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UNIT III

PLANNING

INTRODUCTION:

Planning is a managerial function that determines in advance about the future course of action. It is the determination of what is to be done, how, when and where it is to be done, who is to do it and how results are to be evaluated. Planning is done at all levels of management.

DEFINITION:

Planning is a process of determining the objectives of administrative effort and devising the means calculated to achieve them.   (Millet)

Planning is a process of setting formal guidelines and constraints for the behavior of the firm.

(Assoff and Brundinharg)

Planning is a continuous process of making entrepreneurial decisions systematically and with the best possible knowledge for their future, organizing systematically the effort needed to carry out these decisions and measuring the results of the decisions against expectations through systematic feedback.   (Drucker)

IMPORTANCE OF PLANNING:

- Planning is the first function of management. It proceeds all other functions. Therefore, the success of the organizational activities depend on the planning.

- Planning leads to success. Remember the proverb "when you fail to plan, you are planning to fail".
- It focuses attention on the objectives or goals of the organization and their achievement.
- It leads to economy in operation through the selection of the best possible course of action.
- It helps in controlling the activities by providing measures against which performance

can be evaluated.

- It helps in co-ordinating the operations of an organizations sinde a well- considered plan embraces and unifies all the divisions in an organization.

Purpose of a plan

Just as no two organizations are alike, so also their plans. It is therefore important to prepare a plan keeping in view the necessities of the enterprise. A plan is an important aspect of business. It serves the following three critical functions:

- Helps management to clarify, focus, and research their business's or project's development and prospects.
- Provides a considered and logical framework within which a business can develop and pursue business strategies over the next three to five years.
- Offers a benchmark against which actual performance can be measured and reviewed.

Types of plans or planning

- Architectural planning
- Business plan
- Comprehensive planning
- Enterprise Architecture Planning
- Event Planning and Production
- Family planning
- Financial planning
- Land use planning
- Life planning
- Marketing plan
- Network resource planning
- Strategic planning
- Urban planning
- Operational planning

Planning proces

panning is one those things that we all know is good for us, but that no one wants to take the time to do. While it may seem that planning only takes time away from running your business, operating a business without a plan is like going to a grocery store without a list and trying to remember all the items that are needed. One comes out of the store having forgotten

something critical - and having purchased a number of items that are totally frivolous and may never be used. It is the same for a business operating without a plan. Critical issues do not get addressed - and some tasks get done that have no relationship to the direction the business needs to go. For a business, however, the consequences of these unaddressed issues can range from inconvenience to bankruptcy.

Part of this reluctance is due to how complicated the process is viewed. Yet a complicated plan is almost as useless as none. The real question is how to make something simple that fits your business' needs. Can a good grocery list system be devised that isn't unnecessarily burdensome for all involved? Of course. Let's take a look as what planning really entails.

The word "plan" originated from then Medieval Latin word planus which meant a level or flat surface. This evolved in French into being a map or a drawing of any object made by projection upon a flat surface. In English this has become a more general sense of a scheme of action, design or method. Planning in its current usage in business implies a consciousness of what is happening in the business. It does not preclude creativity or instinct, but it does add a layer of awareness that spells the difference between survival and extinction in a changing environment. Planning does involve:

- an understanding of the business' history
- an examination of the business' environment
- an assessment of the business' mission
- goals
- a process for reaching those goals
- a process for gathering information
- a realization that planning is a continuing process that is constantly evolving

Planning does not necessarily mean trying to project the future, but being aware of a range of likely futures and being prepared for them as occur.

PLANNING PROCESS IN HEALTH SERVICES:

Planning is a process of analyzing and understanding a system, formulating its goals and objectives, assessing its capabilities, designing alternative courses of action or plans for the purposes of achieving these goals and objectives, evaluating the effectiveness of these plans, choosing the preferred plan, initiating the necessary action for its implementation and monitoring the system to ensure the implementation of the plan and its desired effect on the system.

Health planning is an orderly process of defining community health problems, identifying correct needs and surveying the resources to meet them, establishing priority goals that are realistic and feasible and projecting administrative action to accomplish the purpose of the proposed programme.

The above statement of planning process gives us series of steps in planning which include:

- Analysis of the health situation
- Establishment of objectives and goals
- Assessing the resources
- Fixing priorities
- Write-up the formulated plan

- Programming and implementation
- Evaluation

Planning is essential for all the job. The careful planning helps to success in any programme, because it saves time in the long run.

PLANNING CYCLE:

Planning cycle may be considered in eight steps as follows:

- Assessing the planning environment, which means none of the environmental and socio economic cultural peculiarities.
- Data collection, using rapid rural appraisal technique where necessary and data analysis for bringing out the problems and potentials of the area.
- Strategy formation and setting realistic targets of the plan.
- Participatory plan formulation.
- Plan authentication and linking the plan with at the near higher level.
- Task adoption and plan implementation.
- Mid term appraisal and making corrections.
- Evaluation and replanning.

Assessing planning environment → data collection and

analysis

evaluation and replanning

strategy formulation

target setting

midterm appraisal and

making correction

participatory   plan

formulation

task adoption and

plan implementation ← plan authentication

planning cycle and planning process
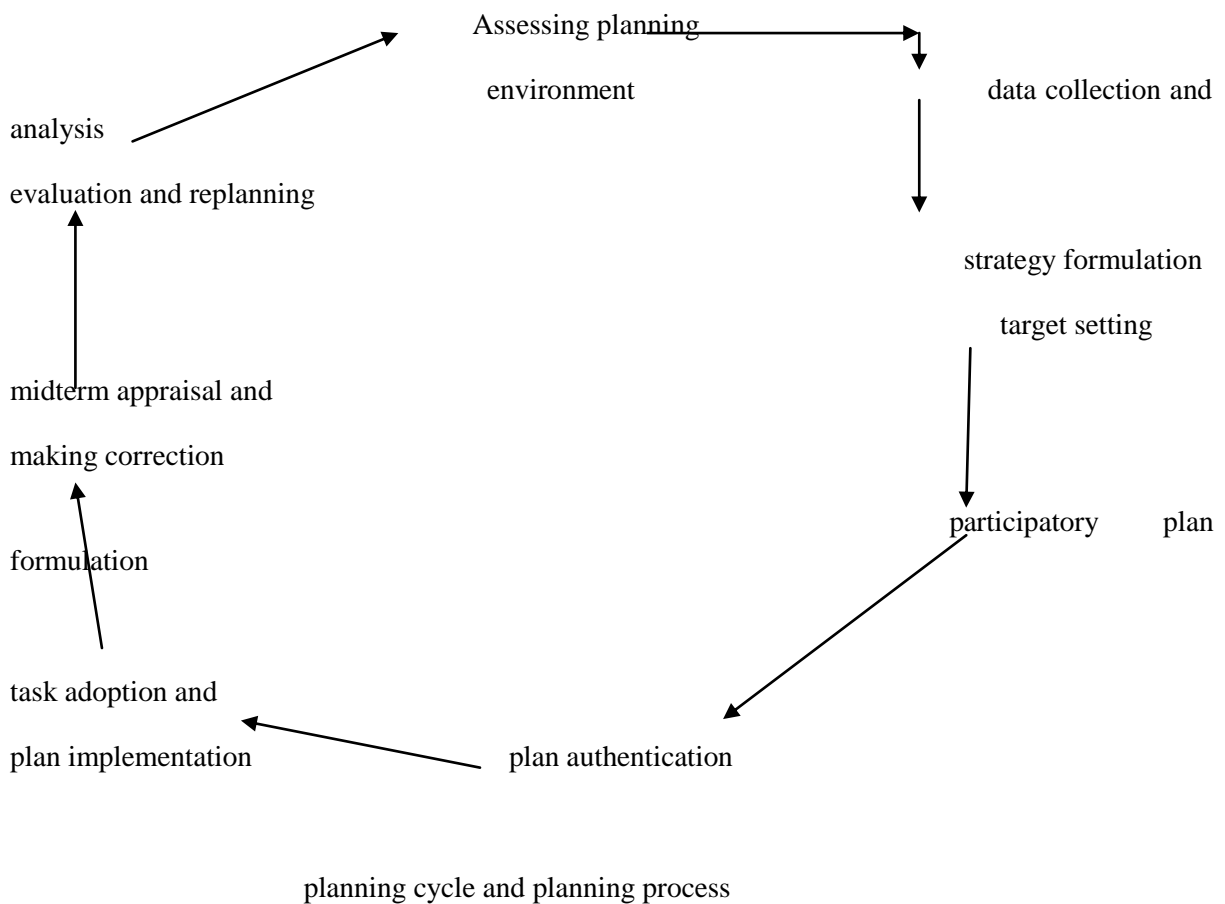
Objectives and policies

The objectives

The objectives are general parts of the planning process. They are the end-results towards which all business activities are directed. They are needed in every aspect where performance and result directly and vitally affect the survival and success of the firm. In other words, the objective of the firm justifies its existence.

