



19MEE312

**PRINCIPLES
OF
MANAGEMENT**



UNIT II PLANNING

Why and How Managers Plan:

Planning

The process of setting objectives and determining how to accomplish them

Objectives and goals

Identify the specific results or desired outcomes that one intends to achieve

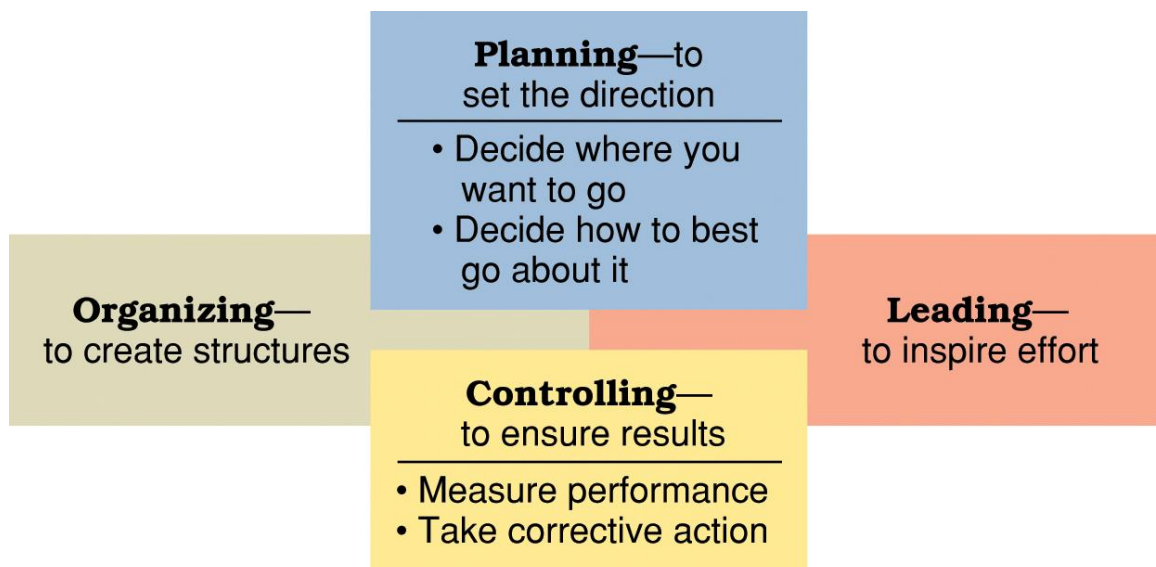
Plan

A statement of action steps to be taken in order to accomplish the objectives

Steps in the planning process:

1. Define your objectives
2. Determine where you stand vis-à-vis objectives
3. Develop premises regarding future conditions
4. Analyze alternatives and make a plan
5. Implement the plan and evaluate results

The roles of planning and controlling in the management process





Benefits of planning:

1. Improves focus and flexibility
2. Improves action orientation
3. Improves coordination and control
4. Improves time management

Planning Tools and Techniques

Forecasting

1. Attempts to predict the future
2. Qualitative forecasting uses expert opinions
3. Quantitative forecasting uses mathematical models and statistical analysis of historical data and surveys

Contingency planning

1. Identifying alternative courses of action to take when things go wrong
2. Contingency plans anticipate changing conditions
3. Contingency plans contain trigger points

Scenario planning

- A long-term version of contingency planning
- Identifying alternative future scenarios
- Plans made for each future scenario
- Increases organization's flexibility and preparation for future shocks

Benchmarking

- Use of external and internal comparisons to plan for future improvements
- Adopting best practices: things people and organizations do that lead to superior performance
- Staff planners assist in all steps of the planning process

Reference:

1. Harold Koontz, and Weihrich, 'Essential of Management' 8th Edition, Tata Mc Graw Hill Education, Delhi, (2010).