



## Strategic Planning as an Important Factor in Business Management

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## Abstract

This paper's objective is to present the importance of the strategic planning in business management. Speaking of strategic planning is always speaking in general terms and how to fix paths of behavior will necessarily affect deeply and significantly in the future evolution of the company or organization that adopts it. Today we think of the organization as part of an environment and in terms of options or choices based on what you have, of its surroundings and the opportunities or pathways that can lead to achieving the objective, (Garrido, 2009). For this work the method used was a bibliographical review of relevant articles from a range of authors was conducted. The conclusions were that the be properly analyzed and adapted to the precise conditions and characteristics of the small business or, more generally, to any type of business for which the planning is intended. Strategic planning brings multiple benefits (which exceed its disadvantages) if applied in the right way, however, there are inherent risks, which can be overcome with proper monitoring and control.

**Keywords:** Strategy; Strategic planning; Organizations; Models.

## 1. Introduction

According to Jiménez (2005), the environment in which a business operates is affected by varying levels of turbulence and it has always been thus. Administration and management both focus on dealing systematically with complexity, novelty and unpredictability. As this challenge has become more ever more complex and dynamic, so the systems for confronting it have become more sophisticated and each new shift has required more adaptability. Thus, the evolution of administration and management guide the way in which companies adapt and respond to future uncertainty.

The same author states that companies and perhaps also a large proportion of organizations are in competition: for factors of production, for customers, for revenue etc. Businesspeople must make decisions that take strategies from design to practical implementation. Decisions implicit in strategy design include: selection of objectives, choosing which products and services to offer, design and configuration of the policies that determine how to establish competitive market positioning for the company, selection of an appropriate level of perspective, diversity and design of organizational structure, use of administrative systems and policies to define and coordinate work. For these reasons strategic planning is central to wealth creation in modern industrialized societies.

Steiner (2007), shows that strategic planning is intertwined with the process of management in general, and as such any company that doesn't have a formalized system of strategic planning will be exposed to inevitable disaster.

This paper shows the conceptualization of strategy, the formulation of strategy, the components of strategic planning, the characteristics of strategic planning, as well as some benefits, limitations and models of strategic planning.

## 2. Development

### 2.1. Conceptualization of Strategy

According to Koontz and Wehrich (2001), strategy consists of the long-term determination of a company's basic goals and the adoption of courses of action and assignment of the necessary resources for their fulfilment.

For Garrido (2006), strategy is an element in a four-part structure. Firstly there are the objectives to be achieved; secondly there are the ways in which resources are to be used; thirdly there are the tactics or ways in which the resources that have been employed have actually been used and lastly there are the resources themselves, the means at the company's disposal. For this author the success of a strategy will depend on multiple factors including:

- The accuracy of our analysis of resources, capacities, strengths, weaknesses, threats and opportunities,
- The evaluation that we have made of our competitors,

- The evaluation of the environment and the aptitude of out provisions, plans and calculations,
- The actions of the competition.

[Castañeda \(2009\)](#), considers a strategy to be a plan that allows a business to obtain important advantages over its competitors. Similarly, [Porter \(2008\)](#), considers that strategies allow organizations to obtain competitive advantage in three ways; cost leadership, differentiation and focus. According to Porter a competitive strategy is born out of optimum understanding regarding the sector's structure and changeability both on a national and international level and structure in the sector and he adds that to compete one must manage the following five forces:

- The threat of new competitors
- The threat of substitute products of services
- The capacity to negotiate with suppliers
- The capacity to negotiate with competitors
- The level of rivalry between businesses

[Ross and Kami \(1973\)](#), define strategies as general action programs which commit resources and emphasis towards the implementation of a basic mission.

For [Steiner \(2007\)](#), strategies refer to those actions carried out by the leadership of a business in response to actions or possible actions by the competition.

According to [Mintzberg and Quinn \(1998\)](#) strategies are patterns or models of decisions that determine and reveal the objectives, resolutions or goals of a company; furthermore these patterns produce the main policies and plans needed to achieve the aforementioned goals as well as defining the business sphere which the company aspires to operate within, the type of organization is aspires to be both on a human and economic level and the precise nature of contributions both monetary and non-monetary that the company intends to provide to shareholders, employees, customers and communities.

