



DEVELOPING A STRATEGIC PLANNING FRAMEWORK FOR SMALL AND MEDIUM ENTERPRISES (SMES)

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Abstract

Albeit small and medium-sized organizations make huge commitments to a country's economy, they are portrayed by horrible showing and a high disappointment rate, which are regularly credited to an absence of assets including cash, land, and experienced work. Numerous business management specialists fight that some SMEs by the by fizzle for absence of strategic planning in any event, when such assets are free. This study looks into how Botswana's SMEs are doing with regard to strategic planning. The study looks into how SME owner managers view strategic planning, how much planning has been done, and what obstacles stand in the way of effective strategic planning. The study reveals that while SMEs do make an effort to implement strategic planning, most of these businesses only do so to a limited degree. This is based on semi-structured interviews with 36 small and medium-sized businesses chosen from a variety of industries. The paper also lists a number of barriers that strategic planning must overcome. For instance, the review reveals that the majority of SME proprietors and managers lack significant strategic planning expertise. Some asserted that due of the greatness of the firm, they don't design. In any case, others recognized that they actually think in a conventional manner, where most business choices are made exclusively on instinct. The aftereffects of this study have ramifications for directors of SME proprietors and the people who pursue strategy choices.

Keywords: Strategic planning, Small Enterprises, Medium Enterprises, Success Factors, Risk Management.

INTRODUCTION

Small and medium-sized organizations (SMEs) are perceived as significant drivers of business and financial development in the worldwide economy. SMEs' significance and social influence are now impossible to ignore. As a result, this study focuses on the SME sector because of how important SMEs are to the economy as major forces behind innovation, employment, and economic growth.

In the corporate world, the subject of methodology is very hot, and there has been a lot of discussion on how strategic planning could work on the exhibition of SMEs. Laying out long haul hierarchical objectives and making and executing intends to contact them are portions of strategic planning, which expects to support business execution and give an unmistakable internal compass. This implies that SMEs should make long haul arrangements and direct an intensive examination of both interior (the actual association) and outer (the cutthroat climate) factors. Since the introduction of the internet and cellphones, business conditions have undergone a significant change. These new circumstances and the quickly shifting corporate environment present managers with new problems that may have affected how they developed their strategy.

Small-to-medium-sized organizations (SMEs) are assuming an increasingly big part in the worldwide economy. For example, in the US, SMEs make up by far most of organizations and give near portion of the country's Gross domestic product. In the US, SMEs are answerable for the greater part of all innovation headways and 66% of every single new position. Like this, SMEs are the essential generator of new business prospects in most of arising countries. SMBs make up the greater part of enterprises in the nation and contribute altogether to work.

A few examinations have guaranteed that an inability to get ready by an association plays a huge part in business disappointment. As per an assertion, "A firm has no supportable reason for building and holding an upper hand in the commercial center without a plainly characterized procedure." A few observational examinations that show an association between strategic planning and business success agree with this perspective. In this way, research on strategic planning is pivotal to the exhibition of associations. Research have demonstrated that the absence of formal business planning adds to the high disappointment pace of small organizations, especially new companies.

LITERATURE REVIEW

In unfortunate countries like Botswana, research on strategic planning by SMEs is uncommon and compelled. Most of the writing on SMEs puts more accentuation on viewpoints that assist SMEs with getting by, including financing, than it improves comprehend the development interaction and make reasonable upper hand (Story, 1994). To decide if strategic planning is a critical consider SMEs' terrible presentation or destruction, this study expects to discover how much strategic planning among SMEs.

A few examinations underline how firmly related business venture and small business are since the last option esteems the management, who is often the proprietor. Research like those by Gunther and Menzel (2012), Burton et al. (2012), and Temtime and Pansiri (2006) were just worried about the attributes of proprietor supervisors and what those characteristics mean for procedure. This exploration can't be summed up on the grounds that proprietor director characteristics vary from one firm to another. By examining the role that owner managers play in strategic planning

as well as other factors that may have an impact on how procedures are developed, as the current analysis has done, we may be able to better manage the idea.