Newman and Summer stated, "For managerial purposes, it is useful to think of objectives as the results we want to achieve. Objective covers firm's long-range plans specific departmental goals and short-term individual assignment also."

The policies

Policies are specific guidelines and constraints for managerial thinking on decision-making and action. Policies provide the framework within which decision-makers are expected to operate while making organizational decisions. They are the basic guides to be consistent in decision-making.

PRINCIPLES OF PLANNING:

- Planning must focus on purposes. It should always be based on a clearly defined objective.
- Planning is a continuous and repeat process which includes series of steps, so continuity and flexibility should be maintained in planning cycle.
- Planning should be simple and there should be provision for proper analysis and classification of actions.
- In planning, there should be a good harmony with organization and environment-political as well as economical etc.
- Planning is hierarchical in nature and must have an organizational identification.
- Planning should be pervasive activity covering the entire organization with all its departments, sectors, and different levels of administration, and it should be balanced.
- Planning must be precise in its objective scope and nature. It should be realistic in its scope and pinpoint the expected results.
- In planning the provision should be made to use all available resources.
- Planning should be always documented so that all the concerned are carefully committed to the implementation of the programme.

Strategic Plan

A strategic plan usually refers to the overall direction you wish your business to take over the longer term. Consequently, a long-range plan and a strategic plan are often used synonymously. Within that overall strategy a business will have shorter term financial goals,

marketing goals, production goals, and human resource goals that will each need some type of plan if they are to be achieved.

Just because a strategic plan is longer term does not mean it is never changed, however. One of the most serious mistakes businesses make is not revising their strategic plan regularly. The environment the business is operating in is changing constantly. The plan must be revisited at regular intervals to reflect the impact on the business of these external factors

The Strategic Planning Process

In today's highly competitive business environment, budget-oriented planning or forecast-based planning methods are insufficient for a large corporation to survive and prosper. The firm must engage in **strategic planning** that clearly defines objectives and assesses both the internal and external situation to formulate strategy, implement the strategy, evaluate the progress, and make adjustments as necessary to stay on track.

A simplified view of the strategic planning process is shown by the following diagram:

The Strategic Planning Process

Mission & Objectives

↓

Environmental Scanning

↓

Strategy Formulation

↓

Strategy Implementation

Evaluation & Control
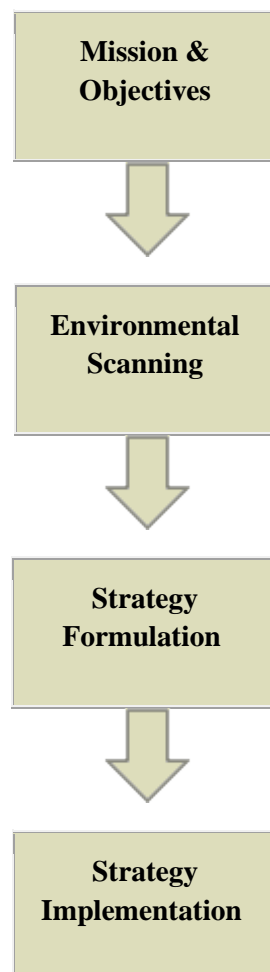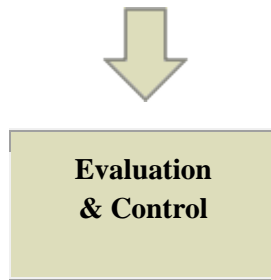
Mission

A company's mission is its reason for being. The mission often is expressed in the form of a mission statement, which conveys a sense of purpose to employees and projects a company image to customers. In the strategy formulation process, the mission statement sets the mood of where the company should go.

Objectives

Objectives are concrete goals that the organization seeks to reach, for example, an earnings growth target. The objectives should be challenging but achievable. They also should be measurable so that the company can monitor its progress and make corrections as needed.

Situation Analysis

Once the firm has specified its objectives, it begins with its current situation to devise a strategic plan to reach those objectives. Changes in the external environment often present new opportunities and new ways to reach the objectives. An environmental scan is performed to identify the available opportunities. The firm also must know its own capabilities and limitations in order to select the opportunities that it can pursue with a higher probability of success. The situation analysis therefore involves an analysis of both the external and internal environment.

The external environment has two aspects: the macro-environment that affects all firms and a micro-environment that affects only the firms in a particular industry. The macro-environmental analysis includes political, economic, social, and technological factors and sometimes is referred to as a PEST analysis.

An important aspect of the micro-environmental analysis is the industry in which the firm operates or is considering operating. Michael Porter devised a five forces framework that is useful for industry analysis. Porter's 5 forces include barriers to entry, customers, suppliers, substitute products, and rivalry among competing firms.

The internal analysis considers the situation within the firm itself, such as:

- Company culture
- Company image
- Organizational structure
- Key staff
- Access to natural resources
- Position on the experience curve

- Operational efficiency
- Operational capacity
- Brand awareness
- Market share
- Financial resources
- Exclusive contracts
- Patents and trade secrets

A situation analysis can generate a large amount of information, much of which is not particularly relevant to strategy formulation. To make the information more manageable, it sometimes is useful to categorize the internal factors of the firm as strengths and weaknesses, and the external environmental factors as opportunities and threats. Such an analysis often is referred to as a SWOT analysis.

Strategy Formulation

Once a clear picture of the firm and its environment is in hand, specific strategic alternatives can be developed. While different firms have different alternatives depending on their situation, there also exist generic strategies that can be applied across a wide range of firms. Michael Porter identified cost leadership, differentiation, and focus as three generic strategies that may be considered when defining strategic alternatives. Porter advised against implementing a combination of these strategies for a given product; rather, he argued that only one of the generic strategy alternatives should be pursued.

Implementation

The strategy likely will be expressed in high-level conceptual terms and priorities. For effective implementation, it needs to be translated into more detailed policies that can be understood at the functional level of the organization. The expression of the strategy in terms of functional policies also serves to highlight any practical issues that might not have been visible at a higher level. The strategy should be translated into specific policies for functional areas such as:

- Marketing
- Research and development
- Procurement
- Production
- Human resources
- Information systems

In addition to developing functional policies, the implementation phase involves identifying the required resources and putting into place the necessary organizational changes.

Control

Once implemented, the results of the strategy need to be measured and evaluated, with changes made as required to keep the plan on track. Control systems should be developed and implemented to facilitate this monitoring. Standards of performance are set, the actual performance measured, and appropriate action taken to ensure success.

Steps In The Strategic Planning Process:

Steps in the strategic planning process that worked in the more stable 20th Century no longer work well in the fast-changing 21st. Strategic-Planning-Processes.com was created to provide you with a practical, effective, inexpensive guide to the right strategic planning process that will actually help you achieve the results you want now.

The fact is, *most strategic planning processes fail*, according to recent studies. Any why is that? Henry Mintzberg, probably the world's leading strategic planning scholar, and author of *The Rise and Fall of Strategic Planning* (Free Press, 1994), says the main reason is that traditional strategic planning provides "the illusion of control." What this means is that, as most people do strategic planning the traditional way, they unwittingly build into it assumptions and strategies over which they personally have little or no control. *"If you plan it, it will happen."* This is very seductive and difficult even for experienced planners to avoid.

The author of this website reveals to you the secrets he has discovered over the past 20 years seeking to develop the most effective, reliable steps in the strategic planning process. He has written for your purchase and download an easy to read, easy to follow e-book entitled, "Dynamic Strategic Planning: A Powerful Process For Real-World Results." E. W. "Buck" Lawrimore has been a strategic planning consultant for many different business, nonprofit, government and community organizations. As the pace of change in the world has continued to move faster and faster, making prediction harder and harder, he saw that more and more often, strategic plans might look good on paper but were not being adequately implemented, leading to lots of frustration and sometimes downright anger.

