The structural overview of root and branch concept in transportation management planning

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Abstract

This paper looks at the nature, structure, characteristics, scope and dimensional trends and operational functioning of root and branch concept of transportation management planning in any organization. The root and branch concept of transportation management planning is a process that connotes a managerial initiative of adopting a holistic bottom-up and top-down approach in managerial planning process. This concept is one that decides a systematic adoption of either bottom-up strategy or top-down approach in the management planning of a transport organization. This concept has a global view and honestly sees it as one that can’t be possible without the management of the internal operational mechanisms and dynamics at the end. Therefore, effort should be made to have a holistic structural overview of this emerging concept in dealing and managing internal issues in the organization.

Keywords: Structural Overview, Root and Branch Concept, Transportation Management Planning, Bottom-Up and Top-Down Approach.

1. Introduction

Background: The concept and structural overview of root and branch transportation planning in any transport organization is a process that connotes a managerial initiative of adopting a holistic bottom-up and top-down approach in managerial planning process [1]. The root and branch concept in transportation management planning is one planning process that decides a systematic adoption of either bottom-up strategy or top-down approach in the management planning of a transport organization. The bottom-up approach or the Root concept is the process of planning which starts from the lowest operating level of a transport organization in terms of policy initiation/implementation procedure and finds its way to the top hierarchy. The top-down approach planning or the branch concept is a process of planning that starts from the top hierarchy of an organization in terms of policy initiation/implementation and finds its way to the lowest operating levels of a transport organization. Structurally, this type of concept has a global view and dimension in its approach to operational modalities. To a large extent, such a global view approach in transportation planning principles couldn’t have been possible without the management of the internal mechanisms and dynamics [1]. Planning much more on a global level by any transportation organization is not an easy task. This is because, the internal dynamics and its attendant operational mechanisms must be right in all ramification. Essentially, there is no way one can explore transportation management planning process without a thorough explanation of the total company process. This is because; there is need for proper company planning in order to achieve corporate objectives [2]. Also, the development of transport management planning in isolation from the total company plans is as futile as the production/initiation plans for an infantry force without a national military plan. Transportation planning has been defined as the process of reconciling a firm’s resources with present and future opportunities. Basically, planning means that a firm seeks to look at itself with the view of identifying what it is capable of doing and choosing a direction which would enable it to exploit such capabilities within a given environment [2]. Because of the futurity of opportunities and the necessity to deal with an immense set of interrelated dimensions which are external to the firm and also the planning process often appears to overwhelm managers and indeed often gets abandoned after a poor start. This is particularly true where after an initial enthusiasm, the firms managers may discover that owing to sudden changes in operational modalities, the actual results attained bear no relationship to the original plans. Nonetheless, many firms have come to
acknowledge that planning is a vital ingredient in the way the company determines the path it should take for its future destiny and success [2]. The benefits of the adoption of the planning process by a transport organization were summarized as follows [2]:

a) The coordination of the activities of many individuals whose actions are interrelated over time.

b) Preparedness to meet changes when they occur.

c) Minimization of non-rational responses to the unexpected.

d) Better communication among executives

e) Minimization of conflicts among individuals which would result in a subordination of the goals of the company for those of the individual

Interestingly, there are many known intangible benefits emanating from the planning process which probably exceed the immediate expectation of those responsible for introducing such a discipline into any transport organization. Truly, these fringe benefits need not be overlooked [2]. Essentially, planning is not just a discipline of spelling out future intentions in a written form. Obviously, it is a highly responsive process for guiding a firm through the hazards of a rapidly changing environment. It is a sophisticated instrument, like radar, which enables the firm’s pilot to detect deviations from a pre-set path and the need to correct course