Once more, various exploration; zeroed in on specific industry areas, which diminishes the chance of making determinations that might be applied for the most part. The kind of industry the firm works in is very prone to affect the reactions, which would likewise affect the review. This study investigates a multi-sectoral technique to tackle this limitation, which would be useful to SMEs in numerous ventures as they might break down and utilize the outcomes as a self-observing device to enhance their deficiencies. For example, particular components that probably won't be available in the help or assembling enterprises, to give some examples, may drive strategic management in the development area. This study will look at every aspect since it would be interesting to see if there are differences in the level of strategic planning according to industry link.

Something else to consider is that sure examination, including those by Adendorff et al. (2011), Sharma (2011), and Polatoglu (2007), just incorporate one contextual analysis. At the point when different organization types are thought of, the qualification among functional and strategic planning could end up being more subtle. In view of the exercises of the association, it very well may be asserted that specific organizations require less strategic planning since they are more versatile and ready to rapidly acclimate to changes in their nearby climate more. To acquire bits of knowledge according to numerous viewpoints, the ongoing review researches various organizations as opposed to focusing on a solitary contextual investigation.

In the industrialized world, various examination on strategic planning were completed. For example, in the UK

(Falshaw et al., 2006), Germany (Gunther and Menzel, 2012), Slovenia (Antoncic and Skrt, 2004), Austria (Kraus et al., 2007), Turkey (Polatoglu, 2007), and Greece (Kraus et al., 2007), among others (Salavouetal, 2004). Due to the political, financial, and social variations between the created and creating universes, the aftereffects of these exploration are, by the by, of less importance and probably won't matter in emerging nations. The ends, for example, can't be applied to different countries with juvenile innovative progressions and businesses, like Botswana, on the grounds that the geographic regions where the investigations were done are described by mature advances and ventures.

RESEARCH METHODOLOGY

A blended procedure approach was utilized in this examination. This technique includes assembling, assessing, and joining quantitative and subjective information in a solitary report to address the examination issue. The essential thought that the work of both quantitative and subjective philosophies in blend gives a more noteworthy handle of the examination subject than every procedure alone affected the scientist's choice to utilize a blended strategy approach. It claims that a mixed method approach assures that there are no gaps in the data obtained and claims to provide answers to problems from many perspectives. Because the respondents are free to express themselves fully without being confined by prepared responses, the qualitative data allows for a comprehensive understanding of responses. This was especially helpful when attempting to understand how SME managers felt about strategy planning. Utilizing both subjective and quantitative techniques together assist with defeating the constraints of a solitary plan, particularly while tending to a composite thought like procedure. Subsequently, the scientist can address the hypothetical viewpoint at many levels. For

this examination, the blended technique approach was considered helpful. This strategy was judged fitting for this study in light of the fact that the goal was to evaluate proprietor/supervisor viewpoints, which still up in the air from quantitative information, as well as the degree of strategic planning.

➤ **Methods for Population and Sampling**

The proprietors or administrators of SMEs were the review's interest group. Proprietors of a business are either a solitary individual or an assortment of individuals; supervisors are the people who don't claim a firm yet are responsible for overseeing it consistently, like CEOs, overseeing chiefs, senior supervisors, and other senior leaders. They are firmly connected with the organizations' business strategic decisions, making them more qualified to answer requests about the business technique of the organization. According to Measurements Botswana's SME enrolment, the SMEs in that country are designated and displayed in Table 2, which also includes a summary of the test selection procedure.

