

Planning and Control

Unit One



- **The learning objectives:**
 - When you study and understand this unit, you will be able to:
 - Know what do we mean by planning.
 - Be familiar with the nature of planning.
 - Know the necessity or importance of planning.
 - Understand and determine the main factors that affect on the planning effectiveness level.
 - Distinguish and figure out the main steps to be followed in planning.
 - Acknowledge the planning subsystems.
 - Figure out the different types of plans.

□ (1/1) Introduction

□ (1/2) Planning: its meaning, nature, and importance

❖ (A) Definition of planning

❖ (B) The nature of planning

- (i) Contribution to purpose and objectives
- (ii) Primacy of planning
- (iii) Pervasiveness of planning
- (iv) Efficiency of plans



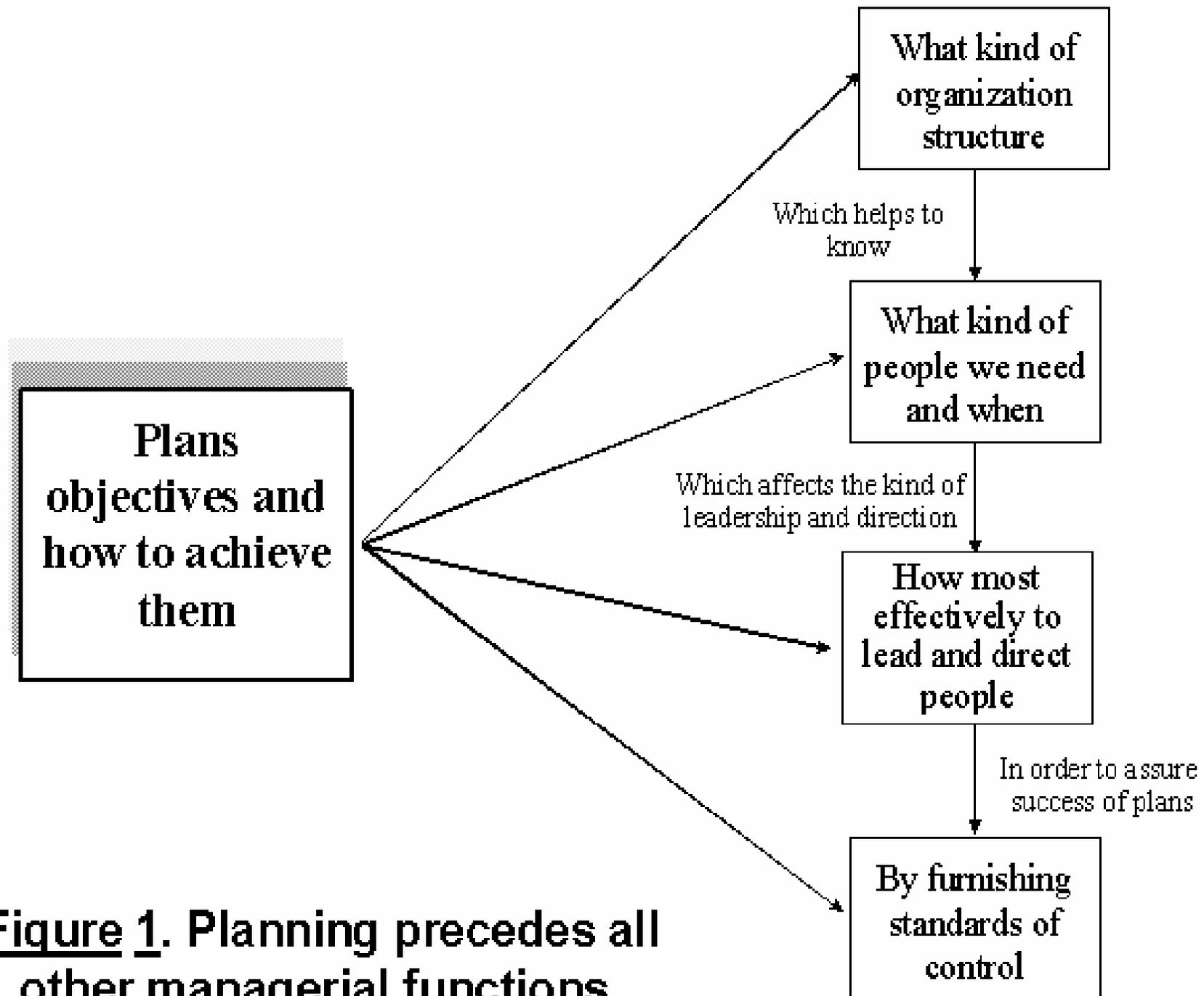
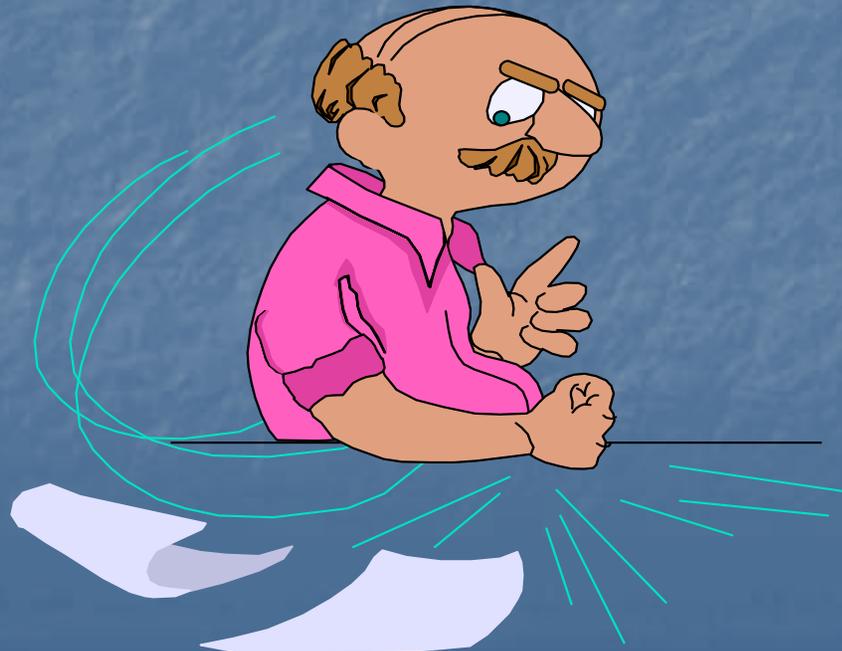


Figure 1. Planning precedes all other managerial functions.

- ❖ (C) The importance of planning
 - (1) To offset uncertainty and change:
 - (2) To focus attention on objectives
 - (3) To gain Economical Operation:
 - (4) To facilitate control
- ❖ (D) Factors that may make planning effective



□ How to set a plan ?

