

Planning

- Function of management
- The process of setting objectives and determining how to best accomplish them.
- Linked to controlling

Planning Self-Assessment

- My personal objective are clearly spelled out in writing. Yes No
- Most of my days are hectic and disorderly. Yes No
- I seldom make any snap decisions and usually study a problem carefully before acting.
Yes No

Planning Self-Assessment

- I keep a desk calendar or appointment book as an aid. Yes No

Planning Self-Assessment

- I often ask others for advice. Yes No
- I believe that all problems have to be solved immediately. Yes No

Ref: Robbins, Stephen P. *Management*, 4th Edition
Englewood Cliffs, NJ: Prentice-Hall, 1994,
Pp. 203-204, SK-2.

The Perfect Planner

- My personal objective are clearly spelled out in writing. Yes
- Most of my days are hectic and disorderly. No
- I seldom make any snap decisions and usually study a problem carefully before acting. Yes

The Perfect Planner

- I keep a desk calendar or appointment book as an aid. Yes
- I make use of “action” and “deferred” action files. Yes
- I generally establish starting dates and deadlines for all my projects. Yes

The Perfect Planner

- I often ask others for advice. Yes
- I believe that all problems have to be solved immediately. No

Why Not Plan?

Disadvantages of Planning

- Means becomes end

Planning

- Objectives
 - Identify the specific results or desired outcomes that one intends to achieve.
- Plan
 - A statement of action steps to be taken in order to accomplish the objectives.

Disadvantages of Planning

- Means becomes end
- Changes make plans irrelevant
- Inconsistency between parts of the plan

Why Plan?

Benefits of Planning

- Improves focus and flexibility
- Improves action orientation
- Improves coordination
- Improves time management
- Improves control

Planning Back in Vogue

- Recent Survey of Management in *The Economist*
- Good management
 - Be honest
 - Be frugal
 - Be prepared

Planning Back in Vogue

- Be prepared
- “Chance favors only the prepared mind.”
(Louis Pasteur, 19th – century French chemist)
- J. Welch closed GE’s 200-person planning department in 1983, but he DID NOT eliminate planning.

Planning Back in Vogue

“The secret [is] not to have a specific plan to be put into action, but to be prepared to put almost any plan into action, depending on the circumstances.”

“A Survey of Management,” *The Economist*,
March 9-15, 2002, p. 18.

Planning

- Objective – run the Boston Marathon
- Plan – training regimen

Planning

- Objective – get an “A” in BUAD309
- Plan – study schedule
 - Reading
 - Assignments
 - Exams

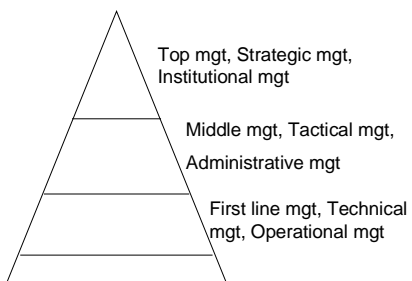
Planning Process

- Define your objective(s)
- Determine where you stand vis-à-vis objective(s)
- Develop premises regarding future conditions
- Analyze and choose among action alternatives
- Implement the plan and evaluate results

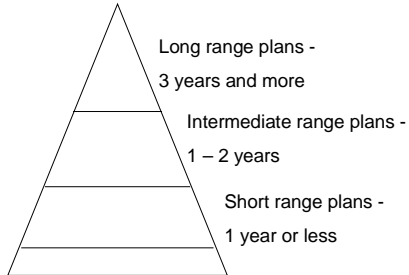
Organizational Objectives

- Official vs actual - stated vs real
- Basic organizational objectives
 1. Productivity
 2. Satisfaction
 3. Survival
- Process vs results - methods vs targets
- Breadth of goals

Levels of Managers



Levels of Plans

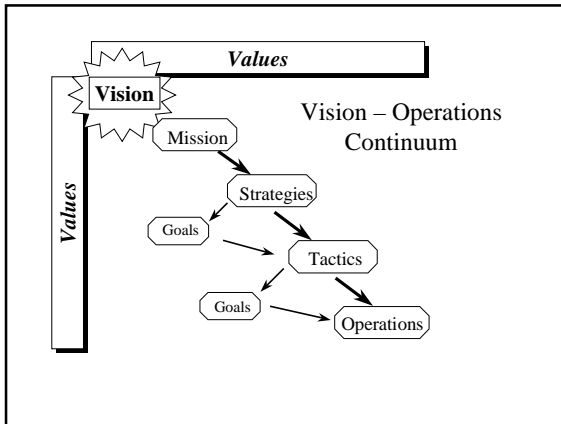


Types of Plans

- Strategic plans
 - Address long-term needs and set comprehensive action directions for an organization or major subunit
- Tactical plans
 - Midrange plans set action directions for subunits

Types of Plans

- Operational plans
 - define what needs to be done in specific areas on a short term basis
 - Production plans
 - Financial plans
 - Facilities plans
 - Marketing plans
 - Human resources plans



- Objective/goal – end, outcome
- Plan – means
 - confusion between goal & means
 - hierarchy of goals - means/ends chain
 - constituency demands

- ### Policies and Procedures
- Standing plans
 - Policies and procedures designed for repeated use.
 - Policy
 - A broad guideline for making decisions and taking action in specific circumstances
 - Rules or procedures
 - Plans that describe exactly what actions are to be taken in specific circumstances.

Budgets and Project Schedules

- Single-use plans
 - Only used once to meet the needs of a well-defined situation in a timely manner.
- Budgets
 - Single-use plans that commit resources to activities, projects, or programs.
 - Fixed, flexible and zero-based budgets.
- Project schedules
 - Single-use plans that identify the activities required to accomplish a specific project.

Planning Tools & Techniques

- Forecasting
 - Making assumptions about what will happen in the future
 - A forecast is a vision of the future
 - Qualitative forecasting
 - Quantitative forecasting
 - All forecasts rely on human judgment

Planning Tools & Techniques

- Contingency planning
 - Identifying alternative courses of action that can be used if and when original plan proves inadequate.
 - Early identification of possible shifts in future events.
 - Forward thinking ...
 - Using devil's advocate method
 - Developing worst case scenarios

Planning Tools & Techniques

- Scenario planning
 - A long-term version of contingency planning
 - Identifying alternative future scenarios
 - Plans made for each future scenario
 - Increases organization's flexibility and preparation for future shocks

Planning Tools & Techniques

- Benchmarking
 - Use of external comparisons to better evaluate one's current performance
 - Identify possible actions for the future
 - Incorporate successful ideas into one's own organization

Planning Tools & Techniques

- Staff planners - Lead and coordinate the planning function
 - Assisting line managers in preparing plans.
 - Developing special plans.
 - Gathering and maintaining planning information.
 - Assisting in communicating plans.
 - Monitoring plans in progress and suggesting changes.

Planning Tools & Techniques

- Participation and involvement
 - Participatory planning requires that the planning process include people who will be affected by the plans and/or will help implement them.

Planning Tools & Techniques

- Benefits of participation and involvement:
 - Promotes creativity in planning.
 - Increases available information.
 - Fosters understanding, acceptance, and commitment to the final plan.

Effective Goal Characteristics

- Specific
- Measurable
- Acceptable
- Realistic, but challenging
- Timely
- Address key result areas
