

# Diploma in Financial Management & Accountability

*- a joint initiative of TISS & FMSF*

## Course Material



Budgeting & Monitoring  
Paper - IV  
Unit -2  
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## UNIT - 2

### PLANNING

#### 2.1. INTRODUCTION

Planning is an instrument that provides the aim for the future. It is an activity by which the objectives are defined and specific goals and targets are formulated to be achieved. When one is planning for the organization's future one has to fund the plans. Budgeting is planning in financial terms. It is important that plans are translated into financial terms. Budgeting is the most effective way to facilitate this process, it is the tool to monitor cash flows, provide the direction for prioritizing deployment of funds for appropriate developmental activities and to ensure that programmes are completed on time. Budget is an important tool whereby you can remain on top of the funds flowing in and on the nature and quantum of expenditure. Planning and budgeting are correlated.

"Planning", in simple terms is:

- (i) an act of formulating a program for a definite course of action or
- (ii) the act or process of drawing up plans or layouts for some project or an organization as a whole.

However, planning is defined differently according to contexts. It is said to be the "deliberate social or organizational activity of developing a strategy of future action to achieve a desired set of goals for solving different problems in complex context. This is underpinned by the power and intention to commit resources to act as necessary to implement the chosen strategy".

In recent times, planning has come to be seen as a much broader set of human activities, encompassing the provision of physical infrastructure as well as public and social services, including health, education, sanitation, shelter, and transport among others. Besides the technical, analytical and design components, planning is seen intensely as a value-laden activity. Planning is a prelude to budgeting.

A budget is a plan to:

- (i) Manage your finances
- (ii) Ensure that you can continue to fund your current commitments
- (iii) Enable you to make confident financial decisions and meet your objectives
- (iv) Ensure you have enough money for your future projects and programmes.

A budget outlines where the money will be spent and how that spending will be financed. It must be remembered that a budget is not a forecast. A forecast is a prediction of the future whereas a budget is a planned outcome of the future, defined by the plan that the organization desires to achieve. As a comparison, there is a 'weather forecast' but never a 'weather budget'.

## **2.2. SIGNIFICANCE OF PLANNING**

Why should one plan? As an example, if one has to travel from say New Delhi to Agra, consciously or unconsciously we would address certain issues e.g.:

- (i) Why do I need to travel?
- (ii) On which date should I travel?
- (iii) Will the person I need to meet be available when I arrive in Agra?
- (iv) How will I travel i.e. train, bus, car or by air?
- (v) Should I book a ticket in advance or purchase one at the last moment?
- (vi) Where will I stay?
- (vii) How will I travel within Agra?
- (viii) When will I return?
- (ix) How much money should I have i.e. for:
  - (a) cost of ticket
  - (b) cost of lodging and boarding
  - (c) local conveyance
  - (d) communication cost i.e. mobile or landline telephone expenses.
- (x) To whom do I need to report the outcome of my travel?

If for something so small i.e. traveling from New Delhi to Agra there are ten aspects to be covered, as listed out above being considered then definitely for implementing a programme or for developing the organization there would be far greater issues, aspects and challenges to be addressed. If some reason any one issue in the above list is not addressed or planned out in advance there could be a major problem, which could defeat the very purpose of the travel, e.g. suppose I did not check whether the person I need to meet would be available and on reaching there I find that he is out of station, then see the waste of (i) time (ii) money and (iii) energy that would have taken place and the whole process would have to be re-done i.e virtually there would be double cost incurred because of the lack or inadequacies in planning.

It means having a view of the future and deciding in advance where we would like to be and what is to be done in order to reach there. It is an activity by which the objectives are defined and specific goals and targets are formulated. Planning is done by managers at all levels of an organization but various stakeholders are consulted in the process.

Development organizations are involved in rendering services to the community. They, at times, deal with large resources. Hence, in an NGO, planning gains more significance as each project needs to be planned and a budget drawn up to ensure proper funding either from local or from foreign sources.

Planning is imperative in order to carry out the activities and programmes of the organization in a systematic and timely manner.