(steps in planning process)

- (A) Being aware of opportunity
- (B) Establishing Objectives
- (C) Considering the planning premises
- (D) Determining and identifying the alternative courses
- (E) Evaluating these alternative courses
- (G) Developing plans to pursue the chosen alternative
- (H) Numberizing plans by budgeting



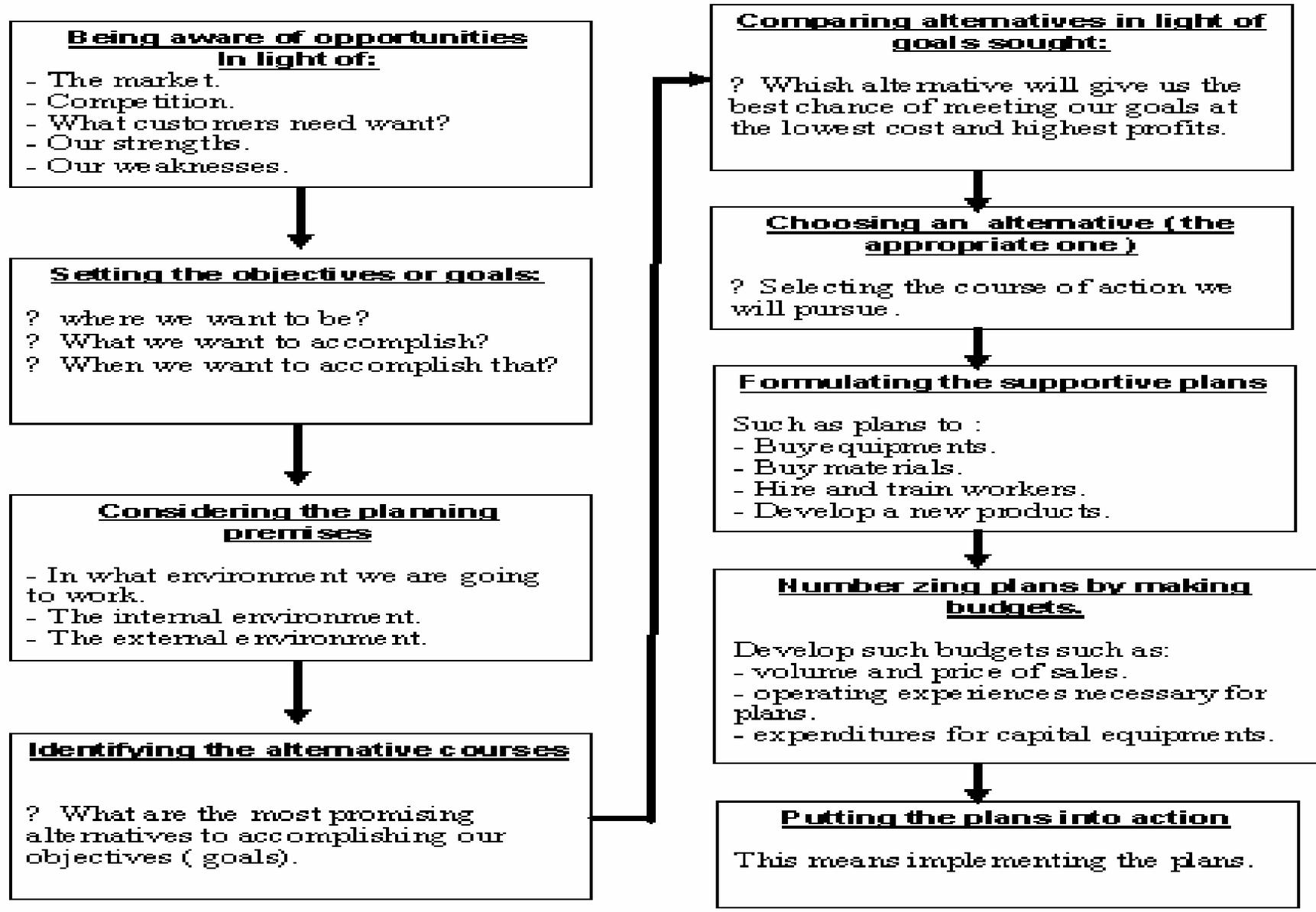


Figure 3. The steps in the Planning process.

The planning subsystem

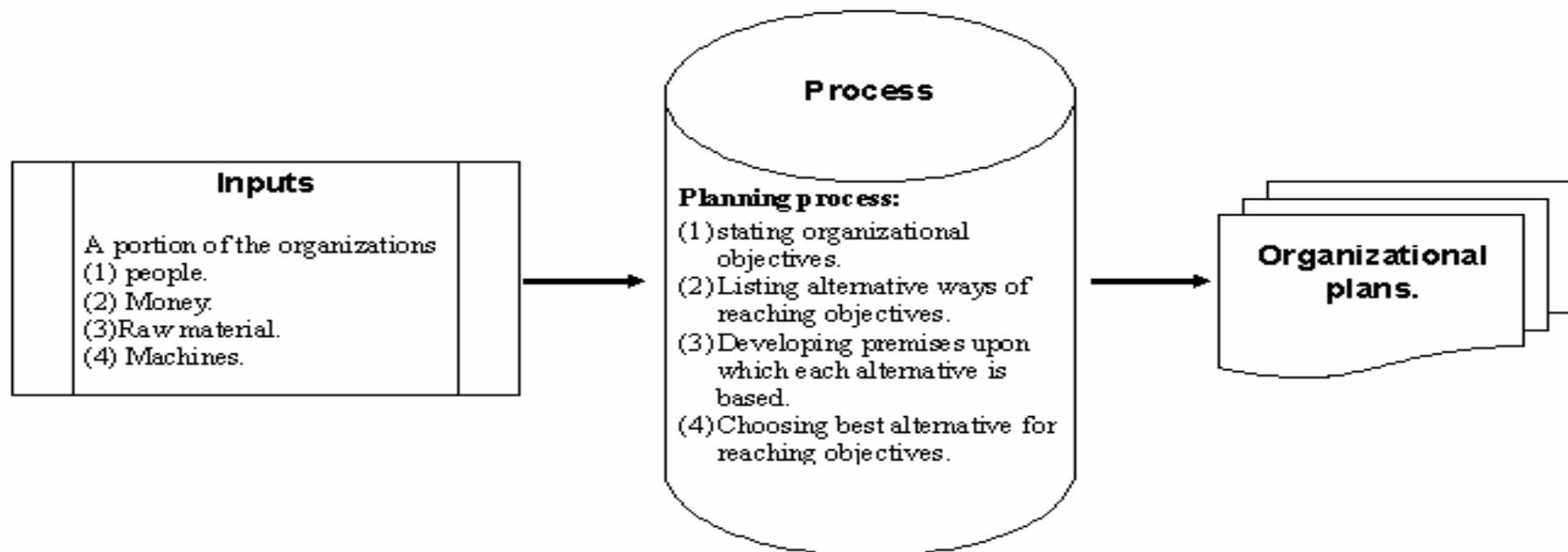


Figure 4.

