



# **BUS 1370 : Principles of Management**

## **Lesson 05**

### **The Process of Planning**

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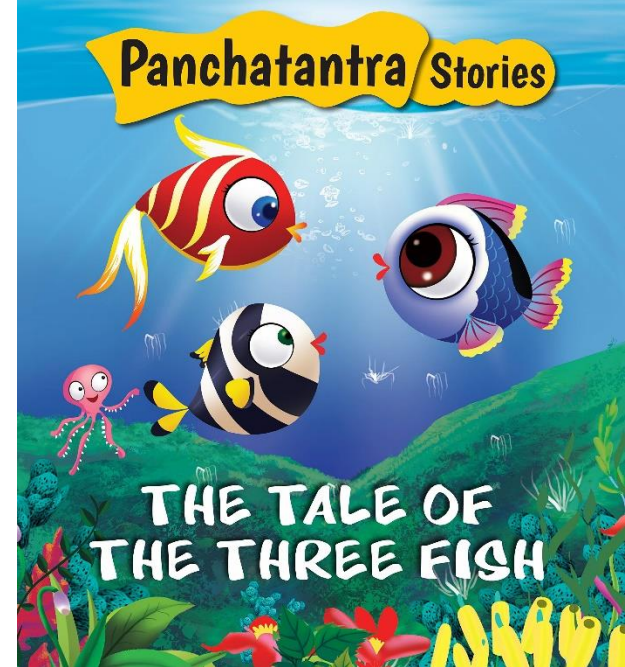
**Department of Business Administration**

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Faculty of Management Studies and Commerce  
University of Sri Jayewardenepura

# Learning Outcomes

- Describe 'Planning' and explain how it relates to other managerial functions.
- Elaborate the basic steps in the Planning process.
- Describe the levels of Planning in an Organisation.
- Explain the types of plans.



There was three fish living in a pond. One was named “Plan ahead”, another was “Think fast” and the third was called “Wait and see”. One day they heard a fisherman say he would be going to cast his net in their pond the next day.

“Plan ahead” said, “I am swimming down the river tonight”.

“Think fast” said, “I am sure I will come up with a plan”.

“Wait and See” lazily said, “I just can’t think about it now”.

When the fisherman cast his nets, “Plan ahead” was able to escape from his nets. But “Think fast” and “Wait and see” were caught by the fisherman.

