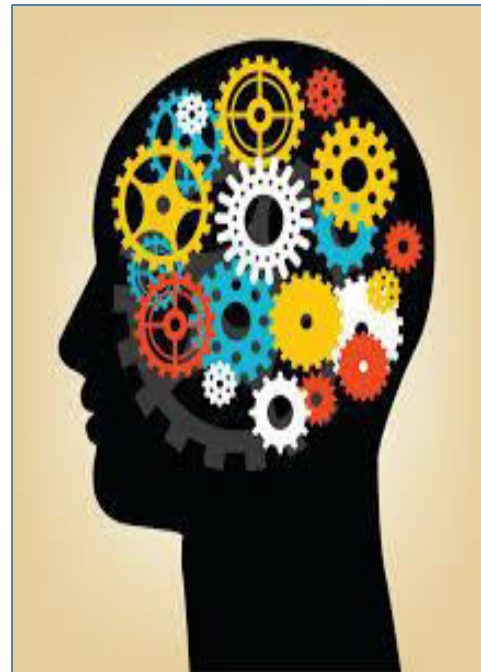
“ Planning is a concept of executive function that embodies the skills of anticipating influencing and controlling the nature and direction of change.”

Definition

- According to George Terry “Planning is the foundation of most successful action of all enterprise”
- Delton McFarland –Planning is the activity by which manager **analyze present condition** to determine ways of **reaching a desired future stage** .It embodies the skill of the **skill of anticipation**, influencing and **controlling** the nature and **direction of change**.

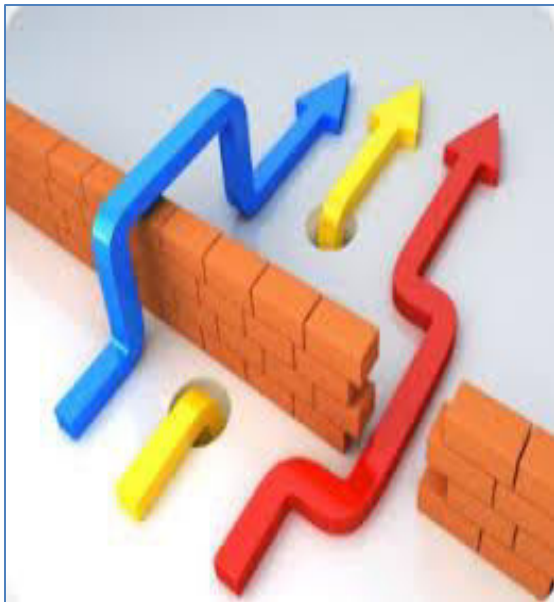
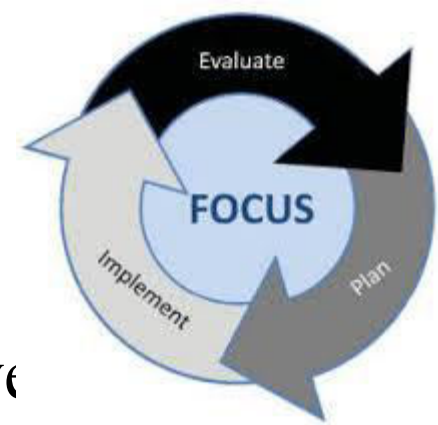
Features of Planning

1. Primary Function of Management
2. Goal Oriented
3. Intellectual process
4. All inclusive



Features of Planning

5. Continuous Function
6. Planning involves choice between alternative
7. Concern with accomplishment of Group behavior
8. Planning is flexible



Limitations of Planning



1. Inaccuracy (Wrong Forecast)
2. Time Consume
3. Rigidity
4. Costly process



Limitations of Planning

5. Attitudes of Management-
(prefer to be **doers** than **thinkers**-
due to **lots of paper work** and
highly intelligent activity)
6. Faulty design of planning system
7. Planning prevent innovation
8. Lack of orientation and training for managers
9. Uncertainty



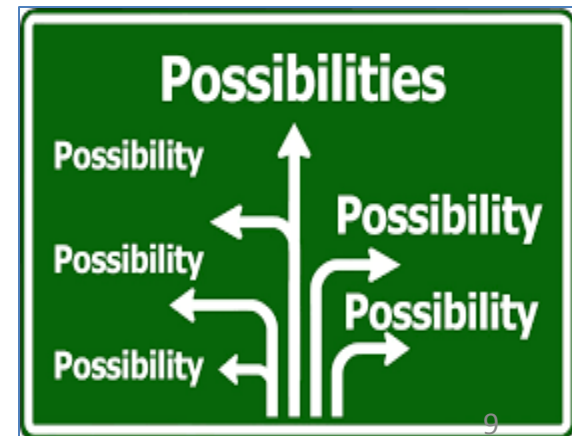
Prerequisite of Effective planning

According to **Gary Dessler** –in order to plan effectively the managers should possess following skills

1. Develop accurate forecast
2. Gain acceptance for the plan
3. Prepare sound plan
4. Develop an effective planning organization
5. Be objective
6. Measures firms market value
7. Decide in advance the criteria for abandoning a project
8. Set up a monitoring system
9. Period review of a long term plan
10. Fit the plan to the situation

Steps in Planning Process

- Analysis the opportunities
- Establishing the objectives
- Determining the planning premises
- Identifying the alternatives
- Evaluation of alternatives
- Selection of the best alternative
- Implementing the plan
- Reviewing the plan



Approaches to planning

Top Down Approach

Top manager takes initiatives and communicate to middle and supervisory managers

Bottom Up Approach

Plan Proposal originates at supervisory level and reaches top level for review and approval

Composite Approach

Top managers provides guidelines to middle, lower managers to formulate tentative plans

Team Approach

Task of planning entrusted to selected team of managers working under Chief executive

Planning Premises is business environment based about certain assumptions about the business Environment

Internal & External Premises		Controllable, Semi Controllable & Uncontrollable			Tangible and Intangible Premises	
Internal	External	Controllable	Semi Controllable	Uncontrollable	Tangible	Intangible
Cash flow, capital budgeting, advertising, product line	Economic, Social, political and technological	Internal and credit policies, research projects, investment plans	Firm's share in market, Market strategy, labor turnover	Natural calamity, strikes, innovations, sudden change in law	Labor hours, Production units	Public Relations, Employee moral, reputation of the firm

D E P A R T M E N T O F P L A N N I N G