

CORPORATE PLANNING - AN OVERVIEW

1. Planning is simply deciding today what should be done for tomorrow so as to achieve the desired goals. In business it involves reconciling its scarce resources like money, men, plant and machinery or skills with its long-term objectives and opportunities which may arise. Companies which do not plan will not make the best of opportunities that may arise. They would be vulnerable to changes in the market, the technology as well as the industry. Good planning helps Companies to achieve better performance and improved efficiency but the greatest benefit is the sense of FORWARD THINKING that a good plan inculcates.

2. The primary objective of planning is to establish the basic PHILOSOPHY, POLICY and the TARGETS for the Company as a whole and/or for the Divisions. In other words the plan helps in specifying the aims of the Organisation and the general principles which will guide the operations. The plan also helps in establishing the broad organisational structure needed to carry out the specified policies/targets.

3. Corporate Planning is a process which lays down the mission for the Organisation. It provides a momentum to enable a steady push to the Organisation so as to achieve the corporate objectives. The mission of the Company can be expressed in different formats, eg.
 - a) Technological leaders
 - b) Employee welfare
 - c) Customer satisfaction
 - d) Maximise profits, etc. etc.

Once the missions have been clearly specified then the function of Corporate Planning begins, viz. to translate this mission into plans. Corporate Planning can therefore be said to be equivalent to strategic