2. The Statement of research problem

Over the years, managing a well-established transport organization in this part of the globe is not obviously possible without a coordinated planning process. Planning does not happen in a vacuum, as they are usually initiated and managed to give effective results. Oftentimes changes in policies, market operation dynamics and environmental factors have hindered the efficacy and efficiency of planning impact in any transport organization. Payne [3] believes that, without plans, most actions become random activities producing nothing but chaos, Chisnall [4] believes that planning is not a technique; rather, it is an approach to business, a philosophy that commits the company to taking its future into its hand. But also planning is not a substitute for risk-taking, entrepreneurial flair or management decision making, all of which have important roles in planning for all important goodness of any transportation organization. Nagorski [5] sees planning as bridging the gap between where we are and where we want to be, as it makes it possible for events to happen, which would not otherwise happen by themselves. Although, an exact future is seldom predicted, as factors beyond the control of man interfere with the best-laid plans, as planning reduces the probability of chance or fate of any organization. Ihenacho [6] hopes that, planning alone in whatever form, cannot make an enterprise successful, action is required; for the organization to be functional, stable, reflective and successful, reflecting efficiency of the enterprise. Most transport organizations have crashed out of business, because of lack of appropriate planning. The need to adopt either bottom-up or top-down approach to planning depends on the structure of the organization and what it tends to achieve as a firm. Finally, the research problem to be addressed maybe viewed in the light of the fact that, for a company to be successful business wise, efficient and effective there is need to adopt both concepts, as views of all concerned need to be accommodated if a conclusive business environment needs to be established.

3. Rationale for the study

Planning consists basically of a decision today on where the company should be tomorrow, and the selection of means and actions that can get it there. Planning thus provides a rational approach to pre-selected objectives. It strongly implies the ability of a management of any transport organization to create new ideas or products. Adoption of sound planning principles over the years by management of most organizations have shot them to the zenith of their business circle and given them strong competitive edge over others in terms of market shares of their products or services. For instance, the sustained and continuous patronage enjoyed by ABC transport plc over the other companies in the passenger movement industry is a clear example in the adoption of a sound planning process [1]

Planning is deciding in advance what to do, how to do it, when to do it and who is to do it. Obviously, a transport manager who wants to plan must first establish objectives and specify the factors necessary for accomplishing them.

In the light of these expectations, this research focuses on well-coordinated transport management planning as a future-oriented process by which organizational goals are designed and logical steps and actions outlined, to facilitate the achievement of set objectives [7].

4. Aim and objectives of the study

The primary aim of this research is to identify and critically assess the structure and relevance of Root and Branch concept in Transportation management planning, as regards to the operational modalities and its impact on performance and efficiency of the system.

In more specific terms, the objectives of this research are:
a) To critically assess the structure and extent of modern day application of this all important concept in a contemporary transportation management planning aimed at improving the operational performance of any organization.

b) To see how the application of this concept in every day to day operations of business has helped to guide and shape the direction of assigned individual and corporate responsibilities in terms of goal attainment

c) To ensure that the basic principles of these concepts are strictly applied in transport organizations mostly in the execution of corporate policy issues aimed at improving efficiency, productivity and operational performance.

d) To identify some specific factors and issues that would guide the direction and application of either of this concept in the execution of corporate policies aimed at attainment of goals of the organization

5. Research methodology

Principally because of the nature and focus of this research, the bulk of the required information and data were collected from secondary sources. Obviously, relevant information on industrial and capacity development, and emerging effects on organizational output orientation, manager-subordinate relationship, communication flow and industrial harmony amongst workforce were collected from relevant publications (including marketing, sales and transportation planning textbooks, communication/information handbooks and so on)

Information on the current operational modalities and problems affecting application in organizational management and planning on internal dynamics and execution of policy issues were obtained from various sources including the organizational reports of some transport based firm, Central Bank of Nigeria reports, abstract of statistics from Nigerian ports authority, National development plans and newspaper cuttings and reports from some multinational companies. The documents also provided varied information on specific impact on organizational operational management performance as regards application of the concept in daily operations. Relevant journal articles on the application of the concept, bulletins and textbooks were also used.
The data and information from secondary sources were complemented with informed interviews with the Executive Director of ABC Transport Plc Lagos, Executive officers of NIMASA and NPA and operational manager of Imo-transport Company Imo-state. Obviously, the analysis of data is largely descriptive, based on proportions and frequencies of the data sets that were used. The application of Root and Branch Concept in Transportation planning is a critical input in Transportation management of any organization. This is because, there is no other way management can function without proper planning.