The millions of dollars and millions of hours wasted worldwide on misguided strategic planning are mind-boggling. This is an urgent and important challenge.

So, what if we all followed the *right* steps in the strategic planning process? Well, we could expect things like these:

- Plans are highly realistic and are actually enacted
- People are personally committed to all goals and make them happen
- False predictions are minimized so the organization can adapt rapidly to change
- Implementing the strategic plan allows the organization to accomplish big improvements it had not been able to achieve before
- The whole process is as inexpensive as possible
- Everyone who participates enjoys the process and feels it is an excellent use of their time

These are just some of the unique and powerful benefits of **Dynamic Strategic Planning**. It was intentionally created, and refined over many years of real-world experience, to be the most effective, powerful, realistic strategic planning process ever developed. You can learn the 12 steps of the Dynamic Strategic Planning process yourself by purchasing your own copy of this highly valuable e-book. It's a little over 30 pages and 11,000 words, so you can read it in a short time and have all your strategic planning participants read it also. It's a step-by-step guidebook your people can follow and understand. If you're ready, get it now by clicking here. If you're not ready, or want to learn more, here's some additional valuable information:

Operational planning

An **operational planning** is a subset of strategic work plan. It describes short-term ways of achieving milestones and explains how, or what portion of, a strategic plan will be put into operation during a given operational period, in the case of commercial application, a fiscal year or another given budgetary term. An operational plan is the basis for, and justification of an annual operating budget request. Therefore, a five-year strategic plan would need five operational plans funded by five operating budgets.

Operational plans should establish the activities and budgets for each part of the organisation for the next 1 – 3 years. They link the strategic plan with the activities the organization will deliver and the resources required to deliver them.

An operational plan draws directly from agency and program strategic plans to describe agency and program missions and goals, program objectives, and program activities. Like a strategic plan, an operational plan addresses four questions:

- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?

The OP is both the first and the last step in preparing an operating budget request. As the first step, the OP provides a plan for resource allocation; as the last step, the OP may be modified to reflect policy decisions or financial changes made during the budget development process.

Operational plans should be prepared by the people who will be involved in implementation. There is often a need for significant cross-departmental dialogue as plans created by one part of the organisation inevitably have implications for other parts.

Operational plans should contain:

- clear objectives
- activities to be delivered
- quality standards
- desired outcomes
- staffing and resource requirements
- implementation timetables
- a process for monitoring progress.

Program evaluation and review technique (PERT)

Definition

Project management technique that shows the time taken by each component of a project, and the total time required for its completion. PERT breaks down the project into events and activities, and lays down their proper sequence, relationships, and duration in the form of a network. Lines connecting the events are called paths, and the longest path resulting from connecting all events is called the critical path. The length (duration) of the critical path is the duration of the project, and any delay occurring along it delays the whole project. PERT is a scheduling tool, and does not help in finding the best or the shortest way to complete a project.

The *Program Evaluation and Review Technique* (PERT) is a network model that allows for randomness in activity completion times. PERT was developed in the late 1950's for the U.S. Navy's Polaris project having thousands of contractors. It has the potential to reduce both the time and cost required to complete a project.

The Network Diagram

In a project, an activity is a task that must be performed and an event is a milestone marking the completion of one or more activities. Before an activity can begin, all of its predecessor activities must be completed. Project network models represent activities and milestones by arcs and nodes. PERT originally was an *activity on arc* network, in which the activities are represented on the lines and milestones on the nodes. Over time, some people began to use PERT as an *activity on node* network. For this discussion, we will use the original form of activity on arc.

The PERT chart may have multiple pages with many sub-tasks. The following is a very simple example of a PERT diagram:

PERT Chart
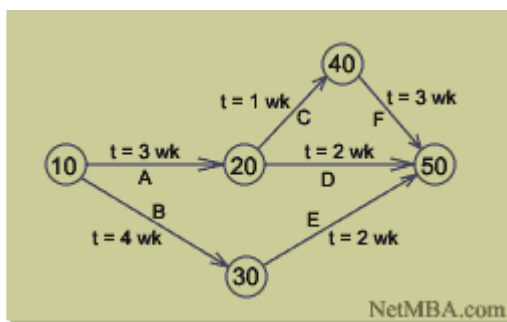
The milestones generally are numbered so that the ending node of an activity has a higher number than the beginning node. Incrementing the numbers by 10 allows for new ones to be inserted without modifying the numbering of the entire diagram. The activities in the above diagram are labeled with letters along with the expected time required to complete the activity.

Steps in the PERT Planning Process

PERT planning involves the following steps:

1. Identify the specific activities and milestones.

2. Determine the proper sequence of the activities.
3. Construct a network diagram.
4. Estimate the time required for each activity.
5. Determine the *critical path*.
6. Update the PERT chart as the project progresses.

1. Identify Activities and Milestones

The activities are the tasks required to complete the project. The milestones are the events marking the beginning and end of one or more activities. It is helpful to list the tasks in a table that in later steps can be expanded to include information on sequence and duration.

2. Determine Activity Sequence

This step may be combined with the activity identification step since the activity sequence is evident for some tasks. Other tasks may require more analysis to determine the exact order in which they must be performed.

3. Construct the Network Diagram

Using the activity sequence information, a network diagram can be drawn showing the sequence of the serial and parallel activities. For the original activity-on-arc model, the activities are depicted by arrowed lines and milestones are depicted by circles or "bubbles".

If done manually, several drafts may be required to correctly portray the relationships among activities. Software packages simplify this step by automatically converting tabular activity information into a network diagram.

4. Estimate Activity Times

Weeks are a commonly used unit of time for activity completion, but any consistent unit of time can be used.

A distinguishing feature of PERT is its ability to deal with uncertainty in activity completion times. For each activity, the model usually includes three time estimates:

- *Optimistic time* - generally the shortest time in which the activity can be completed. It is common practice to specify optimistic times to be three standard deviations from the mean so that there is approximately a 1% chance that the activity will be completed within the optimistic time.
- *Most likely time* - the completion time having the highest probability. Note that this time is different from the *expected time*.
- *Pessimistic time* - the longest time that an activity might require. Three standard deviations from the mean is commonly used for the pessimistic time.

PERT assumes a beta probability distribution for the time estimates. For a beta distribution, the expected time for each activity can be approximated using the following weighted average:

Expected time = (Optimistic + 4 x Most likely + Pessimistic) / 6

This expected time may be displayed on the network diagram.

To calculate the variance for each activity completion time, if three standard deviation times were selected for the optimistic and pessimistic times, then there are six standard deviations between them, so the variance is given by:

[(Pessimistic - Optimistic) / 6]^2

5. Determine the Critical Path

The critical path is determined by adding the times for the activities in each sequence and determining the longest path in the project. The critical path determines the total calendar time required for the project. If activities outside the critical path speed up or slow down (within limits), the total project time does not change. The amount of time that a non-critical path activity can be delayed without delaying the project is referred to as *slack time*.

If the critical path is not immediately obvious, it may be helpful to determine the following four quantities for each activity:

- ES - Earliest Start time
- EF - Earliest Finish time
- LS - Latest Start time
- LF - Latest Finish time

These times are calculated using the expected time for the relevant activities. The earliest start and finish times of each activity are determined by working forward through the network and determining the earliest time at which an activity can start and finish considering its predecessor activities. The latest start and finish times are the latest times that an activity can start and finish without delaying the project. LS and LF are found by working backward through the network. The difference in the latest and earliest finish of each activity is that activity's slack. The critical path then is the path through the network in which none of the activities have slack.

The variance in the project completion time can be calculated by summing the variances in the completion times of the activities in the critical path. Given this variance, one can calculate the probability that the project will be completed by a certain date assuming a normal probability distribution for the critical path. The normal distribution assumption holds if the number of activities in the path is large enough for the central limit theorem to be applied.

Since the critical path determines the completion date of the project, the project can be accelerated by adding the resources required to decrease the time for the activities in the critical path. Such a shortening of the project sometimes is referred to as *project crashing*.

6. Update as Project Progresses

Make adjustments in the PERT chart as the project progresses. As the project unfolds, the estimated times can be replaced with actual times. In cases where there are delays, additional

resources may be needed to stay on schedule and the PERT chart may be modified to reflect the new situation.

