

Planning

Prepared by Dr. Magdy Al-haj

MGM111
Principle of Management

Lecture 4





مجموعة جامعة
الجميع الذكية
للتعليم القابضة



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www.midocean.ae

Learning Outcome

- managers plan.
- types of plans do managers use.
- useful planning tools and techniques.
- control process.



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What is planning

- **Identifying and selecting appropriate goals and courses of action for an organization.**
 - **The organizational plan that results from the planning process details the goals and specifies how managers will attain those goals**

Before You Plan

☐ MISSION STATEMENT

- what we do; purpose of organization

☐ VISION STATEMENT

- how we want it to be; future state of organization

☐ VALUES

- what do we stand for; culture framework

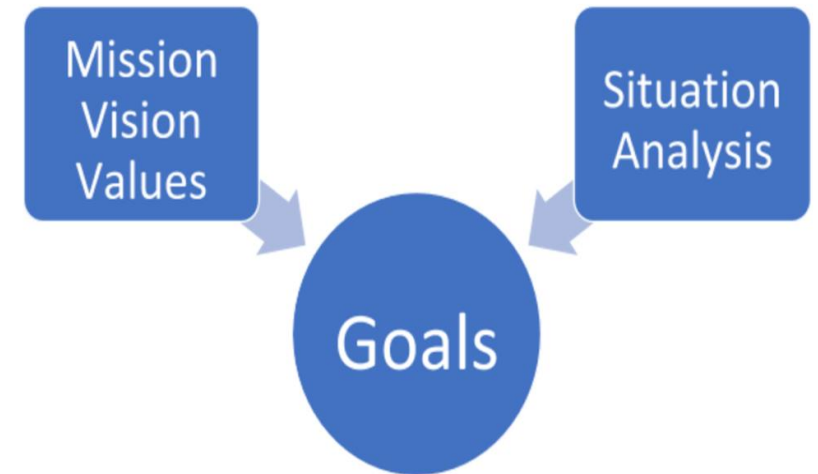
☐ PRIMARY OBJECTIVES

- how to get there; translated into goals and action plans

Understanding Mission

- **Mission Statement**

- describes what organization needs to do to achieve vision
- will be more specific than vision statement
- conveys to stakeholders why the organization exists
- explains how it creates value for the market or the larger community



Understanding Vision

- **Vision Statement**

- is a statement of organization's overarching aspirations of what it hopes to achieve
- should inspire people
- motivate people to want to be part of and contribute to the organization.
- should be clear and concise, usually not longer than a short paragraph



Understanding Values

- **Values Statement**

- defines what organization believes in
- describes how people should behave
- must be reinforced at all levels of organization
- called the “code of ethics”
- provides a standard for employees to judge violations.



Why Should We Plan?

To set the organization up for positive outcomes such as:

- Better leadership—more cohesive team
- A clear picture of trends which may impact the organization now and in the future
- A clearly defined mission, vision, and strategy
- Identification of short- and long-term “attention” areas
- Specific plans to improve performance
- Consistent, sustained success, as opposed to marginal success

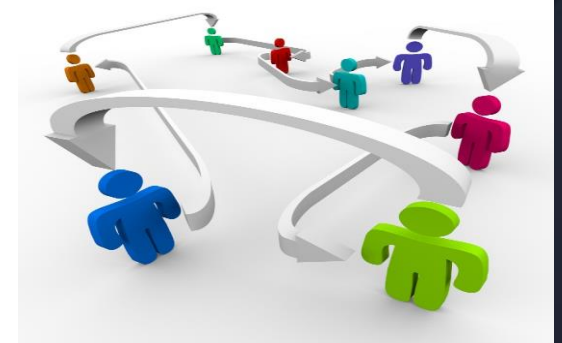
Why Should We Plan cont. ...?

To directly address issues/threats such as:

- Decreased membership
- Unhappy members (retention)
- Competitive threats
- Financial instability
- Succession planning

Why Plan?

- ❖ Want to plan change, not become a victim of change
- ❖ planning is an effort to anticipate future change
- ❖ Gives the organization a sense of direction
- ❖ Involve staff in decision making
- ❖ Helps coordinate the different functions and departments
- ❖ Facilitate control and demonstrate accountability



Elements of Planning

- **Goals (also Objectives)**

- Desired outcomes for individuals, groups, or entire organizations
- Provide direction and evaluation performance criteria

- **Plans**

- Documents that outline how goals are to be accomplished
- Describe how resources are to be allocated and establish activity schedules

Types of Goals

- **Financial Goals** - related to the expected internal financial performance of the organization.
- **Strategic Goals** - related to the performance of the firm relative to factors in its external environment (e.g., competitors).

Well-Written Goals

- **Characteristics of well-written goals:**
 1. Written in terms of outcomes rather than actions
 2. Measurable and quantifiable
 3. Clear as to time frame
 4. Challenging yet attainable
 5. Written down
 6. Communicated to all necessary organizational members

Steps in Goal Setting

- **Managers have to follow six steps when setting goals:**
 1. Review the organization's mission and the employee's key job tasks.
 2. Evaluate available resources.
 3. Determine the goals individually or with input of others.
 4. Make sure goals are well-written and then communicate them to all who need to know.
 5. Build in feedback mechanisms to assess goal progress.
 6. Link rewards to goal attainment.