### **2.3. ADVANTAGES OF PLANNING**

Planning helps in:

- Focusing on the goal.
- Anticipation of risk and elimination of waste
- Allocating appropriate resources to the project
- Reducing cost

- Facing future challenges
- Managing activities and funds effectively
- Improving decision making
- Providing direction and in formulating specific strategies
- Improving efficiency
- Introducing various systems in the organization
- Identifying problems in advance and providing timely warning about deviations
- Enhancing staff motivation
- Facilitating the assessment of performance

#### **2.4. LIMITATIONS OF PLANNING**

- Planning process is quite costly and time consuming
- Internal and external inflexibilities
- It depends on the reliability of information
- Difficulty of accurate premises as the future is not known
- Planning can minimize risk but cannot eliminate the risk
- As the saying goes “Planning on paper is as good as no planning” so the success of the planning depends upon implementation
- It depends on internal and external variables which are beyond the control of the planner

#### **2.5. ESSENTIALS OF A GOOD PLAN**

- Planning is a continuous process
- Planning must be creative
- Planning process must be communicated to the lowest possible level
- Planning should be time bound
- Planning should exist at all levels in the organisation
- Planning must motivate people towards its implementation
- Planning should not be rigid, rather should be flexible to respond to sudden changes in internal and external environment
- Planning must coordinate the efforts of all the departments

- Planning must have an inbuilt controlling process
- People are the essence of planning as the success of every plan depends upon people, so this factor must be kept in mind while framing plans.

## 2.6. PROCESS OF PLANNING

The process of planning is a dynamic one. It basically involves the following sequential steps:

1. Planning
2. Implementation
3. Monitoring
4. Evaluation

The above components are the integral part of an organization's internal control and monitoring procedures, which, is termed as the Planning, Monitoring and Evaluation System (PME System).

The planning process needs to:

- (i) Ensure that the programme plan is towards achieving the overall vision, mission and goal of the organization.
  - Clarity of vision, mission and goals are of paramount importance.
- (ii) Ensure that the programme plan is relevant to meet the needs of the target group.
  - Identification of ground realities, the population that the institution is to serve, the geographical location, local customs must have a practical approach.
- (iii) Ensure that the projected plan is converted into a concrete action plan.

- Identify the logical steps or activities that will be implemented and these must be linked to a time line to achieve the objects.
- (iv) Ensure that the action plan is converted into a cost plan with effective budgeting.
- Allocate a monetary value to each activity and components of each activity as close as possible to the ground reality. Financial resources are to be put to optimal use in an efficient and effective manner.

In essence 'Planning' is the core of NGO Management. The importance of effective management is to ensure smooth running of the programmes and the organization. In essence management compliments planning and implies the following:

- (i) Organizing
- (ii) Regulating
- (iii) Being in Charge of (Not being the "Boss" but have the ability to implent).
- (iv) Meeting one's needs with limited resources.

#### **2.7. COMPONENTS OF PLANNING:**

The planning process generally has the following seven components, though the nature and scope depends upon the type of plan, purpose of the plan and time factor.

- 1) Objectives
- 2) Policies
- 3) Procedures
- 4) Programs
- 5) Rules
- 6) Budgets
- 7) Strategies

**2.7.1. Objectives:** The objectives must be first linked to:

- (i) what is specified in the Objects Clause of the Memorandum of Association / Trust Deed. The programme and activities being contemplated must be permissible specifically in the said Objects Clause. If not covered by the said Objects clause then such a programme / activity cannot be undertaken. This is a non negotiable requirement. (The alternate is to first amend the Objects Clause by following the due process of law.)
- (ii) the geographical area specified as the area of operation by the founding charter i.e. the Memorandum of Association / Trust Deed. Any activity must be within the confines of the geographical area specified. If a donation or grant is to be given to another organization then the other organization must also be operating within the specified geographical area for operations.

Secondly objectives must become measurable and incorporate dimensions of time and hierarchy. They are classified on the following basis:

- 3. On the basis of time ( Short-term, Medium term and Long term)
- 4. On the basis of functions( Programmes, marketing, production, materials , human relations objectives)
- 5. On the basis of levels ( Top, Middle, and Lower Level objectives)

Thirdly all objectives need to be SMART:

- S = Specific
- M = Measurable
- A= Agreed upon (by everyone involved)
- R= Realistic
- T= Time bound



The word “objectives” has changed over a period of time and in addition to the above, it also includes the following:

**(a) Vision**

Organization and projects in the not-for-profit sector usually exist because they want to make a difference in society. They have a vision of how society could be or should be in the future. The vision is not something they can be achieved on their own. It is something that guides them in their work and which they believe and can be achieved if enough projects and organizations share the vision and work towards it.

