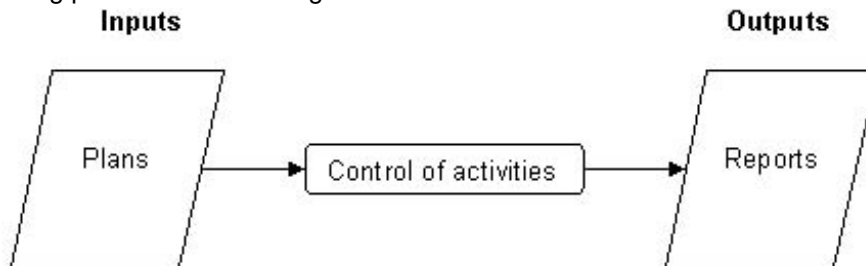


### **Planning, controlling and reporting**

Planning, control and reporting are three important aspects of effective production. Production plans set out the targets, time scales and methods of production. Targets set out quantities and types of products to be produced within a given time frame and need to be closely allied to meeting the needs of the market. Production plans can be set out on a weekly, monthly or longer period. For example, in a company like Audi production planning will be tied to developing new models and expanding production of existing lines.



Production planning will also concern the development of new products, involving research and development of new products, the production of prototypes, and the final product selection.

### **Control**

Control is concerned with making sure that plans are kept to and taking appropriate actions when production is falling behind plan. A production budget sets out planned output for ongoing periods. Variances from the plan can then be identified, and where production is falling behind plan it will be possible to allocate extra resources and management time to getting back on plan - i.e. a control process.

Production reports set out targets and performance so that it is possible to see at a glance, how effective production is. Reports will set out targets achieved, variances from the production budget, as well as areas where there are problems that need sorting out.

Planning - control - reporting can thus be seen as a cyclical process. The plans provide a tool for controlling production. The reports provide an analysis and evaluation of the success of the planning/control process. The findings of the reports can then be used for developing new plans and adjusting existing ones, and for creating new control procedures. Organisations like Travis Perkins employ a plan-action-report cycle for most of their activities.

The word 'control' means the ability to direct or restrain. A controller carries out a function automatically.