

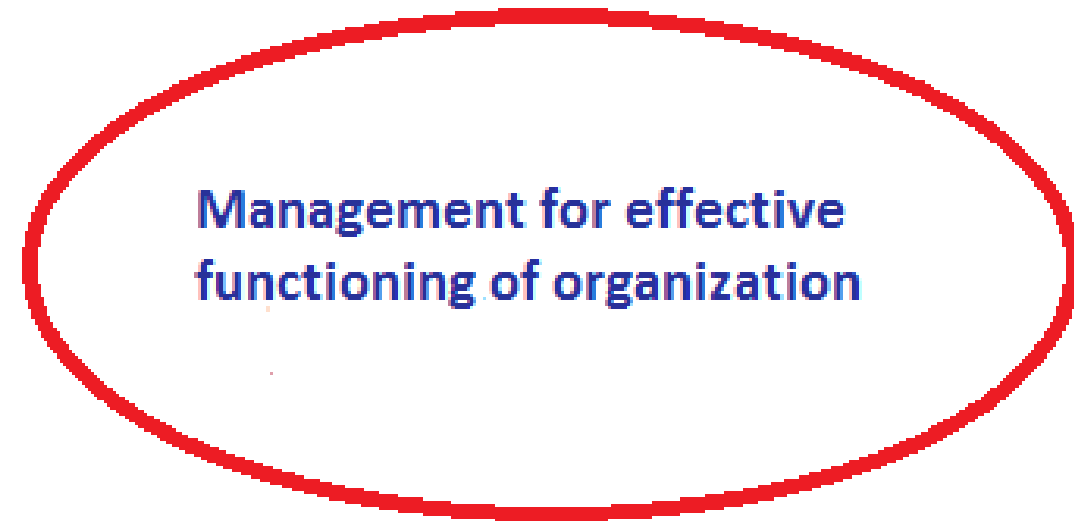
Planning



9 SP47 GURU

September 2022

- **Future is always unpredictable though it is an important aspect for planning for an organization**
- **Future can be described only by two things namely (i) it is not known in the present and only people can make a guess about it, and (ii) it is going to be different than what exists today and from what is expected now.**
- **Management is required to accept the need to work systematically on making of the organizational future**
- **The purpose of the work on making the future is not to decide what is required to be done in future, but what is to be done now to have a future**



- **Planning is an organization process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. Some of the definition of planning are given below.**
- **Planning is deciding in advance what to do, how to do it, when to do it, and who is to do it. Planning bridges the gap between where we are and where we want to go. It makes it possible for things to occur which would not otherwise happen**
- **Planning is a concept of executive action that embodies the skill of anticipating, influencing, and controlling the nature and direction of change**
- **Planning is the selecting and relating of facts and the making and using of assumptions regarding the future in the visualization and formulation of purposed activities believed necessary to achieve desired results**
- **Planning is deciding in the present what to do in future. It is the process whereby the organization reconciles its resources with its objectives and opportunities**

- **Planning is a management process, concerned with defining goals for the organization's future direction and determining on the missions and resources to achieve those targets.**
- **To meet the goals, management may develop plans, such as a business plan or a marketing plan**
- **Planning always has a purpose. The purpose may be achievement of certain goals or targets. The planning helps to achieve these goals or target by using the available time and resources**
- **Management planning is the process of assessing an organization's goals in an area of operation and creating a realistic, detailed plan of action for meeting those goals**

- **The management planning process involves a cycle of activities**
- **Planning takes into consideration short and long term strategies of the organization**
- **The planning process ensures**
 - * **that important concerns and issues are not overlooked**
 - * **that a range of perspectives is considered**
 - * **that decisions are well informed**
 - * **that there is a real opportunity for participation for all the concerned personnel.**

There are some basic steps in the management planning process which involve creating a road map that outlines each task which the organization must accomplish to meet its overall objectives. These steps are explained in next few slides

- **By planning, management lays the foundation for other functions. All other functions of management are performed within the framework of plans laid out which makes planning as the basic function of management**
- **Planning starts with the setting of goals and objectives to be achieved. These objectives provide nucleus to the planning process and a rationale for carrying out different activities besides indicating direction of efforts**
- **The objectives focus the attention of management on the end results to be achieved. To avoid the undertaken activities to be ineffective, the objectives are to be stated in a clear, precise and unambiguous language and in quantitative terms. Only those objectives where quantitative terms are not feasible are to be specified in qualitative terms. Further the objectives are to be practical, acceptable, workable, and achievable**

