



higher education  
& training

Department:  
Higher Education and Training  
REPUBLIC OF SOUTH AFRICA



**SUBJECT: APPLIED MANAGEMENT**

**LEVEL: N4**

**MODULE 3: PLANNING**

# TOPIC

After completing this module you will be able to :

- Briefly explain the importance of planning as a function of management
- Briefly explain why planning is important in the hospitality industry
- Name and describe the principles of planning
- Name and briefly describe types of planning
- Briefly describe the requirements for successful planning
- Identify and describe the barriers to successful planning
- Describe the responsibility of management on all levels

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2. Planning as a management function
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5. Requirement for successful planning
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# Introduction

The management process consists of five basic functions: planning, organising, leading, coordination and control. Planning is the starting point of this process.



# planning is viewed from three perspectives, namely :

## determination

- the organisation must determine what it wants to achieve at a particular time in the future and must set goals with guidelines to achieve those goals

## Decision making

- The predetermined goals specify the necessary actions and management should decide on these actions and alternative use

## Future

- Planning establishes a relation between things that need to be done now in order to achieve a set future goal

# planning is essential for the following reasons

1. Gives direction and clarifies goals/objectives
  - The vision and mission statements of an organisation will indicate how it will operate to achieve its goals
2. Promotes co-operation
  - Between various departments and individuals in an organisation
3. Is important for effective utilization of modern technology
  - The development of sophisticated goods and services necessitates careful planning in order to stay competitive
4. Planning compels managers to look to the future and it helps to eliminate crisis management
5. Planning and promote stability in that it keeps up with the rapid changes of the needs of the external environment
6. Is economical as it saves time, money and effort

# The following principles can be used in planning

- Planning must positively contribute to the achievement of the enterprise objectives
- Effective communication must exist between all planners
- Planning should be done as long as possible
- Good timing is necessary for coordination between departments
- In competitive situations, plans should consider the action of competitors
- Planning must be flexible and adapt to changing circumstances
- Planner must have insight in all information regarding the planned activities

# Types of planning

## Long term

- It's the long-term planning has to be the central planning from which short-term planning
- It has a life span of 10 to 20 years

## Short-term

- Is mainly about the daily activities of the enterprise e.g stock control, production
- The planning span over a period of 12 months

## Strategic and corporate

- Provides broad guidelines to fulfil the mission of the enterprise

## Operational planning

- These plans and programmes usually have a time span of 1 years
- Operational planning is something called action planning



# Characteristics of strategic planning

- Top management is mostly involved with strategic planning and spend most of their time formulating plans to guide the organisation into the future
- Strategic planning periods vary between two to thirty years, depending on the nature of the organisation
- Strategic planning plans for the enterprise as a whole and should constantly be revised to provide for changes in the environment
- Long term planning is not described in detailed, but only provides broad outline
- Strategic planning is more flexible and adaptable than short term planning
- Management tries to deploy the resources and skills of the organisation to ensure the profitable survival of the organisation

# Strategic planning include the following steps

- The formulating of goals
- Evaluate the organisation
- Scanning of the external environment
- Revision of organisations goals
- Strategic decisions
- The implementation of the strategic plan
- The plan should be measured and controlled

# Operational planning contains the following steps

- Forecasting
- Determining objectives
- The policy
- Programming
- Scheduling
- Procedures
- budget

# Requirements for successful planning

- Plans should be simple so everyone involved can understand
- Plans should be flexible to adapt to changing circumstances
- Plans should be concrete, specific and achievable
- The best plan for the achievement of goals should be chosen
- Planning should be implemented throughout the enterprise
- Plans should indicate the method and procedures to achieve set goals

# Barriers in planning

- Change occur at an increasing pace
- Good planning requires considerable cost
- Uncertainty of the future makes planning difficult
- The size of the enterprise and intricate operations, requires particular insight and initiative to plan for large enterprise
- The efficiency of the planner will be determined by the ability to see a situation in perspective and evaluate it
- Planning can be exaggerated by too many reports and instructions without any practical value

# Management responsibility on all levels

TOP MANAGEMENT	MIDDLE MANAGEMENT	SUPERVISORY LEVEL
Pays attention to objectives, policy, strategy and the cooperate plan of the organisation	Focus on the provision of the necessary aids to achieve the goal as planned and set out by top management	Concerns the efficient utilization of the production resource that middle management has made available for this
Long term planning is primarily done at this level	The production, supervision and control should also be planned	It concerns daily operations activities, organisation, allocation of tasks