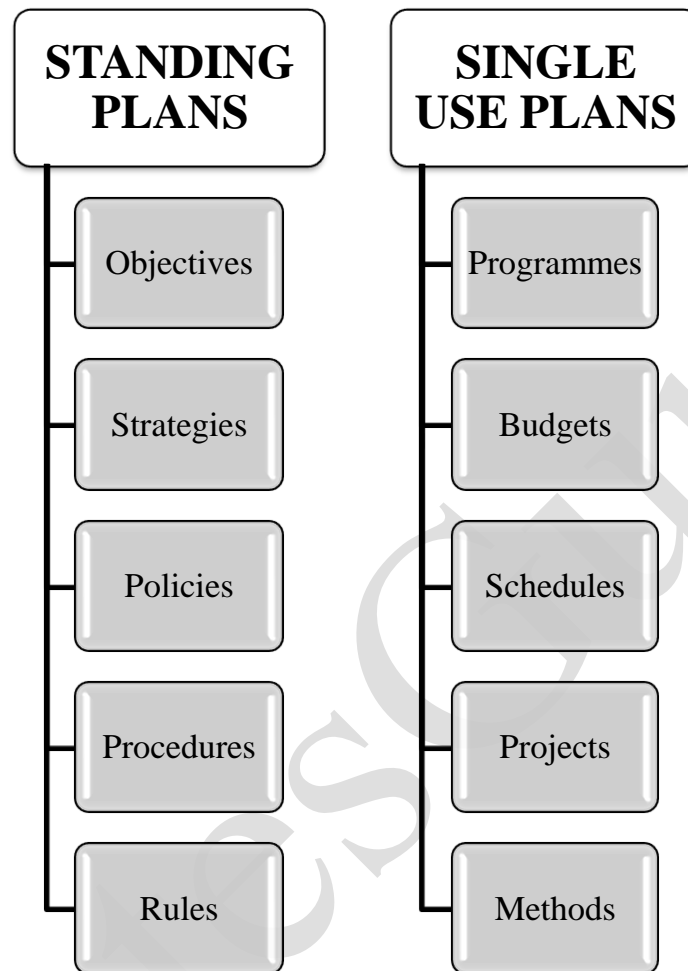


TYPES OF PLANS



1) STANDING PLANS

Standing plans are also known as Repeat use plans. These plans focus on situations which occur repeatedly. Standing plans are used over and over again. These plans are formulated to guide managerial decisions and actions on problems which are recurring in nature. These plans provide unity and uniformity of efforts in meeting repetitive situations arising at various levels of the enterprise. They are made once but retain their value over a period of years. Although some revisions and updates are made in these plans from time to time.

a) Objectives

- Objectives are plans for the future that will serve to provide direction for subsequent activity.
- Objectives form a hierarchy i.e. they can be arranged in order of importance.

- Objectives differ in time span i.e. some are long-term in nature while others are of short duration.
- Each department has its own objectives within the framework of basic goals.
- Objectives may be general or specific.
- Objectives are usually set up by top level management.
- **For example**, increase in sale by 10% or decrease in rejections by 2%.

b) Strategies

- Strategy is a contingent plan as it is designed to meet the demands of a difficult situation.
- Strategy is the blue print of the business and provides outline of business.
- Strategy is influenced by business external environment. Strategic decisions are primarily concerned with expected trends in the market, changes in government policy, technological developments, etc.
- Strategy defines the future decisions regarding the organization's direction and scope in the long run.
- The responsibility for strategy formulation lies mainly with top management.
- **For example**, choice of advertising media, sales promotion techniques, channels of distribution, etc.

c) Policies

- Policy can be defined as organization's general response to a particular problem or situation.
- A policy gives guidelines to the employees of the organization for taking a decision.
- A policy restricts the freedom of the employees in an organization. An employee has to take a decision within the purview of the policy.
- A policy is framed on the basis of the objectives of the organization.
- A policy permits the top executives to delegate authority and still retain control of action.
- Policy is framed by all managers in an organization in their respective areas.