- **Review and the refinement of the draft plan – After the draft plan has been made, it is reviewed and refined after considering the view points of those who are connected with the plan for its implementation**
- **Approval and implementation of plan – Once the management plan is made, it need to be approved by the management for its implementation. After its approval the plan serves as a guide for management decisions and as a reference document for everyone during its implementation**
- **Establish evaluation methods - A management planning process should include a strategy for evaluating the progress toward goal completion throughout an established time period. One way to do this is through a periodic progress report from the individuals / groups handling the assignment**

- **Establish goal related tasks - Tasks and actions needed for achievements of each goal are to be clearly identified in the plan and are to be clearly fixed in the plan**
- **Prioritizing of the related tasks - Prioritizing of the goal related tasks is about identifying priority of the tasks based on their importance. The tasks deemed most important theoretically are to be approached and completed first. The prioritizing process may also reflect steps necessary in completing a task or achieving a goal. The organization need to complete these steps in chronological order for achieving the goals**
- **Create assignments and timelines - As the organization prioritizes the tasks, it must establish timelines for completing the tasks and assign individuals / groups to complete them. This portion of the management planning process is to consider the abilities of individuals / groups members and the time necessary to realistically complete assignments**

- **Progress review - Once the progress report is available then the progress review is done by analyzing the fulfillment of plan against the targets. Progress review is an essential part of the management planning process**
- **Identify alternative courses of action - Even the best-laid plans can sometimes be thrown off track by unanticipated events. A management plan should include a contingency plan if certain aspects of the master plan prove to be unattainable. Alternative courses of action can be incorporated into each segment of the planning process, or for the plan in its entirety**

- **Planning is the primary and most important function of management and occupies a very high position in the management process**
- **It is the starting point of the whole management process and involves the determination of future course of action**
- **Why an action is required, how to take an action, and when to take action are main subjects of planning for the management. Planning is a determined course of action for achieving a specific objective**
- **In the absence of planning all the business activities of the organization become meaningless**
- **The importance of planning has increased all the more in view of the increasing size of organizations and their complexities and because of uncertain and constantly changing business environment**
- **In the absence of planning, it may not be impossible but certainly difficult to guess the uncertain events of future**

Important stages in the planning process

- **Pre planning stage – This stage consists of information gathering and getting the knowledge of earlier performance of the organization in the area for which management plan need to be prepared. With these informations the issues and opportunities are identified and analyzed.**
- **Establish goals - The next step of the management planning process is to identify goals of the organization in the specific area of operation for which plan is being prepared. This portion of the planning process includes a detailed overview of all the organizational objectives to arrive at the plan goals. The goals are to be described in quantitative or qualitative terms. An example of a goal is to raise production by 10 % over a 12 month period.**
- **Identify resources – For achieving each goal, the financial, material, human and other resources needed are to be projected in the management plan. The plan is to indicate how these resources are to be made available for the fulfillment of the plan.**

- **Assumptions are to be established. They are required for those variables which needed for during planning and which cannot be identified presently. They determine the shape of events in future. They serve as the basis of planning. These assumptions in fact are norms which are to be followed during planning**
- **Accurate assumptions decreases the probability of deviations from actual plan during the implementation of the plans. Planning assumptions can be for issues that are either internal or external to the organization**
- **There are normally several course of actions available for the planning. It is necessary that each and every alternative course of action is evaluated by weighing its pros and cons in the light of resources available and requirements of the organization. The merits, demerits as well as the consequences of each alternative course of actions is to be examined before the choice is eventually made**

- **Derivative plans are formulated. Derivative plans are the sub plans or secondary plans which help in the achievement of main plan. These derivative plans are detailed plans and flow from the main plan. The derivative plans also indicate time schedule and sequence of accomplishing various tasks**
- **After the plans have been made, it is necessary as well as advisable to take subordinates or those who have to implement these plans into confidence. The purposes behind taking them into confidence include (i) subordinates feel motivated since they get involved in the process of decision making, (ii) there is possibility of getting valuable suggestions and improvement in formulation as well as implementation of plans, (iii) making the subordinates and through them the other employees more interested in the execution of the plans**

