

# Essentials of Management **PLANNING**

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- Planning can be defined as a basic management function which enables one to select the purpose of the business, and how the resources should be mustered to achieve that purpose to include using the available resources optimally to do that.
- Planning implies goal setting for the organization keeping in mind the constraints, opportunities, and threats as much as what the person or business which is planning wants to do.
- Thus, a plan is a blueprint for goal achievement, a blue print that specifies the necessary resource allocations, schedules, tasks, and other actions to achieve the purpose.

## Reasons for Planning – Why Plan?

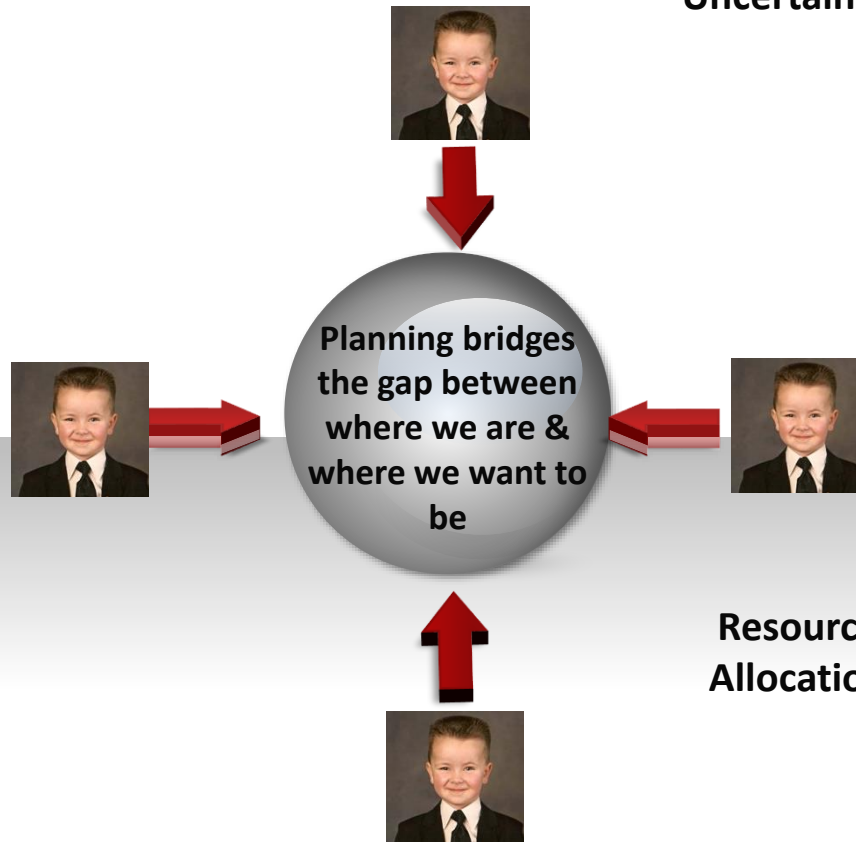


**Reduces  
Uncertainties**

**Provides  
Direction**

**Minimizes impulsive  
& arbitrary decisions**

**Resource  
Allocation**



- A goal is a desired future state that the organization attempts to reach.
- Goals are important because an organization exists for a purpose, and goals define and state that purpose.
- **Goals specify future ends; plans specify the means to do that.**
- The method we choose to achieve the vision and execute the mission is planning. Therefore, planning is about looking ahead.

Planning answers six basic questions in regard to any activity:

- What needs to be accomplished? What are the alternative routes to it?
- When is the deadline?
- Where will this be done?
- Who will be responsible for it?
- How will it get done?
- How much time, energy, and resources are required to accomplish this goal?

# Planning is important for the following reasons:

- It helps the management to clarify, focus, and research their businesses or project's development and prospects.
- It provides a considered and logical framework within which a business can develop and pursue business.
- It offers a benchmark against which the actual performance can be measured and reviewed.
- It plays a vital role in helping to avoid mistakes or recognize hidden opportunities.

