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## Corporate planning: A vision

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**Abstract:** *Corporate planning is concerned with overall planning of an organisation so that the organisational goals and objectives can be achieved efficiently and effectively. It is planned to discuss the concept of corporate planning.*

*corporate planning as, "the continuous process of making present entrepreneurial decisions systematically and with the best possible knowledge of their futurity, organsingh systematically the efforts needed to carry out these decisions, and measuring the results of these decisions against the expectations through organised, systematic feedback.*

**Key Words:** organisational goals, entrepreneurial, decisions, systematically, futurity, organsingh.

Corporate planning is concerned with taking strategic decisions in the light of future conditions and implementing these decisions in the best possible manner and constantly reviewing these decisions in the wake of new developments. Corporate planning is "the process of determining the major objective of an organisation and the policies and strategies that will objective.

Simply speaking corporate planning is a comprehensive planning process involving formulation of plans and their review in the light of new developments. It is undertaken by top management for the company as a whole. However specialists from outside may also be associated to help the top management in the process.

Corporate planning consists of identifying new avenues for investment and marketing. For example, undertaking new projects and new strategies in the light of new developments. The term 'corporate planning' is very comprehensive because it includes not only operational planning, project. Planning but also strategic planning. Corporate planning is concerned with taking strategic decisions in the light of future conditions and implementing these decisions in the best possible manner and constantly reviewing these decisions in the wake of new developments. Corporate planning is, "the process of determining the major objective of an organisation and the policies and strategies that will govern the acquisition, use and disposition of resources to achieve these objective". Corporate planning is a comprehensive planning process involving formulation of plans and their review in the light of new developments. It is undertaken by top management for the company as a whole. However specialists from outside may also be associated to help the top management in the process.

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The following characteristics of corporate planning shall become crystal clear:

1. Corporate planning is a comprehensive process. It not only consists of formulation of the company's plans but also their implementation and review in the light of new developments.
2. Corporate planning has a wide scope. It includes operational planning, project planning and strategic planning.
3. Corporate planning is a continuous process. Plans are not formulated once for all but are constantly reviewed from time to time in the light of new developments.
4. Corporate planning is forward looking, it is based on future impact of current decisions.
5. Corporate planning is an integrated planning. It covers the entire organisation and its important segments which are interdependent. Operational planning, project planning and strategic planning are inter-linked with each other.



6. Corporate planning is essentially a long term process ranging between 5 to 10 years. However, operating and strategic plans may be of short duration.

7. Corporate planning is an intellectual process. It requires intelligence, foresightedness, tactfulness, patience, rational judgment, imagination and sound analytical skills.

It is very difficult, if not impossible to explain the true scope of corporate planning. The reasons are not very far to seek. The term "Corporate planning" is used in many senses by different authors.

ordinarily the term is used in a narrow sense to mean strategic planning. Authors like Steiner and Gray have used the term synonymously with the terms 'comprehensive corporate planning,' "comprehensive managerial planning", "long-term planning" etc.

In wider sense the term corporate planning includes operational planning, project planning and strategic planning. Therefore, to understand the true scope of corporate planning, it is necessary to briefly explain these three terms:

1. It is of short term nature. It deals with existing products, markets and infrastructure. There is little degree of risk.
2. As its name suggest project planning is forward looking. Of course, planning itself is forward looking. However, project planning aims at exploring new products, markets and infrastructure. As such there are greater risk and demand of better skills and judgment on the part of managers as future is uncertain.
3. It is the formulation of comprehensive and unified plans to cope with the challenges posed by new developments in the light of strategic opportunities enjoyed by the firm and threats posed by new developments. It lays down the blue-print according to which the future operations of the enterprise shall be carried out.

Corporate planning aims at developing objectives for the corporation and its segments components evolving alternative strategies to achieve these objectives in the light of new developments. The important objectives of corporate planning are:

1. Oridentification of new areas of investment. This includes identifying new projects. Such new projects may be in the same industry or in some other industry in which case it may take the form of diversification. For example, D.C.M. and Sri Ram group have entered in a big way in automobile industry in collaboration with Japanese Automobile giant Toyota to manufacture commercial vehicles.
2. Corporate planning is to explore new markets for the existing products. Exploration of new markets may be aimed at maintaining the firm's share in the existing market which might have been lost to the competitors or it may be to capture new markets in order to expand the share in the existing or future market.
3. Every company, big or small, is faced with the problem of scarcity of resources. Consequently it is necessary that scarce resources like managerial skills, technical know-how, capital etc. should be judiciously or rationally allocated among alternative products/markets so as to ensure maximum return or profit from these scarce resources.
4. Corporate planning aims at helping the organisation to exploit available opportunities and to fight threats posed by the changing environment. The organisation can maximize the befeit of environmental opportunities. At the same time it can minimise the loss caused by environmental threats by adopting suitable strategy.
5. Co-ordination is said to be the essence of management. Corporate planning aims at coordinating strategic activities so as to manage the changed environment efficiently and effectively.
6. Corporate planning helps in systematic management development by providing valuable learning



experience and an opportunity for self retrospection i.e., self improvement. Corporate planning provides the necessary tools and techniques to monitor the manager's progress in achieving organisational goals. It helps them to improve their managerial skills.

Corporate planning is a very dynamic process. It is affected by a number of factors. At the outset as a matter of caution it may be pointed out that the list of factors suggested below is not exhaustive. It is rather suggestive. There are number of other factors which exert influence on the corporate planning process. For example, nature of corporate ownership i.e. whether it is widely held or closely held, extent of physical operation i.e. its operation is local, national or international i.e. multi national, degree of centralization or decentralization, etc.

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