International Journal of Academic Management Science Research (IJAMSR)
ISSN: 2643-900X
Vol. 8 Issue 11 November - 2024, Pages: 180-191

Mastering The Basic Constructs Of Corporate Planning

Dr. Amanawa, David Ebiegberi

Senior Lecturer/Researcher at the Nubian American Advanced College, LFS Maben Road, off Northern Foreshore, Chevron Drive, Lekki, Lagos, Nigeria.
david.amanawa@iaue.edu.ng

Abstract: *Corporate planning is a critical strategic process essential for startups and established organizations to achieve their objectives in an increasingly competitive landscape. This paper delves into the various facets of corporate planning and its significance, highlighting the necessity of developing a coherent plan to enhance clarity, resource efficiency, and decision-making. Building upon the foundational principles of corporate planning, we explore the process of obtaining information through environmental scanning and stakeholder engagement, which informs strategic decision-making. Key components of effective corporate planning, such as goal setting and tactical development, are examined, emphasizing utilizing the S.M.A.R.T. criteria to ensure alignment with organizational vision and responsiveness to market dynamics. The role of implementation planning is underscored, highlighting the importance of monitoring performance and adapting strategies to achieve desired outcomes. Additionally, the discussion extends to the extent of strategic planning in navigating technological and socio-political forecasting, as well as conducting industry analysis to maintain a competitive edge. Overall, this paper reinforces that a well-defined corporate planning process positions organizations to mitigate risks, leverage opportunities, and foster employee engagement and collaboration, ultimately leading to sustained organizational success. This research contributes to understanding corporate planning as a dynamic, ongoing practice essential for achieving long-term goals in a fluctuating business environment.*

Keywords: Corporate Planning, Strategic Planning, Forecasting, Industry Analysis

INTRODUCTION

Whether you are a startup aiming to land your first customer or an established corporation looking to reach a new market, corporate planning is essential to achieving your objectives. The complexity of the contemporary business environment, characterized by rapid technological advancements and shifting consumer preferences, necessitates a strategic approach to corporate planning (Brynjolfsson & McAfee, 2023). For startups, a well-defined corporate plan provides a roadmap for initial engagements with customers and outlines critical pathways for growth and sustainability (Freeman, 2023). Conversely, established corporations often face the challenge of adapting to new market conditions, making effective corporate planning indispensable for devising strategies that enhance market share and profitability (Hill, 2023).

Businesses utilize the corporate planning process to lay out a detailed plan of action aimed at expansion, profitability enhancement, increased visibility, or solidifying brand identification. By systematically analyzing their internal capabilities and external market conditions, companies can craft strategies that differentiate them from competitors and leverage their unique strengths (Mintzberg, 2022). A comprehensive corporate plan enables organizations to allocate resources efficiently, minimizing waste and optimizing operational effectiveness (Cooper & Schindler, 2023).

Successful companies have adopted corporate planning to utilize their resources more effectively than their rivals. This competitive edge is achieved by thoroughly examining environmental factors and stakeholder needs, allowing businesses to anticipate market shifts and pivot accordingly (Daft, 2022). According to Bochnewich (2015), having a strategy is critical regardless of the business size. A strategic framework not only facilitates organizational structure but also contributes to various key aspects of business management:

- **Clarity & Direction:** A well-articulated strategy provides employees with a clear understanding of the organization's goals, fostering alignment across departments and enhancing teamwork (Lozano et al., 2017).
- **Efficient Use of Resources:** Strategic planning encourages companies to prioritize initiatives that yield the highest returns, promoting optimal resource allocation (Kaplan & Norton, 2008). This efficiency is particularly crucial in economic uncertainty, as organizations must make informed decisions about investments and expenditures.
- **Measuring Progress:** Frameworks such as the Balanced Scorecard allow organizations to track performance against strategic objectives, facilitating accountability and transparency in achieving goals (Kaplan & Norton, 1996).
- **Support for Effective Decision-Making:** A comprehensive corporate plan provides a structured approach to evaluating options, enabling managers to make decisions based on data-driven insights rather than intuition alone (Teece, 2007).

- **Coordinating Activities:** Corporate planning promotes collaboration among different departments, ensuring that every facet of the organization works towards common objectives (Mintzberg, 1994). This coordination is vital for fostering innovation and responsiveness to market demands.
- **Allocating Responsibilities:** Clearly defined roles and responsibilities can enhance accountability within the organization, ensuring that team members understand their contributions to the strategic goals (Kreitner & Kinicki, 2020).
- **Motivating and Guiding Staff:** Engaging employees in corporate planning can bolster motivation and commitment, as they feel invested in the organization's vision and objectives (Doran et al., 1981). This alignment drives individual performance and cultivates a culture of collaboration and engagement.

Corporate planning is not merely a procedural formality but a foundational element that underpins an organization's capacity to thrive in an increasingly complex and competitive landscape. Businesses can effectively navigate challenges, seize opportunities, and sustain long-term growth by prioritizing strategic planning. Recent studies accentuate that the ongoing integration of strategic frameworks into daily operations is imperative for organizations aiming to remain agile and innovative in today's fast-paced environment (Bryson, 2004; Jacaruso et al., 2021).

ELEMENTS OF PLANNING

Before creating a business strategy, you must examine numerous variables as a company. You must step outside your company position and consider the following things as if you were a rival or a customer. You will need to do the following to establish an effective corporate plan:

Obtain Information

Information is the first and most crucial stage in developing a thriving company plan. Consider the good, the terrible, the ugly, and the beautiful concerning your particular aims. You should obtain this data not just about your own business but also about your leading rivals. Regardless of how big or small your company is, it's critical to consider the advantages and disadvantages of the top players in your sector. This can help you form your strategy for avoiding other people's expensive blunders.

