performance can be measured against the standard. Therefore, it acts as a controlling device.



3.12 LET US SUM UP

In this unit we have discussed the following aspects of planning-

- Forecasting is the process of predicting the future.
- Forecasting aids the managerial planning.
- The different methods of forecasting can broadly be classified as Quantitative and Qualitative methods.
- Planning is a continuous process.
- It is concerned with what will be done, who will do it, how it will be done etc.
- The various features of planning like, it focuses on objectives, pervasiveness of planning, flexibility etc.
- Planning is important because it helps in achieving the objectives, minimizes the impact of risks and uncertainties, provides the basis for control etc.
- Corporate plans are prepared by the top management for a long period of time ranging from 3 to 5 years.
- Functional planning is prepared by the middle level managers for a period covering a period of 1 to 2 years.
- Operational plans are prepared by the lower level management for day to day activities.
- The limitations of planning like, difficulty in accurate forecasting, rigid organizational policies etc.
- Different terms used in planning process like, objectives, strategies, policies, budgets etc.