



**Planning Quotes**

A goal without a plan is just a wish.

**"Planning without action is futile, action without planning is fatal."**  
Cornelius Fichtner

Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. **There is no other route to success.**  
- Pablo Picasso

Someone's sitting in the shade today because someone planted a tree a long time ago.  
- Warren Buffett

An hour of planning can save you 10 hours of doing.

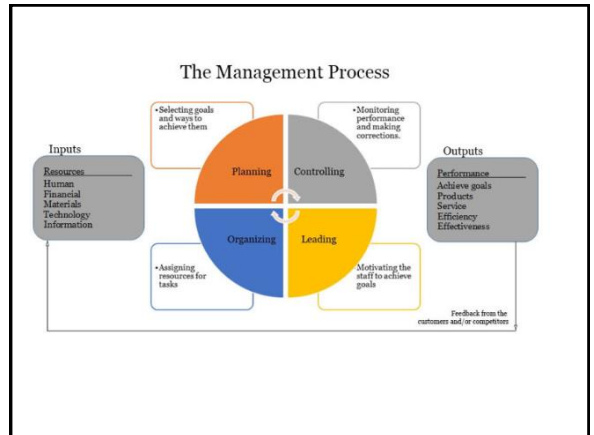
**We must plan for the future, because people who stay in the present will remain in the past.**  
Abraham Lincoln

If you fail to plan, you are planning to fail!  
Benjamin Franklin

**What is Planning?**

- In simple terms, planning is deciding in advance, what is to be done, when is to be done, how is to be done and by whom it is to be done. It is all about setting the future.
- It bridges the gap from where we are now and where we want to go in future.
- Planning is the primary function of management.

**Process of establishing goals and Strategies**



**Definitions of Planning**

Planning is the process of establishing appropriate goals and formulating suitable strategies for achieving those goals.

*Establishing appropriate goals  
Formulating strategies to achieve goals*  
(Stoner and Freeman, 1995)

Planning is determining the organisation's goals and defining the means for achieving them.  
(Daft, 2012)

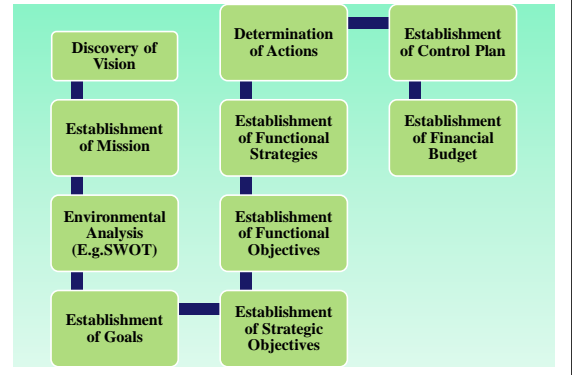
**Activities Involved in Planning**

- 1. Setting the goals & objectives**  
**Where do we want to be??**
- 2. Setting Strategies**  
**How do we reach it?**

## How do managers plan?

- Planning
  - The process of setting objectives and determining how to best accomplish them.
- Objectives
  - Identify the specific results or desired outcomes that one intends to achieve.
- Plan
  - A statement of action steps to be taken in order to accomplish the objectives.

## The Process of Planning



## 1. Vision

Vision is similar to a lighthouse that gives direction rather than a destination.



Vision is

A Colourful dream of the future of the business, deeply embedded in the founder's mind



To bring inspiration and innovation to every athlete in the world.



Be the destination for customers to save money, no matter how they want to shop.



To be the best way to pay and be paid, for everyone, everywhere.



To become the world's most loved, most flown, and most profitable airline.



To provide access to the world's information in one click.



To be the world's leading producer and provider of entertainment and information.



To create the most compelling electric car company of the 21st century.



To be the world's best quick service restaurant experience.



To establish Starbucks as the premier purveyor of the finest coffee in the world.

- Puma's vision statement is to be "the most desirable and sustainable sports and lifestyle company in the world."