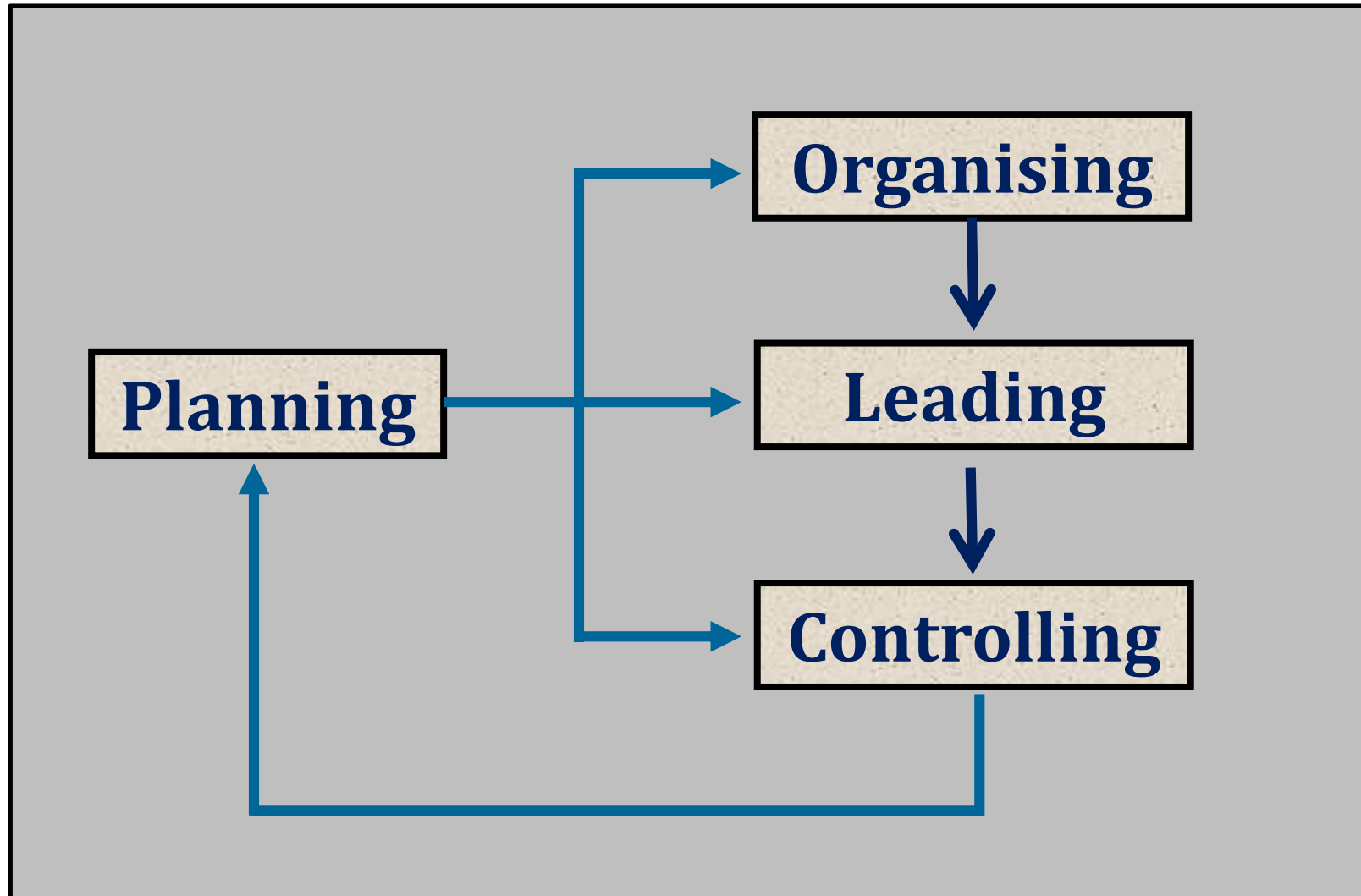
“Think fast” quickly rolled his belly up and pretended to be dead. “Oh, this fish is no good!” said the fisherman and threw him safely back into the water. However, “Wait and see” ended up in the fish market.

Source: <https://naturecrafts.wordpress.com>

# Why Planning?

# Primacy of Planning:

## Planning as the salient function of Management process



# Major Activities in Planning

- Setting the Goals and Objectives  
Where do we want to be?
- Formulating Strategies  
How do we reach Goals and Objectives?

# Planning

Planning is the process of establishing appropriate goals and formulating suitable strategies (means) for achieving those goals (ends).

(Adapted from Stoner & Freeman, 2009)