For an organization a vision statement should assert what an organisation can be at its best. A vision statement articulates the long-term goals of the organization. A vision statement should be precise, objective and should have an ability to inspire people to work for the organisation.

Developing a vision statement is essentially a participative exercise. All the participants should collectively describe as to how should the society be, in terms of problems faced by it, or how should the society function. The whole group should study the statements jointly and construct a Vision Statement. One can begin the Vision Statement as:

We are committed to.....

We Strive for.....

We believe that.....

As illustrations some visions statements as adopted by different organizations are the following:

- (i) “A society free of poverty and injustice, where every citizen has a right to a peaceful and dignified life in harmony with the environment.”
- (ii) “Our vision is to contribute to the sustainability of the Self Help Group movement in India.”

- (iii) “Our vision for every child, life in its fullness;  
Our prayer for every heart, the will to make it so.”

### **(b)Mission**

A mission specifies how the organisation will achieve its goals. Mission statements are derived from Vision statements. It is because the mission includes the particular way in which the organisation intends to make a contribution towards the vision.

Mission statements basically indicate the purpose of the organization. A mission statement should have four components:

- What a organisation or project is;
- What the organisation or project aims to do or achieve;
- Who the work is aimed at (the target group) and who is it done with:
- How it does its work- in broader terms, what methods it uses.

An important question is as to why is a mission statement important. It is important because:

- It helps you to clarify and focus on work
- It is an easy way to communicate to others what one does and how one does it
- It helps in generating the unity that leads to high performance.

A few mission statements of organizations are given below:

- (i) “Our mission is to enable self help people’s institutions to provide quality services to strong and vibrant self help groups and their federations. Our organization believes in self reliance of community based organizations engaged in micro finance and livelihood promotion, strives for excellence in whatever it does and promoted the empowerment of women. Our

organization will emerge as national-level support institution by influencing appropriate policy and effective supervision of federations.”

(ii) Our Organization seeks to be in all its work:

- Trusted partners in lasting change
- Powerful motivators of caring
- Courageous promoters of justice and peace
- Inspiring models of co-operation.

### (c) Goals

The goals of the organisation should be directly related to the significant problems that are identified by the working group. Goals could be the benefit or advantage that the beneficiaries will enjoy when the developmental work is successful. But what is more important is how does one know when has the overall goal been achieved? It can be known by setting of indicators or signs which are measurable. They are later in the chapter.

#### 2.7.2. Policies:

Policies are a general statement, which can be implicit or explicit. Policies offer general direction to planning and they offer the framework within which the organization must work. For example: HR policy on recruitment, selection, and training.

#### 2.7.3. Procedure:

It is a series of related tasks. Procedure is a step by step approach to implement policies. It is more specific in terms of steps.

#### 2.7.4. Programs:

When time is introduced in procedures, it becomes a program. As there is an element of time, it is called as the timetable of planning.

#### **2.7.5. Rules:**

Rules are specific and specify the way to deal with situations. They offer a definite direction to the planning process. For example smoking is to be discouraged is a policy, but “No Smoking in the premises of the organization is a rule”

#### **2.7.6. Budgets:**

Budgets are used to assess income, expenditure and balances in hand at the end of a programme or time frame. They facilitate projection of cash flows. Budgets facilitate fiscal discipline. It shows from where the money will come from or from where it has not come; where it will go; it would be the tool to prioritize activities keeping in view the cash flow projection. Budget is to facilitate overall financial management and implementation of programmes. The activity plan and the financial plan need to be clearly linked so that the resources can be put to optimal use in an efficient and effective manner.

#### **2.7.7. Strategies:**

Strategies can be called as the “Action Component” of Planning. There are several stakeholders to whom the organization is accountable. The planning process needs to include the needs of the target group. There are at least five major categories of stakeholders for a NPO. They are:

- The community at large
- The direct beneficiaries or the target group\’s,
- The funding partners or the donor agencies,
- The State apparatus or the Government
- The Governing structures and systems of the organizations.