Benefits of PERT

PERT is useful because it provides the following information:

- Expected project completion time.
- Probability of completion before a specified date.
- The critical path activities that directly impact the completion time.
- The activities that have slack time and that can lend resources to critical path activities.
- Activity start and end dates.

Limitations

The following are some of PERT's weaknesses:

- The activity time estimates are somewhat subjective and depend on judgement. In cases where there is little experience in performing an activity, the numbers may be only a guess. In other cases, if the person or group performing the activity estimates the time there may be bias in the estimate.
- Even if the activity times are well-estimated, PERT assumes a beta distribution for these time estimates, but the actual distribution may be different.
- Even if the beta distribution assumption holds, PERT assumes that the probability distribution of the project completion time is the same as the that of the critical path. Because other paths can become the critical path if their associated activities are delayed, PERT consistently underestimates the expected project completion time.

The underestimation of the project completion time due to alternate paths becoming critical is perhaps the most serious of these issues. To overcome this limitation, Monte Carlo simulations can be performed on the network to eliminate this optimistic bias in the expected project completion time.

Advantages

- PERT chart explicitly defines and makes visible dependencies (precedence relationships) between the WBS selements
- PERT facilitates identification of the critical path and makes this visible
- PERT facilitates identification of early start, late start, and slack for each activity,
- PERT provides for potentially reduced project duration due to better understanding of dependencies leading to improved overlapping of activities and tasks where feasible.
- The large amount of project data can be organized & presented in diagram for use in decision making.

Disadvantages

- There can be potentially hundreds or thousands of activities and individual dependency relationships
- The network charts tend to be large and unwieldy requiring several pages to print and requiring special size paper
- The lack of a timeframe on most PERT/CPM charts makes it harder to show status although colours can help (e.g., specific colour for completed nodes)
- When the PERT/CPM charts become unwieldy, they are no longer used to manage the project.

Gantt chart

 is a type of [bar chart](#) that illustrates a [project schedule](#). Gantt charts illustrate the start and finish dates of the [terminal elements](#) and summary elements of a [project](#). Terminal elements and summary elements comprise the [work breakdown structure](#) of the project. Some Gantt charts also show the [dependency](#) (i.e., precedence network) relationships between activities. Gantt charts can be used to show current schedule status using percent-complete shadings and a vertical "TODAY" line as shown here.

Although now regarded as a common charting technique, Gantt charts were considered revolutionary when they were introduced. In recognition of [Henry Gantt](#)'s contributions, the [Henry Laurence Gantt Medal](#) is awarded for distinguished achievement in management and in community service. This chart is used also in Information Technology to represent data that have been collected.

Historical development

The first known tool of this type was reportedly developed in 1896 by [Karol Adamiecki](#), who called it a *harmonogram*. Adamiecki did not publish his chart until 1931, however, and then only in Polish. The chart is named after [Henry Gantt](#) (1861–1919), who designed his chart around the years 1910–1915.[1][2]

In the 1980s, personal computers allowed for widespread creation of complex and elaborate Gantt charts. The first desktop applications were intended mainly for project managers and project schedulers. With the advent of the internet and increased collaboration over networks at the end of the 1990s, Gantt charts became a common feature of web-based applications, including collaborative[groupware](#).

[[edit](#)]Advantages and limitations

Gantt charts have become a common technique for representing the phases and activities of a project work breakdown structure (WBS), so they can be understood by a wide audience all over the world.

A common error made by those who equate Gantt chart design with project design is that they attempt to define the project work breakdown structure at the same time that they define schedule activities. This practice makes it very difficult to follow the 100% Rule. Instead the WBS should be fully defined to follow the 100% Rule, then the project schedule can be designed.[3]

Although a Gantt chart is useful and valuable for small projects that fit on a single sheet or screen, they can become quite unwieldy for projects with more than about 30 activities. Larger Gantt charts may not be suitable for most computer displays. A related criticism is that Gantt charts communicate relatively little information per unit area of display. That is, projects are often considerably more complex than can be communicated effectively with a Gantt chart.

Gantt charts only represent part of the triple constraints (cost, time and scope) of projects, because they focus primarily on schedule management. Moreover, Gantt charts do not represent the size of a project or the relative size of work elements, therefore the magnitude of a behind-schedule condition is easily miscommunicated. If two projects are the same number of days behind schedule, the larger project has a larger impact on resource utilization, yet the Gantt does not represent this difference.

Although project management software can show schedule dependencies as lines between activities, displaying a large number of dependencies may result in a cluttered or unreadable chart.

Because the horizontal bars of a Gantt chart have a fixed height, they can misrepresent the time-phased workload (resource requirements) of a project, which may cause confusion especially in large projects. In the example shown in this article, Activities E and G appear to be the same size, but in reality they may be orders of magnitude different. A related criticism is that all activities of a Gantt chart show planned workload as constant. In practice, many activities (especially summary elements) have front-loaded or back-loaded work plans, so a Gantt chart with percent-complete shading may actually miscommunicate the true schedule performance status.

[edit]Example

In the following example there are seven tasks, labeled *A* through *G*. Some tasks can be done concurrently (*A* and *B*) while others cannot be done until their predecessor task is complete (*C* cannot begin until *A* is complete). Additionally, each task has three time estimates: the

optimistic time estimate (*O*), the most likely or normal time estimate (*M*), and the pessimistic time estimate (*P*). The expected time (T_E) is computed using the formula $(O + 4M + P) \div 6$.

Activity	Predecessor	Time estimates			Expected time
		Opt. (*O*)	Normal (*M*)	Pess. (*P*)	
A	—	2	4	6	4.00
B	—	3	5	9	5.33
C	A	4	5	7	5.17
D	A	4	6	10	6.33
E	B, C	4	5	7	5.17
F	D	3	4	8	4.50
G	E	3	5	8	5.17

Once this step is complete, one can draw a Gantt chart or a network diagram.

ID	Task Name	Predecessors	Duration
1	Start		0 days
2	a	1	4 days
3	b	1	5.33 days
4	c	2	5.17 days
5	d	2	6.33 days
6	e	3,4	5.17 days
7	f	5	4.5 days
8	g	6	5.17 days
9	Finish	7,8	0 days

A Gantt chart created using Microsoft Project (MSP). Note (1) the critical path is in red, (2) the slack is the black lines connected to non-critical activities, (3) since Saturday and Sunday are not work days and are thus excluded from the schedule, some bars on the Gantt chart are longer if they cut through a weekend.

Gantt chart

Show me everything on [Software Quality Resources](#)

DEFINITION -

A Gantt chart is a horizontal bar chart developed as a production control tool in 1917 by Henry L. Gantt, an American engineer and social scientist. Frequently used in project management, a Gantt chart provides a graphical illustration of a schedule that helps to plan, coordinate, and track specific tasks in a project.

Gantt charts may be simple versions created on graph paper or more complex automated versions created using project management applications such as Microsoft Project or Excel.

A Gantt chart is constructed with a horizontal axis representing the total time span of the project, broken down into increments (for example, days, weeks, or months) and a vertical axis representing the tasks that make up the project (for example, if the project is outfitting your computer with new software, the major tasks involved might be: conduct research, choose software, install software). Horizontal bars of varying lengths represent the sequences, timing, and time span for each task. Using the same example, you would put "conduct research" at the top of the verticle axis and draw a bar on the graph that represents the amount of time you expect to spend on the research, and then enter the other tasks below the first one and representative bars at the points in time when you expect to undertake them. The bar spans may overlap, as, for example, you may conduct research and choose software during the same time span. As the project progresses, secondary bars, arrowheads, or darkened bars may be added to indicate completed tasks, or the portions of tasks that have been completed. A vertical line is used to represent the report date.

Gantt charts give a clear illustration of project status, but one problem with them is that they don't indicate task dependencies - you cannot tell how one task falling behind schedule affects other tasks. The [PERT chart](#), another popular project management charting method, is designed to do this. Automated Gantt charts store more information about tasks, such as the individuals assigned to specific tasks, and notes about the procedures. They also offer the benefit of being easy to change, which is helpful. Charts may be adjusted frequently to reflect the actual status of project tasks as, almost inevitably, they diverge from the original plan.