- Adidas's vision statement is "to be the design leaders with a focus on getting the best out of the athletes with performance guaranteed products in the sports market globally."



## 2. Mission



The **fundamental**, unique **purpose** that sets a business apart from other firms of its types

and

identifies the **scope** of its operations in product and market terms.

(Griffin, 2000)

## Core Contents of A Mission Statement

- **Fundamental Purpose** - and
- **Business Scope**
- **Business philosophy**

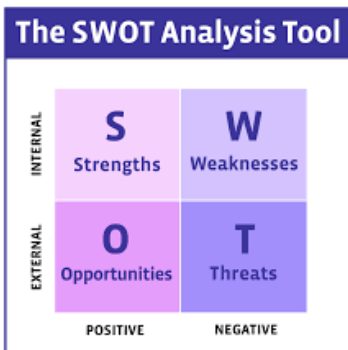
### Components of Corporate mission statement

- Target customers and markets
- Principal products or services
- Geographical domain
- Core technologies
- Concern for survival, growth and profitability
- Company Philosophy
- Company Self-Concept
- Desired public Image

### Mission statements of different companies

- **Puma's mission statement** is “we aim high, and when we score our goals, we aim even higher.” **Puma** follows a philosophy the brand describes as being “forever faster.”
- **NIKE'S MISSION** - Our mission is, To bring inspiration and **innovation** to every athlete in the world.

## 3. Environmental Analysis



### Current State Swot of Nike

<p><b>STRENGTHS</b></p> <ol style="list-style-type: none"> <li>1. A very professionally competitive company.</li> <li>2. Has ownership of no physical factories so production can be moved to an one cost effective location when necessary.</li> <li>3. Very well branded among consumers.</li> <li>4. Offers their product worldwide.</li> <li>5. Have offices in forty five different countries.</li> <li>7. Employs over thirty thousand people across the world.</li> <li>8. Has a very strong marketing campaign that increases brand familiarity.</li> <li>9. Chains of retail stores such as NikeTown.</li> <li>10. Has ventured into many different rebranding opportunities with successful results.</li> <li>11. Providing lightweight shoes by incorporating lunafite foam in materials.</li> </ol>	<p><b>WEAKNESSES</b></p> <ol style="list-style-type: none"> <li>1. Profits are largely dependent on the footwear products while other branded products are not as strong.</li> <li>2. History of violations of over time laws and minimum wage rates in Vietnam.</li> <li>3. Accusations of poor conditions in the work place.</li> <li>4. Accusations of exploiting workforces that will work for cheap in overseas countries.</li> <li>5. Constant focal point for negative criticism by the anti-globalisation groups.</li> </ol>
<p><b>OPPORTUNITIES</b></p> <ol style="list-style-type: none"> <li>1. Creating sportswear items by incorporating the work from regular manufacturing.</li> <li>2. Stepping into the line of economy housing projects that will encourage recycling.</li> <li>3. Expansion into sport sunglasses and jewelry lines.</li> <li>4. Expansion in the global market to create larger brand recognition.</li> <li>5. Reducing controversy surrounding their trade and production practices.</li> </ol>	<p><b>THREATS</b></p> <ol style="list-style-type: none"> <li>1. Operating business internationally opens them to the possibilities of currency value fluctuations that can lead to losses.</li> <li>2. Competitors are becoming more aggressive and creating high quality products that are taking from the profits of NIKE.</li> <li>3. Sensitivity to price among consumers leads them to purchase the most cost effective pair of sports shoes.</li> <li>4. Maintaining the reputation of being eco-friendly.</li> <li>5. Managing the financial conditions in the economy today.</li> </ol>

