CENTRE : DDU KAUSHAL KENDRA

NAME OF THE PROGRAMME : B.VOC (TROUBLESHOOTING AND MAINTENANNACE OF ELECTRICAL AND ELECTRONIC EQUIPMENTS)

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COURSE NAME : PRINCIPLES OF MANAGEMENT

SEMESTER : II

FACULTY NAME : DR. PRAKASH SVA

DESIGNATION : GUEST FACULTY

TOPIC : PLANNING

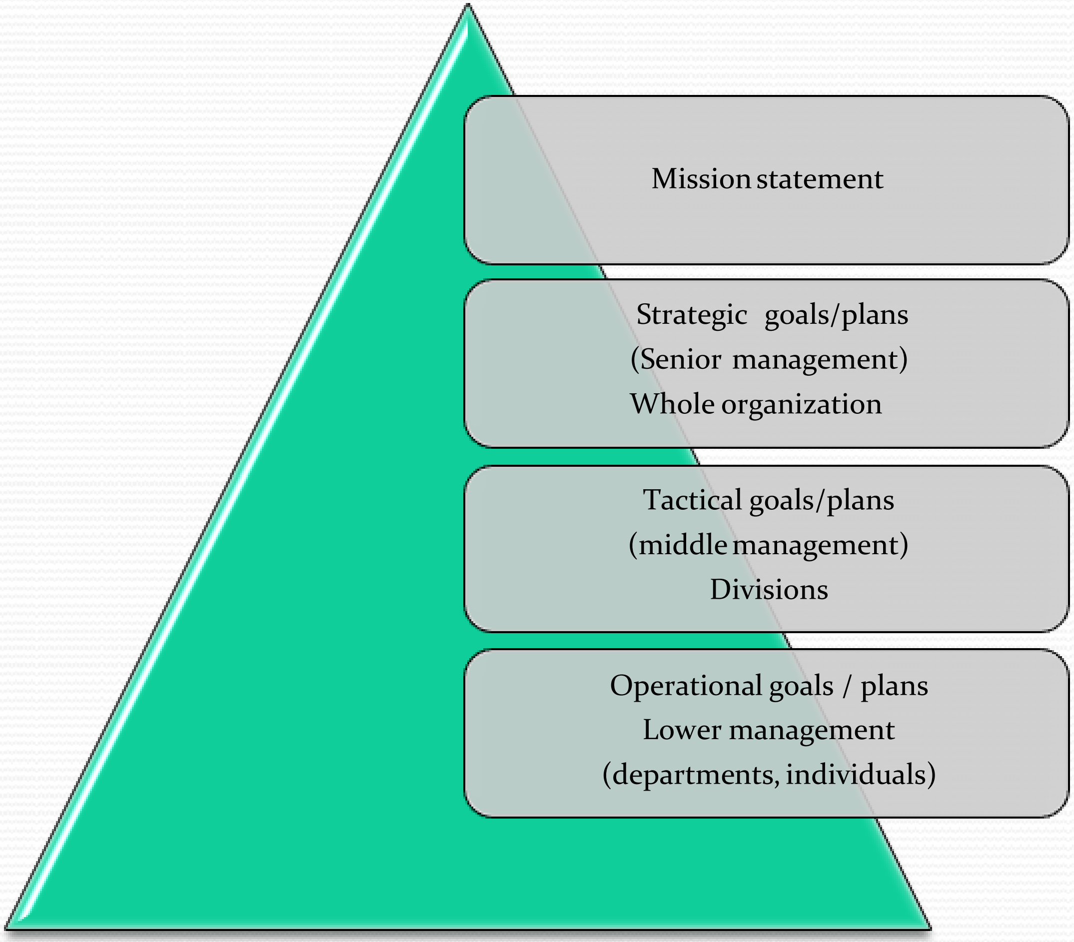
Planning

- A **plan** is a blueprint for action. It specifies :
  - resource allocations
  - schedules
  - actions necessary for attaining goals
- A **goal** is a desired future state that an organization attempts to realize.
- **Planning** is the act of determining the organization's goals and the means for achieving them.

Planning

- Why is planning important to managers ?
  - To determine new opportunities
  - To anticipate and avoid future problems
  - To develop effective courses of action (strategies and tactics)
  - To comprehend the uncertainties and risks with various options.
  - To set standards

Planning


Mission statement
Strategic goals/plans
(Senior management)
Whole organization
Tactical goals/plans
(middle management)
Divisions
Operational goals / plans
Lower management
(departments, individuals)

Organizational Mission

- Mission – the organization's reason for existence.
- The mission describes as well the organizations values and aspirations.