6. The root and branch concept in transportation planning

Over the years, the application of both principle seem to be an effective tonic in the achievement of sound transportation management planning in the carriage and management of operational performance in any transport organization. The bottom-up concept is a process which involves policies that goes up from the basement or lowest cadre of an organization to the highest echelon. It comes in form of suggestions, complaints, and ideas. Most times these complaints or suggestions are not taken by management due to the type of regard they have for the source. Often times, they are neglected due to the perception that such suggestion can’t make positive impact in the goings-on of the organization [2]. Obviously, management does feel that quite often, people at operational levels are far closer to the business realities of the firm and therefore, can determine objectives which are attainable. Moreover, they claim that living objectives set by those who have to achieve them is a better motivational practice than imposing them from above [1].

According to the first approach, planning must commence at the various operational units of the organization in so much that decisions reached would then be brought to the centre for proper distillation and aggregation [2]. In fact, the corporate objectives are defined at the centre and each operational unit, functional areas or even departments throughout the entire organization is allocated a proportion of the overall task. Whilst participation in the whole process of planning is recognized as a good thing, the main idea is that the objectives as declared from onset at the centre are sacrosanct [8]. The top-down concept connotes a process where decisions are taken from the top,(which usually comes in form of order, instructions, command) and go down through a hierarchical process of which such chain of authorities or commands are moved to the bottom level of the organization, where such are implemented holistically[1]. The concept of top-down approach claims that, logically, there is only one starting point, namely the strategic level of the firm. It presupposes that the aim of the firm is to satisfy a number of stakeholders with conflicting demands and expectations and the only people who are in the position of striking a balance among these demands are the strategic level [2]. Obviously, they express the needs and expectations of the various groups of stakeholders in corporate objectives and these are the trigger point from which the firm’s planning starts. More importantly, the firms exist in order to meet certain expectations of various groups such as employee’s, shareholders, government etc and the summation of these expectations enunciated in corporate objectives until these have been defined, as no meaningful planning can be performed at the lower levels of management except the subordinates are highly integrated and also be carried along through the participation of decisions that really affect them [2]. Therefore, anyone who wishes to spend a lot of time intellectualizing upon the two philosophies and their respective merits and drawbacks will finally come to the
conclusion that, the ideal arrangement is a combination of the two approaches. Hence, there is need for the marriage of the two concepts to ensure efficiency and an enhanced operational performance at the end [9]. Realistically, a planning cycle based on the transmission of rigid objectives from the top may affect the attainment of results at the bottom. This is because, planning that starts its cycle at the operational levels often ignores the fundamental expectations of the total corporation as expressed in the corporate objectives [2]. The basic fact is that the top and bottom approach in transportation planning are totally interrelated and planning must somewhat form a cycle which allows a free flow of information, ideas and proposed strategies between the corporate plan (the top) and the various sub-plans (the bottom) [9]. In actual fact, the whole process may be compared to a tree. In the real sense of it, the tree has root and branches, for obvious survival, the tree needs both to function optimally. Truly speaking, there is some level of synergy in the operationalization in the foundations of root and branches for eventual survival of the tree at the end [9]. To a large extent, the tree obtains nutrition from the earth via the roots and from the atmosphere via the branches. Obviously, all this “input” provides the tree with the opportunity to be healthy and for its growth also [1].

It is evident to show that, the parallel can now be drawn: the tree here reflects the corporate plan, the root of the tree is the set of corporate objectives; the branches are the sub-plans with their respective objectives. There is therefore a clear cut synergy existing between the trees (which are the organization) via roots and branches in terms of effective planning, organization, corporate governance and internal management dynamics and integration of all concerned in achievement of the corporate objectives. It is very clear to state that each sub-plans (each branch) can have further sub-branches reflecting the following-products plans, and advertising plans etc. it is pertinent to note here that, the environment which fosters and/ or hampers the growth of the tree (the soil, the air, the sun) is somehow represented in the business planning world by the external environment of the firm including the threats, competition, hazards and opportunities which may affect the firm’s future [2]. Obviously, sound planning means of course that all the branches add up to a healthy tree (the organization) capable of living in harmony with a strong root-(corporate objectives) [10].