Finally, [Hax and Majluf \(1996\)](#) propose that strategies;

- Determine and reveal the core long term objectives of the organization as well as its action programs and/or priorities regarding allocation of resources
- Reflect decisions pertaining to the organization's line of business
- Pursue long-term sustainable competitive advantage by responding appropriately to opportunities and threats in the environment and managing the strengths and weaknesses of the organization effectively
- Identify managerial tasks with clarity at the directorial level
- Identify managerial tasks with clarity at the functional level
- Are unifying, coherent and integral patterns of decisions
- Define the nature of both economic and non-economic contributions that the business makes to groups of interest
- Are the expression of a strategic attempt to move the company towards a state of excellence
- Are oriented towards the development and strengthening of the company's substantive competences and distinct skills which contribute to ensuring sustainable competitive advantage.

It can be concluded through analysis of these definitions that strategy is seen as a cornerstone of all courses of action that a company may propose. The implementation of strategies will allow for the development of competitive advantage as well as many other benefits to the company. The formulation of strategies with long-term focus provides a foundation for all elements that comprise strategic planning.

## 2.2. Strategy Formulation

According to [Mintzberg et al. \(1999\)](#), the process of strategy formulation can be analysed from the perspective of ten different schools:

- The design school: This school proposes a model of strategy creation that proposes concordance between internal capacities and external possibilities.
- The strategic planning school: This school accepts almost all premises of the previous school with the addition of highly formal execution, reaching the upper limits of what can be mechanically programmed
- The positioning school: This school incorporates content with the aim of highlighting the importance of the strategies themselves, not just the process through which they have formulated. One of the key exponents was Michael Porter.
- The business school: This school tends to assign the process of strategy formulation exclusively to a single leader, while promoting innate mental processes and states like intuition, judgement, talent, skill and perception. It promoted vision.
- The cognitive school: This school aims to understand the process of strategy formulation in the sphere of human knowledge, focusing specifically on the field of cognitive psychology.
- The learning school: According to this school, strategies emerge when an individual's learning about a specific situation and capacity to organize a response reach the required level.
- The power school: This school is characterized by an approach in which strategy formulation is seen as an open process in which power and political influence are exercised to negotiate strategies favorable to particular interests.
- The cultural school: This school considers strategy creation to be a process deeply rooted in the social power of culture. It concentrates on the influence of culture on the maintenance of strategic stability

- The environmental school: This school considers organization to be a passive act, a reaction to the environment. Strategy creation is reduced to a largely reflexive process. This school identifies environment as one of three main forces integral to the process of strategy creation alongside leadership and organization.
- The configuration school: This school offers the possibility of reconciliation as a way of integrating the messages of the other schools. It believes that if an organization adopts states of existence, then the creation of strategies becomes a process of passage between one state and another.

These ten schools can be grouped into four categories. The design, planning and positioning schools are prescriptive in nature, that is they deal more with the way in which strategies should be formulated than how they are created. The business, cognitive and learning schools consider factors specific to the process of strategy creation and have tended to be more interested in describing than prescribing ideal behaviors. The power, cultural and environmental schools attempt to expand the process of strategy formation beyond the individual and extend it to other groups and actors. And finally, the configuration school which is essentially a combination of all the other schools.

According to Porter (1995), the importance that a business confers to strategic planning reflects the extent to which it believes that substantial benefit is to be gained from the explicit formulation of strategies through which the company can guarantee that the policies (if not the actions) of its operational departments are coordinated and channelled towards a series of shared goals. Porter states that strategy design involves the creation of a general formula expressing how a company intends to compete, what goals it aspires to and what policies are required to achieve them.

Steiner (2007), considers that a process of strategic planning can have a variety of starting points, however, sooner or later all the elements of the strategic planning model being used must be covered, be that explicitly or implicitly. Steiner highlights the following starting points for formal strategic planning:

- Company mission
- Luck
- Identification of opportunities, potential pitfalls and weaknesses
- Objectives
- A problem
- Moment of intuition
- Forecast and compilation of systematic data
- Research and development
- Strategy
- Products and/or markets
- Opportunism

Once a strategy has been defined and the formation process has been described, the next stage is to define the concept of the planning strategy and its component parts.

### 2.3. The Components of Strategic Planning

For Mintzberg and Quinn (1998), the elements of strategic planning are as follows:

- Mission: Statement that reflects the fundamental objectives of the business
- Values: Series of statements that reflect the fundamental principles under which the business should operate
- Strategy: Pattern or plan that integrates the principal goals and policies of an organization while establishing a coherent sequence of actions to be carried out
- Goals or objectives: These establish what is to be achieved and when the results can be expected without focusing on the how.
- Policies: Rules of guidelines that express the limits within which the actions should be taken.
- Programs: These establish the sequence of actions necessary to achieve the principal objectives.