## How to Develop Strategies

Strategy formulation is a combination of rational, scientific examinations and educated, intuitive best guesses. Many individuals are overwhelmed by the idea of developing strategies, but it can be a fun and invigorating process. The process entails:

- examining the organization's critical issues
- determining how the organization's strengths and skills can be employed to address the critical issues
- analyzing opportunities and strengths and looking for ways to synthesize the two
- exploring and choosing the best approaches for the organization.

During this evaluation ask these key questions: Does the strategy meet/address critical issues? Is this aligned with our mission? Is this approach financially viable?

One effective method of strategy generation is to list critical issues and organizational strengths onto flipcharts and then have staff or board members brainstorm possible uses of those strengths or other skills to address the critical issues. Once the brainstorm session is completed, use a roundtable discussion to investigate and evaluate the possible strategies. Remember to develop a list of alternative strategies to investigate and keep in the contingency planning file.

It is important not to discount the ideas that come to people during non-working hours. The Polaroid camera is the result of a three year old's question to her father: "Dad, why can't I see the picture now?"

Listed below are several strategies applicable to both the organizational and program levels, adapted from Philip Kotler's *Strategic Marketing for Nonprofit Organizations*. From a social need and services perspective, some are more desirable than others.

### **Surplus Maximization**

An agency runs its organization in a manner that increases the amount of resources on hand. Usually this strategy is adopted to accumulate resources for expansion or growth.

### **Revenue Maximization**

An agency manages its organization to generate the highest possible revenues, perhaps in an effort to establish a reputation or critical mass.

### **Usage Maximization**

An agency works to serve the highest number of users of their services. This strategy can be used to position the organization or program for funding or budgetary purposes.

### **Usage Targeting**

An agency provides services in a manner that encourages serving a specific number or type of constituents. This strategy is used to address needs that have not been met of specific populations or to cover the costs associated with providing services.

### **Full Cost Recovery**

An agency manages its programs and services so that it financially breaks even, providing as much service as the finances will allow. Many nonprofits adopt this strategy in an effort to provide services without entering fiscal crisis.

### **Partial Cost Recovery**

An organization operates with a chronic deficit every year, providing services that are critical and cannot be provided at a break even level of costs (e.g., mass transit or the Post Office). These organizations rely on governments, public and private foundations to cover the annual deficit.

### **Budget Maximization**

An agency maximizes the size of its staff, services, and operating expenditures regardless of revenue/cost levels. Organizations that are concerned with

reputation and the impact of trimming services or infrastructure on that reputation employ this strategy.

**Producer Satisfaction Maximization**

An organization operates towards a goal of satisfying the personal/professional needs of a founder, staff, or board of directors rather than the established needs of external clients and customers.

**Fees for Service**

An organization provides services to clients for a fee. The fee is typically below market rates and does not cover the full cost of providing the services.

**New Revenue Strategies**

An organization uses direct marketing activities designed to generate new sources of revenue from specific funders. Examples include starting a new service or program, approaching a new funder, changing the way services are provided, or setting up a profit making venture.

**Legitimization Strategies**

An organization works to communicate to the community that it is conforming to existing standards and norms - that it is a legitimate and worthy participant in the sector. Examples include adapting services to funder priorities, contributing non cash or cash resources to other nonprofit organizations, or seeking endorsements or board participation from prominent individuals.

**Retrenchment Strategies**

An organization emphasizes efforts to reduce internal costs to offset the potential or real loss of revenues or grant monies. Examples include increasing staff workloads, increasing use of part time or volunteer staff, eliminating services or programs, or reducing non-fixed expenses such as training or supplies.

