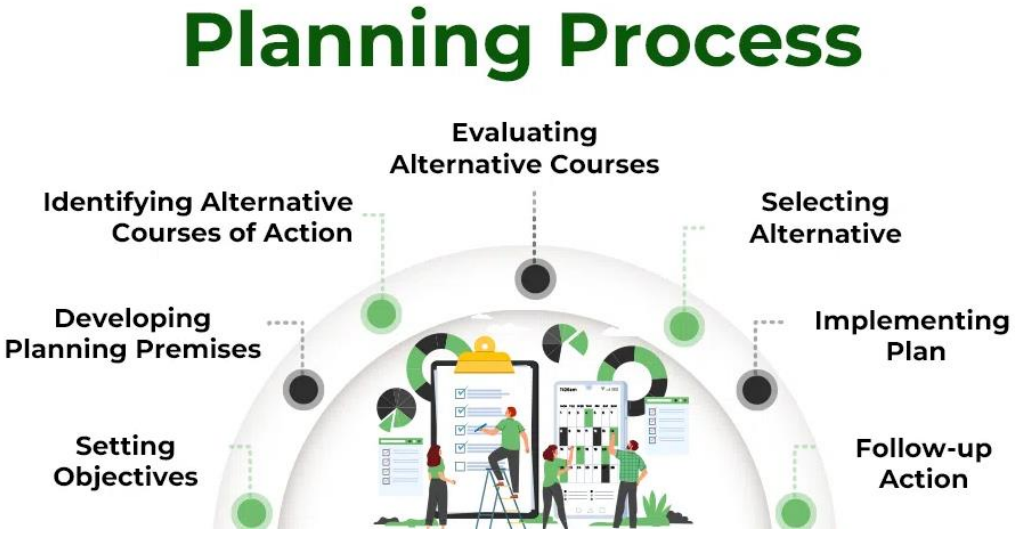
PLANNING PROCESS

Planning is the process of setting objectives for a given period and formulating various courses of action to achieve them and selecting the best possible alternatives from the various courses of action available there. According to this application, planning is a choice-making activity because it involves setting up objectives and deciding the appropriate course of action to achieve the objective. It must be remembered that plans are always developed for a given period.



STEPS IN PLANNING PROCESS

Following are the steps in the planning process:

Setting Objectives:

The idea behind planning is to achieve desired objectives. Therefore, the first step is to clearly define and describe the objectives of the organization. Firstly, the major objectives should be specified, and then they should be broken down into individual, sectional and departmental objectives. Objectives serve as guidelines for discussion-making in terms of resource allocation. Work schedule, nature of actions, etc., are kept in mind while setting objectives. All efforts must be made to anticipate the problems and relevant opportunities that are likely to arise in the future. For example, an enterprise ABC Ltd. is opening their new branch of laptops, firstly they have to specify the objective, i.e., to sell 3,000 units this year, which is double the previous year's sales. For achieving this aim, they have to distribute this objective into various departments, such as production, marketing, sales, and finance departments. By distributing the main objective into departmental objectives, the company will face fewer problems in managing its organization.

Developing Planning Premises: T

The next step in planning is to establish premises. Planning premises are the anticipated environment in which the plans are expected to operate. These include assumptions and forecasts in the future and knowing conditions that will affect the course of the plan. In short, these provide the environment and the boundaries within which the plans will be executed. Planning premises may be classified as internal and external premises, controllable, semi-controllable, and uncontrollable premises, tangible and intangible premises, and the last foreseeable and unenforceable premises. For example, ABC Ltd. company has set the objective to sell 3,00,000 units of laptops this year. For this, they need to gather information by forecasting, as it is an important technique in developing premises. The enterprise has set this objective after forecasting the increase in demand for laptops due to work from the home policy. An accurate forecast is very important for successful plans.

Identifying alternative courses of action:

After setting the objectives and making assumptions about the future. The next step is to determine alternative courses of action through which the organization can achieve its objectives. In order to identify the various alternative courses of action, it is required to collect all necessary information from primary and secondary sources. The information collected must be correct and believable. The only information which is directly and strategically related to the achievement of the desired objective should be considered. For every plan, there are several options. All the alternative courses of action should be identified. For example, ABC Ltd. should have an innovative way that can be adopted by involving employees and consumers in sharing their own ideas. The company has many alternatives like decreasing prices, increasing advertisement, promotion, and after-sale service. In important projects, the enterprise generates more alternatives through discussion amongst the members of the organization.

Evaluating alternative courses:

After identifying different alternatives the next step is to evaluate each alternative. Evaluation means the study of the performance of various actions. All the possible alternatives should be evaluated keeping in mind their expected cost and benefit to the organization. Comparison among the alternatives should be made in terms of factors, such as the risk involved, planning premises, goals to be achieved, etc. The positive and negative points of each alternative must be thoroughly examined, and thereafter planner should make a choice. For example, ABC Ltd. should evaluate all the possible alternatives and check their positive and negative points.

Selecting an alternative:

After evaluating various alternatives, the next step is to select the most suitable force of action. The basic, detailed, and derivative plans, such as policies, rules, programs, and budgets should be formulated. This is because the derivative plans help in the implementation of the basic plans. Most of the plans may not always be subjected to mathematical analysis. In these cases, the subject and the management experience,

judgment, and at times institute play an important role in setting the most suitable alternative. Many times combination of plans is also selected instead of selecting one best course. For example, ABC Ltd. will start T.V advertisements, online marketing, and direct contact with MNCs to increase sales, as selecting the most suitable alternative will increase the profit of the company.

Implementing the plan:

This step is concerned with transforming the plan into action. The plan must be communicated to the employees in detail. This, in turn, will help to secure cooperation from them. Useful suggestions from employees must be considered, and they should be motivated to execute the plan to the fullest of their abilities. The plan has to be effectively implemented by the real executor. This step would also involve organizing labour and purchasing machinery. For example, ABC Ltd. starts hiring more salesmen in the company to contact and connect with more MNCs. The company will start creating more interesting advertisements on the online platform. They will establish more service workshops in various cities.

Follow-up- action:

After implementing the plan, the last step is to periodically review the existing plan to ensure that the plan is effective. The plan must be consistently monitored, and in case of any deficiency, it should be modified and adjusted. For example, a proper feedback mechanism was developed by ABC Ltd. so that they can take all the complaints and reviews from their consumers and provide a better service experience. Actual customer response, revenue collection, employee response, etc., are very important for the company.