The main types of plans and applications

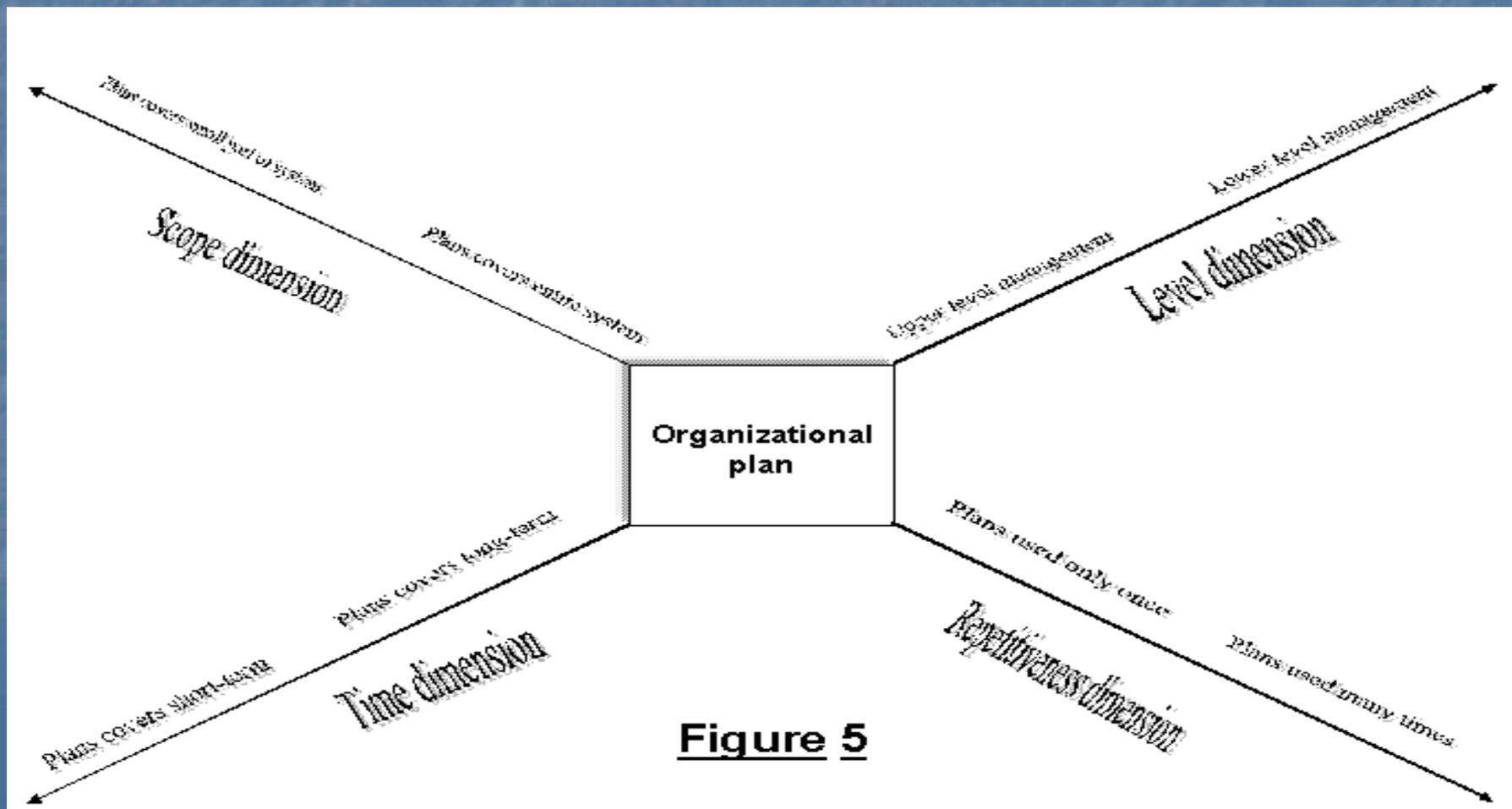


Figure 5

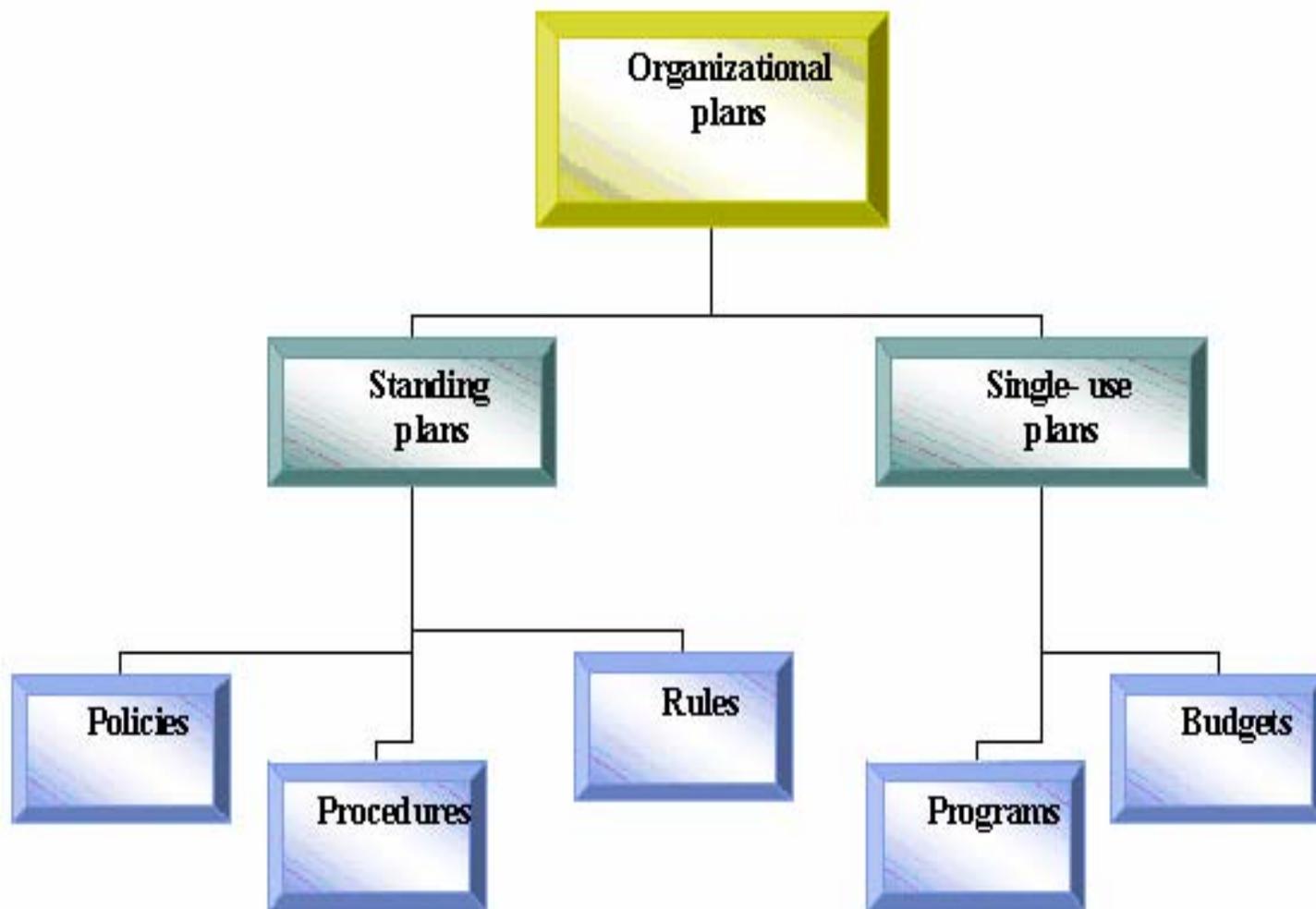


Figure 6. Types of plans.

How we can develop a strategic plan ?

- **Step one:** Determine the current domain of the enterprise in terms of the scope (i.e. determining the products and services it offers and to whom).
- **Step two:** what are the political, social, and economic trends we have to consider ? What product and / or technological changes do we anticipate will affect our organization ?
- **Step three:** Determine the current strengths and weakens. This means that management must analyze the organization" operational, financial, and managerial strengths and weaknesses.
- **Step fours:** Decide what target domain (or business) we want to be in and the best strategy for being there. This means, that management must develop alternatives and analyze each in the light of the organization's strengths and weaknesses and the opportunities and threats it will face.
- **Step five:** Set specific objectives. Once you have developed a new strategic plan, it should be quantified in terms of goals .

What are the main principles for having effective planning?

There are many, a among the most important of them:-

Develop accurate forecasts.

Gain acceptance for the plan.

The plan must be sound one.