# Levels of Planning

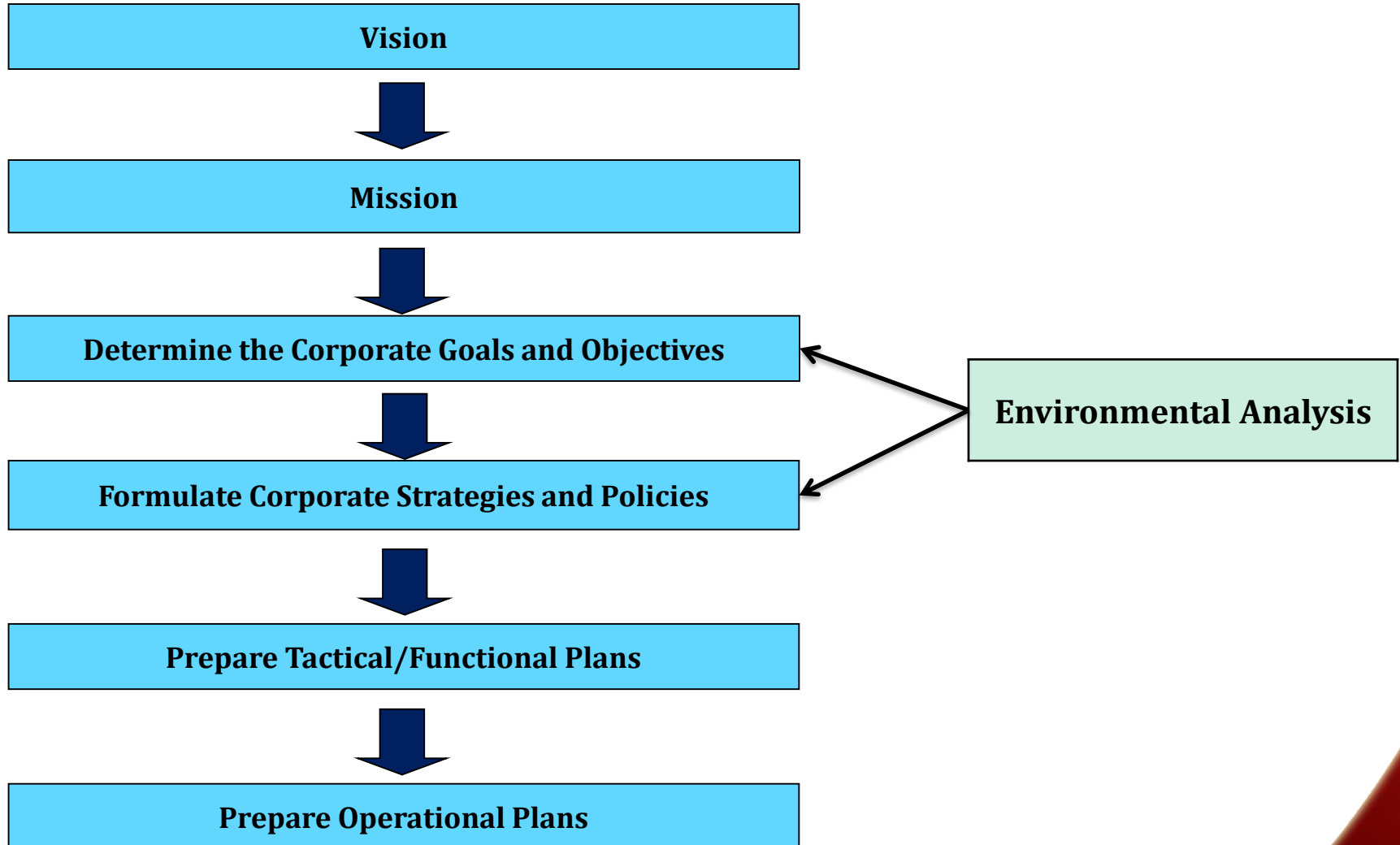




# Planning changes according to the nature of the Organisation

- Single Business Organisation
- Multi-Business Organisation

# The Process of Planning



# Hierarchy of Aims



**Decide where the Organisation should be in “x” number of years**

# What is a Vision?

Vision is the ultimate aim and the desired Organisational dream the founder/leaders/top executives wish to realise in the very long run.

# Vision – University of Sri Jayewardenepura

Prosper lives through Education



# Vision – Bank of Ceylon

To be the Nation's preferred bank with a strong global presence providing customer centric innovative financial solutions.



# Translating Vision into a Mission

Mission is the tangible and operational component of the Vision. In other words, it is the clearly explicit future of the Vision.

Mission statement is a broadly stated definition of the organisation's basic business scope and operations that distinguishes it from similar types of organisations.

(Daft, 2018)

# Contents of a Mission Statement

Customers

Who are the firm's customers?

Markets

Where does the firm compete geographically?

Concern for survival,  
growth profitability

Is the firm committed to growth and financial stability?

Philosophy

What are the firm's basic beliefs, values, and ethical priorities?

Concern for public image

How responsive is the firm to societal and environmental concerns?

Products or services

What are the firm's major products or services?

