Materia: Business Administration II

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**Grupo: 51A**

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| **TEMA: Planning**  **Subtema: Planning stages**  **Planning techniques** | **Clases: 9 to 12**  **Fecha: February 19th to 23rd** |

**OBJECTIVE:** Classify the main stages that have to be developed to prepare proper plans for organizations, and identify planning techniques, its differences and the benefits of developing them.

**INSTRUCTIONS**: Review the information below related to planning stages or steps and prepare a synoptic table in your notebook regarding types of planning and add an example of each one.

**CONTENT:**

**Planning Stages (continue)**

1. **Research**: It is the application of the scientific method to help planning to determine the topic, get reliable data, explain the situation and determine future actions to achieve the objectives

The steps of research include:

* Determine the topic or problem
* Get information applying questionnaires, sampling, observation
* Hypothesis to try to explain the problem detected
* Experimentation to prove the hypothesis
* Conclusions presented in a report

1. **Premises:** They are assumptions, based on research, about conditions that may affect the plan

The types of premises are:

* Internal premises.- Include situations inside the organization (example absenteeism, motivation, turnover, loans, etc.)
* External premises.- Consider factors that come from outside the organization and that may impact planning results
  + Political- stability, system, independency in organizations
  + Legal- environmental regulation, labor and taxes
  + Economic- rates, inflation, income, debt
  + Social- education, care, unemployment.
  + Technical- equipment, technology
  + Other- supply, demand, competence, market

1. **Strategies**: courses of action to achieve objectives. Facilitate decisions, distribution or resources, actions in case of contingencies.

To determine strategies it is necessary to analyze each alternative and consider experiences, they should be clear and promote creativity.

1. **Specific objectives**: They are quantitative, clear, measurable, according to fundamental objectives and refer to certain time. They should be realistic and formalized in writing to be informed to all personnel.

Types of specific objectives:

Strategic- Consider all the organization and refer to a long period

Tactical- Refer to a department and consider medium term

Operational- Can be for individual purposes or for a group or team

1. **Programs**: List of detailed tasks to be performed to reach objectives, they can be individual or part of different activities.

Steps to prepare programs:

* + Determine the activities
  + Period for each one
  + Resources needed
  + Chronological terms

It is important to consider all personnel involved in the task, the relation between objectives and the programs. They should be clear, reachable, consider possible contingencies and put in writing.

Programs are the reason of each task, save time and efforts, influence in productivity and are a tool for control.

1. **Budget**: Plan of action expressed in monetary terms and in particular time. Budgets can be general or particular and consider the origin and application of resources.

They can be used as a financial control, as a comparison with other period, to prevent and correct monetary issues, to measure performance.

When preparing budgets it is necessary to consider that there should be a margin of error.

1. **Procedures**: Activities to carry out a function or task. They should be prepared for every task. They are important because give logical order to activities, determine activities to be performed and the responsible, look for specialization, avoid duplicity of work and promote efficiency.

**Planning Techniques**

They are tools to determine the path to achieve predetermined objectives. The techniques depend on time and resources.

Classification:

Quantitative methods: Decision trees, simulation, game theory

Economic techniques: Rate of return, present value, breakeven point

Qualitative methods: Brainstorming methods, weak and strong points

**HOMEWORK:**

* Investigate five examples of policies applied in a real organization, write the name of the company, the activities performed and the size (branches in countries) .
* Think about internal and external premises that may affect a Mexican organization. Write three internal premises and two external premises (political, legal, social, economic and technical) two of each one.