Assign responsibility for planning.

Be objective.

Keep the plan flexible.

Revise your long- term plan every year.

Make sure that the plan fits the situation.



Why plans fail?

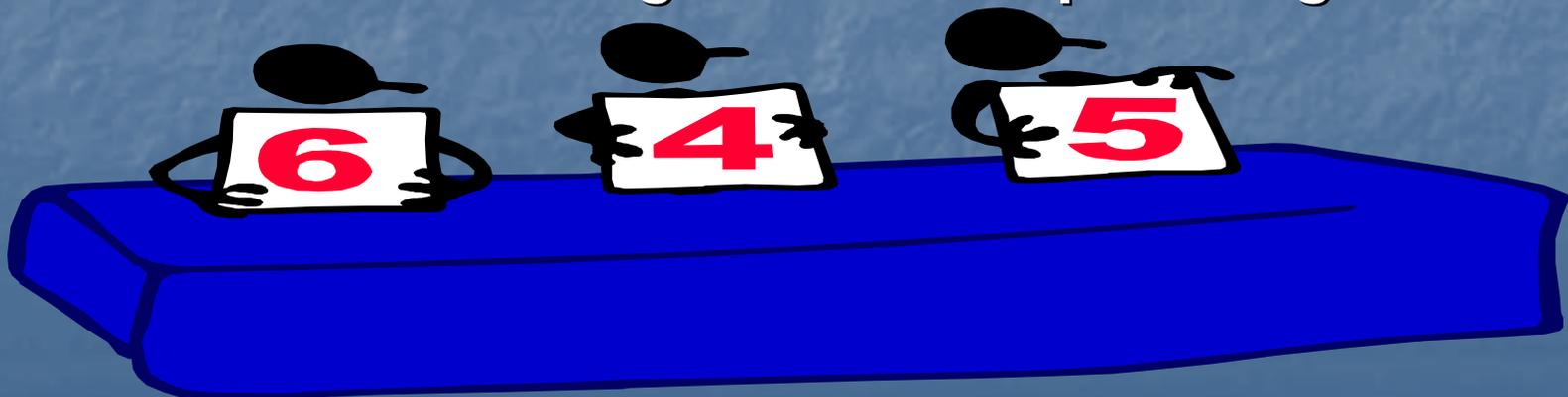
If managers know why plans fail, they can take steps to eliminate the factors that cause failure and thereby increase the probability that their plans will be successful. Plans fail when:-

- Corporate planning is not integrated into the total management system,
- There is a lack of understanding of the different steps of the planning process,
- Management at different levels in the organization has not properly engaged in or contributed to planning activities,
- Responsibility for planning is wrongly vested solely in the planning department,
- Management expects that plans developed will be realized with little effort,
- In starting formal planning, too much is attempted at once,
- Management fails to operate by the plan,
- Management fails to grasp the overall planning process,
- Financial projections are confused with planning,
- Inadequate inputs are used in planning.

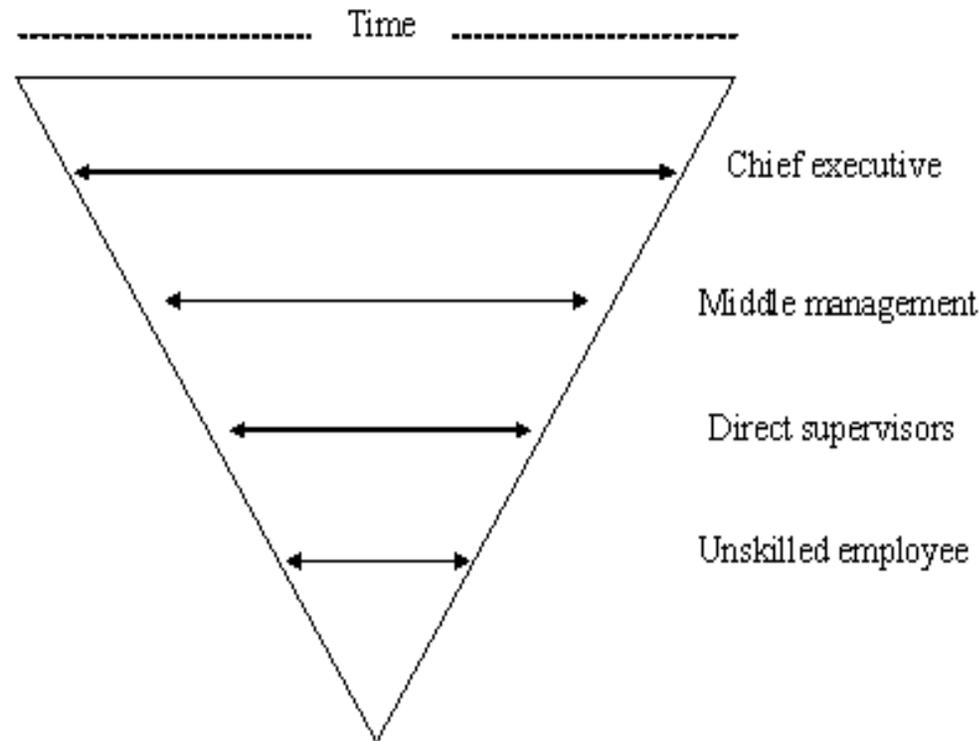


The learning objectives of unit two

- After reading and completely understanding this unit, you will be able to know:
- The key factors which should be considered in determining how far into the future an organization should try to plan.
- Why the length of plans within organizations should vary depending on the job level of the person planning.
- The role of planning tools such as GANTT and PERT charts in aiding short-term planning.



