

RUAHA CATHOLIC UNIVERSITY
RMS 222 / RMS 121
BUSINESSES & ENTREPRENEURSHIP

Production Planning

A: TOPIC INTRODUCTION

Production planning means to fix the production goals and to estimate the resources which are required to achieve these goals. It prepares a detailed plan for achieving the production goals economically, efficiently and in time. It forecasts each step in the production process. It forecasts the problems, which may arise in the production process. It tries to remove these problems. It also tries to remove the causes of wastage.

Production planning provides answers for two major questions: What work should be done? How much time will be taken to perform the work? So, production planning decides the ways and means of production. It shows the direction. It is based on sales forecasting. It is a pre-requisite of production control.

Objectives of Production Planning include:

- Effective utilization of resources.
- Steady flow of production.
- Estimate the resources.
- Ensures optimum inventory.
- Co-ordinates activities of departments.
- Minimize wastage of raw materials.
- Improves the labour productivity.
- Helps to capture the market.
- Provides a better work environment.
- Facilitates quality improvement.
- Results in consumer satisfaction.
- Reduces the production costs.

B: DISCUSSION QUESTION

1. Does every business need a production plan?
2. Is it important to include a production plan in a business plan? Why?