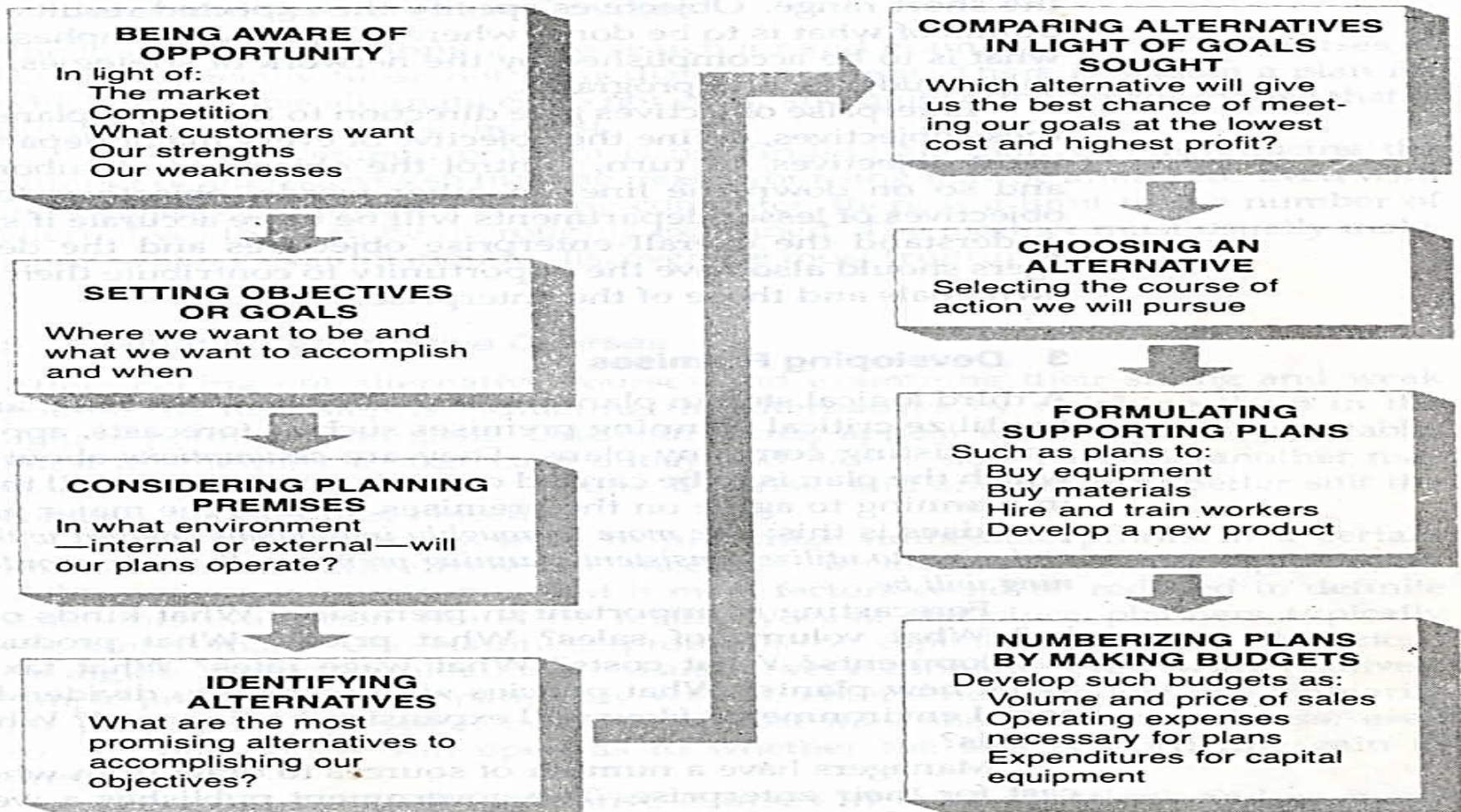
In the business context, it guides the development of products, management, finances, and most importantly, markets and competition.

- It helps in forecasting the future and makes the future visible to some extent.
- It bridges between where we are and where we want to go.

## STEPS IN PLANNING :

- ❖ Being aware of opportunities
- ❖ Setting objectives or goals
- ❖ Considering planning premises
- ❖ Identifying the alternatives
- ❖ Comparing the alternatives in the light of the goals sought
- ❖ Choosing an alternative
- ❖ Formulating the supporting plans
- ❖ Numberizing the plans by making budgets






**STEPS IN PLANNING.**




# Steps in Planning


**Being aware of Opportunities:** This means being aware of the customer needs, market, competition, strengths and weaknesses of the organisation.