Factors in Planning

- **Time frame**
- **Collecting and analyzing data**
- **Levels of planning in the organizational structure**
- **Flexibility**
- **Accountability**



Types Of Plans in all department Of organizations

- ☐ Overall strategic plan
- ☐ Annual budget/operations plan
- ☐ Collection development plan
- ☐ Information technology plan
- ☐ Development (fund raising) plan
- ☐ Staff development (training) plan
- ☐ Marketing plan
- ☐ Building / facilities plan
- ☐ Instructional plan
- ☐ Evaluation or outcomes assessment plan



managers plan

➤ Planning

- The process of setting objectives and determining how to best accomplish them.

➤ Objectives

- Identify the specific results or desired outcomes that one intends to achieve.

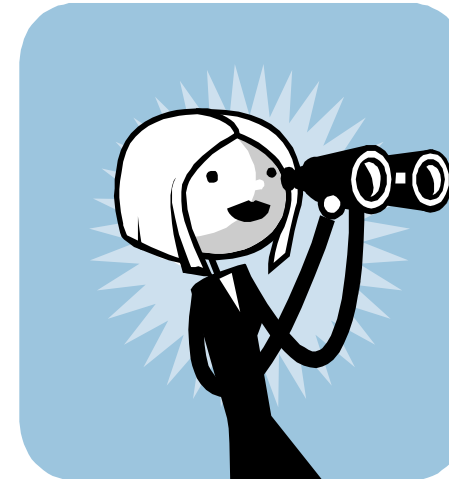
➤ Plan

- A statement of action steps to be taken in order to accomplish the objectives.



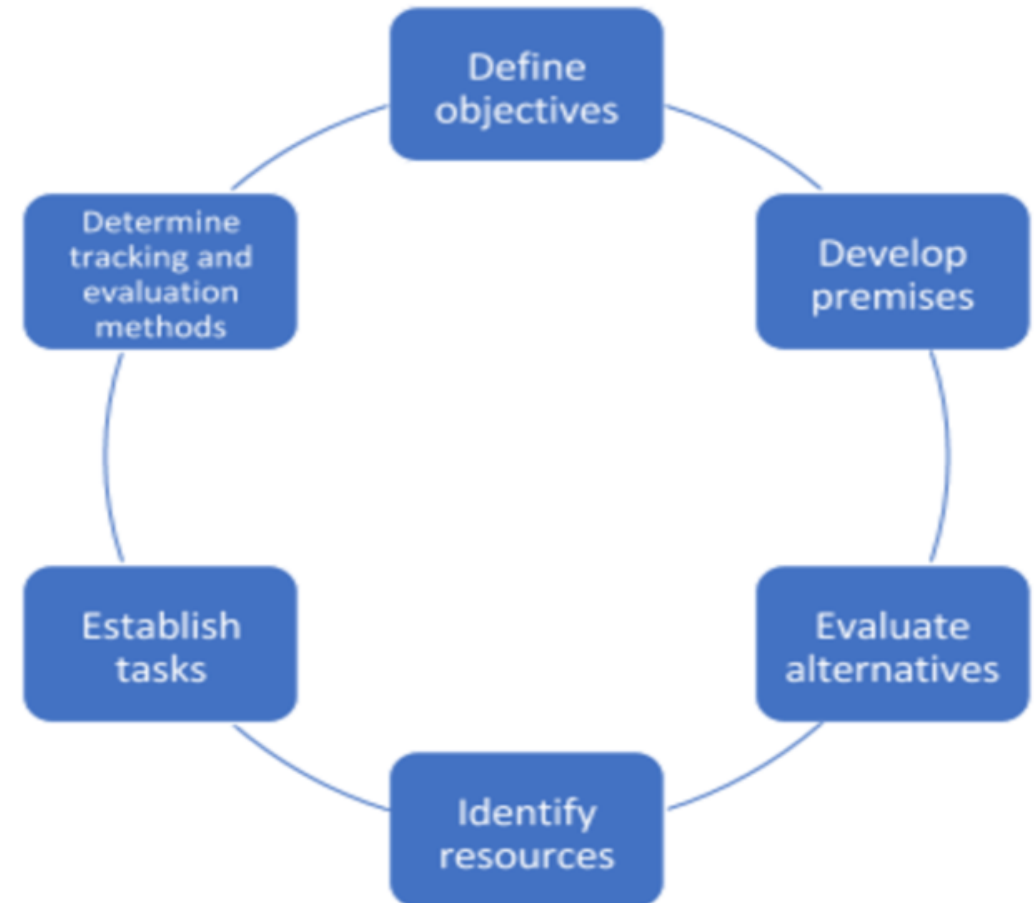
Managers Planning -Process

- Step 1** Situational Analysis
- Step 2** Alternative Goals and Plans
- Step 3** Goal and Plan Evaluation
- Step 4** Goal and Plan Selection
- Step 5** Implementation
- Step 6** Monitor and Control