- **After choosing a particular course of action, the plan is put into the phase of implementation. During the plan implementation, it is essential to appraise the effectiveness of the plan periodically. In case during appraisal, deviations are noticed then, it enables the management to take mid-course corrections or in case of necessity to modify the plan. The periodic appraisal of the plans during the implementation phase also helps in making the future plans more realistic**
- **Plans are made to achieve desired objective of the organization. The realistic goals need to be established for the achievement of the objectives otherwise the efforts and energies gets misguided and misdirected. Planning identifies the actions which are needed for the achievement of the desired goals quickly and economically. It provides sense of direction to various activities**

- **Planning is done for the future and is based on forecasting. The plan does the synthesis of forecast and requires glancing in the future, analyzing it, and predicting it. Through the plan, mental pre-disposition is made for things to happen in future**
- **Planning is an intellectual process. It is an exercise which involves creative thinking, foresight, sound judgement, and imagination. It is not a mere guesswork but has its roots in the process of deep thinking. Planning is essentially based on goals, facts, and considered estimates**
- **Planning involves choice and decision making. It principally involves choice among various alternatives. Hence decision making is an integral part of planning. During the preparation of the plan, management is to pick the best available alternative depending upon the organizational requirements and the resources which are available**

- **Planning is a continuous process. It is a never ending function due to the dynamic environment which normally exist in the organization. Plans are usually made for a specific period of time and after the end of the period, plans generally need review and revaluation because there may be new requirements due to the change in the operating environment. Planning never ceases in the organization since new issues and problems keep cropping up every now and then and the same are to be tackled by effective and sound planning**
- **Planning is universal. It is required at all the levels of the management and in all the departments of the organization. Planning is needed for the every activity of the organization. However the scope of planning may differ from activity to other activity and for different levels of the management in the organization**

- * Plans are normally designed and made with inbuilt efficiency and hence they lead to accomplishment of the objectives at the minimum possible cost. They are designed to ensure adequate and optimum utilization of resources and thus avoiding their wastages. An efficient plan takes into account the cost which is likely to be incurred in its implementation. An efficient planning leads to saving in time, effort, and money. It also leads to proper utilization of men, money, materials, methods, and machines**
- * Planning is always done for the future which is unpredictable. Hence the planning is to provide enough room to cope with the changes which may occur in the operating environment of the organization such as change in the demand of the customers, and change in the policies of the government etc. The plans are to be flexible so that they can be revised and updated if the circumstances calls for it due to the change in the environment**

- **Planning facilitates management by objectives. It begins with determination of objectives. Plans make objectives clearer and specific and highlight the purposes for which different activities are to be undertaken in the organization. They help in focusing the attention of the employees on the objectives or goals of the organization. In fact, they guide the organization in its journey towards success**
- **Planning minimizes uncertainties. Usually an organization operates in an environment which is full of uncertainties. There are always risks of various types due to these uncertainties. Planning helps in reducing these risks which are because of the uncertainties of the future since it is done with the anticipation of future events. Although the future events cannot be predicted with cent percent accuracy, still the planning helps management with the cushioning comforts since plans are made after considering anticipated changes which are likely to occur in future**

- **Planning facilitates co-ordination.** It revolves around organizational goals hence all the activities of the organization gets directed towards the common goals. It helps in an integrated effort throughout the organization for the achievement of the common goal. It avoids duplication of the efforts and hence leads to better co-ordination within the organization
- **Planning has positive impact on the organizational morale.** It creates an atmosphere of discipline in the organization. It creates a healthy environment towards work which helps in boosting the morale and efficiency of the employees. Through plans, the employees are aware in advance what is expected from them and hence their energy gets concentrated in achieving the targets. This in turn helps the organization in achieving the objective
- **Planning helps the organization towards its economical operations** since it leads to orderly allocation of resources for the various operations. It also facilitates optimum utilization of resources and avoids wastage of resources by selecting most appropriate use that contributes to the organizational objectives