"Obtaining Information" in corporate planning refers to the systematic process of gathering and analyzing relevant data that can inform decision-making and strategic direction within an organization. This process is critical, as it helps organizations understand their internal capabilities, market dynamics, competitor behavior, regulatory environments, and emerging trends. Accurate and timely information is essential for making informed strategic choices, and organizations must leverage various data sources to identify opportunities and threats, which plays a vital role in shaping their strategic plans (Hill, 2023).

One of the first steps in corporate planning is environmental scanning, which involves analyzing internal and external environments (Daft, 2022). This includes market research, economic indicators, technological advancements, and changes in consumer behavior, all of which are critical for identifying potential strategic moves. Furthermore, obtaining information allows organizations to assess risks associated with different strategic initiatives. Organizations can formulate strategies that mitigate these risks by understanding the possible impacts of market changes, regulatory shifts, or competitive actions (Mintzberg, 2022). Additionally, insights gained from gathered information help organizations allocate resources effectively. Understanding operational strengths and weaknesses allows for better investment in areas that yield the highest returns (Porter, 2023).

There are several methods for obtaining information, including secondary research, which involves analyzing existing data, reports, and studies published by other organizations, government databases, and academic journals. Secondary research is often less costly and quicker than primary research, serving as a foundational source of information (Burns & Bush, 2022). In contrast, primary research entails collecting new data through surveys, interviews, focus groups, or observations specific to the organization's context. Although primary research is more resource-intensive, it provides tailored insights directly relevant to a company's strategic objectives (Cooper & Schindler, 2023).

Advancements in technology and data analytics tools allow organizations to process vast amounts of information to uncover trends, patterns, and insights that inform corporate strategy. Big data analytics can enhance predictive capabilities, enabling organizations to anticipate market shifts (Brynjolfsson & McAfee, 2023). Engaging with stakeholders, including employees, customers, suppliers, and investors, is vital for obtaining qualitative insights that numbers alone may not reveal. Stakeholder feedback can guide the organization in refining its direction and strategies (Freeman, 2023).

The "Obtaining Information" process is a cornerstone of effective corporate planning, laying the groundwork for strategic thinking and long-term decision-making. By equipping organizations with the necessary insights to navigate complex business environments, those that efficiently gather and analyze relevant information are generally better positioned to adapt to changes, capitalize on opportunities, and mitigate risks.

Set the Plan's Goals

Although sometimes mistaken, the objectives and strategies are distinct. A broad principal result that may be quantified is a goal. The method you use to accomplish that aim is called a strategy.

Setting the Plan's Goals within corporate planning is a critical step that involves defining clear, specific, achievable, and measurable objectives an organization aims to accomplish over a particular timeframe. This step provides direction for the planning process and serves as a framework for decision-making.

First and foremost, goals must be aligned with the organization's vision and mission to ensure that all efforts contribute to the organization's broader purpose. Research suggests alignment enhances employee motivation and performance (Kaplan & Norton, 2008). A widely accepted framework for goal-setting is the SMART criteria—Specific, Measurable, Achievable, Relevant, and Time-bound. This approach ensures that goals are clear but also realistic and situation-defined, which is crucial in corporate settings (Doran, 1981; Locke & Latham, 2002).

Engaging key stakeholders in goal-setting can lead to increased buy-in and collaborative efforts toward achieving these goals. Studies indicate that participatory approaches enhance commitment and foster organizational innovation (Bryson, 2004). Moreover, setting performance metrics is essential for tracking progress toward goals. Metrics provide a way to quantify success and facilitate regular assessment, which can inform necessary adjustments to the strategy (Kaplan & Norton, 1996).

Clearly defined goals also play a crucial role in prioritizing resource allocation. By establishing what is most important, organizations can allocate resources more effectively to maximize impact (Mintzberg, 1994). Another vital aspect is the need to review and adapt corporate goals continuously. These goals should not be static, as ongoing assessment and adaptation are necessary in response to internal changes or shifts in the market, an idea supported by the dynamic capabilities framework (Teece, 2007).

Setting the plan's goals in corporate planning is not merely a bureaucratic exercise but foundational to driving organizational success. Clear, measurable, and strategically aligned goals ensure that resources are utilized effectively, stakeholders are engaged, and the organization can adapt to changing environments. As organizations face increasing complexity and competition, the emphasis on setting and continuously evaluating goals becomes even more paramount.

Create Tactics to Achieve Your Objectives

Creating tactical plans to achieve your objectives is crucial to effective management and personal development. The S.M.A.R.T. criteria is a well-established framework that supports this process by providing a structured approach to goal-setting. The acronym stands for Specific, Measurable, Attainable, Relevant, and Time-bound, and each component plays a critical role in formulating objectives that are not only clear but also achievable and manageable.

Specific: Objectives should be clear and specific, which helps eliminate ambiguity and guides focus. Specificity allows for better understanding and clarity regarding what needs to be achieved. According to Doran et al. (1981), a specific goal answers the "who, what, where, when, and why," which helps define the exact expectations and responsibilities of achieving the objective.

Measurable: Measuring progress towards your goals is essential for maintaining motivation and accountability. Quantifiable objectives include criteria or indicators that allow one to track progress and determine when the goal has been met. Research by Jacaruso et al. (2021) emphasizes that measurable goals facilitate feedback loops, enabling individuals and organizations to assess their progress and adjust as needed.

