

Types of planning premises



Different types of planning premises are:

1. Internal and external premises;
2. Controllable, semi-controllable and non-controllable premises;
3. Tangible and Intangible premises.

1. Internal and external premises:

Internal premises originate from factors within the premise. They relate to premises about the company's internal policies and programmes, capital budgeting proposals, sales forecasts, personnel forecasts (skills and abilities of personnel) etc. External premises originate from factors outside the organization. These are the indirect-action environmental factors (social, political, technological etc.) which affect the organization. They are also non-controllable premises beyond the control of the organization.

2. Controllable, semi-controllable and non-controllable premises:

Controllable premises are those within the control of a business enterprise, such as, men, money, materials, policies, procedures, programmes etc. They can be controlled by a business enterprise to ensure better sales of its products. Semi-controllable premises are those which can be partially controlled by a business enterprise like, labour position in the market. Non-Controllable premises are those that lie beyond the control of a business enterprise. Wars, natural calamities and external environmental factors are non-controllable premises.

3. Tangible and Intangible premises:

Tangible premises can be estimated in quantitative terms like production units, cost per unit etc. Intangible premises cannot be quantified, for example, goodwill of the firm, employer-employee relationships, leadership qualities of the managers, motivational factors that get employees to work.