The relationship between the job level and the timing of planning

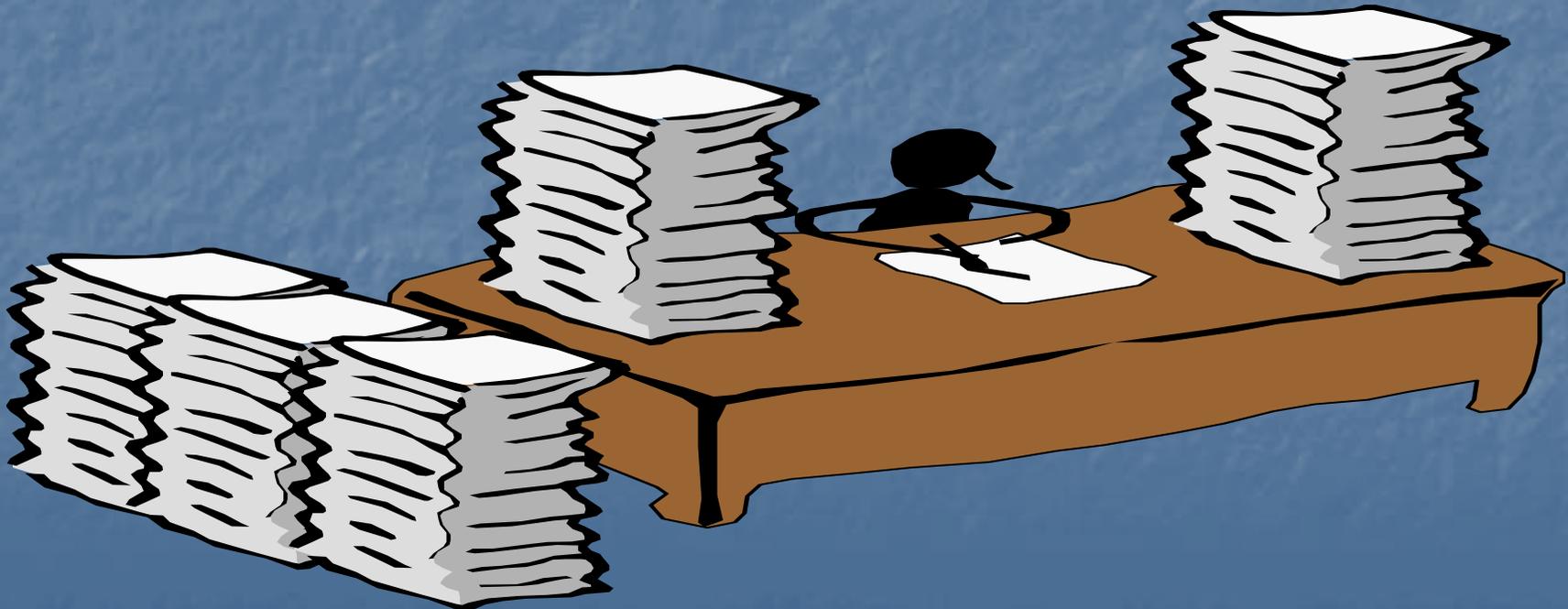


The most common methods & techniques for short-term planning

- Gantt chart.

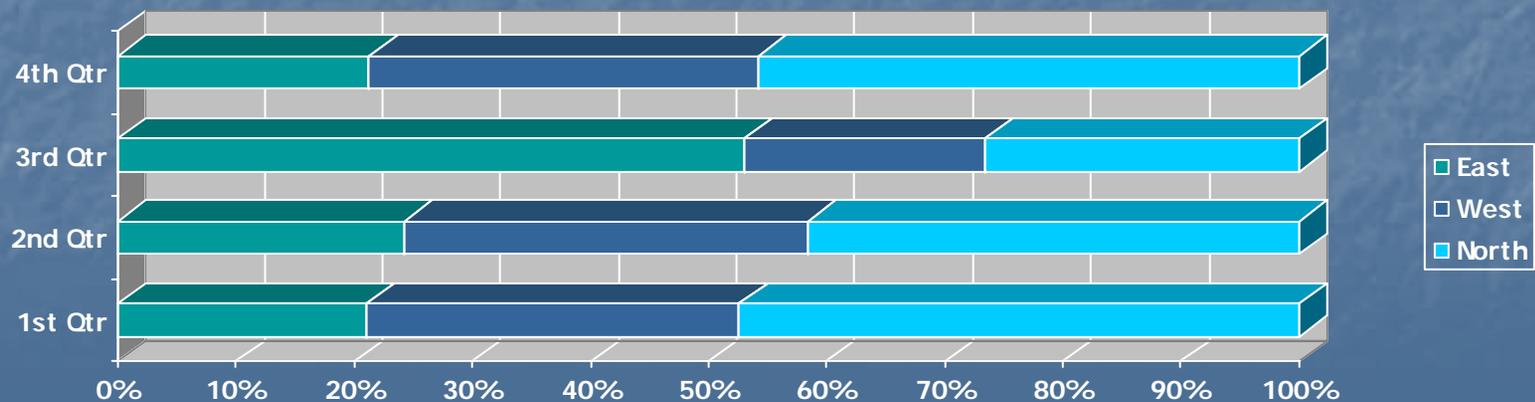
- PERT

(program evaluation and review technique)



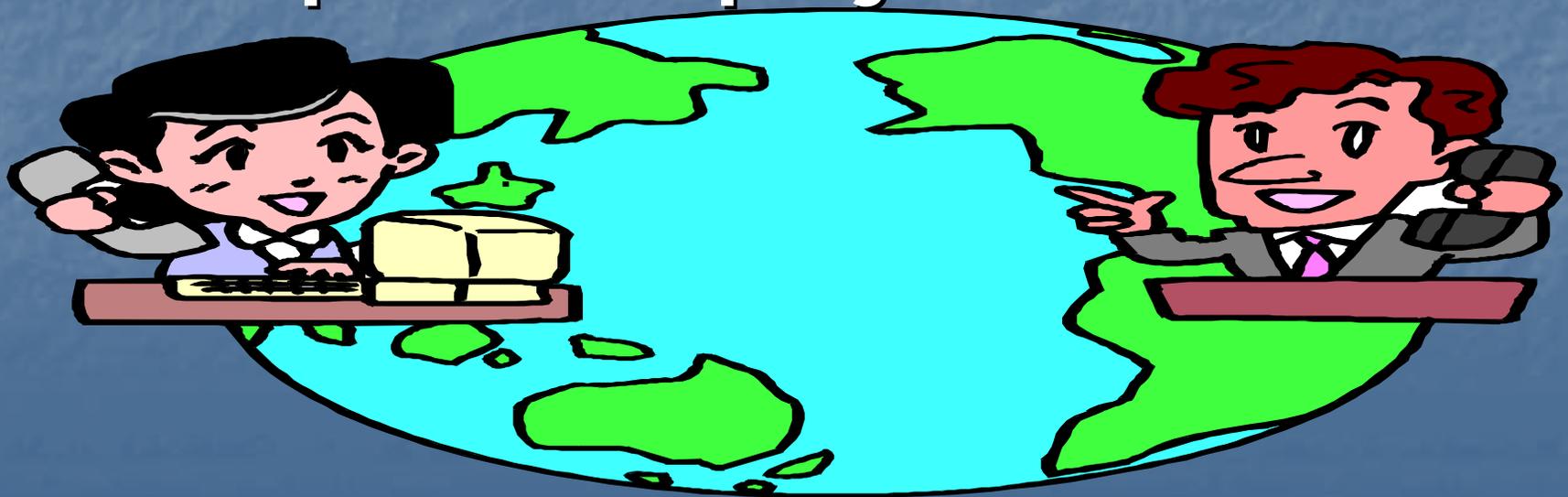
Gantt chart

Is a bar graph with time on the horizontal axis and the resources to be scheduled on the vertical axis.



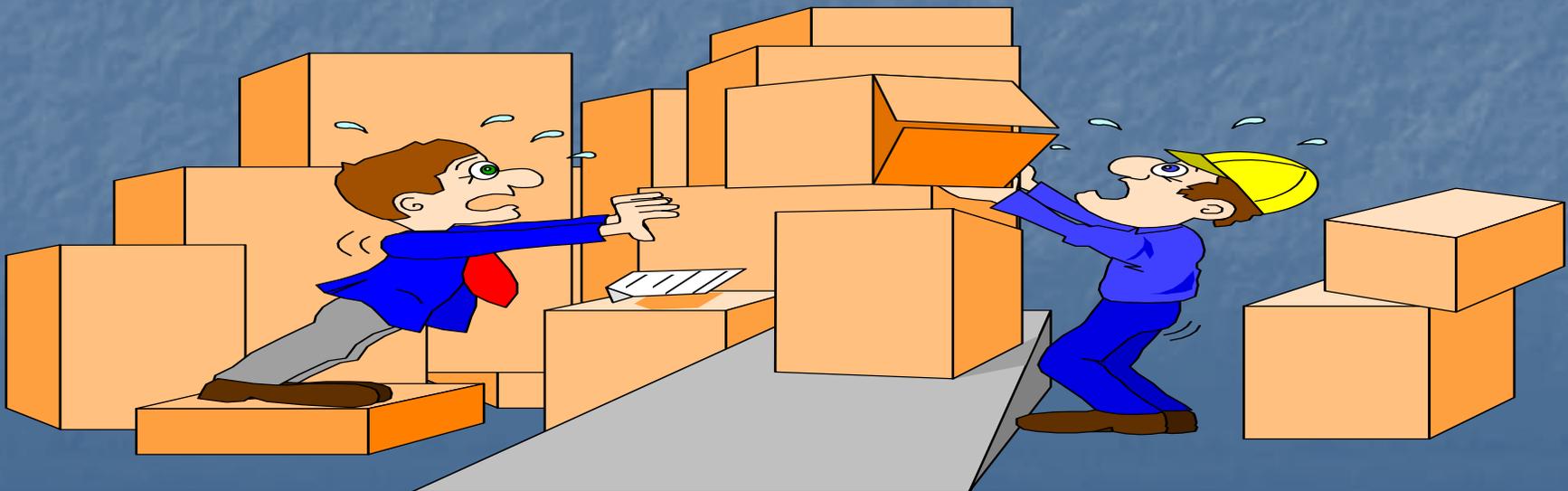
PERT

Is a network of project activities showing both the estimates of time necessary to complete each activity and the sequence of activities that must be followed to complete the project.