**Establishing objectives:** This implies establishing what the organisation wants to be and what it wants to accomplish and in relation to which market segment.




**Developing premises:** It means deciding on the environment in which the plan is going to operate. Business has external environment created by political factors to include legislation, legal framework.



**Determining alternative course:** It implies identifying the most promising alternative to accomplish the organisation goal.

# Steps in Planning


**Evaluating alternative courses:** Comparing the alternatives to find out which of them will meet the goals of the organisation at an optimal cost and profit keeping sustainability into mind.



**Selecting a course:** Selecting the course that the organisation wants to follow.



**Formulating plans:** This implies making plans that support the course of action by buying equipment , space, planning the type of HR etc.



**Qualifying plans by budgeting:** Identifying the cost involved, how the financial resources will be mobilised, what is the capital expenditure, what is the operational expenditure, the working capital etc.

## TYPES OF PLANS :

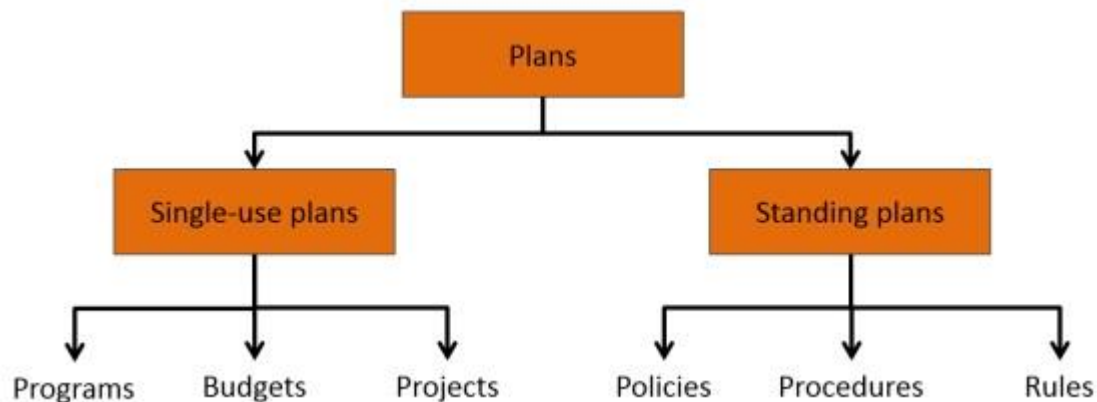
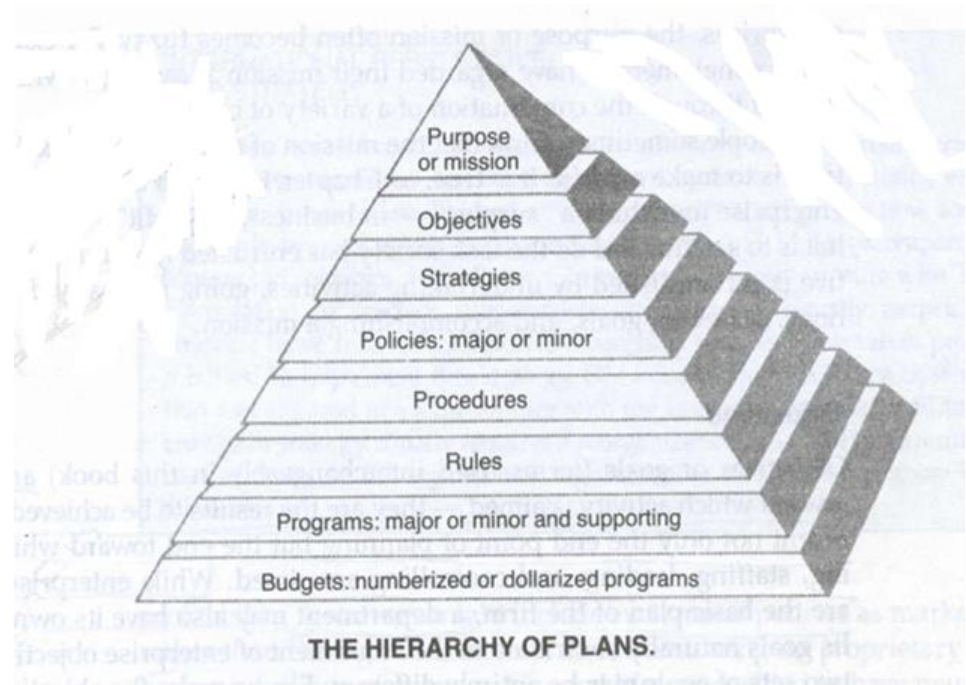
- ❖ Purposes / Mission/Vision
- ❖ Objectives
- ❖ Strategies
- ❖ Policies
- ❖ Procedures
- ❖ Rules
- ❖ Programs
- ❖ Budgets