Attainable: Goals must be realistic and feasible to foster motivation. Setting overly ambitious or unrealistic goals can lead to frustration and decreased morale. A review of motivational theories by Gignac and Jodoin (2019) indicates that achievable goals enhance commitment and effort. This implies that the goal-setter should consider available resources, capabilities, and constraints when determining goal feasibility.

Relevant: Each goal should align with broader business or personal objectives. Relevance ensures that effort is directed towards goals that matter, thereby maximizing the impact of resources invested. Research by Koogler et al. (2022) highlights the importance of relevance in goal-setting, noting that when individuals see the connection between their goals and their larger aspirations, they are more likely to stay engaged and committed.

Time-bound: A defined timeline helps to create a sense of urgency and prompts action. Establishing a clear deadline for achieving goals is essential for prioritizing tasks and allocating resources efficiently. According to a study by Kreitner and Kinicki (2020), having time constraints can significantly enhance focus and drive, pushing individuals and teams to meet their objectives promptly.

Employing the S.M.A.R.T. framework, as initially proposed by Doran et al. (1981) and corroborated by subsequent research, reveals how systematic goal-setting enhances objectives' clarity, feasibility, and relevance. By thoughtfully crafting objectives that adhere to these five criteria, individuals and organizations can significantly improve their chances of achieving desired outcomes. Further empirical studies continue to validate the efficacy of the S.M.A.R.T. goals approach in various fields, confirming its relevance in contemporary management practices (Jakubic et al. 2016).

Put your Strategy into Action

Implementation planning is a project management technique that provides step-by-step instructions for completion. This procedure informs project team members of the activities and individual duties needed to fulfill the team's strategic goals. When you implement anything, such as a plan, you guarantee that what was intended is completed.

- **Keep an Eye on the Plan's Performance:** A performance plan is a document that assists in tracking and assessing the outcomes of interventions during a program. It is an ever-changing document that should be referred to and updated frequently. While the specifics of each program's plan will vary, they should all adhere to the same fundamental framework and include the same critical aspects.
- **Assess the Effectiveness/Success of your Strategy:** To assess the success and efficiency of an organization's strategy, consider how it connects your goals to how you want to attain them and the methods you intend to employ. A strategy is effective if it utilizes the resources you want to devote and produces the desired results.

By creating a business plan, you will feel secure in every decision you make. You will have a road plan that you can confidently follow since you have done your homework and calculated the statistics. If you're having trouble articulating the legal ramifications of your strategy, an estate planning attorney can help. Failure to plan can soon lead to failure to plan.

The study of the concepts, principles, and assumptions that underpin planning as a social activity is known as planning theory. It investigates planning's aims, functions, procedures, and ethical, political, and epistemological difficulties. Planning theory is a complex and dynamic discipline representing several viewpoints, ideologies, and traditions rather than a single, cohesive body of knowledge.

Planning theory is critical because it may help planners understand and guide their decisions and actions in complicated and dynamic circumstances. Planning theory may also assist planners in critically reflecting on their beliefs, attitudes, and prejudices and how these impact their jobs. Furthermore, planning theory may assist planners in communicating and justifying their ideas and plans and engaging with other stakeholders and disciplines.

Evaluating planning theory is a complicated and subjective endeavor since various theories have different criteria, norms, and goals. The relevance and usefulness of planning practice and policy, its coherence and consistency with other theories and evidence, its ethical and democratic values and implications, and its innovation and creativity in terms of concepts and methods are possible ways to assess planning theory.

Comparing planning theories is challenging and subjective since various theories have different assumptions, scopes, and emphases. To compare planning theories, one must analyze their ontological, epistemological, and normative underpinnings and their aims, roles, and planning procedures. Furthermore, one must examine each theory's findings, suggestions, and consequences, as well as their views, paradigms, and traditions. These variables can influence how compatible, complementary, contradictory, inclusive, or exclusive each theory is.

STRATEGIC PLANNING

Strategic planning is developing precise business plans, implementing them, and analyzing the results concerning a company's long-term goals or wants. It is a concept that focuses on integrating multiple departments inside a firm (such as accounting and finance, marketing, and human resources) to achieve strategic goals. Strategic planning and strategic management are essentially interchangeable terms.

Strategic planning first gained popularity in the 1950s and 1960s, and it remained popular in the corporate world until the 1980s when it fell out of favor; however, enthusiasm for strategic business planning was reignited in the 1990s, and strategic planning remains relevant in modern business.

Strategic Planning Process

Upper-level management must devote critical thinking and preparation to the strategic planning process. Executives may explore various possibilities before deciding on a course of action and how to implement it strategically. Finally, a company's management will, hopefully, agree on a strategy that is most likely to produce positive results (usually defined as increasing the company's bottom line) and that can be executed cost-effectively with a high likelihood of success while avoiding undue financial risk.

Strategic planning development and execution are commonly considered as being accomplished in three critical steps:

- **Strategy Formulation:** A corporation will conduct an internal and external audit to evaluate its current status before developing a plan. This is done as part of a SWOT analysis to assist in determining the organization's strengths and weaknesses as well as opportunities and threats. The study helps managers decide which strategies or markets to pursue or forgo, how to use the company's resources effectively, and whether to expand operations through a merger or joint venture. Business strategies have a long-term impact on the performance of organizations. The authority to allocate the resources required for its implementation typically only extends to high management leaders.
- **Strategy Implementation:** The organization must commit resources for its execution after formulating a plan of action and setting precise targets or goals for its implementation. How well senior management communicates the selected strategy across the organization and persuades everyone to "buy into" the desire to implement the plan can frequently influence how well the implementation stage goes. Creating a solid foundation for the strategy's execution, making the most of available resources, and refocusing marketing activities to align with the strategy's goals and objectives are all necessary for effective strategy implementation.
- **Strategy Evaluation:** Any astute businessman knows that today's success does not guarantee future success. As a result, managers must assess the effectiveness of a chosen strategy following the implementation stage. Reviewing the internal and external elements impacting the strategy's execution, monitoring performance, and taking corrective action to improve the plan's effectiveness are the three critical components of strategy evaluation. For instance, a business could learn that to achieve the required changes in customer relations, it has to acquire a new customer relationship management (CRM) software package after adopting a plan to enhance customer service.