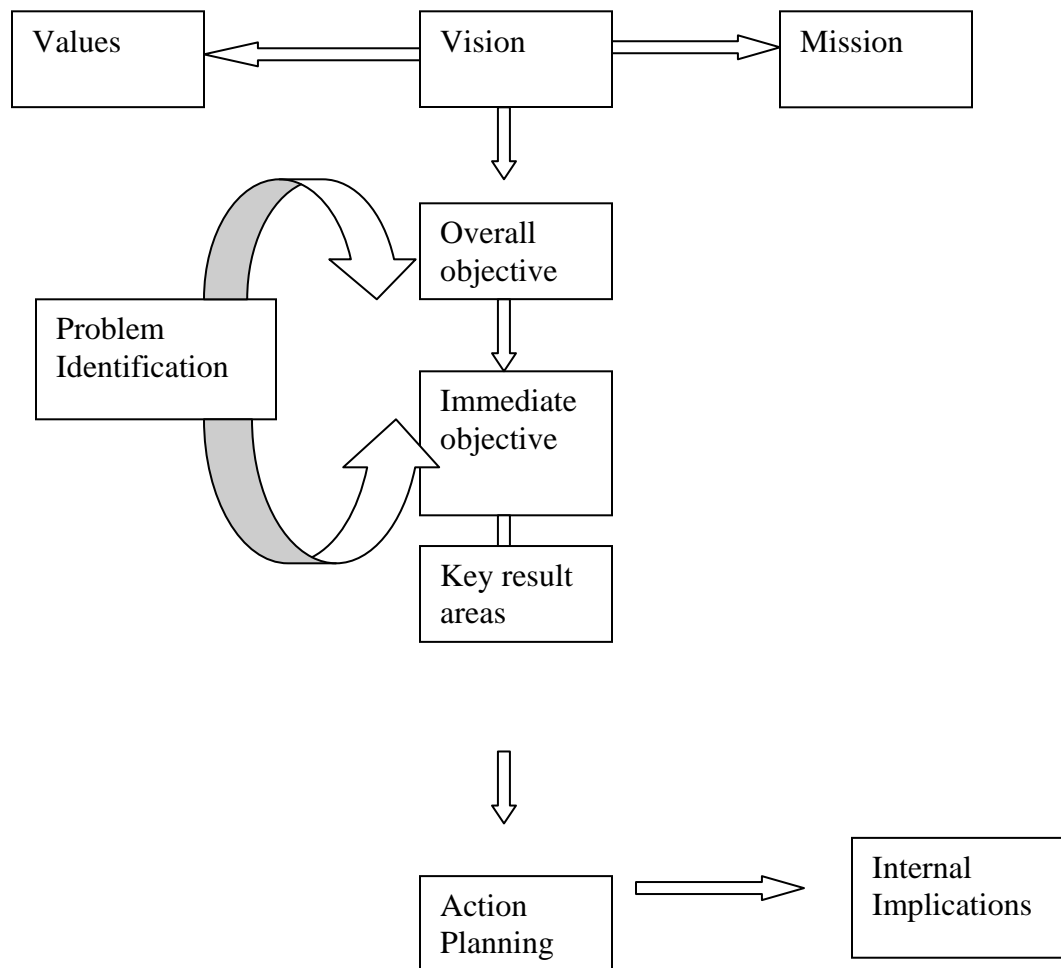
All the above elements need to be in alignment. This means that they should fit together and complement one another, rather than contradict one another. So, for example, the mission should fit with the values and vision of the organisation, and

should address the needs of the key stakeholders who are the intended beneficiaries of the work.

The key result areas should, accumulatively, enable the objectives and goals to be met, and should contribute to the fulfillment of the vision. Assumptions that were made should be carefully considered in terms of their effect on the ability of the project or organisation to make an impact.

The gaps observed during programme implementation need to be identified and addressed and finally the strategic framework should give coherence and clarity to the work of the organisation or project.

In a diagrammatic form, the process of defining the planning framework looks like this:





## 2.8. TYPES OF PLANS

Though basically, planning implies a view of the future activities and the course of action, the main types of plans that are practiced by the development organizations are:

1. Focus Area Plans:
2. Time Based Plans

**2.8.1. Focus Area Plans:** These plans are related to the organization as a whole and can be categorized as:

- Organizational Planning
- Programme Planning
- Strategic Planning
- Action Planning
- **Organizational Vs Programme Planning:** Planning is based on the programmes of the organization. The organizations carry out several programmes at various locations. The overall plan of the organization consisting of several programmes is known as organizational planning. This facilitates the organisation to have a bird's eye view of the plan consisting of several programmes. Hence organizational planning is crucial in which the programme plan shall fall in place.
- **Strategic Planning:** Strategic Planning is a conscious effort to identify the broad perspectives, vision, mission, goals and objectives for the organization. Strategic planning works out the methodologies and tactics for the effective achievement of the organizational goals and objectives. The focus of strategic planning is on the long term rather than on short term plan. It is the overall approach, based on an understanding of broader context in which one can function, one's own strengths and weaknesses, and the problem one is attempting to address. A strategy gives a framework within which to work, it

clarifies what one is trying to achieve and the approach one intends to use. It gives one clarity about what one actually wants to achieve and how to go about achieving it, rather than a plan of action for day-to-day operations.

