

# MAN3025 Exam 2 Study Guide

---

## Chapter 5 – Planning: The Foundation of Successful Management

### Planning

- Setting goals and deciding how to achieve them.

OR

- Coping with uncertainty by formulating future courses of action to achieve specified results.
- Planning requires devotion of time and discipline in order to maintain it throughout.
- Allows you to think ahead, coordinate activities, monitor progress and cope with uncertainty.

### Responding To Uncertainty

- **Defenders:** are expert at producing and selling narrowly defined products and services.
- **Prospectors:** focus on change, developing and seeking new markets or services rather than waiting for things to happen.
- **Analyzers:** let the prospectors take the risks of product development and marketing and then imitate what seems to work best. Second into the market.
- **Reactors:** make adjustments only when finally forced to by outside pressures. Don't want to be a reactor.

### Planning & Strategic Management

- Establish the organization's mission and vision.
- Formulate the grand strategy.
- Formulate the strategic plans, then tactical plans and then operational plans.
- Implement the strategic plans.
- Control / Adjust the strategy

### Making Plans

- **Vision Statement:** "What do we want to become?" Includes your goals and predicts your future stature.
- **Mission Statement:** "What is our reason for being?" Discusses how we will accomplish our goals and what our purpose is as an organization.
- **Strategic Planning:** Plans where top managers decide what the organization's long-term goals should be for the next 5-7 years with the resources they expect to have available.
- **Tactical planning:** Middle managers decide what contributions their departments or similar work units can make with their given resources during the next 12-24 months.

- **Operational planning:** First-line managers determine how to accomplish specific tasks with available resources within the next 1-52 weeks.



### Types of Goals

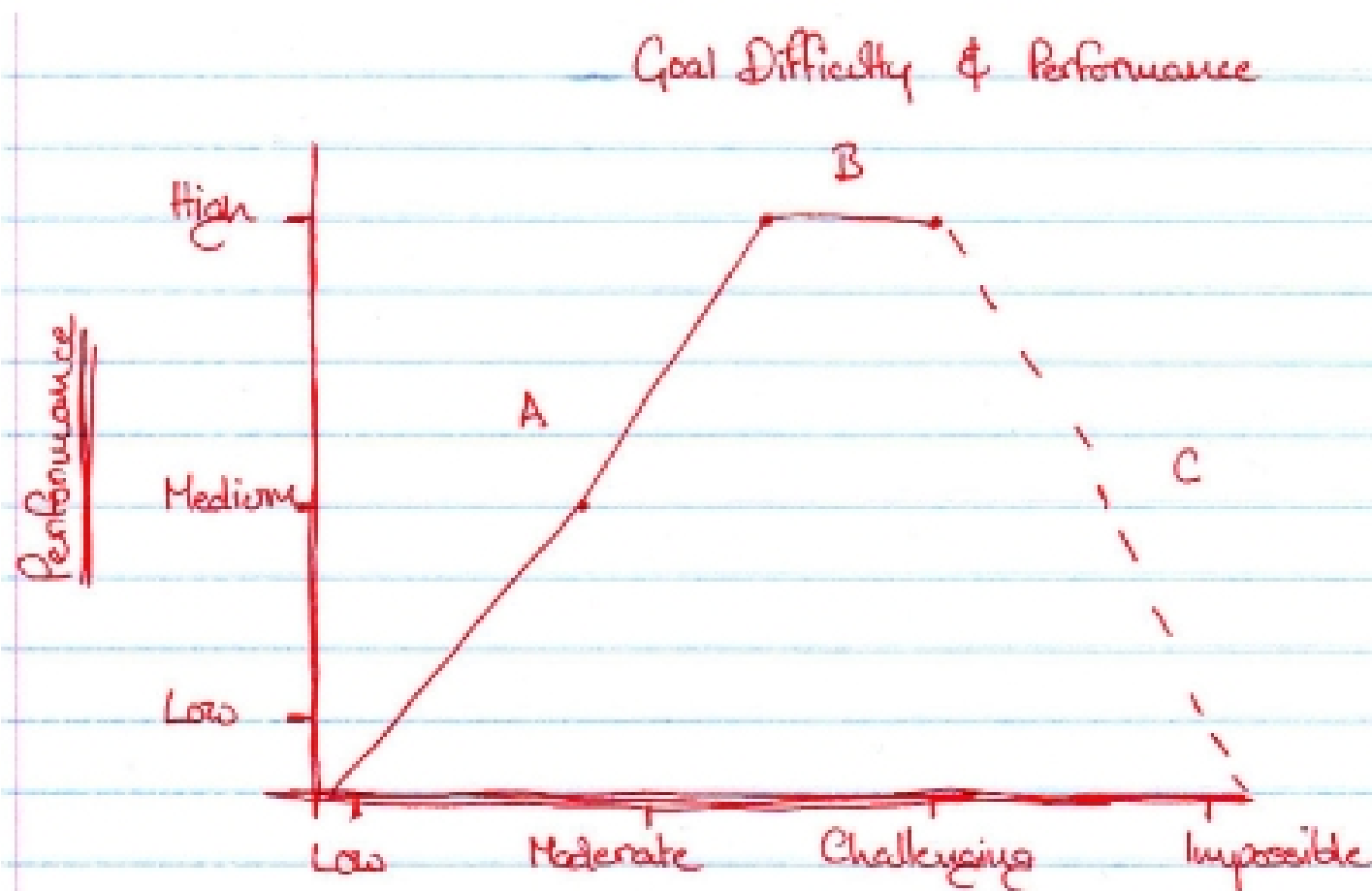
- **Strategic Goals:** are set by and for top management and focus on objectives for the organization as a whole.
- **Tactical Goals:** are set by and for middle managers and focus on the actions needed to achieve strategic goals.
- **Operational Goals:** are set by and for first-line managers and are concerned with short-term matters associated with realizing tactical goals.

### SMART Goal

- Defines an organizations goals, acting as parameters.
- **S**pecific, **M**easurable, **R**esults-Oriented, **T**arget Dates

### Goal Difficulty & Performance

- Allows you to compare the relationship between employees and their impact towards achieving your organizations goals.
- As the goal difficulty increases, performance increases until a ceiling is reached, where performance begins to drop.



- A - Performance of committed individuals of adequate ability.
- B - Performance of committed individuals of a working capacity.
- C - Performance of individuals who lack commitment to high goals.

### The Planning Control Cycle