Designing PERT

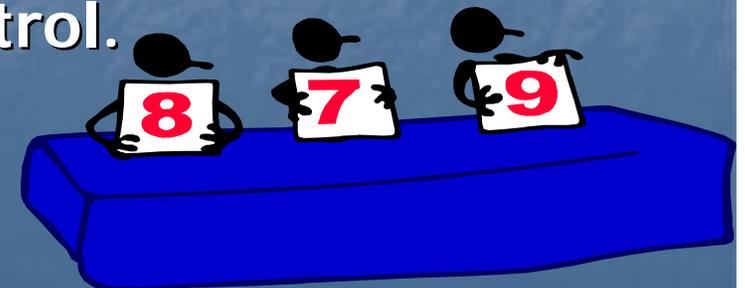
- Step (1): List all the activities that must be accomplished for the project.
- Step (2): Determine how much time will be needed to complete each activity.
- Step (3): Design a PERT network.
- Step (4): Identify the critical path.



The learning objectives of unit three

When you study and understand this unit, you will be able to:

- Understand the meaning (definition) of control.
- Understand the controlling subsystem.
- Know what are the main steps to be followed in order to develop an accurate and effective control.
- Distinguish between the different types of control.
- Know the various potential barriers that must be overcome to implement successful control.
- Know the different methods and techniques for accomplishing an effective and efficient control.
- Understand the relationship between the planning and controlling functions (processes).
- Familiar with some areas of control.



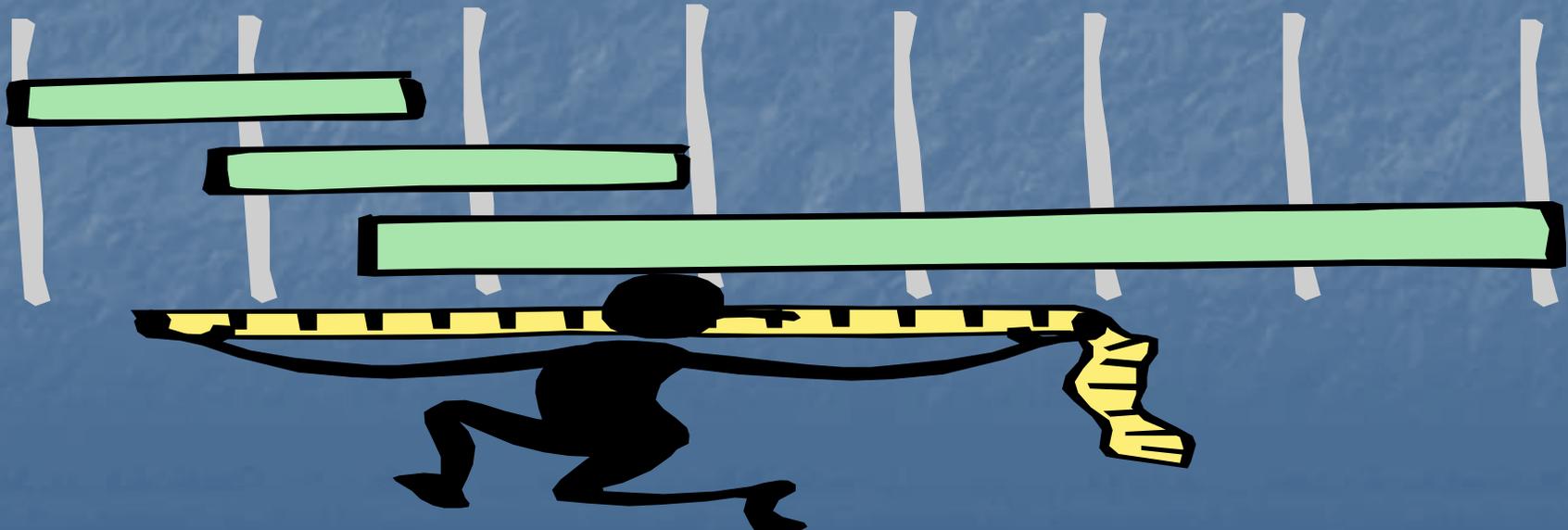
Control

Is the task of ensuring that the activities are providing the desired results.



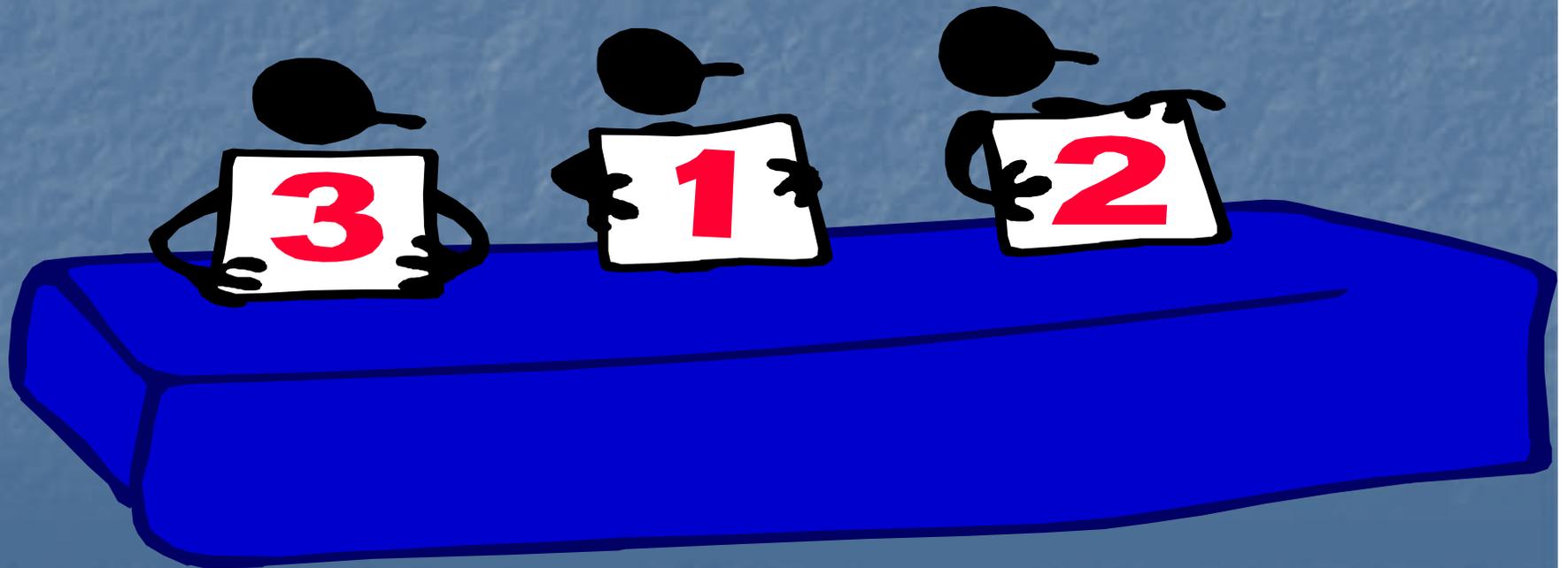
The Basic control processes

- The establishment of standards .
- The measurement of performance.
- Comparing measured performance to stated standards.
- Taking Corrective plan.

