Corporate planning, a relatively new concept, has had a great success and wide acceptance. It involves identifying the objectives of the organization in the present environment and takes into account the role it has to play, keeping in view its strengths and weaknesses and the development of competitive modes (in the case of transport), the changes anticipated in technology and the environment in general. It is a system that enables one to anticipate rather than react to situation.

While it deals with long range plans it is not dealing with future decisions. It is concerned with decisions today in the light of their futurity. It is not an aggregation of the functional plans of the organization. It is an integrated plan giving assigned tasks to each function to achieve the objectives. It must involve top management and active participation of the line staff. It is a continuous process and needs updating regularly on the concept of rolling plans. It helps investment policies to be directed to markets and areas where the organization has strength and avoids "stop-and-go" investment policy.
Corporate planning will not happen by itself. It needs to be started with the cycle of planning on a formal basis to be initiated.

CORPORATE PLANNING - THE NEED

Planning is an essential ingredient for the development process of any unit or organization. As a concept it is not new. Planning is carried on daily by almost every human being. In personal life we do not randomly make decisions for our actions. We seek to achieve goals and objectives within certain time limits through a process of thinking in advance of acting. Despite that, systematised planning of the activities of an organisation as a way of Corporate Management is a relatively new concept. While it has in a short span of time, been subjected to a lot of publicity both good and bad, corporate planning has found an important place in the management process of most large organisations.

It has been found that corporate planning if completely done provides a picture of the future that is correct enough to be considered factual and to be used by corporate management as a point of departure for speculation about the distant future. For any new concept the definition is an important fact. Corporate planning has been no exception. A series of definitions have been provided. Corporate planning has been defined by Basil W Denning as a formal, systematic, managerial
process organised by responsibility, time and information, to ensure operational planning, project planning and strategic planning are carried out regularly to enable the management to direct and control the future of the enterprise. All definitions make it clear that such planning is strategic and has to be carried out regularly with the involvement of the line function and guidance and acceptance of the top management. Without labouring very hard, therefore, on definitions one can take long range corporate planning as an important ingredient for investment for the future that is planned. For, it attempts to portray aspects of the future making assumptions of economic conditions.

INTRODUCING CORPORATE PLANNING IN THE RAILWAYS

In India and particularly for a Government undertaking, the railways were pioneers in introducing the corporate planning process. Knowing that the demand for railway transport was highly subject to the growth of the economy both in the industrial and the agricultural sectors, technological changes in the environment, and growth of other modes of transport, it was necessary to introduce the process which would take a hard look to the present business, reidentify the objectives of the organisation and present alternatives to reach the objectives laid down.
On the Indian Railways, corporate planning process was formally introduced in 1972 with the formation of a Central Corporate Planning Unit as a part of the Planning Directorate of the Ministry of Railways and this unit was to report through the Director Planning to the Chairman, Railway Board. The first ingredient of involvement of top management was brought by placing the unit under the Chief Executive. The unit consisted of four experts drawn from different disciplines of the railway management and the personnel selected were such as had wide experience of working in the organisation. While a small unit was the nucleus, it had the support for data and analysis from the statistical Directorate and the Economic Adviser and from all other functional Directors, including the units of Operational Research, Costing and the Research Design and Standards Organisation.

Thus, the number in the Central Unit was supported by the expertise available in the organisation. Before the first version of the plan which was called interim version was completed, central planning units were also established on each of nine zones of the railways. The Central Planning Unit on the zonal railways was to further interact with the Divisions which was the field unit, thus providing interaction from the field level via the central planning unit of the zone to the top
management in the Railway Board. Planning thus was not providing a set of blueprints from the top for implementation but was established as a two way process.

IDENTIFYING THE OBJECTIVES

The key to corporate planning is a system of long term objectives of the organisation in clear precise terms. When first started in India in the mid-nineteenth century, the railways had the limited objective of opening the hinterland of the country connecting the ports of trade with the United Kingdom and to provide rail transport for troop movement, for maintaining law and order and also to move foodgrains to meet famine situations. The railways were not created within an overall plan designed to meet the requirements of transport at large. It was, however, a popular mode of transport and it carried traffic off from the carts and other slow moving modes and moved all traffic including "smalls" and for short distances. It had no rival mode at that time and had provided a rate structure on the concept of ability to pay and value of goods, building into the system cross subsidization between different routes.

The situation had since changed bringing in road and air transport as other means, pipelines for transporting liquids, electric transmission lines to
reduce the haulage of coal. Demand for transport and technology had completely changed and required reidentifying the corporate objectives of the railways. This process of identifying the objectives involved all the nine zones of the railways and the corporate objectives finalised after a discussion of the General Managers with the Railway Board. The objectives identified were:

i) to provide rail transport for both passengers and goods, adequate to meet demand, in such areas for which railway operations confer optimum benefit to the economy, having due regard to Government's policy of development of backward areas;

ii) to provide such rail transport at the lowest cost consistent with:

a) the requirements of the railway users and safety of operations;

b) adequate provision for replacement and some provision for development of business; and

c) the least amount of pollution of the environment;

iii) to work in association with or utilise other modes of transportation, such as pipelines and road transport corporations, and to engage in
ancillary activities necessary to subserve the above two objectives;

iv) to establish a corporate image of the railways as being an up-to-date business organisation with the interests of the public and of the nation as its prime objective; and

v) to develop organisationally effective personnel with pride in their work and faith in the management.

Having laid down the general objectives, it was necessary to quantify certain sub-objectives, of the organisation for translating them into action plans. The important indices that affect the working of the Railways in its investment programme, like the wagon-turn-round, average speeds of trains, productivity of manpower, availability of locomotive fleet and productivity of work force, were also quantified. The quantified targets were worked out in global terms and it was to be translated for each zonal railway separately so that each zone had its own quantified targets in conformity with the overall objective of the Plan.

The evaluation of assets required were worked out in the first planning cycle based on the quantified objectives. In this context it is relevant to say that
targets and goals set should not be what is desirable but what is attainable. A good plan is realistic and a realistic plan does not set unattainable targets.