There is no doubt that planning plays a very important role in enhancing the efficiency of an organization. The organization can prepare itself to face the future challenges in business. At the same time, planning has some limitations. But if the planning process is undertaken in a proper way, it proves beneficial for the organisation.



CHECK YOUR PROGRESS

Q.7: State two limitations of planning.

i. .....

ii. .....

3.11 TERMS USED IN PLANNING PROCESS

Now you are aware about the different aspects of planning- features, importance, limitations, and process of planning etc. In this section we will discuss some terms that are used very commonly while preparing the plans.

Objectives: Objectives are the end results which an organization wants to achieve. It provides the scope for organisational activities and sets the direction for the organization. It guides the organization in formulation of plans and relates the organization with the external environment. It provides the basis for other managerial activities like, organizing, directing and controlling. Depending on the time factor, objectives may be of short- term and long- term. Objectives may also differ depending upon the nature of the oganisations. An organization may have multiple objectives depending on its varied activities.

Strategies: It is the plan of action to achieve the organisational objectives. The strategies are the ways to meet the challenges which may occur due to changes in environmental factors. While determining the strategies, the organization takes into account its internal resource position to face the business challenges. It states '**how'** the objectives will be achieved.