Strategic decisions: These establish the general orientation of a business and its ultimate viability in the light of the predictable, the unpredictable and the known and unknown changes that may occur in its most immediate surrounding environments which are considered sustainable.

According to Ramírez and Cabello (1997), the first tool that a business should implement to transform itself into a competitive organization is strategic planning, this way it will be possible to clearly determine the desired direction whatever the starting point may be, and plot a strategic course towards the accomplishment of the mission.

According to Pacheco (2006), strategic planning is the process through which the senior management of an organization may be able to predict the future and develop adequate procedures and operations. This author describes how the strategic administration process can be divided into five different components;

- Selection of the mission and main corporate goals
- Analysis of the external competitive environment to identify opportunities and threats
- Analysis of the internal operational environment to identify the strengths and weaknesses of the organization
- Selection of strategies that are based around the organization's strengths and intended to correct weaknesses with the aim of taking advantage of external opportunities and counteracting external threats
- The implementation of the strategy.

Sielinski (2007), states that a basic strategic planning process should contain the following elements:

- Create a mission
- Create a vision
- Establish goals
- Identify strategies
- Create action plans
- Follow up and update the plan.

According to [Castelán \(1985\)](#), strategic planning is a continuous process which involves a defined sequence of steps during which use is made of the company's own information as well as external data from all of which a selection is made. [Hellebust and Krallinger \(1991\)](#), suggest that a strategic plan deals with planned movement from an understood present towards a desired or probable future with objectives set over the course of several years. In order to have success, an administrator should be able to develop the motivational and organizational strength necessary for this movement. They mention that the strategy is broken down into annual segments and, as each year passes, the next one is already detailed in the annual plan or budget. Likewise, the authors state that customers, via the market, vote with their money for the products and services that they feel can best satisfy their needs. The businesses that prosper are those that dedicate themselves to satisfying those needs.

According to these authors, to prepare a good strategic plan the directorship must have a good understanding of the company's past, that is to say, it becomes difficult to discern the direction in which to take the business if there is no understanding of where the business has been and how it got there. To have knowledge of the business's past implies having a good understanding of:

- Human resources
- Products
- The market and its segments
- The manufacturing process
- Research and development
- Investment
- Public and government relations.

[Hellebust and Krallinger \(1991\)](#), highlight the need to understand the present and in turn comprehend possible future alternatives. Selecting an objective is therefore a question of choosing one of the possible futures corresponding to the business. The fact that an objective is reachable does not mean that it will be reached. It is necessary to take into account and make good use of the available resources.

For [Arranz \(1995\)](#), strategic planning is a route towards achieving the vision that senior management have in terms of long, medium and short-term goals for the organization, the staff and the wider community. Strategic planning should be geared towards analyzing the present, choosing a future, evaluating programs and controlling actions corresponding to the implementation of plans. Strategic planning requires a particular mindset in order to imagine future scenarios and produce the ideas, planning ability and decision making capacity necessary to make them happen.

For [Arranz \(1995\)](#), the mission reflects the commitment of the organization, determines its function and establishes the concept of the enterprise in which it participates. The mission is a concise description of what the organization does and what the characteristics are that allow it to provide goods and services to or satisfy the needs of its customers within the framework of its environment. Generally speaking the mission statement is formulated in terms of the generic product and its principal market, in order to balance the general with the specific.

From the point of view of [Dussel et al. \(1997\)](#), the basis for the growth and permanence of a company is the design of strategies that make it competitive and this is achieved through a process of planning and control that involves everybody from the owners, directors and managers to last staff member from every division, which is why it is so important to establish area-specific goals and objectives which align with the trajectory which has been set by the company's leadership.