All three stages of strategic planning take place in the three hierarchical levels of high management, middle management, and operational levels. It is crucial to encourage communication and interaction among employees and managers at all levels to enable the company to work as a more functional and successful team.

Benefits of Strategic Planning

Due to the unstable business climate, many businesses use reactive rather than proactive methods. Reactive methods may need a significant investment of time and money to implement, yet they are often only effective in the short term. Strategic planning enables businesses to take a more long-term approach to problem-solving and proactive planning. They allow a company to exert influence rather than merely react to circumstances.

According to CFI (2020), the following are some of the main advantages of strategic planning:

Table 1. Benefits of Strategic Planning

BENEFITS	FUNCTIONS
Helps formulate better strategies using a logical, systematic approach	This is probably the most significant advantage. Regardless of the effectiveness of a particular strategy, several studies indicate that the strategic planning process itself significantly contributes to enhancing a company's overall performance.
Enhanced communication between employers and employees	The effectiveness of the strategic planning process depends on communication. It is started via involvement and communication between management and staff, demonstrating their dedication to accomplishing corporate goals. Managers and staff may demonstrate their dedication to the organization's aims with the aid of strategic planning. This is so because they know the business's operations and motivations. When organizational goals and objectives are made concrete via strategic planning, employees can better appreciate the connection between their performance, the success of the business, and remuneration. Consequently, both staff members and management have a greater capacity for innovation and creativity, which promotes the company's further expansion.
Empowers individuals working in the organization	Employees' perceptions of their contribution to the success of the organization as a whole are strengthened by enhanced discussion and communication throughout the whole process. Due to this, businesses must decentralize the strategic planning process by including employees and lower-level managers across the entire organization. An excellent example is the Walt Disney Company, which abolished its strategic planning

International Journal of Academic Management Science Research (IJAMSR)
ISSN: 2643-900X
Vol. 8 Issue 11 November - 2024, Pages: 180-191

	section to distribute the planning responsibilities across the many Disney business divisions.

Source: Compiled by Authors

Strategic planning is being used by more and more businesses to create and carry out sound choices. Even though it takes a lot of time, money, and effort to plan, a well-thought-out strategic plan effectively promotes business development, goal attainment, and employee happiness.

TECHNOLOGICAL FORECASTING

Technology has largely influenced how human beings have changed throughout the years. Managers in both public and commercial enterprises have lately come to understand the need to anticipate technology development and how it may affect their operations. Forecasts for the economy, the stock market, the financial system, and the weather are now standard management tools. Technology forecasting, which is still in its infancy, must soon catch up to these other analytical tools regarding acceptance and usefulness.

Technological Forecasting (TF) studies emerging trends, novel technologies, and forces that may result from the interaction of several elements, such as evolving societal concerns, governmental initiatives, and scientific advancements. These forces are outside specific companies' knowledge, influence, and control.

People in business contemplate things like the following when they consider the advantages of technological forecasting in their organizations (Quinn, 1967):

- What objectives does technology forecasting serve?
- What types of techniques and strategies are working well?
- What are the strengths and weaknesses of these strategies?
- How should businesses set themselves up for technological forecasting?
- What additional information and methods are required to increase the usefulness of forecasts?

Purpose of Technological Forecasting

First, let us clarify a significant cause of misunderstanding in technological forecasting: the objective of this activity. To be practical, technological projections do not have to anticipate the exact shape technology will take in a particular application at some future date. Their objective, like any other projection, is to assist managers in evaluating the likelihood and significance of various potential future occurrences so that they may make better decisions.

What Technology Can Be Predicted

However, how can a technological prediction be created to include probability dimensions in the same way that other predictions do? Most people associate "technology" with a very particular physical object. They don't consider this as possessing the changeable qualities that allow for probability or range projections. They believe that a properly defined technology will either exist in a specific circumstance or not. Furthermore, the forecaster must accurately foresee this occurrence, or else he is mistaken. Much of the misunderstanding in talks about technical forecasting stems from this erroneous belief, which would put an untenable burden on any forecaster.

The truth is that a "technology" is not just one unchangeable component of chemistry or hardware. Simply put, it is the systematic application of knowledge—knowledge of physical relationships—to the useful arts. Over time, this information may change continually. It can range from the first inklings of how fundamental phenomena can be used to address a real-world issue to a finished object, equipment, or industrial tool in an established operating system.

Even in this situation, any equipment, product, or operating system typically experiences gradual, incremental improvements over time. What could seem to be a "step function" progress in technology is normally nothing more than a collection of little improvements that are not worth adopting until they sum up to a significant shift in the technology as a whole. Additionally, a particular technology typically has a wide range of competing products, each with a unique combination of performance and affordability that only appeals to specific demographics. Finally, a particular technological process or product may also satisfy different demands and carry out very different roles for its numerous owners.