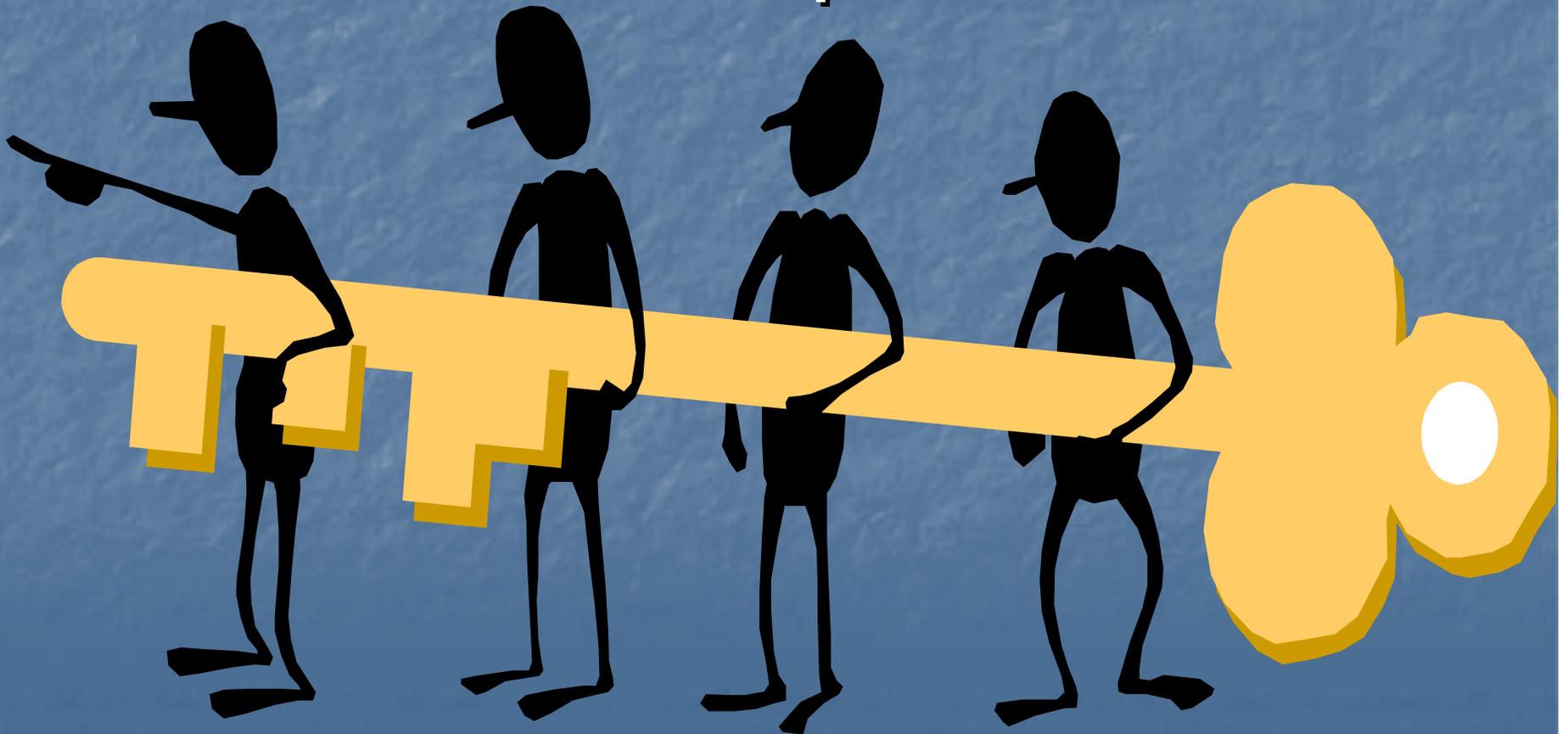


The main types of control

- Pre control
- Concurrent control
- Feedback Control



Pre control Refers to control that takes place before work is performed.