- **Action Planning:** Action planning is an effort to concretely identify the programmes and activities within the framework of the goals and objectives already evolved in the process of strategic planning. The above programmes and activities are meant to effectively realize the vision and mission of the organization. This is the plan for day-to-day operations.

**2.8.2. Time Based Plans:** These plans are based on the time period and are categorized as:

Long Term Plans

Medium Term Plans and

Short Term Plans

**Long Term Plans:**

Long term plans provide security for the continuity of the mission of the organization. This demonstrates a sense of foresight and wisdom. These plans also keep the goals and objectives of the organization in focus. Long term plans normally have a tenure of at least five years.

**Medium Term Plans:**

Medium term planning is a more practical exercise and normally has a time horizon of two to five years. It is more practical because the closer we are to the present day, the fewer assumptions have to be made, and the probability of the plan reflecting what actually happens is much greater. The medium term plan will reflect the outline strategies developed in the long-term plan, but concentrate on the major decisions over the next two to five years.

**Short Term Plans:**

While long term planning is essential, it is equally important to plan for the short term in order to carry out the activities and realize the vision of the organisation. Short term planning or budgeting, normally covers a period of one year, and unlike the others, may be subject to revision within that year. Because it deals with the immediate future, it is subject to much more certainty and can provide a detailed statement of intent. Short term plans are therefore produced in much more details than others.

These plans can be seen from the following diagram:

**PLANNING BASED ON TIME PERIODS****Long- term planning**

- Define the organization's policy
- Analyses of the strength and weaknesses of the organisation
- Set the various goals and objectives

