

The planning process

Plans are developed in order to set out a route map to help in achieving objectives. Whilst the plan is made by managers with consideration to internal factors such as resources available, the direction of previous plans, the organisations objectives etc, it is also important to consider external influences. External influences that effect planning include the actions of competitors, and a range of social, legal, economic, and technological factors. A plan therefore needs to be designed to take account of the external environment.

For example, if the organisation is planning to expand it is important to make sure that the market will justify such an expansion (which depends on social and economic factors such as consumer tastes and incomes). The planning process can therefore be illustrated in the following way: >

Large companies like Coca-Cola, Kellogg's, and BT will create a number of plans. At the highest level they will create an organisation wide plan termed corporate strategy. This will be supported by a range of lower level plans including marketing plans, production plans, advertising plans, human resources plans etc.