The clear analogy of the tree here which represents the corporate firm/organization, and it is used to demonstrate the inter-dependence of lines of authority in the act of implementing managerial instructions and decision governing an organization with basic aim of incorporating corporate objectives (roots) alongside other sub-plans (branches) in achieving sound corporate planning principles and set goals at the end of the day [11]. Basically, most corporate planners are in tune with these concepts-root- bottom-up approach and branches top-down approach in corporate daily governance and administration [9]. The core message here is that, it is almost futile to undertake a marketing transportation planning activity in isolation without applying these concepts.

Here, marketing reflecting a management process in the entire transportation planning principle is a branch, albeit a very essential one, and what-ever planning one decides to carry out in the entire transportation management principle, must be dovetailed with the planning undertaken at the root as well as at all other branches. Therefore, marketing planning which ignores production planning or manpower planning can only work well when people understand what the whole process is all about in any organization and what also it seeks to achieve at the end of the day. It is important to note that, a framework also helps to determine the exact location and role of the planning as the centre of gravity within the confines of any organization. Obviously, such clear framework for transportation planning must be developed, because the various stages of planning in any firm are inseparable links in chain of dynamic activities which actually represent the way a firm is managed and operated [12]. Somehow, along the line, top management must take stock of the firm’s internal and external activities, capabilities and constraints and seek to define with some form of clarity how they believe that they should interrelate in achieving the corporate objectives of the organization [13].

7. Transportation management planning as an iterative process

The basic fact of moving goods from a place of no value to a place of relevant value and economic importance requires some fundamental management principles and planning without which nothing shall be meaningful in the whole process of getting things done at the right time, price, and place and in good order [14]. The process of transportation management planning requires that some of the past variables must be investigated alongside with the present variables as the resultant effect will be used to extrapolate future plans that will be beneficial to the entire organization at the end. The top-down or a bottom-up approach is very important in taking decisive steps in achieving efficiency in the operationalization and management of the corporate system. Planning is very important because it directs the organization where to go and relevant decisions to take and how and when to apply and implement such key decisions to achieve key objectives at the end [11]. Obviously, whether one opts for a top-down or a bottom-up approach, one needs a “trigger point upon which the process of planning can be built. This anyway helps to eliminate the circuitous dilemma which so many firms seem to encounter when introducing transportation management planning for the first time [2]. Obviously the trigger point here is a basic enunciation of what the organization feels that it wishes to achieve and what it thinks it is capable of achieving. This is normally expressed in terms of fundamental criteria such as profits, return on investment, market share, growth, personnel policies [2]. Realistically, many of the goals thus expressed may be pure fantasy but they must represent the very senior management’s perception of what the various stakeholders expect out of the business. Indeed, the stakeholders are the starting point for any attempt at determining corporate
objectives. Whether these objectives are capable of being achieved, needs to be validated by analyzing and aggregating an enormous amount of input from root and branch and their respective environments [15].

8. Importance of transportation management planning in organization

The importance of planning in any transport organization can be set out as follows:

a) It helps offset uncertainties and changes.
b) It helps to focus attention on objectives, strategies and policies.
c) It is for gaining economical operation.
d) It facilitates the managerial function of control.
e) It helps measure actual performance.
f) It helps improve on what has been done.
g) It helps to avoid trouble and correct previously wrong or ill-informed actions.

9. Principles of transportation planning

a) It should be for the right period of time in the future.
b) It should be in the right amount of detail (short-term planning is usually in greater detail than long-term).
c) All alternative courses of action should be considered when planning.
d) Planning should be based on facts and not mere opinions.
e) It should be performed by the right persons.
f) Not only effects of the main decision should be considered, but also side-effects.
g) Planners must ensure that standards are set up for proper control of plans.
h) They should ensure that instructions are issued for the performance of the plans.
i) Planning should include a degree of flexibility plans can never be 100 per cent accurate.
j) Planning must be feasible, practicable and realizable.