Mission statement is a broad statement defining the organization's basic business scope and operations that distinguishes it from its competition.

Sagicor

Sagicor is committed to being an outstanding corporate citizen, providing financial services that create value for our customers, excellent returns to our shareholders, the highest quality of work life and the opportunity for personal and professional development of our staff and financial advisors.

Mission Statement

- A mission statement often answers basic questions :
  1. What business are we in?
  2. Who are we?
  3. What are we doing?

Organizational mission

- Our mission is to be the world's premier consumer products company focused on convenient foods and beverages. We seek to produce financial rewards to investors as we provide opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity. (Pepsico)

Strategic plans

- Strategic plans define the action steps by which the organization intends to achieve its goals.
- Strategic goals are broad goals of where the organization wants to be in the future. These goals pertain to the whole organization.

Strategic goals examples:
✓15% return on investment and 5% growth
✓No layoffs

Tactical Plans

- Tactical plans are plans to help the organization execute its strategic goals and to accomplish a specific part of the company's strategy.
- Tactical Goals define the outcomes of that major divisions and departments must achieve in order for the organization to reach its goals.

Example of tactical plans:
Manufacture 1,000,000 units at an average cost of $ 10.00

Differences between strategic and tactical plans

Strategic

- Ensure long-term effectiveness and growth
- Length: Usually two or more years
- Plans are done every one to three years
- Primarily done by top management

Tactical

- It is used as a means to implement strategic plans.
- Length: Short-term
- Plans are done every six months to a year
- Primarily done by employees up to middle management

Operational Plans

- These plan are specific and measure departmental results. Operational plans are usually done on a daily or weekly basis.
- Operational plans define the outcomes of the divisions or departments.

Operational goal
•Visit one new customer each day
•Have machines downtime of less than 7%

Types of Plans

- Single-use plan
- Standing plans
- Contingency plans

Single-use plans

- Plans for attaining a one-time organizational goal.
- Large in scope
  - Examples: building a new headquarters
  - Installing a new accounting system
- Projects are including in this category of planning

Standing plans

- Standing plans are ongoing plans that are used to provide guidance for tasks performed repeatedly within an organization.
  - Policy (sexual harassment policy)
    - Broad
    - based on organizational goals
    - define boundaries with in which to make decisions
  - Rules (no smoking in class)
    - Narrow
    - Define specific action
  - Procedures (employee grievances)
    - Define a precise series of steps to attain certain goals

Contingency plans

- Plans that define company responses to specific situations, for example emergencies or unexpected conditions.

Strategic management

Strategy is a plan of action that prescribes resource allocation and activities for dealing with the environment, achieving the competitive advantage, and attaining organizational goals.

Strategic management

- Set of decisions and actions used to formulate and implement strategies that will provide a competitively superior fit between the organization and its environment to achieve organizational goals.
  - Types of strategies
    - Grand strategy
      1. Growth strategy
      2. Stability strategy
      3. Retrenchment strategy
    - Global strategy
    - Multidomestic strategy
    - Transnational strategy

Grand Strategy

- The general plan of major action by which an organization intends to achieve its long-term goals.
  - Internal growth
    - Development of new products
    - Expansion of new products or services into new markets
  - Diversification
    - Acquisition
    - mergers

Stability strategy

- Maintaining the same size of the organization or grow slowly in a controlled fashion.

Retrenchment strategy

- The organization is force to reduce its size by selling off business units or liquidating entire business
  - Liquidation – terminating a business unit by selling the business unit for cash value of its assets.
  - Divestiture – selling business unit that is no longer considered as central to the organization

Global strategy

- Standardization of product design and advertising strategies throughout the world
- Treats world as a single market

Multinational

Modification of products design and advert sizing strategies to suit the specificneeds of individual countries

Transnational strategy

- A transnational strategy seeks to achieve global integration and national responsiveness.
- The objective : to attain efficiency and flexibility to meet specific needs in various countries

Levels of strategy

- Corporate-level strategy
- Business-level strategy
- Functional-level strategy

Levels of strategy

Corporate-level strategy

What business are wein?

Business-level strategy

How do wecompete?

Functional-level strategy

How do we support the business-level strategy?

