But despite theses advantages, planning is not without limitations. These limitations may hamper the effectiveness of planning in directing the organization. In this section we will discuss the various limitations of planning-

- **Difficulty in accurate forecasting:** Planning is concerned with determining the future course of action. It requires forecasting the future events. But it is difficult to make accurate forecast of the future events. Any unexpected change in environmental factors may result in failure of the planning effort which will adversely affect the organizational efficiency.
- **Fast changing environment:** The business environment, now a day, is characterized by fast changes. The economic, political, technological factors etc. undergo changes quite frequently and it is not easy to keep track of these changes. Under this situation, it is difficult to formulate long- range planning.
- **Rigid organizational policies:** Considering the nature of business environment, the planning process has to be flexible. Moreover, the organizational policies, procedures etc. have also to be flexible to implement the plans. But the organizational policies, procedures etc., once established, are difficult to change and they may stand as constraints in the planning process.
- **Inaccurate information:** Planning is prepared on the basis of information collected from various sources like records of previous year, governmental statistics etc. As the information relates to the past, they may not be relevant for the task of formulating plans. Moreover, any inaccurate data may result in wrong assumption which will make the planning process ineffective.
- **Time and Cost factors:** Preparation of plan is quite time consuming. The managers have to devote their time in forecasting the future changes, evaluating the alternatives, preparing the sub plans etc. As a result, other important aspects of the organization may be overlooked. Besides this, planning is a costly affair. The additional cost of staff recruited for planning purposes etc. will increase the cost for the organization.