Gantt Chart

During the era of scientific management, Henry Gantt developed a tool for displaying the progression of a project in the form of a specialized chart. An early application was the tracking of the progress of ship building projects. Today, Gantt's scheduling tool takes the form of a horizontal bar graph and is known as a **Gantt chart**, a basic sample of which is shown below:

Gantt Chart Format

Task	Duration	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	2 mo.	███	███										

2	2 mo.			███										
3	2 mo.				███									
4	2 mo.					███								
5	2 mo.							███						
6	2 mo.									███				

The horizontal axis of the Gantt chart is a time scale, expressed either in absolute time or in relative time referenced to the beginning of the project. The time resolution depends on the project - the time unit typically is in weeks or months. Rows of bars in the chart show the beginning and ending dates of the individual tasks in the project.

In the above example, each task is shown to begin when the task above it completes. However, the bars may overlap in cases where a task can begin before the completion of another, and there may be several tasks performed in parallel. For such cases, the Gantt chart is quite useful for communicating the timing of the various tasks.

For larger projects, the tasks can be broken into subtasks having their own Gantt charts to maintain readability.

Gantt Chart Enhancements

This basic version of the Gantt chart often is enhanced to communicate more information.

- A vertical marker can used to mark the present point in time.
- The progression of each activity may be shown by shading the bar as progress is made, allowing the status of each activity to be known with just a glance.
- Dependencies can be depicted using link lines or color codes.
- Resource allocation can be specified for each task.
- Milestones can be shown.

Gantt Chart Role in Project Planning

For larger projects, a work breakdown structure would be developed to identify the tasks before constructing a Gantt chart. For smaller projects, the Gantt chart itself may used to identify the tasks.

The strength of the Gantt chart is its ability to display the status of each activity at a glance. While often generated using project management software, it is easy to construct using a spreadsheet, and often appears in simple ascii formatting in e-mails among managers.

For sequencing and critical path analysis, network models such as CPM or PERT are more powerful for dealing with dependencies and project completion time. Even when network models are used, the Gantt chart often is used as a reporting tool.

Alternative spellings: The name of this tool frequently is misspelled as "Gannt Chart".

Keys to **Strategic Planning** Implementation Success

These are the keys to effective strategic planning implementation for your business.

- Full and active executive support,
- Effective communication,
- Employee involvement,
- Thorough organizational planning and competitive analysis, and
- Widespread perceived need for the strategic planning.

If you are implementing your strategic planning in an organizational environment that is already employee-oriented, with a high level of trust, you start the strategic planning implementation with a huge plus. An additional plus is an organization that already thinks strategically.

Unfortunately, the implementation of strategic planning most frequently occurs as an organization moves from being traditionally reactionary to strategic. So, often, learning to think strategically is part of the strategic planning implementation learning curve.

Full and Active Executive Support for Successful Strategic Planning

Successful strategic planning implementation requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow-up, and live the results of the strategic planning implementation process. Or, the strategic planning implementation process will fail. It's as simple as that.

Without the full commitment of the organization's senior executives, don't even start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with this year's goals, filed, unimplemented in a cabinet or computer, is a serious source of negativity and poor employee morale.

Senior leaders can do the following to create a successful strategic planning implementation process.

- Establish a clear vision for the strategic planning implementation process. Paint a picture of where the organization will end up and the anticipated outcomes. Make certain the picture is one of reality and not what people "wish" would occur. Make sure key employees know "why" the organization is changing.

Make Strategic Planning Implementation Work

Executive support in strategic planning implementation is critical to its success. Executives must lead, support, follow-up, and live the results of the strategic planning implementation process. These are additional ways executive leaders can support the strategic planning implementation process. See the first part of this article for more ways that leaders can support the strategic planning implementation.

- Pay attention to the planning occurring. Ask how things are going. Focus on progress and barriers for change management. One of the worst possible scenarios is to have the leaders ignore the strategic planning implementation.

- Sponsor portions of the planning or the strategic planning process, as an involved participant, to increase active involvement and interaction with other organization members.

- If personal or managerial actions or behaviors require change for the vision statement, mission statement, values, and goals to take hold in the organization, "model" the new behaviors and actions. (Senior managers must walk the talk.)

- Establish a structure which will support the move to a more strategically thinking and acting organization. This may take the form of a Steering Committee, Leadership Group, Core Planning Team or Guiding Coalition.

- Change the measurement systems, reward, and recognition systems to measure and reward the accomplishment of the new expectations established through the strategic planning process.

- Develop a performance development planning process within your performance management system to communicate, reinforce, and provide a structure that supports the articulation and accomplishment of the strategic planning goals.

- While every person in your organization cannot make their voice heard on every issue within the strategic planning, you must solicit and act upon feedback from other members of the organization. Integral in the strategic planning process must be the commitment of each executive to discuss the process and the plans with staff members. Too often, I have experienced executives holding information closely and consolidating their own dysfunctional power within the organization at the expense of other company employees feeling – and acting – excluded. (And then they ask: how can I get my staff to "buy-in" to these new expectations?)

- Recognize the human element inherent in any change – the change from reactionary to strategic thinking is a huge leap. People have different needs and different ways of reacting to change. They need time to deal with and adjust to change.

- If ttraining is part of the strategic plan, senior leaders must participate in the training that other organization members attend, but, even more importantly, they must exhibit their "learning" from the sessions, readings, interactions, tapes, books or research.
- Lastly, and of immense significance, be honest and worthy of trust.

Throughout the strategic planning process, treat people with the same respect you expect from them. And you will enjoy the 29 percent greater return than non-strategic planning companies, predicted earlier. With your vision statement, mission statement, values, strategies, goals, and action plans developed and shared, you'll all win, both personally and professionally.

Planning for Change

It is surprising how many change efforts are done with inadequate planning, and with consequent problems during implementation.

Understand the people

As covered other areas, but worth repeating here, you need to understand the people, both in terms of the legitimate needs they have regarding the change and also the personal concerns and potential responses.

- Stakeholders in Change: Who are they? How might they behave?
- The Psychology of Change: How will they react when they are told?
- Resistance to Change: How might they push back against the change?

Understand the task

The basic part of change is the simple 'task' making the changes as if people would be fully committed without any problem. Getting this right has to be balanced with understanding the people. One of the key problems in change is managing this balance. Often, the people side is under-done, although it also possible to fret too much about the people and forget the nitty-gritty detail of getting things done.

- Diagnosing Change: Investigation to understand the need for change.
- Scope of Change: both 'what' and 'who' affect the size of the project.
- Five Levels of Change: From small to huge.

Build the plans

When planning for change, you need to consider both the actions to make the change and the (often far more problematic) problems you might meet in gaining the required commitment to carry the actions through.

- Styles of Change: the style used should match the scope.
- The Change Delivery Plan: Creating an unstoppable train of events.
- The Commitment Plan: Bringing the people with you.
- Sponsorship of Change: You will need senior management support.
- Cultural Change Planning: Understanding links between thoughts and actions.
- Change Strategy: Approaches that can be used.

Planning and Analysis in Change Management

By Susan M. Heathfield, About.com Guide

- change management
- action plans
- strategic planning
- communication
- trust

While the executive vision and support, clearly communicated, is important, it is not enough. More fundamental approaches to planning and analysis need to occur to encourage effective change management.

- Assess the readiness of your organization to participate in the change. Instruments are available to help you assess readiness, as well as qualitative information from internal or external staff and consultants. Answer questions such as these. What is the level of trust within your organization? Do people feel generally positive about their work environment. Do you have a history of open communication? Do you share financial information?

These factors have a tremendous impact on people's acceptance of and willingness to change. If you can start building this positive and supportive environment prior to the change, you have a great head start on the change implementation.

- Turn the change vision into an overall plan and timeline, and plan to practice forgiveness when the timeline encounters barriers. Solicit input to the plan from people who "own" or work on the processes that are changing.

- Gather information about and determine ways to communicate the reasons for the changes. These may include the changing economic environment, customer needs and expectations, vendor capabilities, government regulations, population demographics, financial considerations, resource availability and company direction.

- Assess each potential impact to organization processes, systems, customers and staff. Assess the risks and have a specific improvement or mitigation plan developed for each risk.

