

## Planning

### **Agenda- Manager as a Planner**

- Planning involves defining goals, establishing strategy to achieve goals and develop plans to coordinate activities
- Types of Plans
- Planning tools
- Goal setting as part of the plan

### **Planning**

- Decision making process that focuses on the future of an organization and how to achieve th
- Identifying the objective to be attained and the ways to realize them
- Results in company strategy
- **Why plan?**
  - You aren't flexible, many unexpected events
  - Allows us to assess the results and measure outcomes
  - Focuses attention on objectives and goals
  - Offsets (to a degree) uncertainty and change
  - Minimize costs through efficiency of operations
  - Helps integrate short with long term plans
  - Facilitates managerial coordination and control
- **Planning Process**
  - Define your objectives
  - Determine where you stand relative to your objective
  - Generate alternatives
  - Analyze alternatives (pros and cons)
  - Implement alternatives
  - Evaluate results
- **Types of Plans**
  - Strategic (2-10 years)
    - Broad PLans
    - Prepared by top level managers
    - How to achieve long term goals/vision
  - Tactical (1 year)
    - Intermediate term plans (ex. Marketing plan)
    - Born from strategic plan
  - Operational (monthly, weekly, daily)
    - Very detailed (procedures or rules)
    - Short range plans
    - Prepared by first level managers

### **Planning Tools**

- Forecasting- attempt to predict the future
- Contingency Planning- alternative courses of action if things don't work
- Benchmarking- external and internal comparisons to plan for future improvements

### **Goals Setting as Part of the Plan**

- Goals are objectives for performance
- They are the starting point of successfully managing a business
- They provide direction for all management
- MBO-management by objectives (top to bottom every body is measured by the objectives that have to achieve)
- **SMART**
  - **S**- specific (clearly state desired result)
  - **M**- measurable (“how much?”)
  - **A**- attainable (must be challenging but not impossible)
  - **R**- referred to (must have a deep commitment from organization)
  - **T**- timely (must meet deadlines, milestones)

### **Final thoughts on Planning**

- Define the task and the planning process steps
- Understand planning tools used to offset uncertainty
- Use various goal setting theories to ensure plan is accomplished

### **Organizational Structure**

- Outlines the jobs to be completed an organization and how the jobs relate to one another
- Arranging jobs to create an efficient ask system within the firm

#### **Traditional Structure**

- Functional (marketing,finance, accounting)
- Divisional
  - Product
  - Geography
  - Customer

#### **Horizontal Structure**

- Team Structure
  - Cross Functional
  - Project Team
- Boundaryless Structure
  - Eliminate subsystems
  - Open communication, little hierarchy, high usage of technology, non-permanent

#### **Tall and Flat Organization Structure**

- Tall Structure- many levels of authority relative to the organizational size
  - Communication gets difficult

- More time needed to implement decisions
- Flat Structure- few levels of authority but wide spans of control
  - Results in quick communications
  - Can lead to overworked managers