10. Steps of transportation planning

For proper planning to take place, there are certain components that must be considered or steps to be taken. These are:

a) Awareness of opportunity: this includes the preliminary look at possible future opportunities and the ability to see them clearly and completely: knowledge of where the company stands in the light of her strengths and weaknesses; an understanding of its wishes to solve uncertainties; and a vision of what the company expects to gain. Setting realistic objectives depends on the awareness level. Planning requires realistic diagnosis of the opportunity situation [16].
b) Establishment of objectives: the first step in planning itself is to establish objectives for the entire enterprise and then for each subordinate unit. The specification of objectives, of the expected results, indicate the ultimate goal of what is to be done, where the primary emphasis is to be placed, and what is to be accomplished by the network of strategies, polices, procedures, rules, budgets and programmes.
c) Premising: the second logical step in planning is to establish, obtain agreement to utilize and disseminate critical planning premises. Premises are planning assumptions; in other words, they are the expected environment (internal and external) of plans in operation. Premising leads to one of the major principles of planning which has to do with forecasting. However, since the future environment of plans is so complex, it is not profitable or realistic to make assumptions about every detail of the environment. Hence, premises are, practically, limited to those components which are critical or strategic to a plan; that is, those which most influence its operation [16].
d) Determination of alternative courses: the third step in planning is to search for and examine alternative courses of action, especially those not immediately apparent. There is seldom a plan for which reasonable alternatives do not exist; and, quite often, an alternative that is not obvious proves to be the best. A very common problem is not the absence of alternatives, but the ability to reduce the number of alternatives so that the most promising is analyzed.
e) Evaluation of alternative courses: having sought out alternative course and examined their weak and strong points, the planner must evaluate them by weighing the various factors in the light of premises and goals. One course may appear to be the most profitable but requires large cash outlay and a slow payback; another may be less profitable but involves less risk; still another may better suit the company's long-term objectives [17].
f) Selection of a course of action: this is the fifth planning step. This is the point at which a plan is adopted; the main point of decision-making. Occasionally, an analysis and evaluation of alternative courses would disclose that two or more courses are advisable and viable, and the manager may decide to follow several courses rather than a single course [17].
g) Supporting plans: there are almost always derivative plans to support the basic plans. In the case where an airline decides to acquire a fleet of new aero planes, the decision could be the signal for the development of a host of derivative plans dealing with the hiring and training of various types of personnel, the acquisition and positioning.
of spare parts, the development of maintenance facilities, scheduling and advertising, financing and insurance, and so on [16].

h) Numberizing plans by budgeting: after decisions are made and plans set out, the final step to give them meanings is to numberize them by converting them to budgets. The overall budget of an enterprise represents the sum total of income and expenses with the resultant profit or surplus. If done well, budgets become a means of adding together the various plans and also important standards against which planning progress can be measured.

11. Technique of planning

No matter what business activity being planned, a common technique can be used, such as follows.

a) Decide on objectives; what are the ultimate aims?

b) Decide on certain assumptions regarding such variable factors as share of market, political action, etc.

c) Gather information and statistics which give a guide to forecasting (always based on past performance).

d) Examine all the alternative courses of action which can be taken.

e) Select the best course of action and draw up a time-table for the plan.

f) Assess the results at regular intervals so that the plan can be revised in the light of experience.

12. Policy and planning

Policy is the foundation upon which is business is managed. It may be in written form or simply understood from the guidelines laid down by the directors. Policy matters are:

a) Statement of company objectives;

b) Whether to diversify or simplify;

c) Areas in which to develop;

d) Salary and wage structures including profit sharing and incentive schemes.

Decision made should be within the limitations imposed by policy. Accordingly, any planning should be aimed at achieving the corporate policy [18].

13. Levels of planning

It is expected that planning should be carried out at all levels of management and operation in a transport organization. Consequently, the basic types of planning are:

a) Top Level Management: This type of planning mainly involves the formulation of broad company policies. It is concerned with the overall structure and operations or functioning of the organization and is usually carried out by the board of directors of the company.

b) Executive: This deals with the planning of tactics; it involves the job of administering and interpreting top management policies, especially with regard to how company's objectives would be achieved.

c) The supervisor: Supervisors are at the lowest level of management. The planning at this stage involves work activities and decisions on individual assignments, in line with plans and advice of the executive and the defined tactics.

d) Long-term Planning: This means planning for years (as opposed to weeks or months) of a company's activities. It is usually a ten to fifteen-year plan of a company's activities.

e) Short-term Planning: This has to do with planning for a relatively short period of time, usually for about 6 months.

f) Corporate Planning: This is an all-embracing planning in any organization. It is very useful in an organization, as it is used to establish objectives and for planning the levels of profit.

g) Strategic Planning: This is the heart or the core of planning. A strategy is the package of specific methods that a company chooses to employ to attack an opportunities to meet up a challenge. It is that part of planning that is most visible to outsiders. Strategy development requires ideas, creativity and imagination within the discipline of the objectives that have been set.