- Plan the communication of the change. People have to understand the context, the reasons for the change, the plan and the organization's clear expectations for their changed roles and responsibilities. Nothing communicates expectations better than improved measurements and rewards and recognition.

- Determine the WIIFM (what's in it for me) of the change for each individual in your organization. Work on how the change will affect each individual directly, and how to make the change fit his or her needs as well as those of the organization.

- Some respondents found the development of a theoretical underpinning for the change effective in helping individuals understand the need for change.

- Be honest and worthy of trust. Treat people with the same respect you expect from them.

Diagnosis of problems and need for change
Planning and implementation of change

Introduction:-

As a society We have been moving from old to the new and we are still in motion caught between eras, we experience turbulence.

Just like conflict and stress, change in inevitable in the life of an organization. Change heralds new opportunities and posses formidable challenges. Organization that learn and cope with change will thrive and flourish and others which fail do so will wiped out.

Definition:-

Change as a process, is simply modification of the structure or process of a system. If may be good or bad. The concept is descriptive only' (Quoto, 2000)

Change is concerned with making things different.

Stephan. P. Robbins.

Organization:-

It is implies a formalized international structure of roles or positions in the institution.

Problems related management of organization

1) Failure to plan properly:-

- It is unusual to find a enterprises continuing with a traditional organization structure long after its objectives, plan and external environment have changed.
- For guideline for planning involves organizing around people organization structure must normally to modified to take people in to account, and there is must to be said for trying to take full advantage of employee strengths and weakness.
- Manager should determine what kind of organization structure will best serve future needs and what kinds of people will best serve an organization.

2) Failure to clarify relationship:-

- The failure to clarify organization relationship probably more than other mistake, accounts for friction, politics, and effectiveness since both the authority and the responsibility for action are critical, lack of clarify about them means lack of knowledge of parts that members are to play on an enterprise team.

3) Failure to delegate authority:-

- A common complains in organization life is that managers are reluctance to push decision making down in to the organization.
- Failure to delegate authority to the proper extend is decidedly a mistake.

4) Failure to balance delegation:-

- Another mistake made in organization is failure to maintain balanced delegation. In other words, some manger in their zeal for decentralization may push decision making too far down in the organization. It may reach down to the very bottom of the structure, and to the very bottom of the structure, and a system of independent organization satellites may develop.

5) Granting authority without exacting responsibility.

- A significant cause of mismanagement is assignment of authority without holding a person responsibility delegation is not responsibility delegation; superiors remain responsibility for the proper exercise of authority by their subordinates.

6) Holding people responsibility who do not have authority

- A common compliant of subordinates is that superiors hold then responsibility for result giving them authority to accomplish them, some these complaints are unadjusted and based on a misunderstanding of the fact that subordinates can seldom have unlimited authority in any because their actions.

7) Misunderstanding of the of service department

- Service department are often looked upon as being rather unconcerned with the accomplishment of major enterprise objectives, when they are, in fact, just too immediately concerned as nay operating department would be.
- The greatest misuse of service department is summed up in the words "efficient in efficiency" when managers establish service department, looking more to cost savings than to the efficiency of the entire enterprise, a highly "efficient" service may do an inefficient job of serving.

8) Over organization and under organization:-

- Over organization usually results from failure to put in to practice the idea that the structure of the enterprise is merely a system for making possible the efficient performance of people.
- The separation of managers from their other subordinates and the confusion as to who is really the superior that results from this practice lead us to conclude that it should be undertaker carefully and sparingly.
- An excess a committees often result. From having authority delegation too many positioning or from vague delegation such as excess may actually organization.

Organization level change:-

Change at this level involve major programmes that effect both individuals and group. Decision regarding these changes are generally made by senior management and are seldom implemented by only a single manager. Frequently they occur over long periods of time and required considerable planning for implementation.
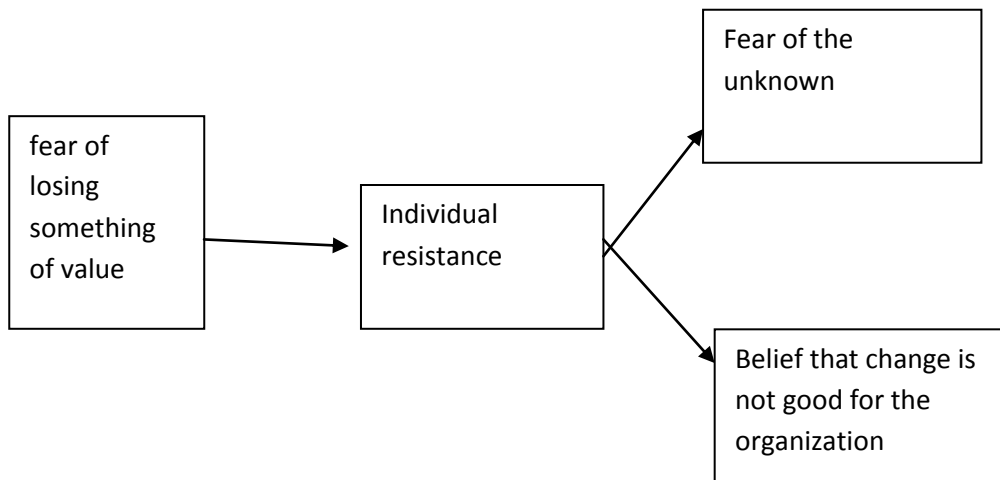
Reason for change:-

External causes	Internal causes
Government policies	Change in leadership
Change in the economy	Implementation of new technologies
Completion	Decline in profitability
Raw material cost	Change in employee profile
Pressure groups	Union action
Technologies push	Low normal and motivation
scarcity of labor	

Importance of change:-

- o An organization cannot and should not remain constant overtime, even of management does not want to change external.
- o Community is change inevitable, it is pervasive too, A causal reflection on should indicate that it encompasses almost all concepts in the organizational behavior literature.