d) Procedures

- Procedures are required steps established in advance to handle future conditions.
- A procedure lays down the manner or method by which work is to be performed in a standard and uniform way.
- Procedure results in work simplification and eliminates overlap or duplication of efforts.
- Procedures are made common for all the departments to coordinate their activities.
- Policy guides thinking and action, whereas procedure guides action only to fulfill the objectives.
- Procedure can be used to boost the morale of the employees.
- A well designed procedure facilitates proper delegation of authority and fixation of responsibility.

e) Rules

- Rules spell out special actions or non-actions of the employees.
- A rule requires that a specific action be taken or not taken with respect to a situation.
- Rules are more rigid and more specific than a policy.
- Rules must be followed strictly and if the rules are not followed then strict actions can be taken against employees who are disobeying the rules.
- Rules guide the general behavior of the employees and employees cannot make any changes in them.
- Rules are essential for discipline and smooth operations of the business.
- **For instance**, No smoking rule in a factory is applicable to all including the top executives.

2) SINGLE USE PLANS

Single use plans are one time use plan. These are designed to achieve a particular goal that once achieved will not reoccur in future. These are made to meet the needs of unique situations. The duration or length of single use plan depends upon the activity or goal for which it is made. It may last one day or it may last for weeks or months if the project for which it is made is long.

a) Programmes

- It is a sequence of activities designed to accomplish a given task, implement policies and accomplish objectives.
- Programmes are the combination of objectives, policies, procedures and rules.
- The programmes create relation between policies, procedures and goals.
- It gives step-by step approach to guide action necessary to reach predetermined targets.
- The programmes are also prepared at different levels. A primary programme is prepared by the top level and then to support the primary programme supportive programmes of different levels are prepared for smooth functioning of the company.
- It gives a time limit up to which the programme is to be implemented. A strict time table is fixed for doing a particular task.
- **For example**, construction of shopping malls and development of new product.

b) Budgets

- A budget is a statement of expected results expressed in numerical terms for a definite period of time in the future.
- It may be stated in time, materials, money or other units required performing work and secure specified result.
- Budgeting coordinates the activities of different departments by adjusting departmental budgets into the master budget.
- The master budget of the company is a formal expression of plans, objectives and goals prescribed by the top management in advance for the enterprise as a whole.
- The most common budget prepared by managers at different levels is cash budget. This budget estimates the expected cash inflow and cash outflow over a period of time.
- Budget act as a controlling device from which deviations can be taken care of.

c) Schedules

- Scheduling is the process of establishing time sequence of the work to be done.
- A schedule specifies time limit with in which activities are to be completed.

- Schedules are essential for avoiding delays and for ensuring continuity of operations.
- A schedule lays down a time-table fixing starting and finishing dates for different activities.
- Scheduling may be the only element which needs immediate management attention.

d) Projects

- A project is a type of plan in which planned actions are integrated into a unity and designed to bring about a stated objective.
- A project can be a huge scheme like a multi-purpose river valley project or small project like purchase of a calculator.
- A project involves basically the investment of funds the benefits from which can be accrued in future.
- Project activity is unique, infrequent, or sometimes even unfamiliar to the organization.
- A project contains a complex of goals, policies, procedures, rules, task assignments, steps to be taken, resources to be employed, and other elements necessary to carry out a given course of action.
- Project activity is critical to the organization. Therefore, completion of project at right time and with appropriate cost is necessary.

e) Methods

- Method can be defined as systematic way of doing routine or repetitive jobs.
- Method specifies the way in which the specified work is to be performed.
- A method is the manual or mechanical means by which each work or operation is performed.
- Methods help in applying the techniques of standardization and simplification.
- Methods provide uniformity in actions of the employees.
- Selection of proper method saves time, money and efforts and increases efficiency and helps in smooth functioning of the departments.