Technology

Is the firm technologically current?

Self-concept

What are the firm's major competitive advantages and core competencies?

Concern for employees

Are employees a valuable asset of the firm?



# Mission – University of Sri Jayewardenepura



Develop globally competent citizens through our education for a sustainable future, drawing inspirations from our cultural heritage and wisdom.

# Mission - Bank of Ceylon



To provide highly efficient, customer focused, technologically sophisticated, resilient and innovative financial services to the Nation with global access, empowering employees and enhancing value to the stakeholders.

# Goals

General statements of future aims which represent the main core areas of operations in the mission.

# Goals – University of Sri Jayewardenepura

- Learning & Education
- Research & Development
- People: Academic Faculty & Staff
- Infrastructure
- Finance
- Outstanding Student Experience
- Lifelong Community, Social Responsibility, National Development & Global/Regional Impact

# Goal - Bank of Ceylon



Build and maintain mutually rewarding, long-term, sustainable relationships with its customers, based on trust and confidence.

[https://web.boc.lk/assets/reports/BOC\\_AR\\_2017.pdf](https://web.boc.lk/assets/reports/BOC_AR_2017.pdf)

# Objectives

- What is intended to achieve within a defined medium to short period of time.
- Expected measurable end results or aims of action.
- Act as yardsticks to measure performance.

# Areas for which Corporate Objectives can be set

**Corporate Objectives  
Can be established  
in these Key Results  
Areas (KRA's)**

- Market Standing
- Innovation
- Productivity
- Physical and Financial Resources
- Profitability
- Manager Performance and Development
- Worker Performance and Attitudes
- Public Responsibility

(Peter Drucker)

# Hierarchy of Objectives





# Strategy

**Decide what is the best way to achieve the aims.**

*Strategies are formulated at different levels of planning.*

- The broad programme for achieving an organisation's goals and its mission (Stoner & Freeman, 2009).
- A comprehensive plan for accomplishing an organisation's goals (Griffin, 2016).

# Types of Tactical/Functional Plans

- Convert the corporate plans into detailed and specific action plans.
- Allocate resources for each function of the organisation.
  - Marketing Plan
  - Production/Operational Plan
  - Human Resource Plan
  - Information Systems Plan
  - Financial Plan

# Operational Plans

Plans that provide the details needed to implement the strategies into day-to-day operations. The contents include:

- Programmes

Programmes are plans for large sets of activities (large scope) / major undertakings that may take years to complete. May be associated with several projects.

- Procedures

Sometimes called Standard Operating Procedures. Procedures outline precise series of steps to be followed in particular circumstances.

# Operational Plans (contd.)

- Activities

The work of a group or organisation to achieve an aim.

- Schedules

A list of planned activities or things to be done showing the times or dates when they are intended to happen or be done.

- Budgets

A financial plan that lists expected expenses and income during a particular period.

- Rules, regulations and work instructions

Describe exactly how specific activities are to be carried out. Rather than guiding decision making, rules and regulations actually take the place of decision making in various situations.

# Types of Operational Plans

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graph TD; A[Types of Operational Plans] --> B[Single-Use Plans]; A --> C[Standing Plans]; B --> D[Single use plan is a detailed course of action used once or only occasionally to solve a particular operational problem that does not occur repeatedly.]; C --> E[Standing plan is an established set of decisions used by managers to deal with recurring operational problems.];
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## Single-Use Plans

**Single use plan is a detailed course of action used once or only occasionally to solve a particular operational problem that does not occur repeatedly.**

## Standing Plans

**Standing plan is an established set of decisions used by managers to deal with recurring operational problems.**

# What Contemporary Planning Issues Do Managers Face?

- Planning effectively in dynamic environments
- Planning effectively in crisis situations
- Creating a culture which promotes involvement in planning and commitment to plans.

# Innovative Approaches to Planning

- Management By Objectives
- Set stretch goals for excellence

(Robbins et al., 2020; Samson et al., 2021)

# **Contemporary Business Environment and Emergent Approach to Planning**



# Questions *and* Discussion