The same authors stress that strategic planning is an executive activity which- despite many individuals making claims as to its usefulness- is not easily explained in terms of the details of its implementation. Planning is one of those activities which is easily talked about but much harder to put into practice. According to [Martínez \(2002\)](#), strategic planning is the logical response to the need to scrutinize a complex, changeable and uncertain future. [Martínez \(2002\)](#), states that the solution to this uncertainty is not straightforward, largely because of the many external variables at play within a given business ecosystem. Upon these variables managers of course have no control, however they can and should respond through strategic planning. An uncertain and changeable future is further complicated by the interdependent relationship between environmental forces and trends which throw up complex phenomena of considerable qualitative significance, and when appropriately analyzed, these phenomena allow planners to build future scenarios which are tailored to the organization and its products, customers, competitors and technological resources. The quality of any response in the future is determined by the appropriate interpretation of the forces and trends enacted in the present. Regardless of the wording used, the central idea of any piece of strategic planning is the notion of ordered transition from the position in which the organization finds itself currently to that in which it desires to find itself in the future. In addition, [Martínez \(2002\)](#), establishes that strategic planning is in fact a process of decision making at the highest level whose complexity is attributed to the variety of strategic choices and options required to fulfil a long-term objective. These choices are complicated by the modalities which are established when strategic factors become intermingled, these factors can of course vary greatly as a result of the uniqueness of the approach taken by senior management and their willingness to embrace change.



According to [Rodríguez \(2005\)](#), strategic planning is the sum of an organization's integral plans which normalize specific behaviors going forward.

According to Beal and Apfelthaler (quoted in [Quintal \(2005\)](#), p.41), as the functional activities and areas of the organization become more complex, so the strategic planning will consequently need to be developed over a series of phases: firstly simple financial plans and budgets; followed by planning based on forecasts; and finally externally oriented planning.

[Steiner \(2007\)](#), defines formal strategic planning by considering four different points of view, each one essential in order to gain a full understanding of it:

- Strategic planning deals with the future consequences of current decisions, meaning that strategic planning observes a chain of cause and effect during a specific period, related to real intentions or decisions made by the director. Strategic planning also observes possible alternatives to future courses of action and, upon talking certain alternatives, these become the basis for decision making in the present.
- Strategic planning is a process which begins with the establishment of organizational goals, it defines strategies and policies in order to reach these goals, and it develops detailed plans to ensure the implementation of said strategies and achievement of the desired outcomes. It is also a process for deciding in advance what kind of planning efforts should be made, as well as when and how this should be done, who should do it and what should be done with the results. Strategic planning is systematic in the sense that it is organized and conducted based on a perceived reality.
- Strategic planning is an attitude, a way of life, it requires dedication in order to act based on observation of the future, and determination in order to plan constantly and systematically as an integral part of management. As well as this, it represents a mental process, an intellectual exercise much more than a series of processes, procedures, structures or prescribed techniques.
- A system of strategic planning unifies three fundamental types of plan: strategic plans, medium-term programs, short-term budgets and operational plans. Strategic planning is the company's systematic and usually formal effort to establish its purposes, objectives, policies and basic strategies and thus develop detailed plans with the aim of putting into practice policies and strategies so as to meet the objectives and basic resolutions of the company.

[Steiner \(2007\)](#), mentions that there is no such thing as a single planning system which all organizations can adopt, instead systems must be designed and adapted to the particular characteristics of each company. Most authors agree that strategic planning is a long-term procedure which consists of developing certain objectives and ways of meeting them in order to arrive at the desired result. However, this procedure is not static but rather something that can and must be monitored over a long implementation period with the aim of detecting and correcting possible errors. Strategic planning can be applicable to any type of business; however, care must be taken to adapt it to the characteristics and conditions of the business in question.

## 2.4. Characteristics of Strategic Planning

According to [Castelán \(1985\)](#), there are two characteristics of strategic planning and its long-term focus:

- Uncertainty: Because the direction of the business will normally have less than perfect information about the environment, the competition, consumers and even its own potentialities.
- Decisions: Whatever the situations of uncertainty which the leaders of a company must confront, it is imperative for them to calculate risk and be decisive based on all available information.

According to [Mintzberg et al. \(1999\)](#), the premises of the planning school are:

- The strategies should be derived from a controlled and conscious process of formal planning, split into clear stages (each of which delineated into checklists) and grounded in techniques
- In principle, the responsibility for this general process rests on the shoulders of senior directors; in terms of its practical execution those responsible are planning managers.
- Thanks to this process, strategies will be completely finished and ready to be made explicit so that they can be put into practice while paying close attention to objectives, budgets, programs and operational plans of many kinds.

According to [Rodríguez \(2005\)](#), strategic planning is long-term planning which focuses on organization as the priority, along with the following characteristics

- Activities in which senior management take part
- Dealing with basic questions
- Offering a framework for detailed planning and for everyday managerial decisions
- It is based on long-term planning
- It analyzes the internal and external environment of the company.

