

Essentials and Steps in Planning



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Essentials of a good plan:

According to I.F. Urwick essentials of a good plan are as follows:

- It should be based on a clearly defined objective
- It must be simple
- It should be comprehensive
- It should provide for a proper analysis & classification of action
- It must be flexible
- It must be balanced
- It must use all available resources & opportunities utmost before creating new authorities & new resources
- It should be free from social & psychological biases of the planners as well as the sub-ordinates
- There should be proper co-ordination among short-term & long-term plans

STEPS IN PLANNING

➤ **BEING AWARE OF OPPORTUNITIES:**

An awareness of opportunities in the external environment as well as within the organization is the real starting point for planning. All managers should take a preliminary look at possible future opportunities and see them clearly and completely know where company stands in light of its strength and weaknesses, understand what problems it has to solve and why, and know what it can expect to gain.

➤ **ESTABLISHING OBJECTIVES :**

The second step in planning is to establish objectives for the entire enterprise and then for each subordinate work unit. This is to be done for a long term as well as for the short range. Objectives specify the expected result and indicate the end points of what is to be done, where the primary emphasis is to be placed. Enterprise objectives give direction to the major plans, which, by reflecting these objectives of every major department. Major departmental objectives, in turn, control the objectives of subordinate departments, and so on down the line. In other words objectives from a hierarchy.

➤ **DEVELOPING PREMISES:**

Premises are assumption about the environment in which the plan is to be carried out. It is important for all managers involve in the plan to agree on the premises. In fact, the major **Principle of planning premises** is this: the more thoroughly individual charged with planning understand and agree to utilize consistent planning premises, the more coordination enterprise planning will be.

➤ **DETERMINING ALTERNATIVE COURSES:**

The forth step is planning is to research for and examine alternative courses of action. The more common problem is not finding alternatives but reducing the number of alternatives so that the most promising may be analyzed. The planner must usually make a preliminary examination to discover the most fruitful possibilities.

➤ **EVALUTATIN ALTERNATIVE COURSES :**

After seeking out alternative courses and examining their strong and weak points, the next step is to evaluate the alternatives by weighing them in light of premises and goals.

➤ **SELECTING A COURSES:**

This is the point at which the plan is adopted-the real point of decision-making.

➤ **FORMULATING DERIVATIVE PLANS :**

When a decision is made, planning is seldom complete. Derivative plans are almost invariably required to support the basic plans.

➤ **QUANTIFYING PLANS BY BUDGETING:**

After decisions are made and plans are set, the final step is to quantify them by converting them into budgets. Budget of an enterprise represents the sum total of income and expenses, with resultant profit.

The Steps Of the Planning Process

