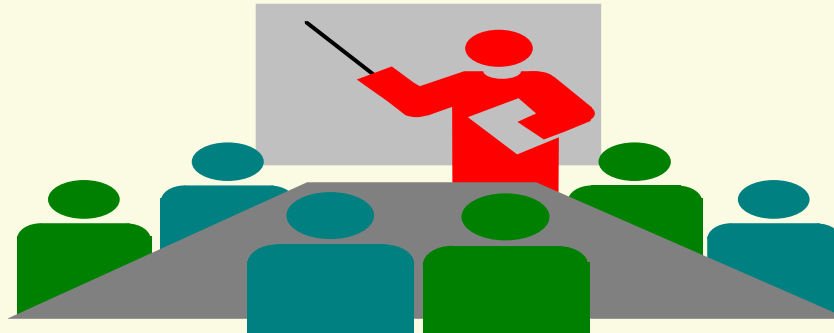


# MANAGEMENT FOR RESULTS

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 MODULE-6

 {PLANNING}



 INNOVATIVE BUSINESS IMPROVEMENTS PVT. LTD.

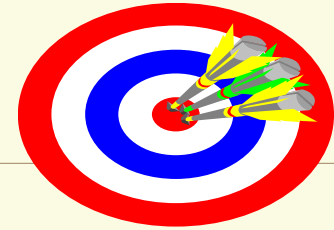
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# MANAGEMENT FOR RESULTS

## {PLANNING}



### AIM

**EXAMINE:** ROLE OF PLANNING IN ORGANIZATIONS

**OBJECTIVES: TO LEARN/ DISCUSS/ DESCRIBE**

**IMPORTANCE OF PLANNING IN MANAGEMENT PROCESS**

**MAJOR ISSUES THAT ARE INVOLVED IN PLANNING**

**THE PLANNING PROCESS**


**FOUR TYPES OF PLANNING: PROGRAM PLANNING,  
OPERATIONAL PLANNING, PRIORITY PLANNING AND  
STRATEGIC PLANNING,**


**PLANNING IN PARTICIPANTS ORGANIZATION CONTEXT**

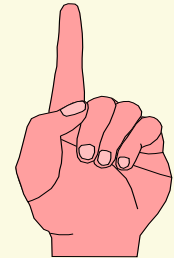
# MANAGEMENT FOR RESULTS


## {PLANNING}

### PLANNING

 Mechanism used by organizations to define and determine as to how the objectives and goals framed on the basis of mission statement will be achieved and evaluated.

 Organization must know where it is going in order to reach there.



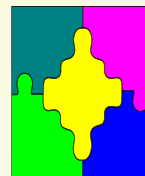
 Planning is the process of monitoring and controlling change by setting overall direction, determining policies, deciding goals / objectives to keep the organization on the track indicated in the mission statement.

# MANAGEMENT FOR RESULTS

## {PLANNING}

### MAJOR ISSUES TO CONSIDER IN PLANNING

**GEOGRAPHY:** Area of operation



i.e multinational, provincial or Government agency.

**SIZE:** Small needs less technical or large requiring more specialized services



**TIME:** Output as benefit is much more than time as input

**SUPPORT:** Willing participatory support of staff

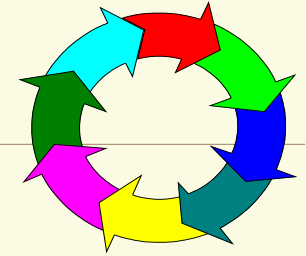
**CONFIDENCE:** Faith and confidence of all concerned



# MANAGEMENT FOR RESULTS

## {PLANNING}

### PLANNING PROCESS



 ESTABLISHING MISSION STATEMENT

 SETTING GOALS AND OBJECTIVES

 DEVELOPING STRATEGIES

 ORGANIZATIONAL STAFF STRUCTURE

 PROVISION OF RESOURCES

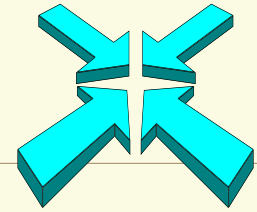
 SHARING PLAN WITH ALL CONCERNED

 IMPLEMENTATION





# MANAGEMENT FOR RESULTS

## {PLANNING}




### FOUR TYPES OF PLANNING

 **PROGRAM PLANNING:** Share of contribution/ input effort by each department to develop time bound, clear activity oriented detailed plans for their units

 **OPERATIONAL PLANNING:** Short range planning document covering period of one to three years. Provides supporting structure base for the program plans of different departments. It indicates overall direction of organization and its components

 **PRIORITY PLANNING:** Mid term plan similar to operational planning but covers a period of three to five years

 **STRATEGIC PLANNING:** Long range planning process that involves setting goals / objectives and unique effective techniques (strategies and plans) to achieve the predetermined purpose of establishing an organization. Usually it is a short document that indicates overall policy and program direction and has impact on priority planning, operational planning and program planning.

# MANAGEMENT FOR RESULTS {PLANNING}



## PURPOSE OF THINKING:



To ensure win and survival in a competitive environment.