Resistance for change:-

```
┌──────────┐                              ┌──────────┐
│ fear of  │        ┌────────────┐        │ Fear of the │
│ losing   │        │ Individual │───────▶│ unknown  │
│ something│───────▶│ resistance │        └──────────┘
│ of value │        └────────────┘
└──────────┘               │              ┌──────────────┐
                           └─────────────▶│ Belief that change is │
                                          │ not good for the │
                                          │ organization │
                                          └──────────────┘
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Symptoms of resistance

1) Possibility or aggression
2) Apathy toward his work
3) Does interest work
4) Excessive dialing of time
5) Decline in performance
6) Anxiety

Benefits of resistance:-

- It may encourage the management to re- examine its change proposal
- Help identify specific problem areas where change is likely to cause difficulties.
- Give information about the intensity of employee emotion non issues, provides emotional release for pent up employee feelings.

Methods for dealing with resistance to change:-

Approach	Community used situation	Advantages	Draw backs.
Education communication	Where there is a lack of information or in accurate information and analysis	Clear up misunderstanding	May not work where mutual trust, credibility are lacking
Participation	When resisters have the expertise to mark a	Increase involvement	Time consuming has potential for a poor

	combination	and acceptance	solution.
Facilitation and support	When resister are fearful and anxiety ridden.	Can facilitate need adjustment	Expensive no guarantee of success
Negotiation	Negotiation when resistance comes from a powerful group	Can 'buy' commitment	Potentially high cost, opens door for others to apply pressures too.
Manipulation and co – operation	When a powerful groups endorsement is needed	In expensive easy way to gain support.	Can back fire, causing change agent to lose credibility.
Co – erocin	When a powerful groups endorsement is needed	In expensive, easy way to gain support.	May be illegal may undermine change agents credibility.

Concept of change:-

The term change refers to any alteration which occurs in the overall work environment of an organization.

It has following characteristics.

- Change result from pressure of forces which are both outside and inside.
- The whole organization tends to be affected by a change in any part if it.
- Changes take place in all parts of the organization but at varying rates of speed and degrees of significance
- Change may affect people, structure, technology and other elements of the organization.
- Change may be reactive or proactive.

Types of change

According to Dr. Joseph L. Massie:-

1) Change in environment and working condition.
2) Change in the problems before present day managers.
3) Changes in the scope and specialization of the application of management knowledge
4) Change in techniques and knowledge.

Levels of change:-

Individuals   groups   organizational
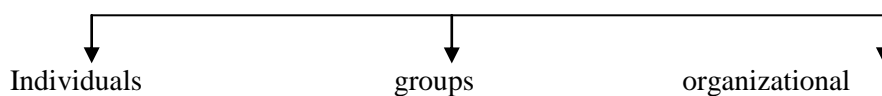
1) Individual level change:-

It is reflected in such development as changes in a job assignment physical move to a different location or the change in maturity of person which occurs overtime.
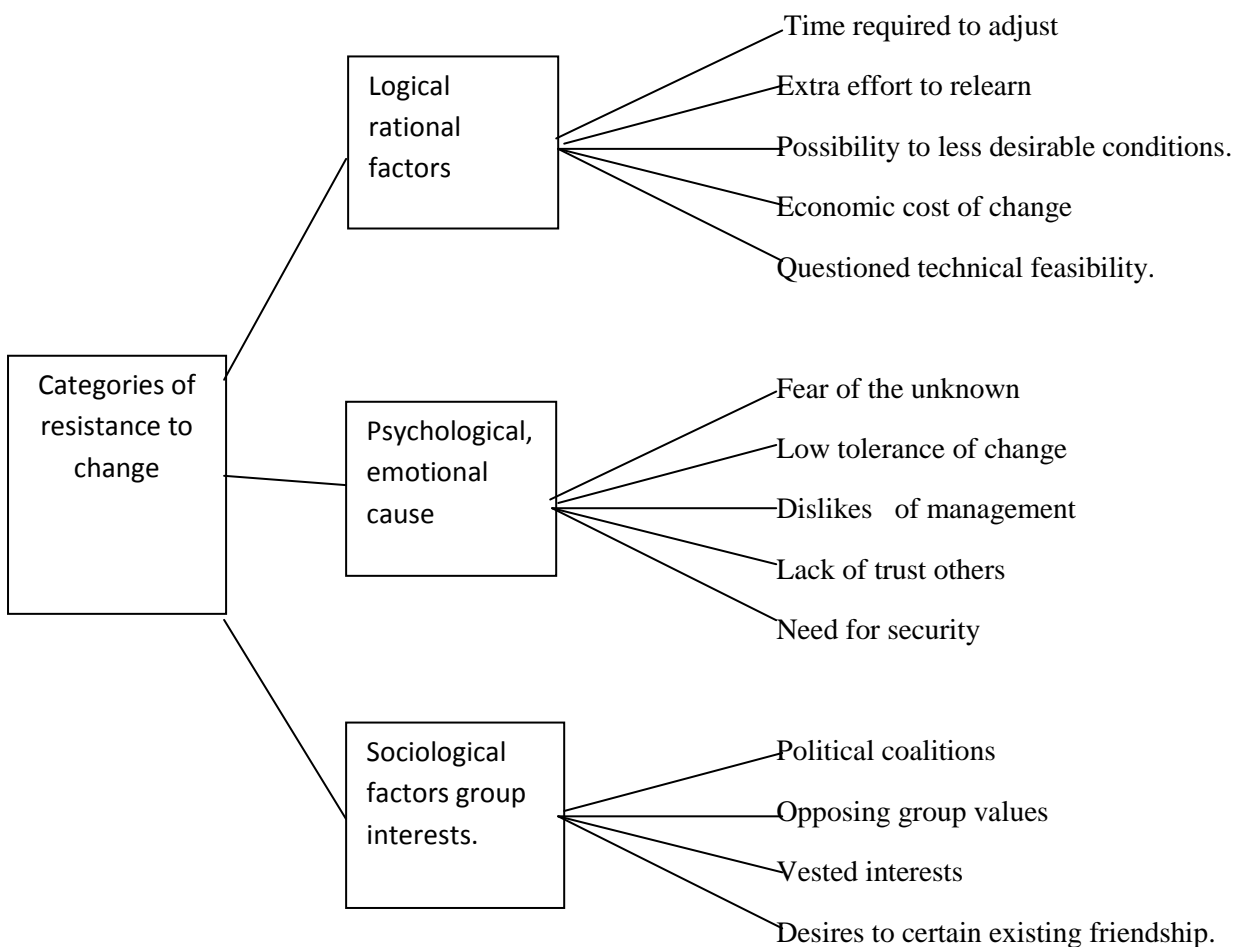
2) Group level change:-

Most organizational changes have their major effects at the group level. This is because most activities on organizations are organized on a group basis. The group changes at the group level can affect work, flows, job design, social organizations. Influence and status systems and Communication patterns.

An individual likely to resist change of three reasons.

1) change substitute ambiguity and uncertainty for the known.
2) Fear of losing what one already possesses.
3) Person's belief that the change is incompatible with goals and best interest of the organization.

Three major categories of reason are distinguished.

```
                                    ┌─ Time required to adjust
                    ┌────────────┐  ├─ Extra effort to relearn
                    │ Logical    │  ├─ Possibility to less desirable conditions.
                    │ rational   │──┤
                    │ factors    │  ├─ Economic cost of change
                    └────────────┘  └─ Questioned technical feasibility.

┌────────────┐                       ┌─ Fear of the unknown
│ Categories │      ┌────────────┐   ├─ Low tolerance of change
│ of         │      │Psychological,│  ├─ Dislikes  of management
│ resistance │──────│ emotional  │──┤
│ to         │      │ cause      │   ├─ Lack of trust others
│ change     │      └────────────┘   └─ Need for security
└────────────┘
                    ┌────────────┐   ┌─ Political coalitions
                    │Sociological│   ├─ Opposing group values
                    │factors group│──┤
                    │ interests. │   ├─ Vested interests
                    └────────────┘   └─ Desires to certain existing friendship.
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IMPLEMENTATION OF CHANGES:-

Introduction:-

Changes may be either necessitated by the pressure of external forces or brought by deliberate and conscious efforts of the management.

Definition:-

Implementation is a formal plan to stat to happen or operate.

(Cambridge dictionary)

A deliberate action performed to achieve a goal

(Mosby medical dictionary)

Strategies of implementation:-

If a strategic planning is to be successful certain steps must be taken to implement it. Following are eight recommendations that should be considered by managers who wish to put their strategies to work.

1) Communication strategies to all key decision – making managers:-

It does little good to formulate meaningful strategies unless they are communicated to al these managers who are in a position to make decisions on programme and plans designed to implement them. Nothing has been communicated unless it is clear to the receiver. Strategies may be clear to the chief executive who participated in developing them. However, strategies should be communicated in writing and top executive and their subordinates must make sure that everyone involved in implementing strategies understands them.

2) Developing and communicating planning premises:-

Managers must develop premises critical to plans and decisions and explains them to all those in the decision making chain and give instructions to develop programs and make decisions in line with them. If premises do not include key assumptions about the environment which will operate decisions are likely to be based on personnel assumptions and predictions. This will almost certainly lead to a collection of uncoordinated plans.

3) Ensuring that action plans contribute to and reflect desired objective and strategies,

Action plans are operational programs and decision, major or minor, which takes place in various parts of organization. if they do not reflects desired objective and strategies, the result will be vague, hopeless or useless intentions. If care is not taken in this area, strategic planning is not likely to have a bottom – line impact, that is, to have an important effect on company profit.

4) Reviewing strategies regularly:-

Even carefully developed strategies may cease to be suitable if conditions changes. They should be reviewed from time, certainty not less that once a year for major strategies and perhaps more often.

5) Developing contingency strategies and programs:-

It considerable change in competitive factors or others elements in the environment may occur, strategies for such contingencies should be formulated. No one, of course can wait to make plans until a future environment is certain. Even if there is considerable uncertainty and events may occur that make a given set of manager has no choice but to proceed on the most credible set of premises. He or she can come up with at a given set of objectives, strategies a manager has no choice but to proceed on the come up with at a given time. Contingency plans can provide a degree of preparation.

6) Making the organization structure fit planning needs

The organization structure, with its system of delegations, should be designed to help managers accomplish goals and make decisions necessary to put plans in to effect. One person should be responsible for the accomplishment of each goal and for the implementation of strategies to achieve this goal. In other words and – result areas and keys tasks should be identified and assigned to a single position as far down the organization structure is feasible, since such an assignment some time cannot be made, there may be no alternative but to utilize a form of matrix organization.

