

Planning, Directing, and Controlling

Accounting presentation created by
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Planning, Directing, and Controlling

- Planning, directing, and controlling, terms we often use. Accounting, and in particular, managerial accounting makes a big deal of these terms trying to stress a point.
- The point is “What do managers do?”
- They make decisions.

Planning, Directing, and Controlling

- Managers make decisions based on yesterday's information, today's requirements, and the estimates of tomorrow.
- Many decisions are actually wrong. The manager's job is to make a decision, then evaluate it over time to see if it is correct.

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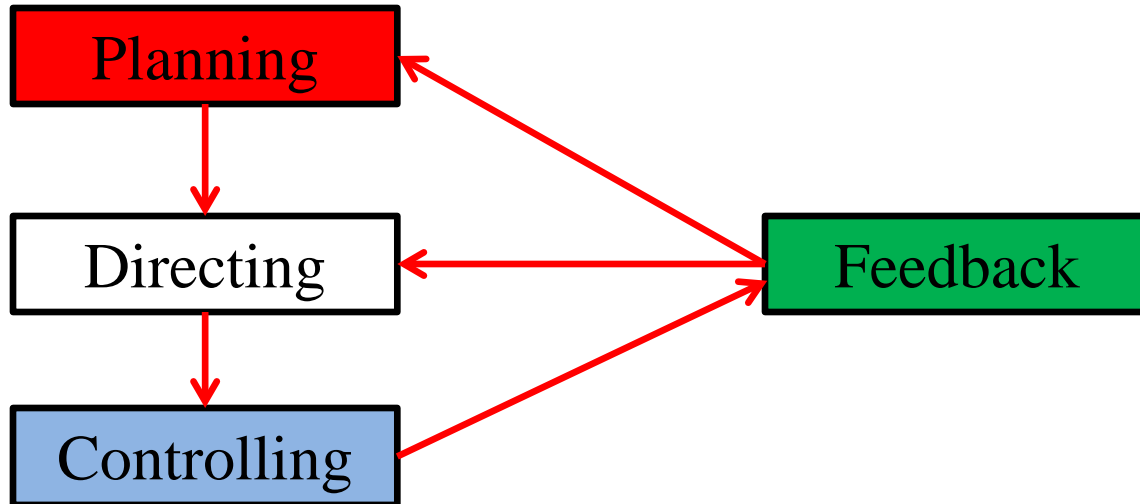
- Feedback is received because a manager made a decision.
- The manager needs to consider the feedback received at any point to determine if the decision is perfect or not perfect.

Planning, Directing, and Controlling

- The sequence is 1) planning, 2) directing, and 3) controlling.
- Feedback is received at the directing and controlling phases.

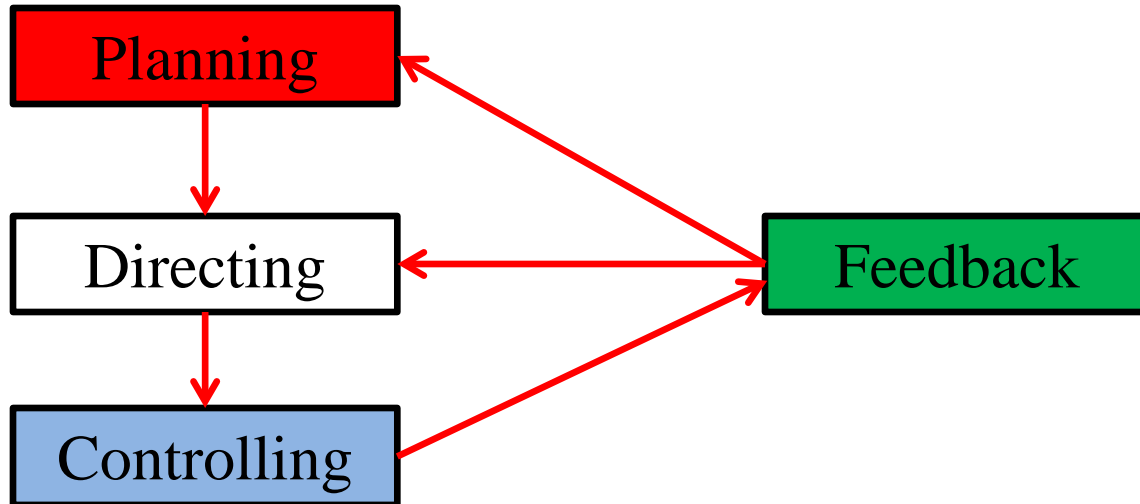
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- Decision making and feedback.