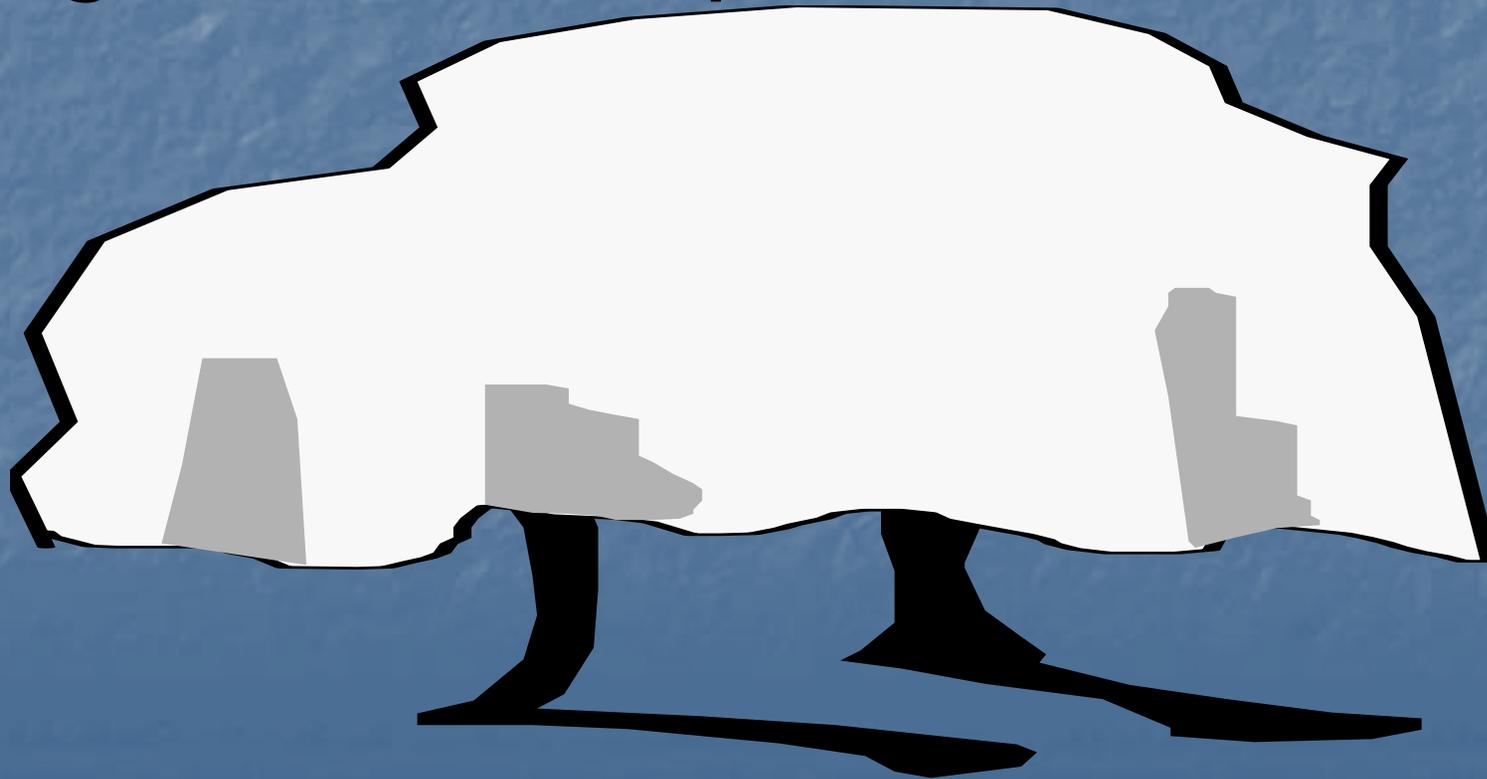


Concurrent control

refers to the control that takes place as work is being performed

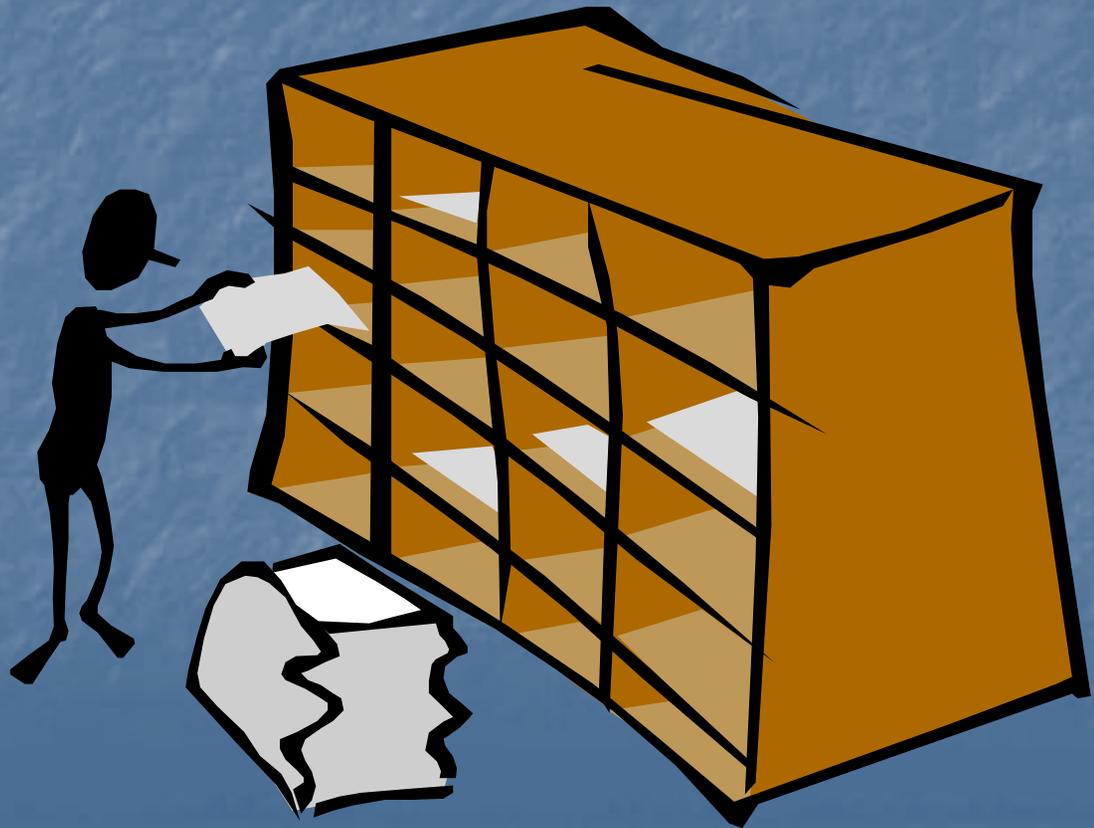


Feedback Control refers to the control that concentrates on the post organizational performance.



To have adequate control, it should be:

- Tailored to plans and positions.
- Tailored to individual managers.
- Objectives.
- Flexible.
- Economical.



There are many methods and techniques for control

- (a) The traditional control devices (the budget)
- (b) The traditional no budgetary control devices:



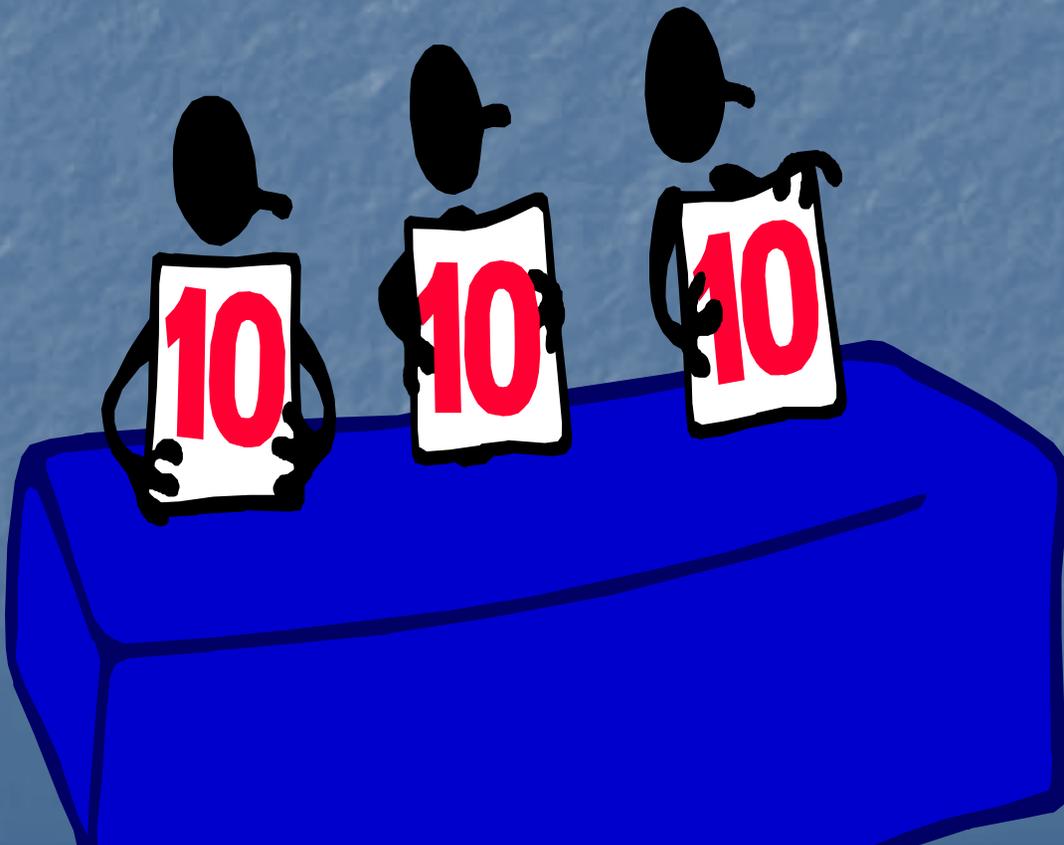
(i) Statistical data

(ii) Break- even point analysis

(iii) Operational audit

(iv) Personal observation

- (c) The advanced and quantitative techniques and devices :



PERT

ROI

JIT

MBO

DAT

CAD

CAM

TQM