- **Planning facilitates controlling.** It facilitates existence of planned goals and standard performance parameters which provides basis for effective controls. Controls can be effectively exercised by comparing the actual performance against the planned goals and the standard performance parameters set in the plans
- **Planning provides the organization an edge over the competitors,** since it involves in the changing of the work methods, quality, quantity designs, extension of work, redefining of goals, etc. With the help of forecasting, not only the organization secures its future but at the same time, it is also able to estimate the future motives of the competitor which helps in facing future challenges. Since the planning leads to best utilization of possible resources, and improvement in the quality of production, it helps in improving the competitive strength of the organization

- **In the process of planning, there are a number of innovation opportunities available to the planners for suggesting ways and means of improving the organizational performance**
- **Planning is basically a decision making function since it provides ample opportunities for the management to take decisions during the plan preparation. The quality of these decisions influences the results when the plans are implemented. Well informed decisions and decisions taken through the creative thinking and imagination ultimately leads to innovation of methods and operations for growth and prosperity of the organization**

- **Planning is deciding in advance what to do and how to do**
- **Planning is needed at every level of management**
- **Planning is a very important function for managing of an organization**
- **It is a basic function and a fundamental function**
- **Planning prepares the organization for tomorrow by assessing today**
- **With proper planning the organization accomplishes its goal and objectives**
- **Planning shows the way for achieving the organizational goal and objectives**
- **Planning is nothing but looking ahead and preparing the organization for the future course of actions which need to be followed**
- **Planning is a preparatory step which consists of chalking out an activity plan for doing the things in an orderly manner for the achievement of the desired targets and objectives**

- **Planning is the process of thinking, mapping out and organizing the activities required to achieve a desired goal**
- **Planning involves the creation and maintenance of a plan. As such, planning is a fundamental property of intelligent behaviour. This thought process is essential not only for the creation and refinement of a plan but also for its integration with other plans**
- **Planning combines forecasting of developments with the preparation of scenarios of how to react to them. An important, albeit often ignored aspect of planning, is the relationship it holds with forecasting**
- **Forecasting can be described as predicting what the future will look like, whereas planning predicts what the future should look like**

- **Planning is a mental pre-disposition to think before acting and to act in the light of facts rather than guesses**
- **Planning is a detailed programme regarding future course of action. It is a systematic activity which determines why an action is needed, what is to be done, who has to carry out the action, how it is to be done, and when to be done**
- **Planning bridges the gap between where we are, and where we want to go. It makes possible things to occur which would not otherwise occur. The idiom 'well planned is half done' amply describes the importance of planning**
- **Planning takes into consideration of available and prospective human and physical resources of the organization so as to get effective co-ordination, contribution, as well as perfect adjustment**

- **Organizational management is to plan for the future for the effective functioning of the organization. For this both the short range and the long range planning is needed.**
- **The idea of long range planning for the organization is rather new and was practically unknown several decades ago, but presently it is being done in most of the organizations. These days, there is hardly an organization which does not have an elaborate long range plans.**
- **It is rather necessary that each of the basic management decision is to be a long range decision**
- **The number of years for a short range or long range varies from organization to organization**
- **Implementation of every major management decision takes years before it is really effective. And it has to be productive for years thereafter to pay off the investment made in men and money. Hence, the organizational management requires skills in making decisions with long futurity on a systematic basis**

- **The knowledge of long range planning, and also much of its reality, depends on a number of careful understandings**
- **The present and the immediate short range plannings require fully strategic decisions as much as the long range planning**
- **The long range is largely made by short run decisions. Unless the long range is built into, and based on, short range plans and decisions, the most elaborate long range plan end into an exercise in futility.**
- **Conversely, unless the short range plans, that is, the decisions on the here and now are integrated into one unified plan of action, they are considered only to be expedient, guess, and misdirection**
- **Both the 'short range' and 'long range' are not determined by any given time span. A decision is not short range because it takes only a few months to carry it out. What matters is the time span over which it is effective. A decision is not long range if the management resolves to make it 15 years later**

- **It is necessary in strategic planning to start separately with all three thinkings, namely (i) what the organization is, (ii) what it is to be, and (iii) what the organization should be. These are, and should be, are separate conceptual approaches. With respect to ‘what the organization should be ‘ the first assumption need to be that it is going to be different.**
- **Long range planning is needed to prevent the management from uncritically extending present trends into the future, from assuming that today’s products, services, markets, and technologies are going to be the products, services, markets, and technologies of tomorrow, and, above all, from dedicating their resources and energies to the defense of yesterday.**
- **Planning ‘ what the organization is’, ‘what it is to be’ and ‘what the organization should be’ have to be integrated. What is short range and what is long range is then decided by the time span and futurity of the decision.**