14. Objective-setting

Generally, planning is concerned with objective-setting and formulating strategies to achieve these objectives. Objectives are specific statements that clearly indicate what is intended to happen and when. The tactics and responsibility for achieving each objective should be assigned to a manager, who would be accountable for its success or failure. Wherever possible, objectives should be quantified and referred to schedules.
15. Forecasting

Economic forecasting is basic to planning. Forecasting involves the extrapolation of present variables, based on the knowledge of past variables, to take a decision concerning future events that will be beneficial to the planning and development of the transport organization. Forecasting precedes the preparation of a budget and is concerned with probable events. Due to the uncertainty of the future, a number of techniques have been evolved to counter and lessen the impact of this uncertainty factor. The probability theory and econometric forecasting are two statistical tools used widely in forecasting. In the case of the latter, the planner or analyzer constructs a mathematical model in which various factors of the economy are given values and their effects on each other are ascertained through an equation. The level of a country's economy is, of course, a vital factor in making a plan on transport services and revenue of an organization. A forecast helps to make premises from which plans are developed; it also aids appropriate objective-setting. Hence, it is a special planning tool; and planning, as earlier stated is the essence of management.

16. The factors affecting forecast include

a) Political stability: A stable political scene helps in the achievement of a well-synthesized forecasting process, thus leading to the realization of the desired results.

b) Population trends: A well-organized and coordinated census (that is, which produces track records of population trends) is a potent instrument for achieving realistic forecasts in terms of company sales and marketing estimation of products [17].

c) Price levels of service: The understanding of the price levels of services to be offered to customers puts the company at a vantage position to make realistic estimates and forecasts, as the case may be [19].

d) Government control and fiscal policy: The understanding of government control measures and their attendant fiscal policies on the operationalization in the business environment can lead to appropriate and realistic forecasts.

e) Employment, productivity and national income: Having the knowledge of statistical data on employment and unemployment rates, operational productivity and national income would undoubtedly help in the achievement of realistic forecasts.

f) Technical environment: Exposure to high degree of technicality and the impact of technologies on the physical and business environment would definitely help in the realization of achievable forecasts.

17. Limitations to forecasting

a) Reliability of past data: Although, past events are analyzed as a guide for the future, they only assist in authenticating the accuracy of the recorded events.

b) Judgment: Accurate judgment is needed to identify key factors of the forecast, data interpretation and selection of methods of analysis and applying them to the problem.

c) Measurement: The measurement of forecasts must have a consistent base; single figure forecasts may be unsatisfactory, hence, as there is the need for some probability to be attached, so that, the evaluation of the likelihood of the event's occurrence is possible.

18. Problems of transport planning

a) Time span: The greater the time-span between planned objectives and their realization, the higher the tendency to make mistakes. This often preoccupies the mind of the planner in transport sector as he initiates his plans; although, these can be overstressed.

b) Unforeseen circumstances and the lack of communication: So many unforeseen events do happen due largely to the lack of planning and communication. A plan is effective when it takes into account probabilities and unforeseen circumstances. To do this, planners take wide consultations with workers, to enable them to understand the nature of obstacles and the reason management is taking a certain course of action.

c) Size of organization: The larger the scope of a plan, the more complex the planning process. For instance, a plan for a department or a group of departments is a large one and, thus, has a complex planning process [1].