Levels of strategy

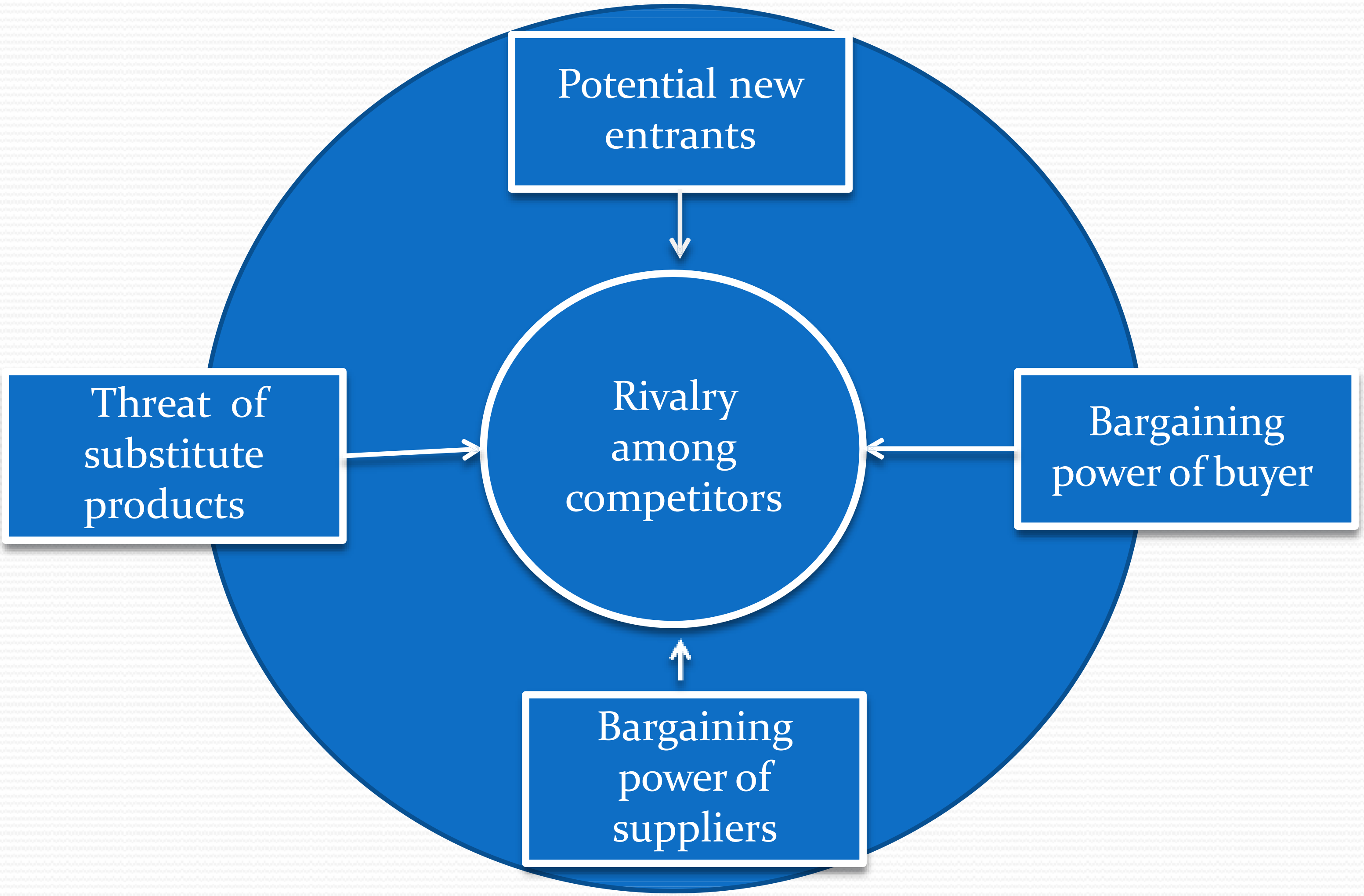
- Corporate-level strategy
  - Pertains the wholeorganization
  - The business units
  - Product lines
- It asks thequestion:
  - What business are wein?

Business-level strategy

- Pertains to each business unit or product line.
- Focuses on how the business units compete within the industry for customers. Business-level strategies are concern with the following:
  - Advertising
  - Product changes
  - New product line development
  - Equipment and facilities

Business-level strategy

Porter's Competitive Forces



Functional-level strategy

- Pertains to theorganization's functional departments finding ways of how to support the business-level strategy
  - Functional departments :
    - Finance
    - Research and development
    - Marketing
    - manufacturing

Strategic management process

Strategic management process