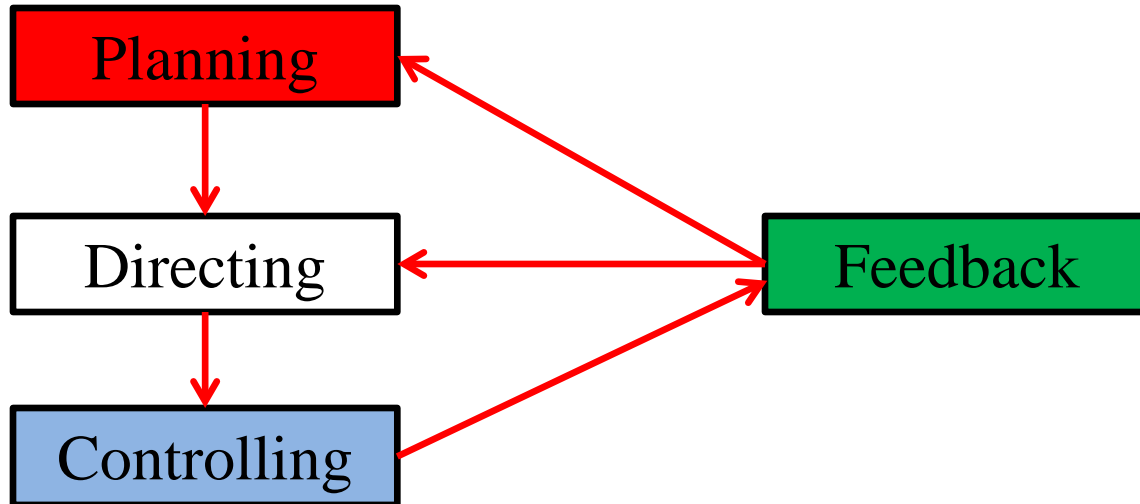
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- Planning – What you did yesterday – you made a plan.



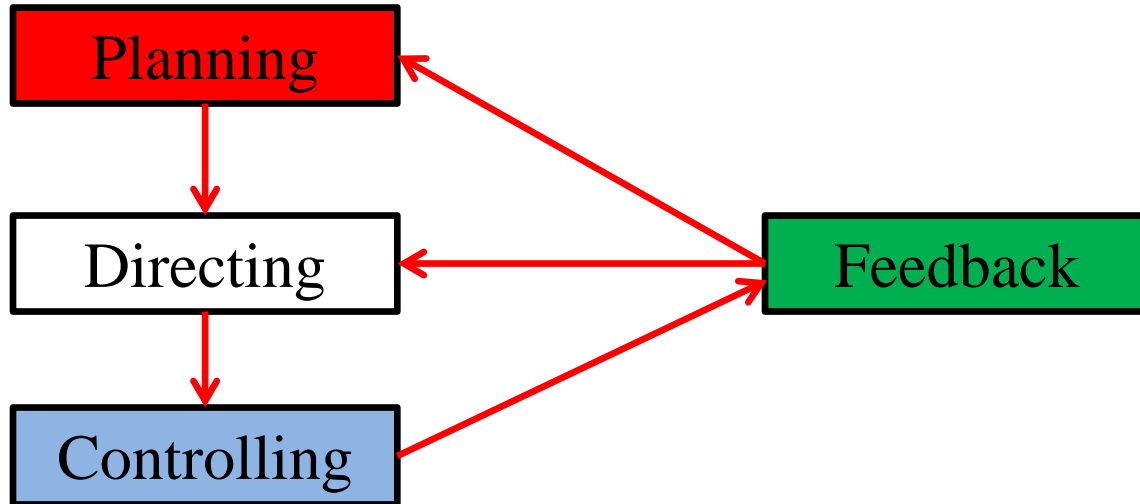
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- Directing – What you do when you tell your workers what you want done today.



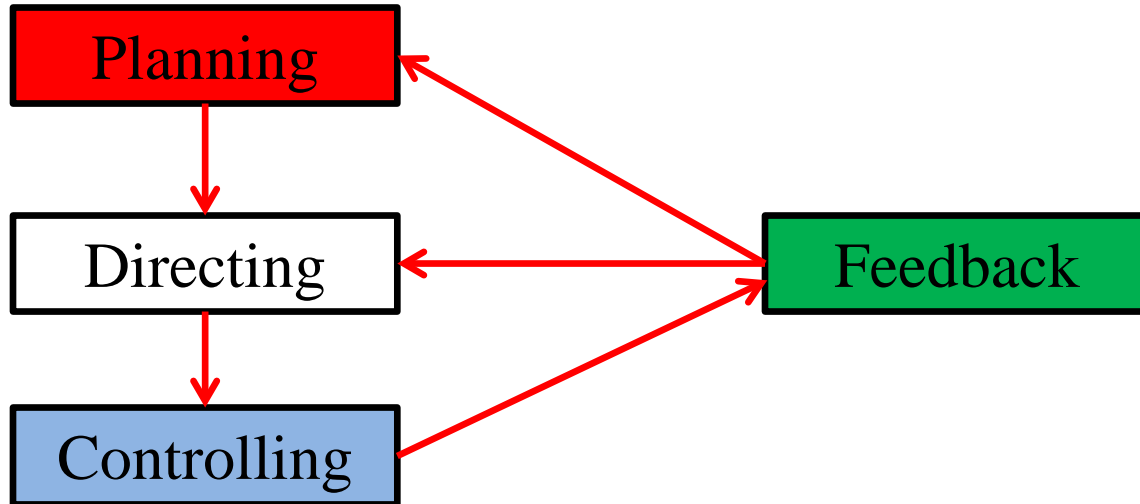
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- Controlling – What you do when the feedback is received tomorrow and evaluated to improve the decision you made in the planning phase or that you stated in the directing phase.



