

Answer on Question #51169, Management, Other

Explain how forecasting helps an organization to handle uncertainties.

Explanation:

Planning is the process of setting goals and creating a schema of action to achieve them. It is also a continuous process of decision-making, in which the set and refined over time the goals and objectives of the company in connection with the changes taking place around it, and identifies resources for their implementation. But how can we plan, when changes in the external environment are continuous and are very important, not only leads to a change in the initial conditions for the planning and the value of the resources available, but sometimes requires adjustment purposes? Why plan if it is not clear where we all find ourselves tomorrow? Would not it be planning in such circumstances profanity and a waste of time?

Planning is always maintained in the face of uncertainty, changing only its degree, so there is no the fundamental differences in the approach to this process. But the importance of planning and its quality requirements with increasing uncertainty increases, since unwillingness to those or other events may be tragic for the company. Planning allows us to fight the feeling that events are constantly ahead of any decision of the company to move from reactive to proactive reaction to a situation that gives the chance to capitalize on the changes in them.

The most valuable in the planning, not the final result, that is the plan itself. The main value is in the planning process and the accompanying study and discussion.

Having a plan greatly helps to eliminate the inherent uncertainty associated with the fuzzy setting goals and differences in the interpretation of both of these ends, and how to achieve them. In addition, writing something, we establish a stronger link between the conscious and the subconscious than when we present something mentally. And one more remark: Managers should be aware that the accuracy requirement of the planned indicators often causes managers to ensure that they underestimate. How to deal with it everyone decides for himself in a specific situation.

Planning is the complete management tool. Volumes of information collected within the company and coming from the outside are rapidly growing. The task manager is to properly use it to understand the market trends, minimize risks, optimize relationships with customers and partners, and improve business processes. Planning as a management tool in such circumstances, it is necessary to decision-makers. Plans are means implement strategic and tactical initiatives manager. The experience of companies from industrialized countries shows that the planning system, allowing adequate and timely response to changing business conditions, should ensure coherence of the planning process with the strategic objectives of the company, have a continuous, allows you to schedule various development options, predict and analyze the possible situation scheme "what if?". And all these three aspects are equally important and must exist at the same time - only if the planning system can help a manager to manage in the face of

uncertainty. Meanwhile, many companies continue to be considered as an action plan, rather than continuous activities to support decision-making. Under the continuity, process of the planning is meant reducing the planning cycle and the ability to quickly adjust plans (including budget) as conditions change.

It should be noted the most important general principles, which must be satisfied by planning:

- limiting factor: the more the factors taken into account when planning critical to achieving the goal, the more realistic to plan;
- commitments: planning should be the limited period of time, the necessary and sufficient to meet the obligations provided for planning decisions;
- flexibility: we should not forget that the increased flexibility of plans usually leads to higher costs, so flexibility should be optimal;
- navigation changes: it is important to periodically check the actual events to expect and revise plans based on the need to continue to move to the target;
- unity of purpose: all plans should be designed to ensure the ultimate goals of the organization;
- efficiency, evaluated by how specific plan promotes the goal of taking into account all the costs and adverse effects associated with the process of planning;
- Primary: Planning logically precedes the implementation of all other management functions;
- timing: plans should be directed to the development of a coherent system of programs over time.

In conclusion, we can note the following planning makes effective use of resources to achieve the goals of the company. So, thanks to planning the company will have sufficient resources to implement priority projects and tasks, and the situation with the waste of funds projects with questionable chances of success will be impossible. The planning process manager can form a strong team of leaders because to create an aggressive, but at the same time realistic action plan staff will need to look for new opportunities. Without communication and cooperation with each other is impossible. Anticipate emerging risks and develop plans for their leveling. In addition, it can be used to identify competitive advantages, as in the preparation of a business plan employees are carefully evaluating the strengths of the competitors, the position of the company, its strengths and weaknesses, and opportunities. The plan must meet certain requirements: be specific, contain clear and measurable objectives, as well as actions and events, dates for each activity and specific individuals responsible for their implementation; realistic, otherwise it makes no sense to develop. The manager and team of the company have to be confident that can perform tasks. Most likely, manager will have to change the plan, taking into account the changing market conditions and demand, but to understand how good and effective plan, it is necessary to prepare; simple and clear to every member of the team, which will allow it to act and work as one to achieve the objectives; assume reward employees. It is necessary that the team was interested in the performance and fulfillment of the plan. In times of economic

and political uncertainty, the role of planning becomes even more significant, especially in terms of prediction and careful study of the possible risks.

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