## SWOT of an organization

<b>Strengths</b> 1. Financial reserves of the company 2. Skillful labour force 3. Knowledgeable management team 4. Property ownership 5. Goodwill of the company	<b>Weaknesses</b> 1. Lack of finance and financial difficulties 2. Unskilled labour 3. Unskilled management team 4. Lack of property ownership
<b>Opportunities</b> 1. Opening an opportunity to deal in an untapped market 2. New technology innovations in globe	<b>Threats</b> 1. Financial crisis 2. War 3. Natural disaster

## 4. Establishment of Goals

- Goals are critical to organizational effectiveness, and they serve a number of purposes.
- **Purposes of Goals**
  - They provide guidance and a unified direction for people in the organization
  - Goal-setting practices strongly affect other aspects of planning. Effective goal setting promotes good planning, and good planning facilitates future goal setting
  - Goals can serve as a source of motivation to employees of the organization. (Attaining goals leads to result in rewards)
  - Goals provide an effective mechanism for evaluation and control

## Kinds of goals

- **Level**
  - Strategic Goals (set by the top management of the organization)
  - Tactical Goals (set by the middle level management of the organization)
  - Operational Goal (set by the lower-level management of the organization)
- **Area**
  - Operation
  - Finance
  - Marketing
- **Time Frame**
  - Long-term Goals (over 5 years)
  - Intermediate Goals (1-5 Years)
  - Short-Term Goals (below 1 year)

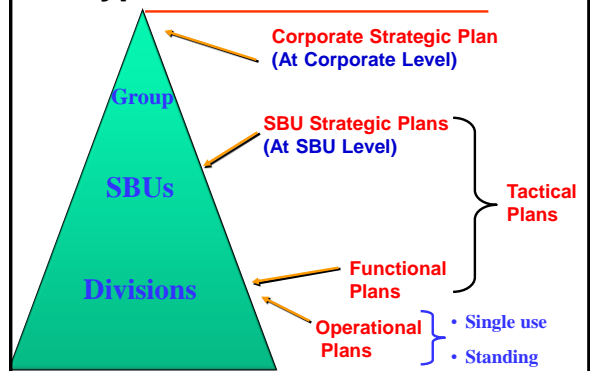
## Kinds of goals – Based on Level

- **Strategic Goals**  
Goals set by and for top management of the organization
- **Tactical Goals**  
A goal set by and for middle managers of the organization
- **Operational Goals**  
A goal set by and for lower-level managers of the organization

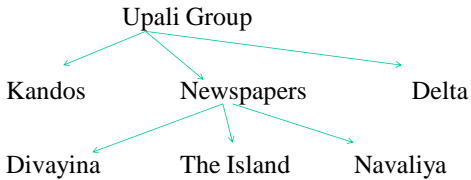
## Determination of Action

Goals	Operational Plan
Increasing the efficiency of workers	1. A programme of training employees and a budget for it 2. Incentive system to motivate the employees

## Types of Plans (A repeated Slide)



- SBU may be a business unit within a larger Corporation. Its normally a profit Centre & there can be several SBUs in an organization.



## Functional strategy

Functional strategy is the approach a functional area takes to achieve corporate and business unit objectives and strategies by maximizing resource productivity.

## Functional strategies objectives

- **Profitability**- producing at a net profit in business.
- **Market share**- gaining and holding a specific share of a product market.
- **Human talent**- recruiting and maintaining a high- quality workforce.
- **Financial health**- acquiring financial capital and earning positive returns.
- **Cost efficiency**- using resources well to operate at low cost.
- **Product quality**- producing high-quality goods or services.
- **Innovation**- developing new products and /or processes.
- **Social responsibility**- making a positive contribution to society.

