

2.1 INTRODUCTION

Planning is the most basic of all managerial functions. It is the process by which managers establish goals and define the methods by which these goals are to be attained.

According to Wehrich and Koontz, "Planning involves selecting missions and objectives and the actions to achieve them; it requires decision making, which is choosing from among alternative future courses of action."

Planning is taken as the foundation for future activities. Newman has thus defined it as, "Planning is deciding in advance what is to be done; (i.e. a plan is a projected course of action)." So, planning can be thought of as deciding about a future course of action. It may also be treated as a process of thinking before doing.

Planning involves determining various types and volumes of physical and other resources to be acquired from outside, to allocate these resources in an efficient manner among competing claims and to make arrangement for systematic conversion of these resources into useful outputs.

As it is clear from the above discussion, plans have two basic components: goals and action statements.

- Goals represent an end state — the targets and results that managers hope to achieve.
- Action statements represent the means by which an organization goes ahead to attain its goals.

Planning is a deliberate and conscious act by means of which managers determine a course of action for pursuing a specific goal.

Planning to a manager means thinking about

- What is to be done?

- Who is going to do it, and
- How and when he will do it.

It also involves thinking about past events (retrospectively) and about future opportunities and impending threats (prospectively). Planning enquires about organizational strengths and weaknesses and involves decision making about desired ways and means to achieve them.

2.2 NATURE AND PURPOSE OF PLANNING

The nature of planning can be understood by examining its four major aspects. They are;

1. Its contribution to objectives,
2. Its primacy among the manager's tasks.
3. Its pervasiveness, and
4. The efficiency of resulting plans.

(a) Contribution of Planning to the Attainment of Objectives

Since plans are made to attain goals or objectives, every plan and all its support should contribute to the achievement of the organization's purpose and objectives. An organized enterprise exists to accomplish group objectives through willing and purposeful co-operation.

(b) Primacy of Planning

That planning is the prime managerial function is proved by the fact that all other functions such as organizing, staffing, leading and controlling are designed to support the accomplishment of the enterprise's objectives.

Planning quite logically therefore comes first before execution of all other managerial functions as it involves establishing the objectives necessary for all group efforts. Also, all the other managerial functions must be planned if they are to be effective.

Likewise, planning and controlling are inextricably bound up. Control without plan is meaningless, because plan provides the basis or standard of control.

(c) Pervasiveness of Planning

Planning is a unique and universal function of all managers. The character and scope of planning may vary with each manager's authority and with the nature of the policies and plans outlined by superiors, but all managers must have some function of planning.

Because of one's authority or position in the managerial hierarchy, one may do more or less planning, but some kind or amount of planning a manager must do. According to Weihrich and Koontz; "All managers, from presidents to first-level supervisors - plan."

(d) The Efficiency of Plans

Plans should not only be effective, but also efficient. Effectiveness of a plan relates to the extent to which it accomplishes the objectives.

The efficiency of plan, however, means its contribution to the purpose and objectives, offset by the costs and other factors required to formulate and operate it. Plans are efficient if they achieve their objective at a reasonable cost, when such a cost is measure not only in terms of time, money or production, but also in terms of satisfaction of the individual or group.

Both conceptual and practical reasons are put forward in support of planning. Two conceptual reasons supporting systematic planning by managers are limited resources and an uncertain environment.

2.3 Purpose

- Plans guide our investment decisions
- Plans help us know who needs to be available to work on a project during a given period.

- Plans help us to know if a project is on track to deliver the functionality that users need and expect

A good planning process supports this by

- Reducing risk
- Reducing uncertainty
- Supporting better decision making
- Establishing trust
- Conveying information

(a) Reducing Risk

Planning increases the likelihood of project success by providing insights into the project's risks. Some projects are so risky that we may choose not to start once we've learned about the risks. Other projects may contain features whose risks can be contained by early attention.

(b) Reducing Uncertainty

Throughout a project, the team is generating new capabilities in the product. They are also generating new knowledge—about the product, the technologies in use, and themselves as a team. It is critical that this new knowledge be acknowledged and factored into an iterative planning process that is designed to help a team refine their vision of the product. The most critical risk facing most projects is the risk of developing the wrong product. Yet this risk is entirely ignored on most projects. An agile approach to planning can dramatically reduce (and ideally eliminate) this risk.

(c) Supporting Better Decision Making

Many of the decisions made while planning a project are tradeoff decisions. For example, on every project we make tradeoff decisions between development time and cost. Often the cheapest way to develop a system would be to hire one good programmer and allow her ten or

twenty years to write the system, allowing her years of detouring to perhaps master the domain, become an expert in database administration, and so on. Obviously, though, we can rarely wait twenty years for a system, and so we engage teams. A team of thirty may spend a year (thirty person-years) developing what a lone programmer could have done in twenty. The development cost goes up, but the value of having the application nineteen years earlier justifies the increased cost.

(d) Establishing Trust

Frequent reliable delivery of promised features builds trust between the developers of a product and the customers of that product. Reliable estimates enable reliable delivery. Estimates also help a customer decide how much of a feature to develop. Reliable estimates benefit developers by allowing them to work at a sustainable pace. This leads to higher-quality code and fewer bugs.