Chapter #5
Planning: process of **setting** performance **objectives** and determining **how to get them done**

Personal planning (judging and perceiving):
Judging: **organized and structured** (plan out the day); linear fashion; to-do lists; formal; time management; straight line
Perceiving: **informal, unstructured**, spontaneous, flexible; time is constantly wheeling/rotates all day; no to-do lists; circle

Process of planning (5 steps): DC Computers **A**nd **E**lectronics
1. **Define** objectives
2. **Compare current** to objectives
3. **Compare future** alternatives
4. **Analyze** alternatives and **make a plan**
5. **Implement** and **evaluate**

4 Components of Good Planning: **CAPA**
- **action** oriented
- **priority** oriented
- **advantage** oriented
- **change** oriented

Priorities – Big Rocks – 2 key issues
big rocks: big rocks 1st, highest priority
- **priorities are key in planning**
- **most start with important stuff**

Amusement Park Planning Discussion
Planning Shanghai Disney: Accounting, Supply Chain, Marketing, Management, Finance, Risk Management **(uses all departments and majors)**
Marketing:
- target audience; forecasting; advertising; communication; promotions; product development; PR; social media
Finance:
- investment (funds); loans; stock (issue equity); partnerships; cash/debt; exchange rates
Accounting:
- auditing (plan how to audit financials); budget; records (book keeping); consulting; taxes
Management:
- people (staffing); goal setting; SOP's policies, rules, procedures; job descriptions; cultural understanding
Supply Chain:
- getting park building materials; retail inventory; food/water; park location; movement of goods and people; logistics

Risk Management:
- insurance (liability); liability; legal exposure

Planning Hierarchy (5 components)
Mission and Purpose: Objective Hierarchy
- top management objective
- senior management
- middle management
- supervisory management
- workers

1. Alignment - good set of objectives, cascade down through organization – get alignments (everyone's rowing the boat in same direction),
2. Follow through
3. Communication

Long and Short Range
long range plans: **3+ years**
short range plans: **3-12 months**

Strategic and Operational and Functional
Strategic: big picture; top/highest level of planning; can happen anywhere; happens everywhere
Operational/Tactical Planning: day-to-day; what do we have to do; need design people
Functional: financial, marketing, production, facilities, human resources

Policies and Procedures
Policy: broad guidelines; no smoking in lobby, no dating within company
Procedures: specific actions; if policies aren't abided by, what do we do?

Budgeting: budget connects plans with resources

Big Six Planning Tools- definitions and example
Forecasting: using statistical tools and **intuition** based on experience to predict a future state; look at previous models; talk to customers
- Gulf Stream: forecasting 200 planes, forecasting supplies and space

Contingency: identifying actions to take when a strategic or tactical plan must change based on circumstances (good and bad); what-if's, always **what-if** around our strategic and tactical approach **(current model) to business**; best case = sell more, worst case = sell less, most likely case = what you think; have some control

Scenario: considering future scenarios and developing plans to address those issues; comes out of military (plans); who will react? What will happen? What if we have a financial crisis? what-if's, war games, **what-if** something happens **out of our control** (tsunami, fire in factory)

Benchmarking: **comparing** your company **to outside organizations** both in your industry and in other businesses; who is world class at this? Who I might learn from? World class organizations

Participatory: including those impacted and/or who will implement your plan in the process; getting **other people involved** and **engaged**

Goal Setting: developing clear quantified measures that guides the organization's and the individual's work (set goals); defines what everyone tees off of; G650

- **specific**
- **timely**
- **resources attainable**
- **challenging (stretch goals)**
- **measurable**

Gulfstream Aerospace G650
- can go 7,000 miles without stopping for fuel
- private jets
- every technology in it, beds
- break sound barrier quietly
- Joe Lombardo- President
- further, faster

Goal Setting Components
Zynga: goal to break away from Facebook and make their own thing and name; independent but working with Facebook; makes games; planning → games mobile and more accessible; going outside of Facebook
Shanghai Disney: construct a popular and successful amusement park

Chapter #6
Controlling: ensuring results by **measuring** performance and taking corrective action; right things happen, right way, right time

4 step control process (know each overview)
- set performance objectives
- measure actual performance "how are we doing"
- compare actual objectives
- take actions to control process

Disney example (4 r's)
Rides & Control:
- how many customers per ride; busiest time for rides; wait time length (average); customer satisfaction survey; safety reports (injuries/illnesses); # of riders by day/week; ride efficiency (up vs. down time); demographics for each ride; staff requirements; mechanical breakdowns (cost of); ride limits/health restrictions; cost