Table1: An overview of the sample selection process

Population/Composition of all listed companies		
CODE	HEADING	
1	Central Administration	2
2	City Government	45
3	Parastatals	130
4	Exclusive Registered	1,980
5	Private Unauthorized	800
6	Multi-establishments	1020
7	Not certain	1023
	Total	5000

➤ **Sampling Procedures**

The scientists got an example populace for this concentrate by utilizing irregular testing and non-irregular inspecting. To lay out an experimental and authentic component of the populace, it determines arbitrary inspecting or likelihood examining as the essential technique. As a scientific speculation that empowers the review to find out about significant builds like convictions, mentalities, insights, and conduct of the populace test under review, non-haphazardness or non-likelihood was additionally depicted.

Although it is necessary to provide data that can be used to support inferences about how SMEs in Botswana would receive and implement strategy plans, irregular and non-arbitrary testing is not totally settled to be suitable for the review. Comfort inspecting is portrayed as a kind of non-irregular choice that is utilized to choose test populaces from those whose information are finished, accessible, and furthermore. The review utilized a non-irregular example technique to oblige SMEs who are effectively open, endlessly ready to take part in the review. Advantageously Tests Populace of Botswana SMEs, Table 1's SME populace test, shows that specific SME enterprises need sufficient documentation. For example, some SMEs come up short on following fundamental data: institutional sort, exact contact data, and certain addresses are presently not legitimate. Thus, these associations are avoided from the example since they might will generally slant the factual and scientific generalizability of the exploration discoveries. This concentrate exclusively viewed at secretly enrolled organizations subsequently. Since the concentrate exclusively centered around small and medium enterprises, miniature firms (those with under 6

workers) were likewise excluded from the review. Because of time and monetary imperatives, organizations with areas beyond Gaborone were additionally precluded. Table 2, Advantageously Tested Populace of Botswana SMEs, records the helpfully inspected populace.

Table 2: Businesses with a conveniently sampled population

The entire population		5000
Less		
Every type of institution expects private enrolled businesses	1000	
Employment size >5 and <260	1272	
Location: not in Gaborone	125	
		3750
Firms available for sampling		1250

250 enterprises made up the last populace that could be tested. The last example was drawn from this populace involving delineated irregular testing to get data for all review subjects. Any method used to choose or segment the research population into smaller groups that are comparatively homogeneous in terms of one or more criteria is known as stratified random sampling. In order to create the stratum for this study, we chose SMEs that were identified to provide services or goods in the core areas of services, agribusiness, retail, and construction. A sample of 60 firms was then formed by randomly choosing ten (15) companies from each stratum. Table 3, separated inspected populace of Botswana SMEs, sums up the reaction rate by industry.

Table 3: Separated examined populace SMEs

Industry	In each industry, a sample	Responses
Services	20	4
Agriculture	20	10
Manufacturing	20	8
Construction	20	8
Retail	20	8
Missing		2
Total	100	40

A sum of 100 small and medium-sized firms filled in as the review's subjects. Unfortunately, just 40 people showed up for their appointments, resulting in a 75% response rate. The sample consisted of privately held, duly registered businesses with between 5 and 260 employees.

DATA ANALYSIS

Quantitative information investigation utilized illustrative and inferential insights. Many undertakings make up information examination, including checking the review interviews for exactness and culmination, coding and entering information into a data set, and breaking down illustrative reactions. For quantitative information, investigation was done involving the Measurable Bundle for Sociologies (SPSS) after the poll reactions were coded. Segment data was inspected utilizing unmistakable insights. For simplicity of understanding and examination, factual portrayals of quantitative information were made utilizing diagrams, tables, and graphs. The relationship between firm factors and the reception of strategic planning

was analyzed utilizing cross organizations and the chi-square decency of fit test.

Content examination was utilized to dissect the subjective information accumulated through semi-organized interviews. A systematic analysis of text is how content analysis is described. It is a method whereby hidden concepts and meanings are made clear by examining textual patterns. To make observations on the message being delivered, the researcher uses this method to develop a coding system and code text based on it. Finding examples and familiar words is important for this.