Six Stages of the Planning Cycle

- ❑ Define objectives
- ❑ Develop premises
- ❑ Evaluate alternatives
- ❑ Identify resources
- ❑ Plan and implement tasks
- ❑ Determine tracking and evaluation methods



Essential Aspects of the Planning Cycle

- **Maintaining organizational focus**
 - Defining specific goals to consider the vision, mission, and values of the organization
- **Encouraging diverse participation**
 - Provides opportunity for input
 - Establish planning committees that intentionally include people from diverse backgrounds
- **Empowering and motivating employees**
 - Empowers people to contribute
 - Motivates them to support outcomes

The roles of planning and controlling in the management process.

Planning—to
set the direction

- Decide where you want to go
- Decide how to best go about it

Organizing—
to create structures

Leading—
to inspire effort

Controlling—
to ensure results

- Measure performance
- Take corrective action

managers plan

➤ **Benefits of planning:**

- Improves focus and flexibility.
- Improves action orientation.
- Improves coordination.
- Improves time management.
- Improves control.



What types of plans do managers use(by time frame)?

- **Short-range and long-range plans:**
 - Short-range plans = 1 year or less
 - Intermediate-range plans = 1 to 2 years
 - Long-range plans = 3 or more years
- **People vary in their capability to deal effectively with different time horizons.**
- **Higher management levels focus on longer time horizons.**



**Long-range plans
= 3 or more years**

**Intermediate-range
plans = 1 to 2 years**

**Short-range plans = 1
year or less**



What types of plans do managers use?

Strategic plans

operational plans

Policies and procedures

Budgets and project schedules

What types of plans do managers use?

➤ Strategic plans

Strategic planning

- A set of procedures for making decisions about the organization's long-term goals and strategies

Strategic goals

- major targets or end results that relate to the long-term survival, value, and growth of the organization.

Strategic plans

- set broad, comprehensive, and longer-term action directions for the entire organization.

What types of plans do managers use?

- **operational plans**
- **The process of identifying the specific procedures and processes required at lower levels of the organization**
 - **Operational plans — define what needs to be done in specific areas to implement strategic plans.**
 - Production plans
 - Financial plans
 - Facilities plans
 - Marketing plans
 - Human resource plans

What types of plans do managers use?

➤ Policies and procedures

— Standing plans

- Policies and procedures that are designed for repeated use.

— Policy

- Broad guidelines for making decisions and taking action in specific circumstances.

— Rules or procedures

- Plans that describe exactly what actions are to be taken in specific situations.

What types of plans do managers use?

➤ Budgets and project schedules

— Single-use plans

- Only used once to meet the needs and objectives of a well-defined situation in a timely manner.

— Budgets

- Single-use plans that commit resources to activities, projects, or programs.
- Fixed, flexible, and zero-based budgets.

— Projects

- One-time activities that have clear beginning and end points.
- Project management and project schedules.

useful planning tools and techniques?

1- Forecasting

2- Contingency planning

3- Scenario planning

4- Benchmarking

5- Use of staff planners

useful planning tools and techniques?

➤ **Forecasting**

- Making assumptions about what will happen in the future.
- Qualitative forecasting uses expert opinions.
- Quantitative forecasting uses mathematical and statistical analysis.
- All forecasts rely on human judgment.
- Planning involves deciding on how to deal with the implications of a forecast.

useful planning tools and techniques?

➤ Contingency planning

- **Identifying alternative courses of action that can be implemented to meet the needs of changing circumstances.**
- **Contingency plans anticipate changing conditions.**
- **Contingency plans contain trigger points.**



useful planning tools and techniques?

➤ **Scenario planning**

- A long-term version of contingency planning.
- Identifying alternative future scenarios.
- Plans made for each future scenario.
- Increases organization's flexibility and preparation for future shocks.

useful planning tools and techniques?

➤ Benchmarking

- Use of external comparisons to better evaluate current performance and identify possible actions for the future.
- Adopting best practices of other organizations that achieve superior performance.



useful planning tools and techniques?

➤ Use of staff planners

- Coordinating the planning function for the total organization or one of its major components.
- Possible communication gaps between staff planners and line management.



STRATEGIC PLANNING

“If you don’t know where you’re going, any road will get you there?”

“If you don’t know where you’re going, how will you know when you get there?”

Strategic planning solves these problems.

Planning in a Dynamic Environment

- ☐ Plans need to be specific and flexible
- ☐ Planning should be an ongoing process
- ☐ Managers need to stay alert to environmental changes
- ☐ Make the organizational hierarchy flatter

Environmental Scanning

- **Environmental scanning:** an analysis of the external environment that involves screening large amounts of information to detect emerging trends
- **Competitive intelligence:** a type of environmental scanning that gives managers accurate information about competitors



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Thank You