19. The situation audit in planning

The first step is to stop and take stock of where the company and its products are. The temptation is to skimp this stage or to restrict it to a formal exercise. But markets are dynamic and nothing stands still. A well-run company will regularly monitor all significant aspects of its operation as conditions change. Just as machinery inexorably wears out, so technologies change, new materials are developed and competitors gain or lose ground.
It would be interesting to know how many unpleasant and expensive surprises could have been avoided by the simple inclusion of a systematic company situation audit in the annual planning process. The actual scope of the audit will depend on the amount of information available, the intensity of competition, and the product category in which the company operates. Questions that need to be asked will also vary from situation to situation but the following outline has a wide application. It has five component parts:

20. The performance analysis

This stage consists of systematic appraisal of how each part of the company has performed in the previous period. In particular it is designed to define the reasons for present success and failure and to identify the key profit-making factors, that is, those that have a disproportionate influence on the final results achieved. Assessment of strengths and weaknesses is fundamental to planning, and many corporate plans come to grief because management is unable to make realistic judgment on its own relative abilities.

21. The environment audit in planning

This is a systematic appraisal that really considers developments outside the companies’ environment, over which normally it has little control over issues pertaining to the company at the end [13]. Obviously, economic factors, like taxation, tariffs, and investment incentives can have important effects on the company operation. The problems of the nationalized industries are particularly complex because of their vulnerability to changes in government policies. It is expected that, the objectives of the Environment Audit is to ensure that all relevant factors are accurately evaluated and taken into consideration [20].

22. Assessment of threats and opportunities

This is the first truly creative input to the plan. The facts developed in the survey of market developments provide the basis for this section. Review of these facts should indicate specific threats or opportunities. It would be idle to pretend that this can always be achieved without personal and emotional involvement. Just as every man believes in his heart of hearts that he is a better-than-average driver, so every manager prides himself on his ability to read the signs in the market place. It is the expertise of management at this stage that will provide the dynamic for the company’s progress during the period of the plan. The threats and opportunities concerned are as wide as the company’s area of operations itself:
- The Purchasing Manager may identify new materials or suppliers.
- The Factory Manager may foresee obsolescence for a particular process.
- The Administrator may see potential cost savings in invoicing procedures.
- The Sales Director may recognize a new category of customer.
- The Corporate Lawyer may see a particular threat in product liability.

23. Profit Improvement Program

The danger that planning will become bureaucratic and over-academic is a serious one that can discredit the whole process if not kept in check. At this stage the ideas that have evolved for immediate short-term cost savings and improvements should be co-ordinated into a program of profit improvement projects to take effect immediately. Material benefit can be obtained in this way from the analysis performed so far while the central planning process continues [20].

24. Conclusion

Over the years, it is expected therefore that, decisions that should be made in the process of transportation management planning in any organized set-up, should be within the limitations imposed by policy. Accordingly, any form of planning to be entrenched should be aimed at achieving the corporate policy. The shorter the time scale of the plan, the greater the detail it contains and the more serious is the commitment of the manager concerned to achieving it [20]. It is very obvious that the process starts with the firm’s situation audit. It is expected that, the group divisional objectives are defined in the discussions between the top echelon or hierarchy of the organization as to what next to do at the end. It is expected that, Divisional objectives are then broken down into objectives for each responsible manager who will contribute to the final result [14]. Obviously, at each level in the organization, it is expected that, these managers outline their own plans for achieving their part of the overall objectives. It is expected gradually, that, the plan for the whole group takes shape. It may be necessary to revise objectives up or down before the plan is finalized. The activities of the divisions are very different and their plans will provide for these variations [20]. Planning at any level of the
organization is a continuous process, with careful revisions made at regular intervals. It also provides the top Chief Executive with the tools to control the activities of the Divisional chief executives of the organization concerned. Actual performance is closely monitored as against that called for in the plan, and monthly reporting meetings consider variances from plan and the action proposed to remedy them. Planning in this form is demonstrably result-oriented, and enables the company to react quickly when performance falls short [20]. Obviously, Divisional Management is not expected to wait for the next meeting of the organization before it flags off a situation that calls for action and makes its proposals at the end. Expectedly at this stage, it will be apparent that, there are a number of constraints on the company as it plans and controls its operations at the end. One of the most important of these is the law, institutional frameworks and its attendant effects on the operational efficiency, productivity and output of the organization at large [20].

References