



SNS COLLEGE OF TECHNOLOGY

Coimbatore-35

An Autonomous Institution



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Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai

DEPARTMENT OF MCA

23CAT604 – PRINCIPLES OF MANAGEMENT

I YEAR I SEM

UNIT 2 – PLANNING

TOPIC 3 – CHARACTERISTICS & PROCESS OF PLANNING



CHARACTERISTICS OF PLANNING



1. Planning is primary function of management:

The functions of management are broadly classified as planning, organization, direction and control. It is thus the first function of management at all levels. Since planning is involved at all managerial functions, it is rightly called as an essence of management.

2. Planning focuses on objectives:

Planning is a process to determine the objectives or goals of an enterprise. It lays down the means to achieve these objectives. The purpose of every plan is to contribute in the achievement of objectives of an enterprise.





3. Planning is a function of all managers:

Every manager must plan. A manager at a higher level has to devote more time to planning as compared to persons at the lower level. So the President or Managing director in a company devotes more time to planning than the supervisor.



4. Planning as an intellectual process:

Planning is a mental work basically concerned with thinking before doing. It is an intellectual process and involves creative thinking and imagination. Wherever planning is done, all activities are orderly undertaken as per plans rather than on the basis of guess work.



5. Planning as a continuous process:

Planning is a continuous and permanent process and has no end. A manager makes new plans and also modifies the old plans in the light of information received from the persons who are concerned with the execution of plans. It is a never ending process.



6. Planning is dynamic (flexible):

Planning is a dynamic function in the sense that the changes and modifications are continuously done in the planned course of action on account of changes in business environment.



7. Planning secures efficiency, economy and accuracy:

A pre-requisite of planning is that it should lead to the attainment of objectives at the least cost. Planning is also economical because it brings down the cost to the minimum.

9. Planning and linking factors:

A plan should be formulated in the light of limiting factors which may be any one of five M's viz., men, money, machines, materials and management.

8. Planning involves forecasting:

Planning largely depends upon accurate business forecasting. The scientific techniques of forecasting help in projecting the present trends into future

10. Planning is realistic:

A plan always outlines the results to be attained and as such it is realistic in nature.



ASSESSMENT-1



1. State true or false.

i. Managers when plan, organise, lead and control are called decision makers.

- a. True
- b. False

1. Planning requires logical and systematic thinking rather than guess work or wishful thinking. Identify the related feature of planning.

- (a) Planning is futuristic.
- (b) Planning is a mental exercise.
- (c) Planning establishes standards for controlling.
- (d) Planning focuses on achieving objectives.



PROCESS OF PLANNING



Planning is important for all the types of organizations irrespective of its size, variety of products, number of employees there is no standard planning process as such. Among which few of crucial steps are listed below





1) Perception Of Opportunities.

This is not an actual step in the planning however before going for the planning process one has to **study & find opportunities** in the environment.

For Eg. For Industries like hotels, the market is good nowadays because the income has been increased over the last 5-6 years, the lifestyle of youth has been changed, even females are working more in number these days, etc.



2) Establishment of Objectives

Once the opportunity is perceived in the organization and unit objectives are been set from which **specific results are expected at the end of planning**. The organizational objectives should be specific to all key result areas.

For eg Sales profitability, R& D, quality & so on.



3) Planning premises

It is nothing but study of external & internal environment i.e SWOT analysis is nothing but the study of external & internal environment This one will analyze **strength/weakness/opportunity** & treat in the organization & out of an organization.





4) Identification of alternative

This is an important step where companies find various alternatives to achieve a particular objective.

For eg If a company wants to launch a new mobile hand, this can be done in various ways

- ✓ Creating mobile for youth
- ✓ Creating for low or high-class income group





5. Evaluation of Alternatives

Various alternatives are evaluated for different criteria like cost, future competition, generation of profit, the requirement of manpower, etc. Out of this best suitable alternative is been selected



6) Choice of alternative

After the evaluation of the various parameter, the best alternative is selected this alternative is selected by keeping in the view of environmental factor. Planning process & objectives



7) Formulation Of Supporting Plan

Once the best alternative or plan is selected a various supporting plan are prepared to support the main plan like as

- ✓Buying of raw material
- ✓Recruitment of new staff



Figure 2.4 Choosing the best alternative



8) Establishing a sequence of activities

Once the supporting plan was prepared the sequence of actions are decided

for eg Who will do a specific task when it will be completed what exactly he has to do etc



ASSESSMENT-2



1. It is not always true that just because a plan has worked before it will work again. Identify the related limitation of planning.
 - (a) Planning leads to rigidity.
 - (b) Planning reduces creativity.
 - (c) Planning may not work in a dynamic environment.
 - (d) Planning does not guarantee success.

1. Planning cannot foresee everything, and thus, there may be obstacles to effective planning. Identify the related limitation of planning.
 - (a) Planning leads to rigidity.
 - (b) Planning may not work in a dynamic environment.
 - (c) Planning does not guarantee success.
 - (d) Planning reduces creativity.



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