Project planning is important since

- **It guides the people in its activities**
- **It helps the people to remain on track while progressing on work**
- **It helps in focused monitoring of the work progress**
- **It helps in the effective use of the resources**
- **It creates confidence in everyone connected with the project that the people by following the plans are on right course towards achievement of the results**

- **Project planning is that part of the management in a project, where required documents in the form of plans are made for the successful completion of the project**
- **These planning documents include all actions required to define, prepare, integrate and coordinate all the activities of the project**
- **The project plan documents are required to be detailed so as to clearly define how the project is to be executed, monitored, controlled, and closed**
- **The project planning is to be flexible to incorporate additional plans or remove certain part of the plan if needed during the execution of the project.**
- **The planning in a project is a very challenging activity since plans are normally made at a time when things are not fully frozen. Hence, it is necessary to update the project plans as the project makes progress by continuous measuring of the progress of the project against the project plan**

- **Planning for the project is not to start and end in an office or committee room meeting**
- **It is also not to be done alone or in isolation from those who have to implement the project**
- **It is necessary to involve during the project planning all those who are to use the plan during the project execution**
- **Plans becomes more accurate when the solutions suggested by the people who are to use the plan for various problems likely to encounter during the execution of the project are incorporated in the plans**

- **Effective management of project requires people working on the project to understand that it is necessary for them to take a close look at all those activities of the project which are to be carried out by them**
- **It is also necessary that the people on the job are aware of the results which are expected from the activities which they are to perform. For this, it is necessary that the people carry out their activities in a planned manner since planning of the activities helps the project team not only in systematic working but it also helps the people to move forward at the expected rate towards the achievement of the objectives**
- **Planning is an essential part of a project. In fact, it is at the heart of the life cycle of the project**

- **A project consists of is a series of activities which takes place over a pre-arranged period of time to achieve a specified aim.**
- **The activities are usually one time activities which are not to be repeated in near future. These activities differ from operational activities which consists mostly of routine activities**
- **For achieving the specified aim, it is essential that the activities are properly and systematically planned**
- **Planning is done to increase the likelihood that the project is implemented efficiently, effectively, and successfully**
- **Planning is very much necessary so that the required time, resources, and efforts are provided as well used during the execution of the project**
- **A defective plan can lead the project to a situation which becomes out of control of the implementing team**

- **A project is always under triple constraints consisting of time, resources, and quality. These triple constraints need to be controlled closely during the execution of the project.**
- **The key to a success lies in the project planning. Hence, project plans are important documents for the successful completion of the project**
- **Planning includes formulation of one or more detailed plans to achieve optimum balance of needs or demands with the available resources**
- **Through planning, the organizational policies, programmes, procedures, budgeting and other related elements gets generated**
- **There are several steps involved in the process of planning**
- **The steps are (i) choosing of goals, (ii) identification of actions, (iii) allocation of responsibilities, (iv) reviewing the performance, and (v) making adjustment in the plan**

- **Project planning is done for the purpose of**
 - * **project integration management**
 - * **project scope management**
 - * **project time management**
 - * **project cost management**
 - * **communication management during project implementation**
 - * **project quality management**
- **Careful and detailed planning helps in the reduction of risks and uncertainties during the project execution since in making of the plans many of these risks and uncertainties are foreseen and provisions are made in the plans for such potential risks and uncertainties**

- **Planning is done to increase the likelihood that the project is implemented efficiently, effectively, and successfully**
- **It is very much necessary that required time, resources, and efforts are provided as well used for the preparation of the plan since a defective plan can lead the project to a situation which becomes out of control of the persons executing the project**
- **A plan is a formal, approved document of the project which guides the execution of the project and is required for the management and control of the project**
- **A plan forms the basis for all the actions which are required to be taken by the people for the implementation of the project. The planning document is not of permanent nature since it is necessary to continuously update it as the project progresses**

- **The essential contents of a plan include (i) objectives of the project, (ii) activities of the project, (iii) resources available, (iv) scheduling of the activities, (v) determining the inputs of the activities, (vi) coordination of the activities in proper sequence, (vii) determination of the activities outputs, (viii) preparation of the monitoring framework, and (ix) preparation of the evaluation framework by identifying performance indicators**
- **The plan is required to be comprehensive, unique, unambiguous, and authoritative**
- **The plan is required to be continuously updated so that it always remains current**