- If there is no competition there won't be any purpose for strategic thinking." Kenichi Ohmae"

## STRATEGY OR GAME PLAN:

Team effort

Game Plan



To Win

## ESSENCE OF STRATEGIC THINKING:

Locating

Attracting

Retaining

.....CUSTOMERS

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# MANAGEMENT FOR RESULTS

## {PLANNING}



### WHAT IS STRATEGY:

Thinking

Planning

Implementation

In any game that pits in competition

against one another...tennis, hockey, chess video games or business

victory usually comes to the competitor who can .....

Out think

Out plan

Out play

Failure usually comes when people stop thinking about improvements.





# MANAGEMENT FOR RESULTS

## {PLANNING}



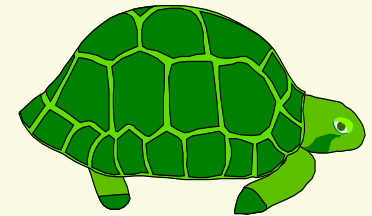
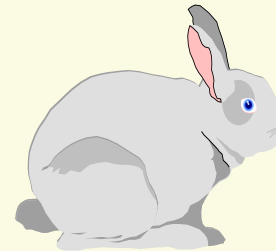
### NEW AGE MANAGEMENT:



Replace Planning.....



with Strategic thinking.



Successful strategies do not result



from plans, formulas or systems but from



managers who think and act in ways



that meet customer needs,



create competitive advantage and



capitalize on existing strengths.



# MANAGEMENT FOR RESULTS

## {PLANNING}

### PLANNING V/S STRATEGIC THINKING:

Ironically the planning process established in most companies often stifles due to lack of strategic thinking because dependency on formalized strategic planning builds false sense of confidence.

Strategic planning

.....Process of determining corporate direction

.....Answers

- #1 Who we are?
- #2 Where do we want to go?
- #3 How are we going to go there?

#1

#3

#2

Who we are?

How are we going?

Where we want to go?



# MANAGEMENT FOR RESULTS

## {PLANNING}



### WHERE THE PLANS SHOULD LEAD US TO ?

To our destination for achieving the specified objectives.

Present conditions

The plan

Future conditions

-----TIME-----

**OBJECTIVES** without plans are only dreams

.....Plans convert objectives in to reality.

**Improvement Plan: Study defects and design out those problems**

**Plan----- Analyze defects ----- Improvement**

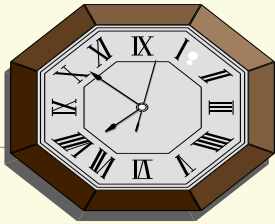
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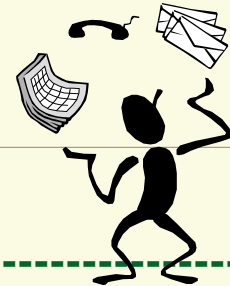
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- **Problem solving Plan: Conduct cause and effect study and remove the cause. As a result thereof problem gets solved**

# MANAGEMENT FOR RESULTS



## {PLANNING}



### PLAN STRUCTURE:

----- Time frame and skills-----

**Strategic Plan** ( Needs more conceptual skills and designed for long range)

**Operational Plan** ( Needs less skills and designed for day to day decisions )

### CHARACTERISTICS OF PLANNING OPTIONS:

| Type                           | Time frame  | Focus                                     | Level of details                    | Level of integration                     |
|--------------------------------|-------------|---|-------------------------------------|--|
| Operational                    | < 1 year    | Efficiency                                | Heavy Financial<br>Orientation      | Functional                               |
| Tactical<br>Financial oriented | > 1 year    | Event<br>Functional                       | Some what                           | Integrated                               |
| Strategic                      | > 1-5 years | Competition<br>Resources<br>Stake holders | Few financial<br>More goal oriented | Integrated corporate<br>and supply chain |

# MANAGEMENT FOR RESULTS

## {PLANNING}

### THE PLANNING PROCESS:

- Establish mission statement
- Set goals and objectives
- Develop strategies
- Create organizational structure
- Make provision of resources
- Share the plan contents with workforce
- Implement the plan



- A plan involves any course of future action
-

# MANAGEMENT FOR RESULTS

## {PLANNING}

 STRATEGIC MANAGEMENT

 PERFORMANCE MANAGEMENT



STRATEGIC PLAN

Strategic plan

Vision

Evaluation

Recognition

Departmental

Business plans

Thinking &

Measurement

STRATEGIC PLANNING PURPOSE

# MANAGEMENT FOR RESULTS

## {PLANNING}

### STRATEGIC PLANNING PURPOSE

External Environment

Opportunities

&

Threats

Value added

Efficiency

Customer

Satisfaction

Internal Environment

Strengths

&

Weaknesses

Effectiveness

&

STRATEGIC  
PLANNING

Vision

Goals

Objectives

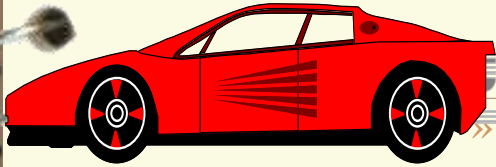
Continuous

Improvement

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# MANAGEMENT FOR RESULTS

## {PLANNING}



### ROAD TO CONSUMER SATISFACTION

- » **Steering wheel: Strategic planning**
- » **Gauges: Tracking and measurement**
- » **Throttle : Business plan - ->Culture of Excellence**
- » **Fuel: Evaluation and recognition**
- » **Wheels: Goals and objectives**