## 2.5. Benefits of Strategic Planning

For [Steiner \(2007\)](#), some benefits of strategic planning are:

- It is essential for meeting the responsibilities of senior management and directors
- It forms and answers important questions for a business
- It brings a combination of decisive forces into the business by:
  1. Simulating the future
  2. Drawing focus onto systems

3. Demanding the establishment of objectives
4. Revealing and clarifying opportunities and possible future dangers
5. Providing a structure for decision making across the company
6. Acting as a base for other directorial functions
7. Measuring performance
8. Highlighting matters of strategic interest
- It provides behavioral benefits in several ways such as:
  1. Improving channels of communication
  2. Involving directors in training
  3. Increasing a sense of participation

Quintal (2005), considers that among the most important benefits of strategic planning are the following:

- Improving organizational efficiency and effectiveness
- Building an expert team
- Improving decision making with external perspective and a broad internal base
- Improving communications and public relations
- Providing political support
- Increasing employee productivity
- Reinforcing an organization's capacity to prevent problems
- Providing a training process for directors
- Creating a sense of participation at all levels
- Providing greater capacity for dealing with situations of uncertainty
- Spotting opportunities and threats that are generated in the environment
- Identifying strengths and weaknesses
- Producing strategic information for decision making

## 2.6. Limitations of Strategic Planning

According to Mintzberg *et al.* (1999), there are three falsehoods associated with strategic planning:

- The predetermination fallacy: Strategic planning doesn't just require the monitoring of forecasts; it also requires stability during the creation of the strategy itself. Good strategies aren't necessarily conceived through immaculately orchestrated programs. In an organization with the capacity adaptability they can be drawn up anytime and anywhere. If strategy means stability, then strategy making means interference-unexpected interference.
- The detachment fallacy: If the system does the thinking, then thought must be detached from action, strategy from operations (or "tactics"), formulation from implementation, thinkers from doers, and so strategists from the objects of their strategies. The above is entirely false, detached managers and abstract managers don't simply make bad strategies, they mostly make none at all. Effective strategy creation connects actions with thoughts.
- The formalization fallacy: Research shows that strategy creation is a tremendously complex process that takes in the most sophisticated, subtle and sometimes unconscious processes of human and social knowledge. This can be seen time and again in all kinds of data sources, many of which are not quantifiable and are only accessible for strategists who have their feet firmly on the ground. They are processes that don't follow a predetermined program or blueprint. Inevitably, effective strategists exhibit certain outstanding qualities and, although they act with a degree of premeditation, they usually put formal plans to one side in order to appear as informal visionaries.

Steiner (2007), talks about several limitations to strategic planning which are:

- The environment can turn out differently to that which was forecasted.
- There might be internal resistance.
- Planning is expensive.
- There may be momentary crises.
- Planning isn't straightforward.
- Completed plans limit options.
- There may be limitations imposed on the situation which are different to those inherent to strategic planning.

Funston and Ruprecht (2007), mention that one of the risks that come with strategic planning is achieving different results to those that were desired. Strategic planning is important and at the same time intimidating. The growth of risk and uncertainty seems to be driven two major factors: speed and connectivity. The former refers to the pace at which the environment and conditions in which the business finds itself change. By turn connectivity refers to the fact that in the current global economy, any change in any organization could have knock-on effects for other companies in other fields and regions.

## 2.7. Models for Strategic Planning

Mintzberg and Quinn (1998), state that the main steps in a strategic planning program are:

- Setting of objectives: this consists of creating a thorough set of procedures to explain- and if possible, quantify- the objectives of an organization.
- External verification: this is an important element for checking the external conditions of an organization and comes from the array of forecasts made about the future.
- Internal verification: this consists of studying the specific strengths and weaknesses of the organization itself
- Strategy evaluation: This deals with how well the evaluation process lends itself to being designed and rated. There are plenty of technologies ranging from rudimentary *return on investment* calculators to a succession of modern techniques like competitive strategy evaluation, risk analysis, value curve and a range of methods associated with calculating value for shareholders. As their names suggest, most of these are aimed at financial analysis.
- Strategy implementation: this gives rise to a series of hierarchies which exist across different levels with different time perspectives. Wide-ranging, long term strategic plans take priority over medium-term plans, after which come short term operational plans for the coming year.
- Deadlines across the whole process: Not only should the stages of the process be scheduled, but also the precise times at which they must be completed.

Ramírez and Cabello (1997), describe a model for carrying out strategic planning, which includes eight steps. This model is made up of three main points which answer the following questions: Where are you currently? Where do you want to go? And, how do you plan to get there?