Technology forecasting is made feasible by the relative consistency of a technology's technical, economic, and prospective applications. It is pointless for the forecaster to attempt to foretell the precise kind and form of the technology that will dominate a given future application unless they make immediate direct extrapolations of existing approaches. However, he can predict the performance qualities that a specific usage will likely require by making "range forecasts." He can predict the performance qualities that a particular class of technology will be able to offer by specific future dates. Additionally, based on the anticipated dates, he can consider the possible effects of possessing these technological and economic capabilities.

Value of Technology Forecasting for Management

It is possible to compare technology projections to market or economic forecasts in several ways. Any savvy manager would not count on market projections to accurately estimate market size or features. He would be aware that there is almost no chance of accurately assessing the precise monetary amount of a future market. However, he may legitimately request that his market analysts calculate a market's most probable or "expected" size and assess the likelihoods and effects of various sizes. Similarly, intelligent people can often make meaningful predictions about "expected" future technology capabilities and evaluate the possibility and ramifications of variances from them. As an example, consider the following forecast:

Surprisingly, some people advocate against using technical predictions in executive decision-making. They stress that predicting technology developments is still an art. These skeptics contest the value of predicting since two or more independent specialists viewing the same phenomenon might reach wildly divergent judgments. A lack of faith in the potential management applications for the projections exacerbates their worries about accuracy. They worry that the forecaster's ego may cause him to exaggerate his predictions. They also fear that managers would accept projections without hesitation and without understanding their limitations.

Such viewpoints lack perspective and are incredibly damaging; because of this, economists, financial analysts, and market forecasters can view the same data and reach different conclusions about the future. Additionally, their predictions may be overstated or misapplied. Would those who object to technical forecasting also dispute the value of such initiatives? How can they account for the reality that managements already use technology predictions daily?

By defining future technology possibilities and risks more precisely, technological projections can help decision-makers make better choices. Forecasts do not always need to give accurate knowledge about the future to enhance judgments. Complete accuracy is not a reasonable expectation, nor is it required to justify predicting expenses. Forecasts must enable a better operation than would be possible without them to be valuable. And they need to contribute more to decisions than what it costs to prepare them.

One wonders how their management can afford to ignore these issues since technology uncertainty is among many businesses' most significant challenges. For executives who make policy, well-made technology projections—the type of forecasts that account for technological uncertainties—should easily justify their costs. And as they do now with marketing or financial projections, wise managers must also learn to use these forecasts. Their other option is to keep their heads in the sand and make decisions based only on educated guesses about emerging technology. It is reckless to act in this way.

Socio-Political Forecasting

Socio-political systems and problems involve a combination of social and political factors. It is possible to predict sales with some accuracy mathematically. Realistically, though, external economic and market circumstances beyond your control might diminish this accuracy. Some of the outside elements that may have an impact on sales include the following:

- **Political Stability:** Political unrest in a particular region may impact government policy announcements, impacting an organization's sales prediction for a specific period. Consider analyzing potential animosity between a company's home country and the nation hosting its international market. The study is done to forecast how a break in diplomatic ties (and potential economic retaliation) could affect the company's sales from global markets.
- **Population Trends:** Sales generally are directly impacted by the overall economic activity. Sales are anticipated to rise during economic booms and to fall during downturns, all other things being equal. If the sales manager is to be a capable sales forecaster, they must be an efficient forecaster of future company circumstances. He must thus be knowledgeable about numerous economic activity indicators and thoroughly understand how the economy functions. He has to be current on the state of the economy.
- **Style and Fashion:** In several industries, fashion is gaining importance. Forecasting sales are more challenging when a business sells items that are dependent on trends and fads. This is because everything depends on how well the market receives the fashions the company intends to sell. Modifications in fashion and style can have a good or negative impact on sales volume. If not adequately predicted, this might render a forecaster's job meaningless. Nobody, however, can foresee such shifts with any degree of precision. Styles and trends are therefore seen to increase risk in predicting.
- **Price Levels:** The state of the industry will affect a company's sales volume. As a result, changes in the direct and indirect competitive market circumstances will impact the company's future sales volume. The number of rivals may vary, or their marketing strategies may alter, including product design, advertising, promotional campaigns, etc. For instance, the entry of Globacom into the Nigerian GSM market changed the industry's pricing structure (to pay by the second pricing plan). It affected it because MTN dominated the industry before its entry, and call rates were charged by the minute.

- **Consumer Earnings:** The quantity of consumer income in the economy will inevitably impact consumers' disposable income and, consequently, their purchasing power. A sales forecaster must know consumer earnings in the market under consideration.
- **Weather:** Sales volume is influenced by weather and fluctuations. Due to the demand for consumers to "cool down," businesses that deal in soft drinks, bottled water, and brewers see brisk sales during the hot season. While some retailers report sales decline on rainy days or weeks, other businesses selling umbrellas, cardigans, sweaters, and other wet weather essentials report sales volume increases.

From the aforementioned sociopolitical difficulties, it can be inferred that some of the above-mentioned external elements may significantly impact the accuracy of any company's forecasting. If these aspects are not considered, the results of any forecasting processes will be worthless.

In conclusion, the results of business forecasting may not be entirely correct owing to some of the variables mentioned above, such as the inaccuracy of the internal data that is currently accessible, the laboriousness of the approach used, and occasionally the expense of forecasting. Additionally, there may be variables that forecasters cannot control, such as the price level and rate of inflation, the degree of political and economic stability, etc.