BOARD OF  
DIRECTORS

TOP LEVEL  
MANAGERS

MIDDLE LEVEL  
MANAGERS

FIRST LEVEL  
MANAGERS



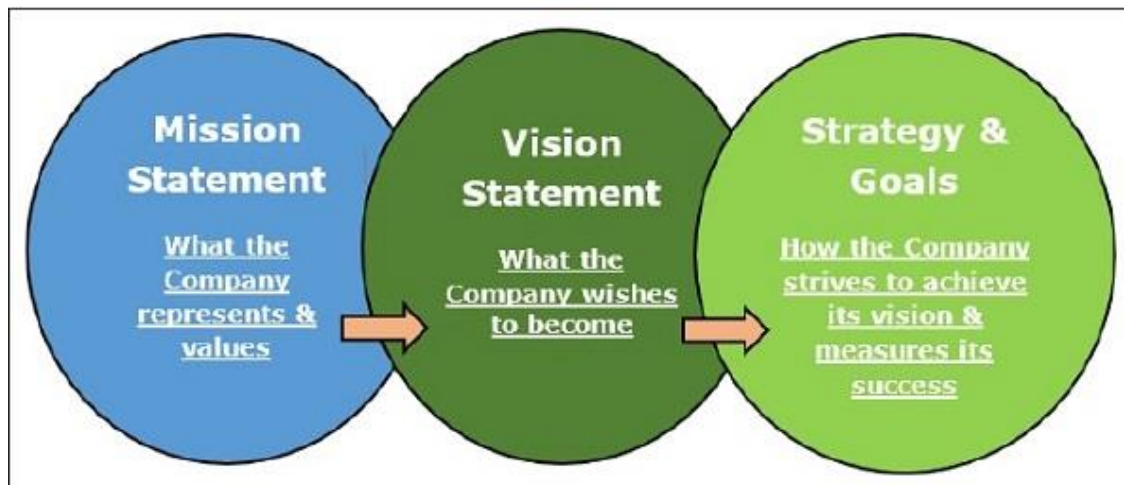
## Mission

- ❑ It identifies the basic function or task of an enterprise or agency or any part of it.

Example:

❖ Mission Of Oil Company : Are To Search For Oil And To Produce ,Refine, Market Petroleum Product.

❖ DUPONT Company – Better Thing Through Chemistry.



## Vision

- Global leadership in human development, excellence in education and healthcare.

## Mission

- Be the most preferred choice of students, faculty and industry
- Be in the top 10 in every discipline of education health sciences, engineering and management.

## Manipal Values

- Integrity
- Transparency
- Quality
- Team work
- Execution with passion
- Humane touch

### Our vision:

To be a national and international leader in healthcare.

### Our mission:

Care Achieve Innovate

### Our objectives:

To deliver excellent patient care and experience.

To deliver value for money.

To be an employer of choice.

To be a research based healthcare organisation.

To be a leading training and education centre.

### Our values:



Compassion



Openness



Learn



Pride



Improve



Respect



Partnership

We care. We achieve. We innovate.