- Defining where you want to go involves two stages: defining the mission of the business and defining the values of the business.
- Reflecting on where you are currently involved identifying the business, analysing the industry, identifying the basic factors of competition and identifying strengths and weaknesses
- Understanding how to get where you want to go involves definition of a strategic direction – based on the current situation - alongside the creation of action plans.

Mintzberg *et al.* (1999), present a strategic planning model built on four hierarchies which are: a hierarchy assigned to objectives, another hierarchy assigned to budgets, another for strategies and lastly one for programs that goes under the title *planning for action*. These hierarchies take responsibility for early decision making in order to encourage certain behaviors. As well as these we have those objectives and budgets referred to as performance control which are designed to evaluate the results of actions. In the fully developed model, the objectives promote the formulation of strategies which, in turn, generate programs whose results influence budgets in an attempt to exercise control.

According to Castañeda (2009), a strategic plan must be designed in the following manner:

- Mission: The director defines the function of the organization and the values it represents
- Vision: The director puts in writing what he/she imagines the business can be in a specific time frame (one, five, ten or more years)
- The director defines the overriding objectives derived from the mission and vision
- The director, based on the mission, vision and objectives of the business, decides how they are to be optimally achieved while at the same time looking to differentiate the business from those with which it competes. In order to reach an acceptable strategy formulation (the “how”), consultations are made with the board of directors as well as staff from other levels of the company. In addition, analysis is done to understand the strengths and weaknesses of the business as well as the threats and opportunities both real and potential that exist in the market
- Business model: The director defines with greater precision the various aspects of the strategy with special emphasis on what customers the business has and how to offer them greater value than that offered the competition. The model includes every stage along the chain of value: design, acquisition of materials, manufacture, logistics, distribution, promotion, sales, collecting of payments and after-sales service.
- Action plan: The director and his/her team prepare specific action plans for each function of the business, in order that these may align with the business model, the strategy, the vision and the mission. Each plan stipulates who is responsible for the tasks and the corresponding calendar of implementation to which they will adhere. The various departmental directors come to an agreement and their respective managers do the same.
- Implementation: The director provides frequent follow-up monitoring (at least once a month, more often for key processes) and in the case of non-compliance takes actions including removal of staff regardless of their rank within the organization. Inefficiencies from a single element cannot be allowed to jeopardize the entire strategy implementation. In such cases plans can be adjusted as necessary.

### 3. Discussion

Numerous authors such as Mintzberg, Porter, Pacheco, Ramírez, Cabello, Arranz, Rodríguez, Dussel, Piore, Ruíz, Hellebust and Krallinger see strategic planning as a tool or procedure used by businesses to establish the objectives to be met in order to reach a desired end. Strategic planning generally contains a vision of the future as well as long-term goals. As stated by Martínez (2002), strategic planning is not a method in which specific techniques or inflexible methods and procedures are utilized for the creation of a plan. There is a generalized belief

that strategic planning is applicable only to large-scale businesses, however- as shown by Rodriguez and Steiner it is equally adaptable to smaller businesses, as long as their needs and characteristics are taken into account.

## 4. Results

Strategic planning is not a universal formula for every business; it depends on myriad factors and traits that define the business to which the planning is to be applied. Nor is it a question of exclusively using quantitative models or variables, and it does not refer to the decisions that will need to be taken in the future nor the formulation of forecasts.

Strategic planning is important to an organization because it provides a sense of direction and outlines measurable goals. Strategic planning is a tool that is useful for guiding day to day decisions and also for evaluating progress and changing approaches when moving forward.

The process of strategic planning can be as important to an organization as the results. Strategic planning can be an especially valuable process when it includes employees in all departments and at all levels of responsibility thinking about how their activities and responsibilities fit into the larger picture, and about their potential contributions.

## 5. Conclusions

Today there are several off-the-rack strategic planning models designed for direct implementation, however, as we have said previously, it is imperative that they be properly analyzed and adapted to the precise conditions and characteristics of the small business or, more generally, to any type of business for which the planning is intended.

Strategic planning is not the only reason for success, but there have been several studies which show that firms that plan their strategies are more effective. Taking the relationship of strategy and success as given.

All strategic planning efforts need to be reinforced by practices that follow the key growth and market orientations, and have company-wide support.

Precisely formulating vision and strategy, incorporating the elements of internationalization and networking in the firm vision, focusing on growth, profit, and market, performing analyses of market and competition, precisely formulating generic business strategies, and achieving company-wide support for strategies can all be beneficial for the growth of firms.

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