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**OVERVIEW OF PLANNING**

**Planning** is the systematic process of establishing a need and then working out the best way to meet the need, within a strategic framework that enables you to identify priorities and determines your operational principles. **Planning** means thinking about the future so that you can do something about it now.

**TYPES OF PLANNING**

**The 4 Types of Plans**

* **Operational Planning.** “Operational **plans** are about how things need to happen,” motivational leadership speaker Mack Story said at LinkedIn.
* **Strategic Planning**. “Strategic **plans** are all about why things need to happen,” Story said. ...
* **Tactical Planning**. ...
* **Contingency Planning.**
1. **Operational Planning**

This type of planning typically describes the day-to-day running of the company. Operational plans are often described as single use plans or ongoing plans. Single use plans are created for events and activities with a single occurrence (such as a single marketing campaign). Ongoing plans include policies for approaching problems, rules for specific regulations and procedures for a step-by-step process for accomplishing particular objectives.

* They are usually developed by the manager to fulfill his or her job responsibilities.
* They are developed by supervisors, team leaders, and facilitators to support tactical plans.
* They govern the day-to-day operations of an organization.
* Operational plans can be −
	+ **Standing plans** − Drawn to cover issues that managers face repeatedly, e.g. policies, procedures, rules.
	+ **Ongoing plans** − Prepared for single or exceptional situations or problems and are normally discarded or replaced after one use, e.g. programs, projects, and budgets.
1. **Strategic Planning**

Strategic planning includes a high-level overview of the entire business. It’s the foundational basis of the organization and will dictate long-term decisions. The scope of strategic planning can be anywhere from the next two years to the next 10 years. Important components of a strategic plan are vision, mission and values.

* It is the determination of the long-term objectives of an enterprise, the action plan to be adopted and the resources to be mobilized to achieve these goals.
* Since it is planning the direction of the company’s progress, it is done by the top management of an organization.
* It essentially focuses on planning for the coming years to take the organization from where it stands today to where it intends to be.
* The strategic plan must be forward looking, effective and flexible, with a focus on accommodating future growth.
* These plans provide the framework and direction for lower level planning.
1. **Tactical Planning**

 **Tactical planning supports strategic planning. It includes tactics that the organization plans to use to achieve what’s outlined in the strategic plan. Often, the scope is less than one year and breaks down the strategic plan into actionable chunks. Tactical planning is different from operational planning in that tactical plans ask specific questions about what needs to happen to accomplish a strategic goal; operational plans ask how the organization will generally do something to accomplish the company’s mission.**

* Tactical plans span a short time frame (usually less than 3 years) and are usually developed by middle level managers.
* It details specific means or action plans to implement the strategic plan by units within each division.
* Tactical plans entail detailing resource and work allocation among the subunits within each division.

### ****Contingency Planning****

 **Contingency plans are made when something unexpected happens or when something needs to be changed. Business experts sometimes refer to these plans as a special type of planning.**

**Contingency planning can be helpful in circumstances that call for a change. Although managers should anticipate changes when engaged in any of the primary types of planning, contingency planning is essential in moments when changes can’t be foreseen. As the business world becomes more complicated, contingency planning becomes more important to engage in and understand.**

**PLANNING PROCESS**

**Planning** is the **process** of thinking about the activities required to achieve a desired goal. It is the first and foremost activity to achieve desired results. It involves the creation and maintenance of **a plan**, such as psychological aspects that require conceptual skills.

## Planning Process

As planning is an activity, there are certain reasonable measures for every manager to follow:

**(1) Setting Objectives**

* This is the primary step in the process of planning which specifies the objective of an organisation, i.e. what an organisation wants to achieve.
* The planning process begins with the setting of objectives.
* Objectives are end results which the management wants to achieve by its operations.
* Objectives are specific and are measurable in terms of units.
* Objectives are set for the organisation as a whole for all departments, and then departments set their own objectives within the framework of organisational objectives.

**Example:**

A mobile phone company sets the objective to sell 2,00,000 units next year, which is double the current sales.

**(2) Developing Planning Premises**

* Planning is essentially focused on the future, and there are certain events which are expected to affect the policy formation.
* Such events are external in nature and affect the planning adversely if ignored.
* Their understanding and fair assessment are necessary for effective planning.
* Such events are the assumptions on the basis of which plans are drawn and are known as planning premises.

**Example:**

The mobile phone company has set the objective of 2,00,000 units sale on the basis of forecast done on the premises of favourable Government policy towards digitisation of transactions.

**(3) Identifying Alternative Courses of Action**

* Once objectives are set, assumptions are made.
* Then the next step is to act upon them.
* There may be many ways to act and achieve objectives.
* All the alternative courses of action should be identified.

**Example:**

The Mobile company has many alternatives like reducing price, increasing advertising and promotion, after sale service etc.,

**(4) Evaluating Alternative Course of Action**

* In this step, the positive and negative aspects of each alternative need to be evaluated in the light of objectives to be achieved.
* Every alternative is evaluated in terms of lower cost, lower risks, and higher returns, within the planning premises and within the availability of capital.

**Example:**

The mobile phone company will evaluate all the alternatives and check its pros and cons.

**(5) Selecting One Best Alternative**

* The best plan, which is the most profitable plan and with minimum negative effects, is adopted and implemented.
* In such cases, the manager’s experience and judgement play an important role in selecting the best alternative.

**Example:**

Mobile phone company selects more T.V advertisements and online marketing with great after sales service.

**(6) Implementing the Plan**

* This is the step where other managerial functions come into the picture.
* This step is concerned with “DOING WHAT IS REQUIRED”
* In this step, managers communicate the plan to the employees clearly to convert the plans into action.
* This step involves allocating the resources, organising for labour and purchase of machinery.

**Example:**

Mobile phone company hires salesman on a large scale, creates T.V advertisement, and starts online marketing activities and set up service workshops.

**(7) Follow Up Action**

* Monitoring the plan constantly and taking feedback at regular intervals is called follow-up.
* Monitoring of plans is very important to ensure that the plans are being implemented according to the schedule.
* Regular checks and comparisons of the results with set standards are done to ensure that objectives are achieved.

**Example:**

A proper feedback mechanism was developed by the mobile phone company throughout its branches so that the actual customer response, revenue collection, employee response, etc. could be known.

**1 Mark Questions:**

Q. “To See Whether Plans Are Being Implemented and Activities Are Being Performed According to Schedule,” is a Step of Planning Process. Identify the Step.

Answer:

Follow up action.

Q. Which is the Most Crucial Step in Planning Process?

Answer:

Setting objectives.

Q. What is Meant by ‘follow Up’ as Involved in the Planning Process?

Answer:

It means to ensure the actual work is taking place as per the planned work.