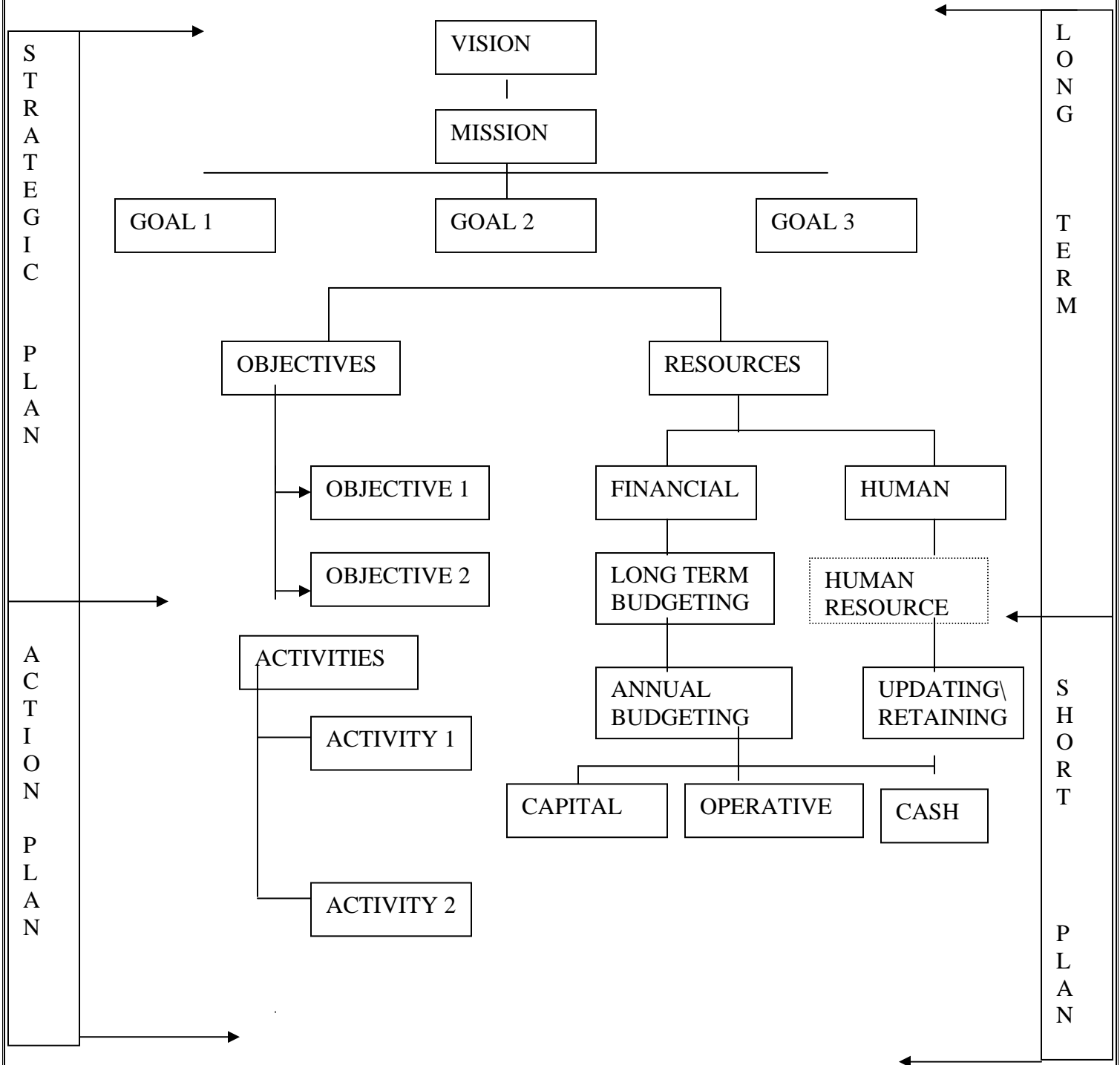
**Medium - term planning**

- Prepare plans based on policies of the organisation
- Compare with the objectives
- Develop alternative plans to overcome plans pitfalls against objectives
- Set short term objectives and targets

**Short -term planning or Budgeting**

- Prepare Detailed budgets leading to a master budget
- Measure actual activity
- Analyze variation from the plan
- Complete the feedback loop

OVERALL PLANNING AND BUDGETING



### 2.8.3. Barriers in the Planning Process:

Some of the barriers that come across in the planning process are:

- Lack of knowledge as to how to plan
- Lack of adequate time
- Difficulty in getting the right people together
- Uncertainty about the availability of resources

The following table gives the questions that need to be asked during the planning process to ensure that the barriers are overcome:

Planning Element	Key Managerial Decisions
Objectives	<ul style="list-style-type: none"> <li>•What objective will be sought?</li> <li>•What is the relative importance of each objective?</li> <li>• What is the relationship among the objectives?</li> <li>•When should each objective be achieved?</li> <li>•How can each objective be measured?</li> <li>•What person or organizational unit should be accountable for achieving the objective?</li> </ul>
Actions	<ul style="list-style-type: none"> <li>• What important actions bear on the successful achievement of objective?</li> <li>• What information exists regarding each action?</li> <li>• What is the appropriate technique for forecasting the future state of each import and action?</li> <li>• What persons or organizational units should be accountable for the action?</li> </ul>
Resources	<ul style="list-style-type: none"> <li>•What resources should be included in the plan?</li> <li>•What are the inter-relationships between the various resources?</li> <li>•What budgeting technique should be used?</li> <li>•Which person or organizational unit should be accountable for the preparation of the budget?</li> </ul>
Planning Element	Key Managerial Decisions
Implementation	<ul style="list-style-type: none"> <li>•Can the plan be implemented through authority?</li> <li>•What policy statements are necessary to implement the overall</li> </ul>

	plan? •To what extent are policy statements comprehensive, flexible, coordinative, ethical and clearly written? •Who or what organizational units would be affected by the policy statements?
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#### 2.8.4. The Planning Committee

It is important to have a formal planning team or committee that spearheads the planning process. The planning committee is not responsible for doing all of the work it is responsible for ensuring that the work gets done. In essence, it becomes the cornerstone of the team: creating initial drafts of planning documents deciding which stakeholders to involve - how and at what stage and prioritizing or narrowing information for the organization to discuss and evaluate. The committee serves to maintain the efficiency of the process.

