PLANNING TOOLS AND TECHNIQUES

The useful tools and techniques of managerial planning include the following:

- Forecasting
- Contingency planning
- Scenarios
- Bench marketing
- Participative planning
- Use of staff planners

Forecasting

Forecasting is the process of predicting what will happen in the future. Almost every plan involves forecasts of some sort. The economist regularly report forecasts of economic conditions interest rates, unemployment, and trade deficits. among other issues. There are some based on qualitative forecasting. Qualitative forecasting uses experts opinions to predict the future. Also it is involved to use mathematical models and statistical analysis of historical data and surveys to predict the future events.

Contingency Planning

It identifies alternative courses of action that can be implemented to meet the needs of changing circumstances. Although it is not possible for anyone to predict when things will go wrong, it can be expected that they will. It is unlikely that any plan will ever be completely perfect. Changes will occur in the environment. When crisis and emergencies occur, managers and the organizations have contingency plans that are ready to be

implemented. Contingency plans contain "trigger points" that indicate when pre-selected alternative plans should be activated.

Scenario Planning

It involves identifying several alternative future scenarios that may occur. Plans are then made to deal with each scenario as it occurs.

For example, the Heart and Stroke Foundation of Ontario set out to design a new model for the health care funding, they wanted to challenge the organization to think in different ways about the future. The scenario planning process benefited them by helping the board and other invited experts to rehearse strategic development plans and tactics in five different realistic scenarios.

Benchmarking

It is a technique that uses external comparisons to better evaluate one's current performances and identify possible actions for the future. The purpose of it is to find out what other people and organizations are doing well at and plan how to incorporate these ideas into one's own operations. One of the benchmarking techniques are used to search for best practices. Best practices are things that lead to superior performance. It is considered that the best run organizations also emphasize internal benchmarking that encourages all members and work units to learn and improve by sharing one another's best practices.

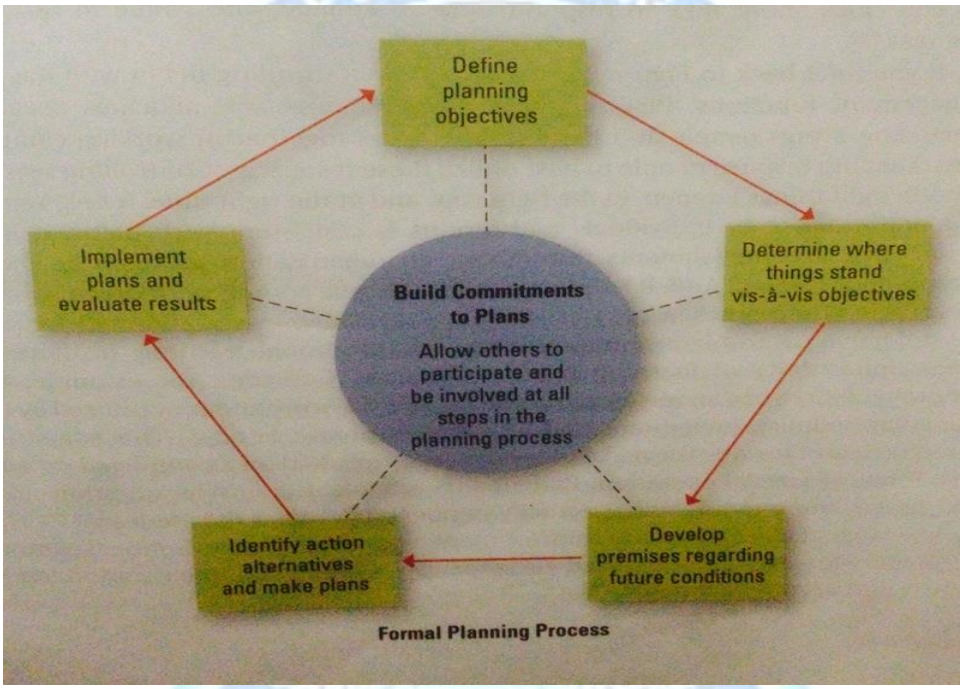
Participation and Involvement

Includes, in all planning steps, the people who will be affected by the plans and/or who will be asked to help implement them. This process brings many benefits to the organization. Participation can increase creativity and information available for planning. Also, it increases the understanding and acceptance of plans, along with commitment to their success. Although its takes a long time, it can improve results by improving implementation. All employees participate in the planning process and are regularly

updated about the company's program towards its goal.

Use of Staff Planners

Staff planners are employed to help coordinate planning for the organization as a whole or for one of its major components. They help bring focus and energy to accomplish important planning tasks. A risk involved is a tendency for a communication gap to develop between the staff planners and line managers. Everyone must work closely together, the resulting plans may be inadequate and people may lack commitment to implement the plans no matter who good they are.



Formal Planning Process