INDUSTRY ANALYSIS

Businesses employ various methods to comprehend their market and keep a competitive edge. Analyzing specific characteristics of an industry is a crucial step in understanding market dynamics in a given sector. Understanding their rivals, using their strengths, minimizing risks, and providing clients better service may all be facilitated by learning how to do this study (Indeed, 2022).

Businesses and analysts use industry analysis as a technique for market analysis to comprehend an industry's competitive dynamics. It aids in their understanding of the state of an industry, including statistics on demand and supply, level of industry competition, industry's competitiveness with other emerging industries, industry's prospects in light of technological advancements, its credit system, and the impact of outside factors (CFI, 2020).

An organization may detect prospective risks and opportunities, anticipate future market changes, and make strategic plans to maintain its market position with the insights from this study. These assessments can assist investors in determining if an investment in a company will be lucrative in the long run, in addition to providing enterprises with a comprehensive understanding of their operational environment.

In a research carried out by the Small Business Accelerator Program of the University of British Columbia in 2012, a checklist was proposed and is shown in the table below:

Table 2. Checklist for Industry Analysis

CHECKLIST	FUNCTION
Identify your industry and provide a brief overview.	It would help if you researched your sector on a local, regional, provincial, national, and international level. Be careful when specifying any applicable industry codes. Depending on current and past economic conditions, provide statistics and historical data regarding the nature of the industry and the development potential for your company.
Summarize the nature of the industry.	Include precise details like growth trends, economic volatility, and projected income. Keep up with the latest advancements, news, and developments. Discuss marketing tactics and the prevailing operational and managerial trends in the sector.
Provide a forecast for your industry.	Assemble industry forecasts and economic data across several time horizons (5, 10, and 20 years). Cite your sources accurately. Please note that the information you may get on a particular industry will depend on its size and kind. Indicate whether it is new, developing, increasing, mature, or diminishing.
Identify government regulations that affect the industry.	Include any recently passed legislation affecting your sector and any licenses or permits required to operate in your target market. This section may provide information about fees and associated expenses.
Explain your unique position within the industry.	List the top firms in the sector and produce a summary of the information about your direct and indirect competitors after your competitive analysis is complete. This will assist you in articulating your distinctive value proposition.

List potential limitations and risks.	Write about potential disadvantages to your firm and your predictions for the near and far future. List the driving factors you know, including new laws, technology, globalization, rivalry, and shifting consumer demands.
Talk to people	Visit trade exhibits, make telephone calls, chit-chat with members of relevant associations, and attend business gatherings.

Source: (UBC, 2021)

Other industry analysis tools include:

SWOT Analysis

The SWOT analysis analyses the opportunities, threats, weaknesses, and strengths that might affect an organization. Managers concentrate on two elements when doing this analysis:

- **Internal Factors:** The study evaluates a company's internal strengths and weaknesses, which are the elements that might impact how well it operates and competes in a market. Talent, unique technology, a more significant market share, or a profitable product or service can all be considered strengths. The study pinpoints tactics for minimizing flaws and capitalizing on strengths for increased business effectiveness and performance.
- **External Factors:** Opportunities and weaknesses are considered in a SWOT analysis. Competitors with more advanced technology or effective marketing and sales departments might be weak. It assesses how risks to the sector can affect the organization and looks for solutions to lessen their detrimental consequences. The study evaluates the company's possibilities to strengthen its competitive advantage.

PESTLE Analysis

The political, economic, social, technical, legal, and environmental (PESTLE) aspects that might impact a firm are assessed. Following are some analysis-related considerations.

- **Politics:** Government policies, trade restrictions, tariffs, and the general political atmosphere of the region where a firm operates or plans to operate are all evaluated as part of the analysis.
- **Economy:** In this study area, variables including Gross Domestic Product (GDP), net income, imports and exports, unemployment rate, interest rates, availability to credit, and taxation are examined.
- **Social Issues:** The analysis assesses social elements such as the local populace's demography, client purchasing patterns, and sentiments.
- **Technology:** The analysis also assesses how a firm may be impacted by technology, including Internet usage, market trends, and research and development initiatives.
- **Legal Aspects:** This examines how other legal obligations, such as industry rules, employee contracts, and labor legislation, may affect a firm.
- **Environment:** In this analysis, the future effects of environmental problems, including climate change, on the company are examined.

Michael Porter's Five Forces

Managers use Michael Porter's Five Forces to study an industry efficiently by evaluating five factors.

- **Rivalry with Competitors:** To comprehend that industry, a company must understand its position concerning rivals in the same industry. The number of businesses offering the same good or service and the market share of each rival determine the amount of competition a firm must contend with. The number of goods each business sells, operating costs, and governmental laws may all impact the competition. If several companies in a given sector provide the same goods, the level of competition will continue to be fierce.
- **The Threat of Potential Entrants:** Existing businesses are likely to endure less rivalry and experience more extended periods of profitability if it is harder for new companies to enter the sector. Reduced entry barriers, on the other hand, can portend future increased competition and reduced profits as rivals fight for market share.
- **The Threat of Substitutes:** Products or services that fulfill the same purpose are substitutes. Because consumers will move to an alternative when a product's price rises, a sector where businesses supply alternatives will likely see intense competition. The possibility of replacement enhances competition and might force firms to invest more in differentiating their goods from rivals to keep customers from purchasing alternatives.
- **Buyers' Bargaining Power:** Customers' negotiating ability can also alter how fiercely a market is competitive. The buyers have less negotiating leverage in a market when there are few providers and many consumers. Cheaper buyer negotiating

power prevents customers from pressuring vendors to offer premium goods and services at more affordable costs, which can boost vendors' profitability. When there are more suppliers than demand, buyers have more negotiating power, negatively impacting profitability.

