Materia: Business Administration II

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**Grupo: 51A**

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| **TEMA: Planning**  **Subtema: Definition, importance, and principles** | **Clases: 1 to 4**  **Fecha: February 6th to 9th** |

**OBJECTIVE:** Recognize the concept of planning, considering that it is the first stage of the administrative process, and its importance in every organization. Identify planning principles and the need of its consideration in the process of planning.

**INSTRUCTIONS**: Review the information above related to planning and prepare a mental map in your notebook.

**CONTENT:**

**INTRODUCTION**

There are many reasons to make a plan for any activity, project, organization, event, etc. Basically, plans are needed because they involve time and resources (human, technical and material). Some good reasons to prepare a plan are:

* To establish direction and priorities
* To get everyone on the same page
* To simplify decision-making
* To communicate the message

Planning involves the determination of What to do?, How to do it? and When to do it?

**DEFINITIONS OF PLANNING**

* Planning is to set the courses of action to achieve objectives
* Process to provide a framework within which a company can successfully grow, compete and react to challenges
* Process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the objectives
* Planning is to determine the problem, analyze experiences and establish courses of action
* Planning is to foresee situations, establish activities and be prepared for contingencies

Planning includes setting the mission and objectives of an organization, establishing policies, projects, programs, procedures, methods, and budgets to achieve them.

**IMPORTANCE OF PLANNING**

Planning is important because it :

* Facilitates the coordination of decisions
* Remarks the organization objectives
* Determines in advance the resources needed to operate efficiently
* Allows the design of methods and operating procedures
* Avoid unnecessary operations and achieve better work systems
* Makes possible to measure the efficiency in controls of the organization
* Minimize risks and waste of resources
* Maximizes the use of resources and time spent
* Decreases non productive work and generates participation
* Coordinates activities towards predetermined objectives
* Guides management thinking
* Makes a more productive organization

**PLANNING PRINCIPLES**

There are planning principles to guide the process and make it possible:

1. **Principle of feasibility**: establishes that all plans must be possible and based on reality
2. **Principle of precision** (objectivity and quantification): determine planning on real information, numbers, statistics, mathematical models, market research
3. **Principle of flexibility**: consider alternatives or margins for contingencies or unexpected situations
4. **Principle of unit**: plans should consider the general plan, the direction guidelines
5. **Principle of strategy shift**: determine different strategies to reach the same objective, in case of necessary

**HOMEWORK:**

* Investigate three different definitions of planning and write them including the author and the source (link) where you obtained the information. Identify common words in the definitions and write them below. Write your own definition of auditing.
* Think about some daily activities that are able to plan, write about three of them and the types of plans that they involve.