

- ❖ Planning is the beginning of the process of management.
- ❖ Planning sets all other functions into action. Without planning other functions become mere activity, producing nothing but chaos.
- ❖ Planning is an intellectual process. It is through planning managers decide what is to be done, when it is to be done, how it is to be done, and who has to do it. It involves decision making.
- ❖ Planning is a continuous process. Manager should continuously monitor the conditions, both within and outside the organization to determine if changes are required in his plans. It is wiser to be right than merely being consistent.

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# Nature of planning

- Plan must be flexible. It is the ability to change direction to adapt to changing situations without undue cost.
- Planning is an all pervasive function. However, top level managers spend more time on planning, plan for longer period of time.
- Top level managers are more concerned with establishing objectives and developing plans to meet those objectives. Lower level managers are more involved in executing these plans.



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# Importance of planning

- Without planning, business decisions would become random, ad hoc choices. Four concrete reasons for the paramount importance of the planning functions are the following.
- minimizes Risk and Uncertainty: by providing a more rational and fact based procedure for making decisions, planning allows managers and organisations to minimize risk and uncertainty. If a manager does not make any provisions for the replacement of plant and machinery, the problems he will have to face after ten years can be imagined. Good planning is one, if it has anticipated some of the possible consequences and has planned for them.



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# Importance of planning

- Leads to success: studies have shown that, all things being equal, companies which plan not only outperform the non planners but also outperform their past results. Military historians attribute much of the success of the world's greatest generals to effective battle plans.
- Focus attention on the organization goals: the whole organization is forced to embrace identical goals and collaborate in achieving them. It also enables the manager to chalk out in advance an orderly sequence of steps for the realization of an organization goals.
- Facilitates control: the functions of control is to ensure that the activities conform to the plans.



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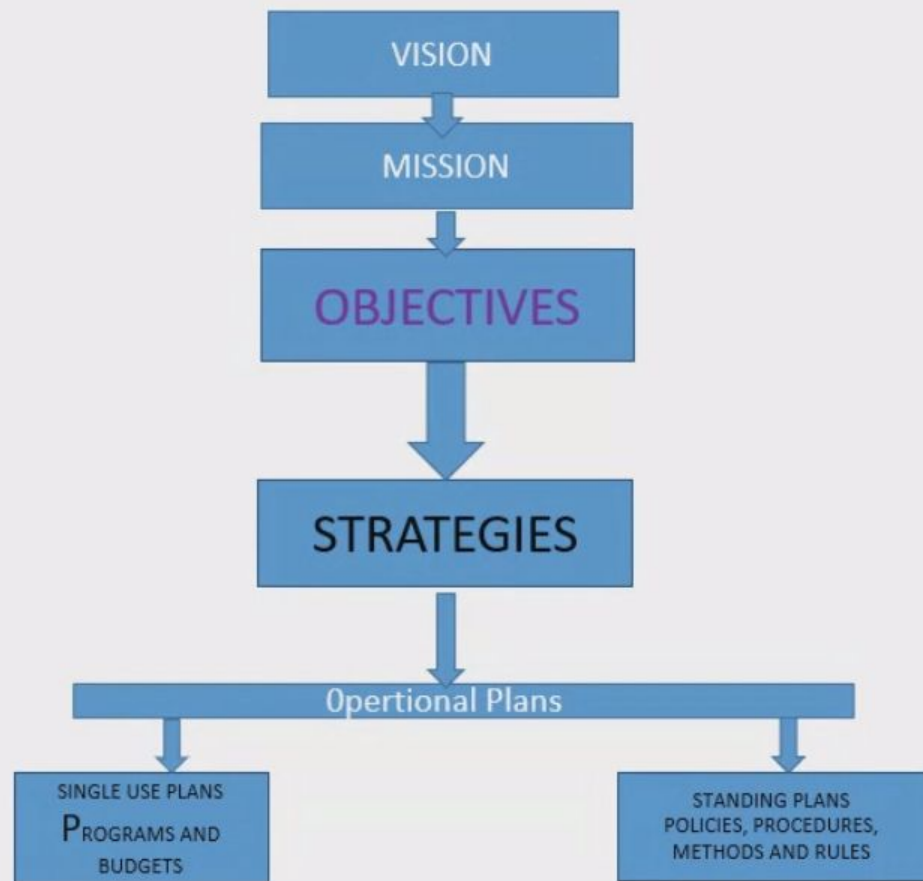
# Importance of planning

- Trains executives : Planning is also an excellent means for training executives. They become involved in the activities of the organization, and the plans arouse their interest in the multifarious aspects of planning.



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