- **Sellers Bargaining Power:** The number of suppliers in a particular sector of the economy may give such suppliers sway over enterprises. The suppliers may boost prices if a company has a limited number of suppliers for the raw materials needed to make its best-selling product. Increased pricing may result in higher manufacturing expenses since the company has limited other options for obtaining its raw materials. The company may absorb the additional costs and lose money, or it can pass them on to consumers and run the risk of them switching to alternatives. Businesses often have more negotiating leverage in sectors with more suppliers because they have more options for obtaining their raw materials.

As a method of market evaluation, industry analysis is essential since it aids in a company's understanding of market dynamics. It aids in forecasting supply and demand and the firm's financial results. It shows the level of industry competition and the expenses of joining and leaving the market. It is crucial while preparing for a small business. An industry's present stage may be determined by analysis, including whether it is still expanding, has room for growth, or has reached its saturation point.

Entrepreneurs can grasp the industry's processes and find untapped prospects by thoroughly researching the sector. It's also critical to know that industry analysis is not always accurate and does not ensure success. Entrepreneurs may make poor judgments or follow the wrong route if data is misinterpreted. As a result, it is crucial to gather data properly.

OPERATIONAL PLANNING

Based on a strategic plan, operational planning develops a comprehensive roadmap. The operational plan coordinates the dates, action items, and significant milestones that finance or the business must meet to carry out the strategic plan. In this sense, an operational plan explains the organization's primary objectives and goals and clarifies how it will achieve them.

The outcome of a team or department working to carry out a strategic plan is operational planning. To ensure the success of team-based activities that support the strategic plan, it is a process that looks to the future and maps out department goals, capabilities, and budgets.

Operational business plans work best when all members of the team or department are on board since this increases the likelihood that problems will be brought to light, goals will be established, deadlines will be met, and business collaboration will be more successful. Operational plans function much more effectively to guarantee that the entire organization meets its objectives when there is communication between finance and the business.

Critical Steps of Operational Planning

A well-thought-out company operational plan ensures that team members collaborate seamlessly, that everyone understands what has to be done and their role, and that crucial choices concerning long-term strategy are guided. According to (Planful, 2022), the following steps should be followed:

- Define the goal or vision for the operational plan clearly.
- Analyze and identify critical business stakeholders, resources, and budget team members, budgets, and resources.
- Consistently track and inform team members and stakeholders on progress.
- Adapt the operational plan to broaden company goals as needed.

Various factors influence who develops operational plans:

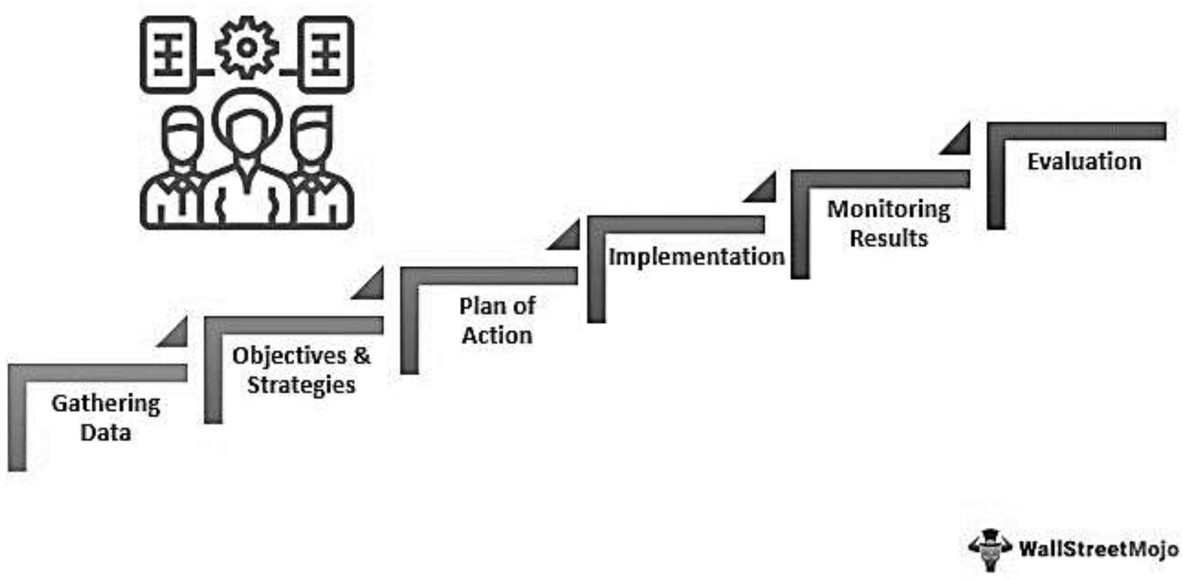
- **Scope:** The operational strategy for each action contains the who, what, and when and must be laser-focused on the initiative and the team. Make sure the scope isn't overly vast.
- **Timeline:** Depending on the organization's pace and velocity, an operational plan should include a quarter, six months, or a fiscal year.
- **Stakeholders:** To correctly estimate what work should be included in the plan, operational planning stakeholders should be close to the task. From tactical details to strategic execution, finance must unite the enterprise.

The operational plan is often the domain of middle management, in contrast to the strategic plan, which receives top-down implementation from the C-suite. Its scope is likewise narrowing as everyday activities are planned and constantly evolving. Strategic plan changes will be less frequent. Middle managers are frequently best suited to map out and implement the operational strategy because they focus on day-to-day operations, resource allocation, and duties.