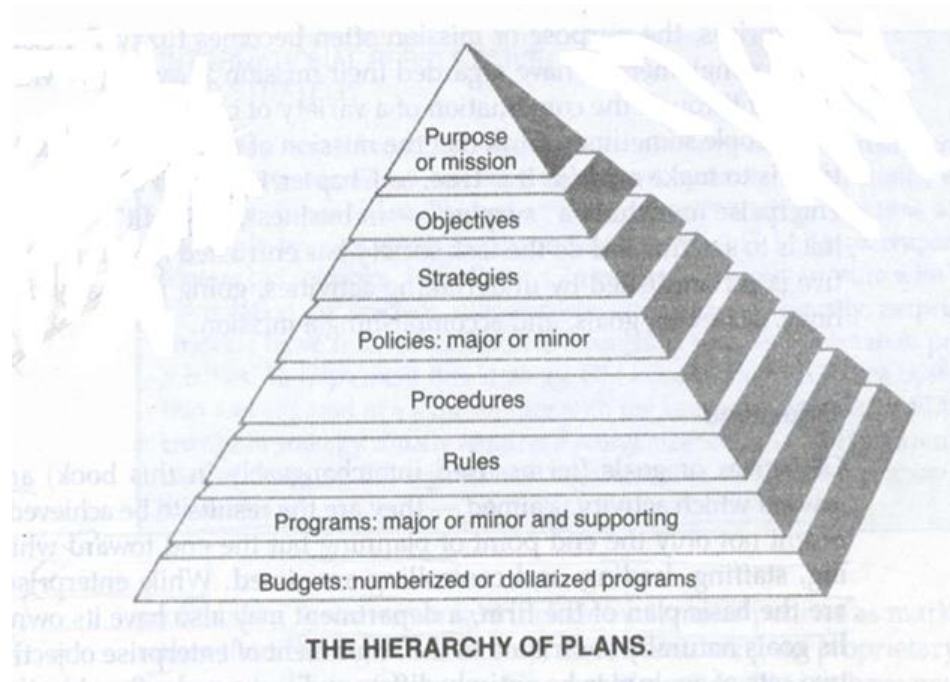


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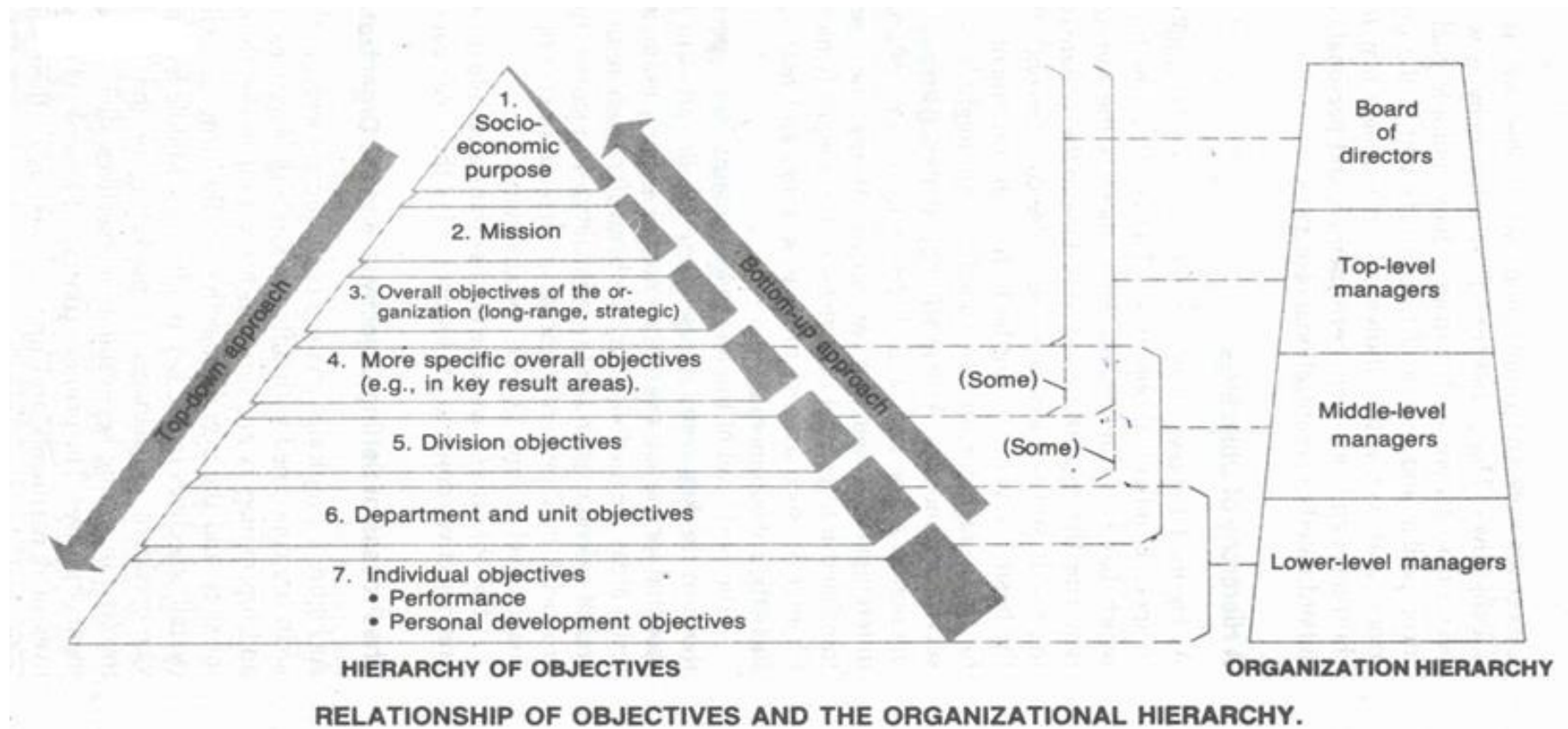