## Corporate Strategies

- **The broad programme for achieving an organization's objectives and implementing its mission. (Stoner & Freeman)**
- **A comprehensive plan for accomplishing an organization's goals (Griffin)**

## Organizational planning

- Under this section its intended to cover
  - Kinds of plans
  - Time frames for planning
  - Who is responsible for planning
  - Contingency planning

## Kinds of organizational plans

### 1. Strategic Plans

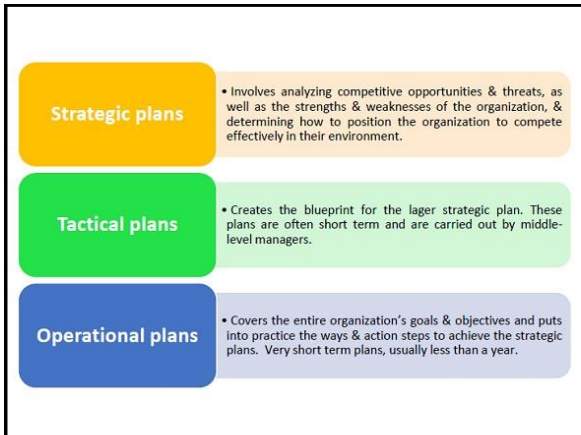
A General plan outlining decisions of resource allocation, priorities, and action steps necessary to reach strategic goals.

### 2. Tactical Plans (Business unit plans / functional plans)

A plan aimed at achieving tactical goals and is developed to implement parts of strategic plan.

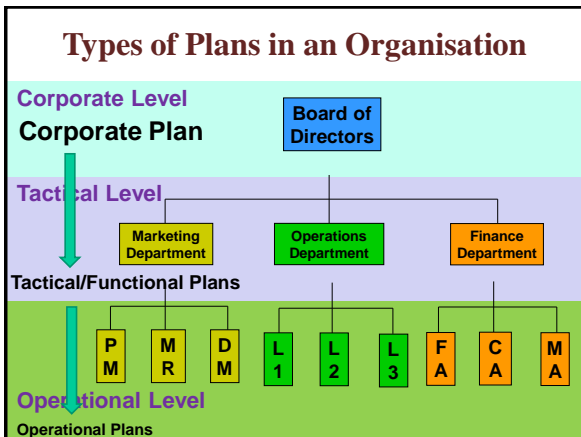
### 3. Operational plans

Focuses on carrying out tactical plans to achieve operational goals. It is a plans that provide the details needed to incorporate strategy into day to day operations. E.g: policies, procedures, rules and regulations, Budgets



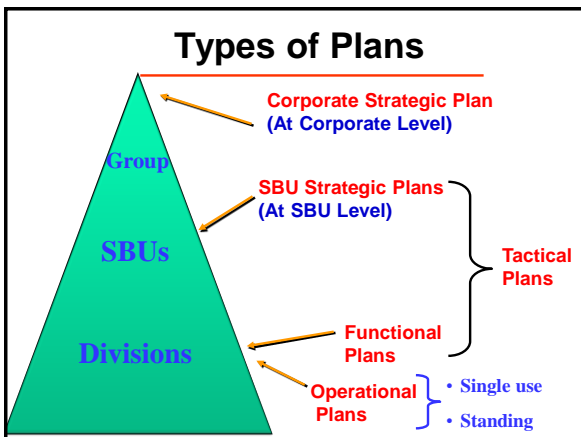
### Time frames for planning

- **Long-range plans**  
A plan that covers many years, perhaps even decades; Common long range plans are for normally 5 years
- **Intermediate plans**  
A plan that generally covers from 1-5 years.
- **Short-range plans**  
A plan that generally covers one year or less