The planning committee should be:

- ideally limited to no more than five to seven individuals
- a combination of visionaries (individuals who see what the organization can be) and "actionaries"(those who ask what the current organizational resources will support and ensure that the projected goals and tasks are realistic)
- a group of individuals who has formal or informal power and the respect of the rest of the organization
- a combination of board and staff members, including the executive director and the individual who will write the final plan.

#### 2.8.5. How do you develop an annual operating plan?

Upon completion of the strategic plan, an operating plan for the upcoming year must be prepared. An operating plan is a schedule of events and responsibilities that details the actions to be taken in order to accomplish the goals and objectives laid out in the

strategic plan. An organization should have annual operating plans that corresponds to its fiscal year for each major organizational unit. The plan ensures everyone knows what needs to get done, coordinates their efforts when getting it done, and can keep close track of whether and how it got done.

Imagine you are driving a car on a camping vacation. It is important to have a destination in mind -- your "long-range goal." The destination alone, however, is not enough to get you there successfully. You need to have detailed instructions about which roads to take, when to make turns, estimated distance and time, where you can stop for food and gas, gauges that tell you how much gas you have in your tank, and warning systems to tell you if the engine gets overheated.

Now imagine that you are not driving the car alone, but instead you have twenty people doing different jobs simultaneously: your organization's executive director is at the steering wheel with a couple of board members looking over his or her shoulder, but four others are at each of the wheels making them spin; other people are looking out each window, reporting what they see to the driver, and someone else is in the back making sandwiches. It is going to take an impressive plan to move this crew in the same direction. This is the stuff of operating plans: which programs and management functions are going to do what, by when, and how much "gas" (money and person power) it will require. This level of detail is unnecessary in a strategic plan itself -- in fact, it would clutter up the presentation of the long-range vision: the strategic plan focuses on the location of the camp you are going to, not which gas station to stop at along the way.

#### **2.8.6. Characteristics of an Effective Annual Operating Plan**

There are three important attributes to good operating plan:

- (i) an appropriate level of detail -- enough to guide the work, but not so much that it becomes overwhelming, confusing, or unnecessarily constrains creativity
- (ii) a format that allows for periodic reports on progress toward the specific goals and objectives

- (iii) a structure that coincides with the strategic plan -- the goal statements for the strategic plan and the operating plan are one and the same; the objective statements for the strategic plan and the operating plan will be different.

Just as monthly financial statements often present a budget for revenues and expenses and then report actual figures for a given time period, so should operating plans allow for the same type of comparison: the plan declares the "budgeted" work in terms of goals and objectives for each program area and management function, and reports the actual progress on a monthly or, perhaps, quarterly basis. This "budget-to-actual" report gives a clear reading on how the "trip" is going

The balance sheet, income statement, and cash flow statement are the three generally accepted financial statements used by most businesses for financial reporting. All three statements are prepared from the same accounting data, but each statement serves its own purpose. The purpose of the cash flow statement is to report the sources and uses of cash during the reporting period.

#### **2.8.7. Time Management**

Both organizations / projects and individuals need to be able to manage their time well if planning is to translate into implementation.

##### **What helps individuals manage their time well?**

- diaries;
- saying "no";
- clear boundaries (e.g. "I am not available between 10 a.m. and 1 p.m.");
- self-discipline;
- personal planning;
- delegating;
- good management from those in supervisory positions.

##### **What helps organisations/projects manage their time well?**

- departmental/project/organisation monthly and year planners;
- good planning with clear deadlines;



- good management - monitoring progress and identifying potential hold-ups and delays;
- good management - available to deal with potential and actual crises;
- regular work progress reviews;
- keeping meetings to the necessary minimum;
- sufficient efficient administrative support;
- an ethos or culture that is flexible and supportive but task-oriented.

## 2.9. SUMMARY

- Introduction to Planning
- Significance, Advantages & Limitations of Planning
- Essentials of a Good Plan
- The Process of Planning
- Types of Plans
- Barriers in the Planning Process
- Annual Operating Plan

### SELF ASSESSMENT EXERCISE

1. What do you understand by Planning? Explain the Significance, advantages & Limitations of Planning?
2. Enumerate what are the essentials of a good plan
3. What are the different types of plans? Explain in detail the different kinds
4. What are the barriers in the planning process?
5. Explain what you understand by Annual Operating Plan