## **Objectives**

- ☐ OBJECTIVES ARE DEFINED AS THE IMPORTANT ENDS TOWARDS WHICH ORGANIZATIONAL AND INDIVIDUAL ACTIVITIES ARE DIRECTED
- ☐ VERIFIABLE OBJECTIVES-FACILITATE MEASUREMENT OF THE SURPLUS AS WELL AS THE EFFECTIVENESS AND EFFICIENCY OF MANAGERIAL ACTIONS

### **Overall objectives of a University**

- ☐ ATTRACTING HIGHLY QUALIFIED STUDENTS
- ☐ OFFERING BASIC TRAINING IN PROFESSIONAL FIELD
- ☐ GRANTING PhD degrees
- ☐ New knowledge through research
- ☐ Operating school through tuition, gifts of alumni and friends



❑ TOP DOWN APPROACH –UPPER LEVEL MANAGERS DETERMINE THE OBJECTIVES FOR SUBORDINATES.

❑ BOTTOM UP APPROACHES –SUBORDINATES INITIATE THE SETTING OF OBJECTIVES FOR THEIR POSITIONS AND PRESENT THEM TO THEIR SUPERIOR.

## **POLICIES**

- Policies are also the plans in that they are general statements or understanding which guide or channel thinking in decision making.
- Not all policies are statement, they are often merely implied from the actions of managers.
- **Eg– the practice of promoting from within.**
- Policies define an area within which a decision is to be made and ensure that the decision will be consistent with and contribute to the objective.
- They help decide issues before they become problems.

### **EXAMPLES ARE**

- ❖ POLICIES OF HIRING UNIVERSITY TRAINED ENGINEERS
- ❖ ENCOURAGE EMPLOYEE SUGGESTION
- ❖ PROMOTING FROM WITH IN
- ❖ SETTING COMPETITIVE PRICES

**POLICIES HELP IN DECISION MAKING** – POLICES OF BUYING FROM THE LOWEST OF THREE QUALIFIED BIDDERS

## **PROCEDURES**

- **Chronological sequences of actions of required actions.**
- Procedures establish a required method of handling future activities.
- They are guides to actions , rather than to thinking and they detail the exact manner in which certain activities must be accomplished.
- Eg- company policies may grant vacation to employees ; procedures to implement this policy will provide for scheduling vacation to avoid any disruption of work.

## RULES

- Rules—spell out specific required actions or non actions, allowing no discretion.
- They are simplest type of plan
- They guide actions without specifying time sequence
- May or may not be part of procedure
- Ex—no smoking, quite unrelated to any procedure

## **BUDGETS**

- ❖ Budgets are the statement of **expected results expressed in numerical terms** , referred as numberized programs
- ❖ Can be in terms of--- no of labour hours, units of production, financial terms, machine-hours,
- ❖ Budgets usually implements a program , it may in itself be a program.
- ❖ Variable or flexible budgets—depends on level of output
- ❖ Program budgets—the agencies and each dept. Within the agencies identifies the goals. Zero based budgets—combination of variable and program budgets.

## Strategic plans

- Involves analyzing competitive opportunities & threats, as well as the strengths & weaknesses of the organization, & determining how to position the organization to compete effectively in their environment.