CONCLUSION

According to Vaidya (2023), corporate planning is the process of establishing long-term objectives and goals within the framework of an organization to create an environment favorable to revenue and profit margin expansion. It includes developing plans, making decisions, and allocating resources. The corporate planning strategy assists the whole team in working in unison toward the organization's goals. Furthermore, a corporate planning cycle is a dynamic and ongoing activity that occurs throughout the life of an organization. Corporate planning identifies obstacles that may impede progress towards predetermined goals, and management can give ways to overcome them. Furthermore, it enables the organization to manage its resources better.

Fig. 1. Life Cycle of Corporate Planning



Extensive preparation for the future enables firms to deal with various problems better. Running a business is fraught with uncertainty and hazards. On the other hand, an effective corporate strategy assists the organization by anticipating risk value in the future, decreasing the risk of ambiguity.

A well-defined strategy assists staff in better understanding their duties. Furthermore, because all workers understand their jobs, the organization has less friction and greater togetherness. A better success rate may be predicted with employee participation and continuous development of procedures within the organization's scope, objectives, and strategies, which are easier to implement.

References

Bochnewich. (2015). 6 Elements of Successful Corporate Planning. Retrieved from B-Trust Law: https://www.btrustlaw.com/blog/6-elements-of-successful-corporate-planning/#:~:text=Corporate%20planning%20is%20a%20process,more%20wisely%20than%20their%20competitors.

Brynjolfsson, E., & McAfee, A. (2023). The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies. W.W. Norton & Company.

Bryson, J. M. (2004). Strategic Planning for Public and Nonprofit Organizations. John Wiley & Sons.

Burns, A. C., & Bush, R. F. (2022). Marketing Research. Pearson.

CFI. (2020). Industry Analysis: Understanding the competitiveness of an industry. Retrieved from CFI Education Inc.: https://corporatefinanceinstitute.com/resources/management/industry-analysis-methods/

CFI. (2020). Strategic Planning. Retrieved from CFI Education Inc.: https://corporatefinanceinstitute.com/resources/management/strategic-planning/

Cooper, D. R., & Schindler, P. S. (2023). Business Research Methods. McGraw-Hill Education.

Daft, R. L. (2022). Organization Theory and Design. Cengage Learning.

Doran, G. T. (1981). There's a S.M.A.R.T. Way to Write Management's Goals and Objectives. Management Review, 70(11), 35-36.

Doran, G. T., Miller, A., & Cunningham, J. (1981). There's a S.M.A.R.T. Way to Write Management's Goals and Objectives. Management Review, 70(11), 35-36.

Freeman, R. E. (2023). Strategic Management: A Stakeholder Approach. Cambridge University Press.

Gignac, G. E., & Jodoin, K. (2019). Goal Setting and Motivation: A Review of the Literature. International Journal of Organizational Analysis, 27(4), 895-910.

Hill, C. W. L. (2023). International Business: Competing in the Global Marketplace. McGraw-Hill Education.

Indeed. (2022). Industry Analysis: Definition, Types, Aspects and Steps. Retrieved from Ocean Financial Centre: https://sg.indeed.com/career-advice/career-development/industry-analysis

Jacaruso, D., Muir, R. D., & Smith, T. (2021). The Benefits of Measurable Goals: Insights from Organizational Learning. Journal of Business Research, 129, 135-142.

Jakubik, L., Eliades, A., Weese, M., & Huth, J. (2016). Mentoring Practice and Mentoring Benefit 2: Mapping the Future and Career Optimism - An Overview and Application to Practice Using Mentoring Activities. Pediatric Nursing, 42(3), 145.

Koogler, T. E., Morrison, J. S., & Turner, C. A. (2022). The Significance of Goal Relevance in Organizational Achievement: A Comparative Study. Management Decision, 60(3), 556-570.

Kreitner, R., & Kinicki, A. (2020). Organizational Behavior. New York: McGraw-Hill Education.

Kaplan, R. S., & Norton, D. P. (1996). The Balanced Scorecard: Translating Strategy into Action. Harvard Business Review Press.

Kaplan, R. S., & Norton, D. P. (2008). The Balanced Scorecard: Transforming Strategy into Action. Harvard Business Review Press.

Lozano, R., Nellemann, C., & Lindhjem, C. (2017). Circular Business Models: A Review of Progress and Challenges. Sustainability, 9(5), 826.

Mintzberg, H. (1994). The Rise and Fall of Strategic Planning. Harvard Business Review, 72(1), 107-114.

Mintzberg, H. (2022). Strategy Safari: A Guided Tour Through The Wilds of Strategic Management. Free Press.

Planful. (2022). Operational Planning. Retrieved from The Financial Performance Platform: https://planful.com/operational-planning/#:~:text=Operational%20planning%20is%20the%20result,to%20support%20the%20strategic%20plan.

Porter, M. E. (2023). Competitive Advantage: Creating and Sustaining Superior Performance. Free Press.

Quinn, J. (1967). Technological Forecasting. Harvard Business Review.

Teece, D. J. (2007). Explicating Dynamic Capabilities: The Nature and Micro foundations of (Sustainable) Enterprise Performance. Strategic Management Journal, 28(13), 1319-1350.

UBC. (2021). Industry Analysis. Retrieved from Small Business Accelerator Program: https://sba.ubc.ca/business-basics/beginners-guide-business-research/industry-analysis

Vaidya, D. (2023). Corporate Planning. Retrieved from Wallstreet Mojo: https://www.wallstreetmojo.com/corporate-planning/#:~:text=Corporate%20planning%20is%20setting%20long,%2Dmaking%2C%20and%20alloc