Essential contents of a project plan

Objectives of the project

Activities of the project

Resources available

Scheduling of the activities

Determining the inputs of the activities

Coordination of the activities in proper sequence

Determination of the activities output

Preparation of the monitoring framework

Preparation of the evaluation framework

- **Proper planning for project guides the people through the implementation and closure of the project**
- **It helps the people to manage not only the triple constraints of time, resources, and quality, but also the changes which crop up during the project execution, risks, and other related issues**
- **Often planning is ignored in favour of getting on with the work. However, in such a case people responsible for project not only fails to realize the value of a project plan for saving time, costs, and many problems but also moves forward towards failures**

- **There are normally four distinct phases in a project**
- **The first is conceptual and approval phase. During this phase the concepts are being finalized through feasibility studies, approvals needed for the project execution are taken and funding arrangements are made for the project execution**
- **The second is the engineering phase. The main activity during this phase is project engineering. It starts with basic engineering and as the project work proceeds forward, detail engineering takes over. Other activities normally associated with the project execution are very limited during this phase**
- **The third is the project execution phase. During this phase along with engineering all the other activities has increasing role to play based upon progress of the work. In fact, as the project work proceeds, engineering activities start tapering down and other activities take over as the main activity. Each activity has its peak during the project execution and after its peak the activity starts tapering down**

- **The fourth is the closure phase. This phase is an important phase but with lesser amount of activities. During this phase defects noticed during commissioning activities are rectified, assistance is given to the work force to pick up experience in operation, guarantee tests are carried out, plant and equipments are handed over to the operation team, contracts are closed, and final payments released**
- **During the fourth phase, the project team gets lesser attention from the management, since attention of the management gets diverted towards the activities of the organization needed for the plant operation**
- **The planning requirements in these phases are different in nature and hence different project plans are required to be made for each phase. Each phase needs different tools and techniques while the making and implementation of the project plans**

- **Project planning is an essential activity in a project**
- **It provides information to the management how to complete the project within a certain timeframe, usually with defined stages, and with designated resources**
- **It requires an in-depth analysis and structuring of the various activities which include (i) determination of project objectives that includes commissioning and the project costs, (ii) setting of stages during project execution and time frames for completion of these stages, (iii) determination of the methodology for the project execution, (iv) identification of the project activities and their outputs, (v) creation of the schedules for the project, (vi) identification of resources needed for the project, (vii) determination of the project activities which need close monitoring, and (viii) identification of the supporting activities and planning for the same**
- **Two additional things which are required to be included in the project planning are the work quality and risk planning**

- **Project planning is normally done at two levels. The first level consists of overall plan and it is meant for the project management. The first level plan is concise and abridged plan which helps the project management both in taking decisions as well as the monitoring of the progress of the work**
- **The second level consists of detail plans and is done at the department level. Detailed department level plans get coordinated at the higher level plan. This plan is meant for the persons working at the project ground level. The second level detail plan not only helps the project team in monitoring of the project activities but it also helps the team in planning of their day to day actions as well as their work priorities since these second level plans break down the project works into work breakdown structure (WBS), tasks list, Gantt charts, resource assignment and the risks involved and various other things**

- **The planning process in a steel project consists of the following basic tasks**
 - * **To identify from the project documents the activities for which plans are required to be made**
 - * **To identify the project processes for which there are need for procedures to be made for taking action. The procedures are to be uniform as well as transparent**
 - * **To define and sequence all the activities to be performed along with the outputs**
 - * **To find out the inter-dependency between various activities**
 - * **To estimate all the resources needed for carrying out each activity along with the time of their need and taking into account the requirements when the project activities are at its peak**

- * To work out the schedules for the all the project activities**
- * To estimate the budget needed for carrying out each activity**
- * To work out the organization needed for the project execution taking into account the requirements when the project activities are at its peak**
- * Identification of known risks during project execution and to find the measures required to counter these risks**
- *To identify the quality control procedures and resources needed during the project execution**
- * To define the activities which need monitoring along with the parameters needed for monitoring**
- * To define the controlling activities during the project execution along with identification of the control procedures needed**