

# DEPARTMENT OF BBA

H. D. JAIN COLLEGE ARA

BY- Dr. Rajesh Kumar Ray(Faculty)

## STEPS OF PLANNING

Planning function of management involves following steps:-

### **1. Establishment of objectives :-**

I. Planning requires a systematic approach.

II. Planning starts with the setting of goals and objectives to be achieved.

III. Objectives provide a rationale for undertaking various activities as well as indicate direction of efforts.

IV. Moreover objectives focus the attention of managers on the end results to be achieved.

V. As a matter of fact, objectives provide nucleus to the planning process. Therefore, objectives should be stated in a clear, precise and unambiguous language. Otherwise the activities undertaken are bound to be ineffective.

VI. As far as possible, objectives should be stated in quantitative terms. For example, Number of men working, wages given, units produced, etc. But such an objective cannot be stated in quantitative terms like performance of quality control manager, effectiveness of personnel manager.

VII. Such goals should be specified in qualitative terms.

VIII. Hence objectives should be practical, acceptable, workable and achievable.

### **2. Establishment of Planning Premises:-**

I. Planning premises are the assumptions about the likely shape of events in future.

II. They serve as a basis of planning.

III. Establishment of planning premises is concerned with determining where one tends to deviate from the actual plans and causes of such deviations.

IV. It is to find out what obstacles are there in the way of business during the course of operations.

V. Establishment of planning premises is concerned to take such steps that avoids these obstacles to a great extent.

VI. Planning premises may be internal or external. Internal includes capital investment policy, management labour relations, philosophy of management, etc. Whereas external includes socio- economic, political and economical changes.

VII. Internal premises are controllable whereas external are non-controllable.

### **3. Choice of alternative course of action:-**

I. When forecast are available and premises are established, a number of alternative course of actions have to be considered.

II. The merits, demerits as well as the consequences of each alternative must be examined before the choice is being made.

III. For this purpose, each and every alternative will be evaluated by weighing its pros and cons in the light of resources available and requirements of the organization.

IV. After objective and scientific evaluation, the best alternative is chosen.

V. The planners should take help of various quantitative techniques to judge the stability of an alternative.

#### **4. Formulation of derivative plans:-**

I. Derivative plans are the sub plans or secondary plans which help in the achievement of main plan.

II. Secondary plans will flow from the basic plan. These are meant to support and expedite the achievement of basic plans.

III. These detail plans include policies, procedures, rules, programmes, budgets, schedules, etc. For example, if profit maximization is the main aim of the enterprise, derivative plans will include sales maximization, production maximization, and cost minimization.

IV. Derivative plans indicate time schedule and sequence of accomplishing various tasks.

#### **5. Securing Co-operation:-**

I. After the plans have been determined, it is necessary rather advisable to take subordinates or those who have to implement these plans into confidence.

II. The purposes behind taking them into confidence are :-

A. Subordinates may feel motivated since they are involved in decision making process.

B. The organization may be able to get valuable suggestions and improvement in formulation as well as implementation of plans.

C. Also the employees will be more interested in the execution of

these plans.

## **6. Follow up/Appraisal of plans:-**

- I. After choosing a particular course of action, it is put into action.
- II. After the selected plan is implemented, it is important to appraise its effectiveness.
- III. This is done on the basis of feedback or information received from departments or persons concerned.
- IV. This enables the management to correct deviations or modify the plan.
- V. This step establishes a link between planning and controlling function.
- VI. The follow up must go side by side the implementation of plans so that in the light of observations made, future plans can be made more realistic.