7) Continuing to emphasize planning and implementing strategy:-

Even if an organization has a workable system of objective and strategies and their implementation the system can easily fail unless responsible managers continue to stress the nature and importance of these elements. This process may seem tedious and unnecessarily repetitions, but it is the best way to make sure that members of an organization learn about them.

PLANNED CHANGE:-

Planned change encompasses the application of systematic and appropriate knowledge to human affairs for the purpose of creating intelligent action and choices.

Through planned change, an organization can achieve its goals rapidly. The basic reasons for planned change are as follows.

1) To improve the means for satisfying economic needs of members
2) To increase profitability
3) To promote human work for human being.
4) To contribute to individual satisfaction and social well – being.

Planned change is implemented with the help of changing agents. A change agent is one who is responsible for taking a leadership role in managing the process of change.

Process of planned change:-

Kurt lewin identified the following phases in the process of planned change,

1) Unfreezing:-

The managers as a change agent has to assume the responsibility to break open the shall of complacency and self – righteousness among his subordinates. He has to identify the background factors contributing to resistance to change. He should explain the subordinate's the problems with the present state of affairs the need for change and volume of proposed change, the directions and the implications of such change. The manager should clear all the doubts of the subordinates about the proposed change.

The unfreezing calls for loosening of emotional link with the old work methods and practices. If leads to unlearning of old thing to learn new one. The forces which drive change should be strengthened and the forces which discourage change should be weakened. Rewards may be offered to these who accept the change. The workers who resist change should be persuaded to accept the change.
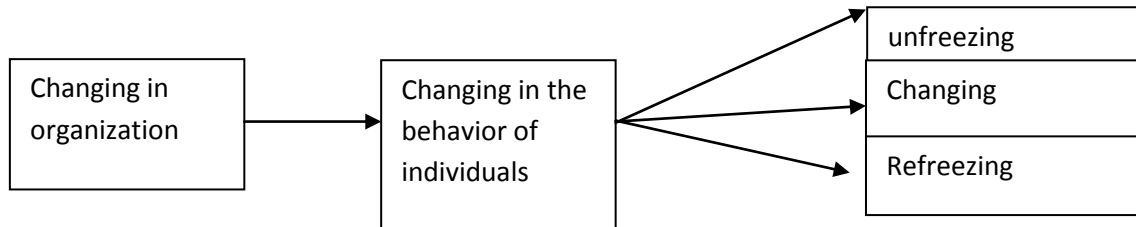
2) Moving to the New level:-

Once the subordinates become receptive to change the manager should introduce the proposed change in a systematic manner with the full co – operation of subordinates. To achieve this, two mechanisms may be used.

a) Identification:-

Change is presented through role models from whom individuals can learn near behavior patterns by identifying them and trying to become like them. Individuals are educated about the nature and implication of change and motivated to develop favorable attitude to change.

b) Internalization:-

The individuals are placed in a situation in which new behavior patterns are demanded of them if they are to succeed in that situation.

```
┌──────────────┐      ┌──────────────┐           ┌──────────────┐
│ Changing in  │      │ Changing in  │           │  unfreezing  │
│ organization │─────▶│ the behavior │──────────▶├──────────────┤
│              │      │ of           │           │  Changing    │
│              │      │ individuals  │──────────▶├──────────────┤
└──────────────┘      └──────────────┘           │  Refreezing  │
                                                 └──────────────┘
```

The process of planned change. Both the above mechanisms are combined to bring about the desired change. If may be noted that several problems crop up during the stage of implementation, some of which might be totally unforeseen. These are to be handled by the manger in cooperation with his subordinates.

3) Refreezing at the new level:-

It is the phase of stabilization, assimilation and institutionalization of the changes which are successfully implemented. The changes which   accomplished should remain as a stable and permanent characteristic of the system. Until nee arises for change. Change becomes stabilized only if enough reinforcements are provided for desired behavior. The individuals should get a genuine feeling that the benefits generated by the change are worthwhile. The manager should try to strengthen the forces which favor change and attempt to weaken restraining forces by removing the hindrances that block change.

SUMMARY:-

So far, we have discuss about the definition, problems arising in management, planning change and implementation changes.

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PLANNINGFOR VENTURE

People do not plan to fail, they fail to plan. Many individuals aspire to entrepreneurship, but very few actually take the leap. Many who do take the leap fail due to poor planning. So, venture launch planning represents a formal approach or methodology to business planning for aspiring entrepreneurs.

1. Venture Launch Planning

o Venture launch planning is a business planning methodology designed to help aspiring entrepreneurs plan and launch new businesses. It doesn't apply to existing business owners looking to expand. It only applies to aspiring entrepreneurs, who may still be working a full-time job. The word "launch" is key.

How It Works

o First, the venture launch planning model helps aspiring entrepreneurs discover their passion. Next, entrepreneurs determine what they are good at relative to the skills required to carryout that passion. From this foundation, aspiring entrepreneurs can develop a business plan, acquire the necessary resources and launch.

Benefits

o The benefits of a successful business launch has both individual and economic consequence. Individual entrepreneurs benefit by launching and running the business of their dreams. Society wins because this new business can grow, pay taxes and employee people.

It doesn't have to be fancy and bound in leather, but your completed venture plan should look professionally

prepared and be ready for serious review by potential investors. Here's how to make sure it looks right and

does the job.

> **General Guidelines for Writing Your Plan**

As much as your plan represents your dream and is very important to you, it may not be as high on the

agendas of the people who read it. When you sit down to write your plan, think of who will be reading it

and put yourself into their shoes as much as possible. In most cases, the people who will read your plan are

going to be potential investors, bankers, and/or potential partners. Your readers have likely seen dozens, and

perhaps even hundreds, of plans. These people do not often have a great deal of time, so prepare your plan accordingly.

In general you should:

- Write the plan yourself. Get help if you need it, but do not let your accountant, bookkeeper, or other professional write your plan for you. You may let them help you with the financial plan, for example, need to know your plan inside and out-and the best way to ensure that is to write it yourself.
- Back up every claim you make with supporting evidence. Include surveys and detailed market research

addendum or appendix to your plan.

- Write clearly and to the point, keeping your prose to a minimum.
- Avoid hyperbole: don't overstate your case. Similarly, avoid unnecessary adjectives such as "fantastic," "amazing," "astounding," "irresistible," and so on. Let the reader form his or her own opinion.
- Ensure that your writing is error-free and edited for proper form and syntax.
- Choose a simple, common font such as Times New Roman, and stick with it throughout the document.
- Use professionally produced drawings, photographs, and graphs. Unless you are a professional, your attempts at art will look amateurish. The same is true for videos, if you're using them, or a computer-based demo.
- Bind the pages simply. Cerlox or its equivalent is likely sufficient.
- Make sure you include your contact information right on the cover. This is one of the most common mistakes entrepreneurs make.

Sections of the Plan

The first two sections should appear at the beginning of your plan. It is not as critical that the others follow in the order given, but this sequence will likely work well.

Executive Summary

This is by far the most important part of your plan. It should be no more than two pages in length, or less.

State the idea, the opportunity, how much money you need, where you hope to get it, how it will be spent,

and how you will pay it back. Readers who are interested may then go on to read the rest of your plan.

Be warned, if your executive summary is more than three pages long, it will likely not be read.

Your Planned Venture

Describe your idea as clearly as possible, with diagrams, photographs or any other medium necessary to communicate it to the reader. Back up the idea with a description of the target market, tell why the opportunity exists, and why your idea will capture that market.

Market Research

Explain how you determined the product or service was appropriate to the market. Include explanations of the "four P's" (price, product, promotion, placement).

Background and History

Tell who you are, what experience and skills you bring to this venture, and whether or not you've run your own businesses in the past. Describe and explain their successes or failures. Include your own, short, biography.

Management Team

Provide the names, and short bios, of the people you will use to fill the key positions in the business.

Start-up Plan

Tell when and where you plan to start the business and why you chose this time frame and location.

Operational Plan

Describe, in detail, how your business will operate. Include diagrams of production or service areas if appropriate.

Marketing Plan

Describe, in detail, how you will attract customers or clients and how you will deliver your product or service to them.

Financial Plan

Provide a detailed financial plan, including a cash-flow projection, that accounts for the money you will need (borrow) and the repayment plan and return on investment to investors.

Appendix

Include your own and your team's detailed biographies here as well as additional market research and any other information that is too detailed to be included in the body of the plan.