The meetings were deciphered, normal subjects or issues were tracked down in the reactions, and these were used to make classifications. Then, the recurrence of each topic was counted. This was finished for each inquiry, and afterward the setting was deciphered. In a summative substance examination, watchwords or different snippets of data are counted and looked at, and afterward the setting is deciphered. For this examination, a customary substance investigation and a coordinated methodology were changed. From the reactions, classes of information were inferred, and these classifications matched the hypothetical system.

DISCUSSION AND FINDINGS

The segment information for the 40 respondents who partook is given in this segment. Respondents' Orientation: Respondents were asked to demonstrate their orientation, and the results are shown in figure 1.

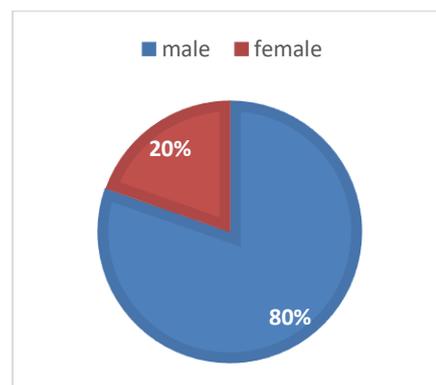


Figure 1: Respondents' gender

Figure 1's depiction of the study's male to female ratio demonstrates that the study's gender representation is not equal. Males predominate over females in terms of population. Men made up about 80% of the respondents, while women made up the remaining 20%, which may be a clue that men control a majority of SME management.

Figure 2 (Level of Training) shows engaging measurements about the respondents from SMEs' instructive foundations. Figure 2's discoveries show that youthful grown-ups with preparing make up most of SME directors. It very well might be anticipated that SMEs drove by individuals with some degree of preparing will participate in formal strategic planning, as proven by the respondents' degree of schooling. The results are not what was expected. The administrative capacities, schooling, and preparing of the supervisor are credited with the success of small organizations. However, in this occasion, it shows that regardless of whether there is preparing of any sort, it can't be good to go management.

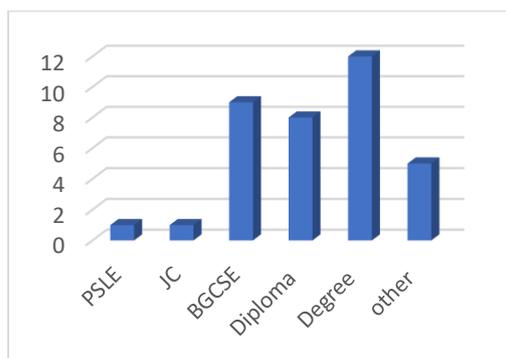


Figure 2: Level of Training

Figure 6 likewise shows that most of SME supervisors and proprietors normally have some type of tutoring. As per other expert certificates, the class "other" shows some expert capability. Twelve respondents hold degrees, trailed by nine who hold General Declarations of Optional Schooling (BGCSE), and eight who hold confirmations. Just two respondents, each with a Lesser Declaration and a Grade School Leaving Assessment Endorsement (PSLE), had the least degree of instruction. In general, the outcomes show that most SME directors and proprietors have had formal preparation, subsequently it makes sense that they know about and effectively engaged with business procedure planning.

➤ Strategic Planning in SMEs

As a rule, the review's discoveries show that main a minuscule level of SMEs take part in strategic planning exercises, and that commitment is just moderate. For example, just 45.5% of respondents (Table 10. Accessibility of vision, mission, and long-haul targets) had each of the three strategic planning parts, i.e., vision, mission, and long-haul goals, though 56.5% had a couple of the parts. Around 18% of the respondents didn't have a dream explanation, statement of purpose, or long-haul goals. The review's discoveries show that only one organization had a mission-just technique, though 23% of the example SMEs had only one of the three strategic planning parts.