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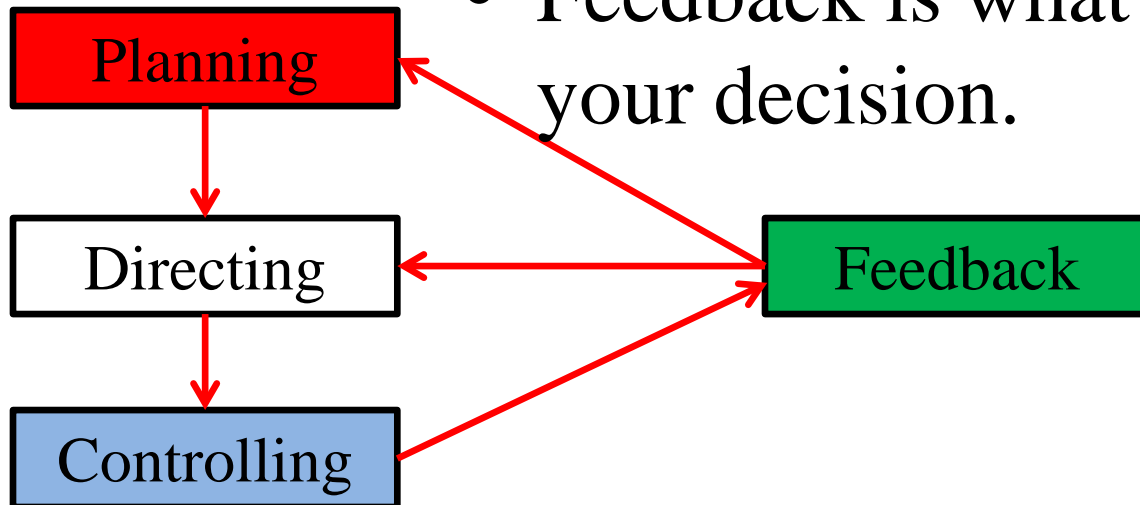
- Feedback – Something you need to keep your channels of communication open to receive it regardless of how it is sent.



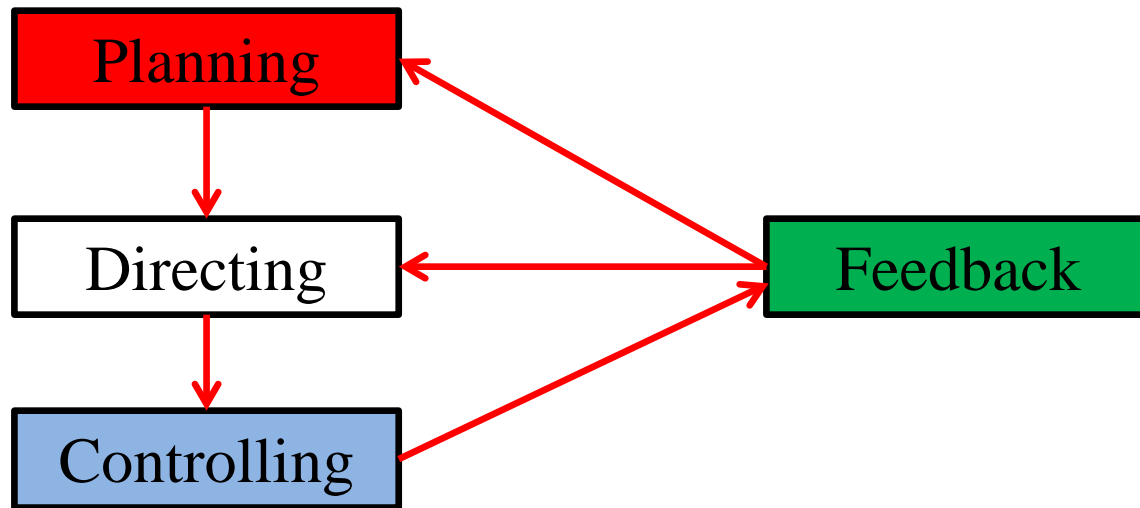
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- Planning is yesterday, what you want to do.
- Directing is putting your plan into play.
- Controlling is adjusting your plan to meet your goals.

- Feedback is what you get about your decision.



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The end.