**What Is  
Possible  
Concern**



**Present  
Strengths  
Weaknesses**



**Future  
Opportunities  
Threats**



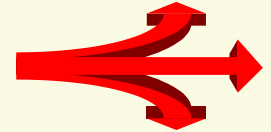


# MANAGEMENT FOR RESULTS

## {PLANNING}



### STRATEGIC TARGETS



Present  
Strengths

Future  
Opportunities

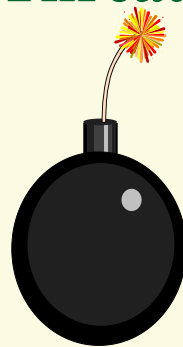
Strategic targets to  
Get competitive edge



POSSIBLE-----> STRATEGY



Weaknesses      Threats



Strategic targets  
Right things to do  
to corner threats

# MANAGEMENT FOR RESULTS

## {PLANNING}

### IMPLEMENTING STRATEGIC TARGETS



Mission (Why do we exist?) -----

Key business plan.



Core business



Strategic targets---Goals--

--Output----Performance



Internal strengths

Measurement



Suppliers

Data Warehouse



-----



Quality Driven Initiatives



Quality driven Leadership



Performance objectives

Lagging indicator

Performance score card



How are we doing?



# MANAGEMENT FOR RESULTS

## {PLANNING}

 **QUALITY MANAGEMENT SYSTEM FOR IMPROVED PROFITS**

 **INTEGRATING CUSTOMER FOCUSED INITIATIVES**

|   |  |  |                                |
|---|--|--|--------------------------------|
|    | <b>Customer focussed initiatives</b>           | <b>Increased sales price</b>               |                                |
|    |  |  |                                |
|    | <b>Quality improvement focussed management</b> | <b>Improved customer perceived quality</b> | <b>Increased sales revenue</b> |
|    |  |  |                                |
|    |  |  |                                |
|    |  | <b>Increased market demand</b>             | <b>Increased profit</b>        |
|    |  |  |                                |
|  | <b>Decreased Process Variation</b>             | <b>Reduced cost of operations</b>          | <b>Increased Productivity</b>  |
|  |  |  |                                |
|  |  |  |                                |

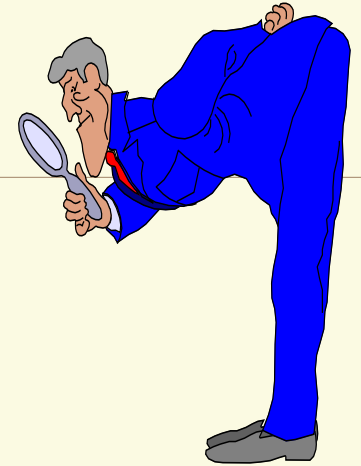
 **Production focussed initiatives**

**IBI-144**

# MANAGEMENT FOR RESULTS

## {PLANNING}

### { Case Study Mr. Merger }



Two food processing companies merged to increase efficiency and reduce competition.

The merger brought together 153 employees from one company and 225 from the other.

Board of Directors also merged and decided to appoint new C.E.O. ( Chief Executive Officer) for the company.

C.E.O's of both companies applied for the job but were not selected.

They were asked to continue as Managers under the new C.E.O.

Board of Directors in a meeting with new C.E.O Mr. Merger briefed him that many employees including the old C.E.O 's were unhappy about the merger but are continuing to avoid unemployment. They also told him that C.E.O's of old companies had applied for his new assignment but were unsuccessful. He was however asked to keep this information confidential.

# MANAGEMENT FOR RESULTS

## {PLANNING}

### { Case Study Mr. Merger Expert}

The management and planning committee recommended development of a strategic plan for the new company. The Board endorsed the recommendation and asked Mr. Merger to take the lead role in preparing that plan with in a period of six months. B.O.D. assured their full support and availability to him for consultations. Mr. Merger was also aware of a competitor setting up new food processing plant with similar product mix near their factories.






1 Describe and discuss the issues related to Mr. Merger's appointment as new C.E.O.

2 Develop a process with a time table that would assist Mr. Merger in completing the strategic plan. Consider all issues relevant to developing the plan.

# MANAGEMENT FOR RESULTS

## {PLANNING}

### QUESTIOS FOR THE PARTICIPANTS

-  1 Why is planning important in an organization?
-  2 What are the major issues to consider in the planning process?
-  3 Explain the planning process
-  4 Describe the four types of focus for planning activity
-  5 You have been designated manager of the organization you work for. Your assignment is to develop brief strategic plan. Draw up your plan using the model explained in this module.