## Tactical plans

- Creates the blueprint for the larger strategic plan. These plans are often short term and are carried out by middle-level managers.

## Operational plans

- Covers the entire organization's goals & objectives and puts into practice the ways & action steps to achieve the strategic plans. Very short term plans, usually less than a year.

- Upper-level managers develop *strategic plans* that apply to the entire organization, establish overall objectives, and position the organization within its environment.
- Lower-level managers focus on *tactical plans* that specify how the overall objectives will be achieved. These plans differ in time frame and scope.
- Operational plans are limited in scope and are measured daily, weekly, or monthly; strategic plans are broader, less specific and encompass five or more years.





**STRATEGY: SURPRISE ATTACK**



**TACTIC: JUMP LIKE CRAZY  
& THROW SPEAR VERY HARD**

## **Example:**

### **Finding a Job**

Perhaps your goal is to find a new job as part of a long-term plan for financial stability. There are several different strategies you can use to find a job, including:

- Using your current skills to find a new job
- Becoming an apprentice for a trade
- Going to college for a new career.

If you decide on a strategy to use your current skills in a different job, then your tactics might include:

- Updating your résumé
- Telling your friends that you want a new job so they can help you
- Looking at job postings in newspapers or on the Internet.

In this situation, as in most cases, you'll probably use a few different tactics as part of your strategy to find a job. And in the process, you might decide that some tactics don't work well so you'll abandon them and try new tactics.

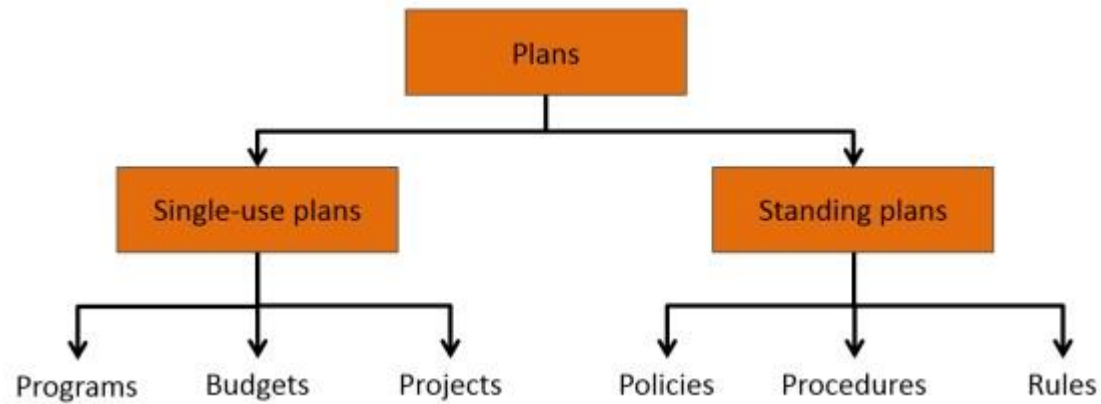
# Strategic Planning

## ❑ Strategic plans

- ❖ Apply broadly to the entire organization.
- ❖ Establish the organization's overall objectives.
- ❖ Seek to position the organization in terms of its environment.
- ❖ Provide direction to drive an organization's efforts to achieve its goals.
- ❖ Serve as the basis for the tactical plans.
- ❖ Cover extended periods of time.
- ❖ Are less specific in their details.

## ❑ Tactical plans (operational plans)

- ❖ Apply to specific parts of the organization.
- ❖ Are derived from strategic objectives.
- ❖ Specify the details of how the overall objectives are to be achieved.
- ❖ Cover shorter periods of time.
- ❖ Must be updated continuously to meet current challenges.



## ❑ Specific plans

- ❖ Plans that have clearly defined objectives and leave no room for misinterpretation.
  - “What, when, where, how much, and by whom” (process-focus)
  - **Eg: Lesson Plan**

## ❑ Directional plans

- ❖ Flexible plans that set out general guidelines.
  - “Go from here to there” (outcome-focus)

## ❑ Single-use plans

- ❖ A plan that is used to meet the needs of a particular or unique situation
  - Single-day sales advertisement

## ❑ Standing plan

- ❖ A plan that is ongoing and provides guidance for repeatedly performed actions in an organization
  - Customer satisfaction policy



# Systems approach to Management