Table 4: The presence of the vision, purpose, and long-term goals

	Frequency	Percent
Vision	2	9.4
Mission	2	1.5
Long-term objectives	5	10.0
The entire list	15	45.5
2 and 3	3	6.3
3 and 4	2	9.2
Not the aforementioned	8	18.1
Total	38	100.0

The results of this study are consistent with those of earlier studies (Piest, 1994; Ghobadian and O'Regan, 2002; Arasa and konyo, 2012; Antoncic and Skrt, 2004) that found some, if modest, strategic planning attempts among SMEs. Conclusion: SMEs frequently include their purpose, vision, and long-term ambitions in their profiles for formality or to keep up with the crowd. These elements' importance to the company's daily operations is underappreciated. According to George et al. (2012), the mission, vision, and objectives are a crucial component of the strategic management process because they clearly and succinctly outline a company's long-term goals and aspirations. These statements can be used to inspire and motivate a company's workforce by showing them where the organization is headed.

In order to ensure that the expectations of the stakeholders are satisfied, reputation management, according to Ling and Wang (2007), entails making sure that a firm's purpose, values, and goals are reflected in its policies and activities. The study's findings thus imply that SMEs in Botswana are not concerned about their reputations

because the majority of them lack formal plans and those that have do not apply them to their everyday operations. A firm that is not concerned with its reputation will not successfully design and implement its strategy, as is the case with SMEs in Botswana. Ling and Wang (2007) go on to further prove that reputation is the cornerstone of successful strategy execution.

These results are in line with Balasundaram's (2009) assertion that strategic planning in SMEs is unorganized, ad hoc, and informal. According to information gained from the interviews, the majority of respondents have strategies in mind but have not written them down. They may not adhere to their goals in part due to a lack of documentation. The formality of strategic planning, according to Ghobadian & O'Regan (2002) and Stewart (2002), as well as Veskaisri et al. (2007), also entails the creation, execution, and ongoing revision of a written business plan. The results of this study are consistent with previous literature in that they show the existence of strategic components but no action plan for achieving them, as well as no formalization or documentation of the same. This suggests that strategic planning is informal and only minimally practiced by SMEs in Botswana.

CONCLUSION

By zeroing in on the strategic planning of these organizations in an emerging country, this study adds to the collection of information currently accessible on SMEs. The review's significant decisions show that strategic planning isn't generally rehearsed in SMEs. The concentrate likewise recognizes casual and undocumented strategic plans in Organizations in Botswana. Monetary examination is the most frequently involved strategic planning technique in

most of associations, which regularly plan for one to three years. However, the report distinguishes a couple of hindrances keeping Organizations from participating in strategic planning exercises. The size of the firm and absence of comprehension of the planning system are the two primary factors that affect planning. SMEs accepted that since they are ordinarily limited activities, they are versatile and focus on functional errands instead of tedious strategic plans. This shows that proprietor supervisors of SMEs come up short on enterprising or business management capacities important to comprehend the meaning of development exercises like strategic planning. These outcomes are reliable with speculation that organizations that esteem strategic planning will utilize a proper way to deal with it. Contrasted with organizations that utilization casual planning, these organizations are bound to investigate likely obstructions, guarantee the creators effectively. Since SMEs assume an imperative part in the country's economy, it is vital for advance pioneering preparing and training to give SME proprietor chiefs the abilities they need to take part in planning exercises that will get the area's endurance and development.

In general, this study has significant ramifications for SMEs, organizations that support business ventures, and the Botswana government. The findings of this study indicate that SMEs only partially engage in strategic planning, in spite of the way that earlier examinations have shown the significant advantages of strategic planning for SMEs. This shows that fostering a system is troublesome, and that particular instructive stages should be worked to assist with showing SME proprietor/supervisors how to create and really carry out their objectives.

FUTURE WORK

Future exploration ought to choose an example of SMEs from around the country to decide if area impacts how enterprises

take part in strategic planning. We also recommend that future studies attempt to quantify each strategic aspect, whether they are internal or external, in order to determine how they affect strategic planning.

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