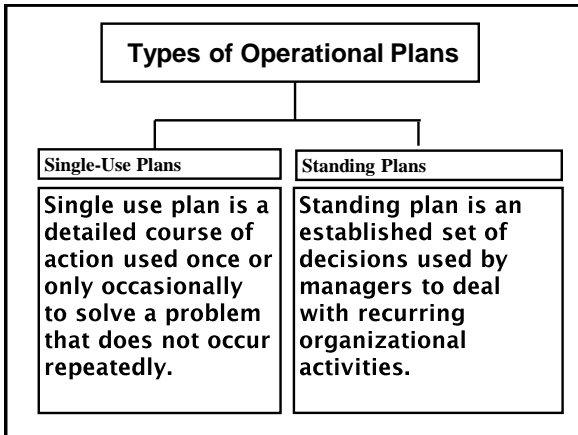
### Hierarchy of Plans

- Corporate plan
- SBU Plans
- Functional Plans
- Operational Plans



### What are SBUs? (Strategic Business Unit)

Strategic Business Unit (SBU) implies an **independently managed division of a large company**, having its own vision, mission and objectives, whose planning is done separately from other businesses of the company. The vision, mission and objectives of the division are both distinct from the parent enterprise and elemental to the long-term performance of the enterprise.

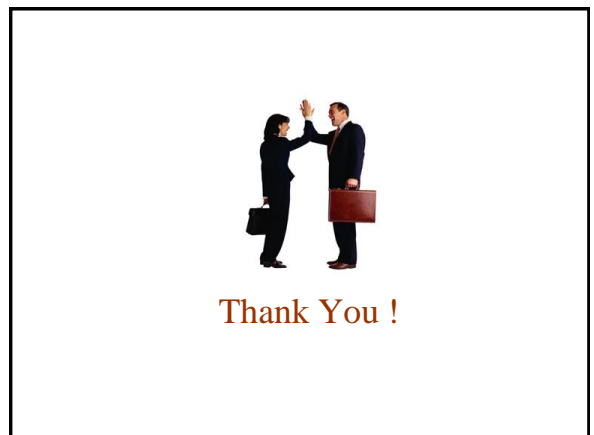


- ### Benefits of Planning
1. Provide a sense of direction
  2. Prerequisite to successful growth
  3. Set up the organizational framework
  4. Helps delegation
  5. Helps motivate people
  6. Serves as a communication media
  7. Lays the basis for control
  8. Provides coordination
  9. Facilitates efficient use of resources.
  10. Reduces uncertainty by anticipating change

- ### Effective Plan Implementation
1. Communicate strategies
  2. Develop and communicate planning assumptions etc.
  3. Make sure actions plans reflect major objectives and strategies
  4. Review strategies regularly
  5. Develop contingency plans and programs
  6. Ensure that organization's structure follows planning needs
  7. Continue to remember plans implementations
  8. Create an organization culture which drives for planning
  9. Establish a supporting organizational leadership and culture

- ### Contents of a Good Planning Document
- Organisational Profile
  - Executive Summary
  - Detailed SWOT Analysis (Highlight distinct Competencies)
  - Hierarchy of Aims (Vision, Mission, Goals & Objectives)
  - Strategies (Corporate, Functional and Operational Level)
  - Policies and Ground Rules
  - Programmes and Procedures (SOP's)
  - Work Instructions and Operational Guidelines
  - Budgets
  - Monitoring and Review Guidelines

- ### Barriers of Planning
- Uncertainties in the environment
  - Lack of environmental sensitivity
  - Lack of knowledge and skills in planning
  - Lack of experienced personnel
  - Lack of creativity and imagination
  - Lack of cooperation
  - Lack of top management commitment
  - Lack of leadership
  - Lack of facilities and resources
  - Negative attitude towards planning



## Questions to refresh your knowledge

1. What is planning?
2. According to Benjamin Franklin “If you fail to plan, you are planning to fail”. Do you agree with this statement. Discuss.
3. Distinguish between Vision and mission.
4. Develop a SWOT analysis for the Department of Sports Science, University of Sri Jayewardenepura.
5. Discuss the difference between single-use plans and standing plans.
6. SBUs are common among many large scale organizations. Discuss the importance of SBUs for the betterment of the organizations.
7. Draw the process of planning and discuss the different types of goals that organizations can pursue.
8. Discuss the benefits and barriers of planning.
9. How can an organization implement the developed plans effectively?
10. Search for five Vision and Mission statements each of organizations in Sri Lanka and comment whether it includes the components that we had discussed.