

# Empowering Small Enterprises by Driving Value and Flow Through Systemic Strategic Planning

An exploratory study into the strategic planning of Small Enterprises in the Canadian Provinces of Ontario and Quebec



Ahmed Alazem  
Ian Reid

Submitted to OCAD University in partial fulfillment of the requirements for the degree of  
Master of Design in STRATEGIC FORESIGHT AND INNOVATION

Toronto, Ontario, Canada, April 2016

© Ahmed Alazem & Ian Reid, 2016

This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/4.0/>.

## Copyright Notice

*This work is licensed under the Creative Commons Attribution, Noncommercial, and ShareAlike.*



## 4.0 International License

CC BY-NC-SA 4.0 - Creative Commons:  
<https://creativecommons.org/licenses/by-nc-sa/4.0/>

### You are free to:

- \* **Share** — copy and redistribute the material in any medium or format
- \* **Adapt** — remix, transform, and build upon the material

The licensor cannot revoke these freedoms as long as you follow the license terms.

### Under the following terms:

- \* **Attribution** — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

\* **NonCommercial** — You may not use the material for commercial purposes.

\* **ShareAlike** — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

**No additional restrictions** — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

### Notices:

You do not have to comply with the license for elements of the material in the public domain or where your use is permitted by an applicable exception or limitation.

No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights such as publicity, privacy, or moral rights may limit how you use the material.

## Authors' Declaration

We, Ahmed Alazem and Ian Reid, hereby declare that we are the sole authors of this MRP. This is a true copy of the MRP, including any required final revisions, as accepted by my examiners.

We authorize OCAD University to lend this MRP to other institutions or individuals for the purpose of scholarly research.

We understand that our MRP may be made electronically available to the public.

We further authorize OCAD University to reproduce this MRP by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

Project responsibilities were determined based on knowledge, abilities, and fair sharing of the workload. Table-1 summarizes the main aspects of the project and researcher participation. It does not account for the workload, which was responsibly and equally delegated to both parties based on their aggregate commitment.

	Ahmed	Ian
<b>MRP Report</b>		
Problem definition and ideation	✓	✓
Project planning and proposal	✓	✓
Primary Research	✓	✓
Secondary Research	✓	✓
Report drafting and review	✓	✓
Report ideation	✓	✓
Report design		✓
<b>MRP defense presentation</b>		
Drafting of slides content	✓	✓
Presentation ideation	✓	✓
Presentation design		✓

Table-1 Researcher participation and responsibility to the milestones of the project.

## Abstract

*The journey takes us at the heart of strategic planning in small enterprises (SEs). We explore the role of strategy and business models in SEs and how the two are adopted by SE managers, the level of involvement of their employees, and the outcomes on the enterprise.*

In the increasingly fast paced and highly competitive business landscape systemic strategic planning provides small enterprises (SEs) with valuable opportunities to understand and thoroughly examine their enterprises' internal and external environments, and identify ways to enhance the likelihood of steering the company towards a preferred future.

In this in situ research initiative, which focuses on enterprises in the Provinces of Ontario and Quebec, we seek primarily to gather a better understanding of small enterprise managers' views on strategic planning. Secondly, we explore tools, techniques, and practices used. Thirdly, we explore the growing trend of business modeling and how it is welcomed by SEs.

Our research team has uncovered a limited use or absence of systemic strategic planning amongst SEs. As a result, many SE managers have a preconceived notion that strategic planning is not for them and thus, at a cost, turn their attention to what is inherently most intuitive to them: operational planning.

SE managers often focus on an isolated aspect of the process, such as sales or financial performance, rather than the integrated process, and thus fail to close the loop.

Our research findings have identified a combination of key factors that impact the adoption of strategic planning. To that affect, several recommendations are proposed to the stakeholders as means of increasing the systemic adoption of strategic planning in SEs.

### Keywords

Strategy, Strategic Planning, Business strategy, Small enterprises, Small and medium-sized enterprises, SME, Business model, Managers, Management style, Decision making, Vision, Mission, Goals, Objectives, Ontario, Quebec, Canada.



## Acknowledgements

Our deepest appreciation goes to our families and partners for their amazing support and encouragement throughout the project. Sandos (Ahmed), Laura, Monique, Jon, Jim and Eileen Ross (Ian) we could not have been able to do the project without your help and continued support.

We are most grateful to our advisor Nabil Harfoush for his mentorship, guidance, and marvelous support. We cannot thank you enough for your generous contribution. We have learned abundantly from your knowledge and experience.

We also want to thank our secondary advisor, Agnieszka Rum for her valuable feedback and suggestions.

A special thanks to our experts; Normand Zucco - Senior Vice President at Optimus SBR, Princess Alexander - Growth Strategist and Venture Coach, Robert Deshaies - President of G4 Solutions consulting firm for their outstanding experience and valuable

contribution to this project. Their contribution has allowed us to tighten the focus on the research topic considerably, and develop the research reflexes when interacting with expert and small enterprise managers.

We would like to extend our gratitude to the managers/owners of the small enterprises who have contributed towards this project. The project would not have moved forward without them. Out of respect for their privacy, we are withholding from publishing their names.

# Table of Contents

<b>vii</b>	<b>List of Tables</b>	<b>31</b>	<b>Primary Research Findings</b>
		35-	Findings from the Leadership Perspective
<b>viii</b>	<b>List of Figures</b>	43-	Findings from the Process Perspective
<b>1</b>	<b>Introduction</b>	<b>51</b>	<b>Recommendations</b>
<b>7</b>	<b>Methodology</b>	<b>61</b>	<b>Conclusion</b>
11-	Expert Interviews	<b>69</b>	<b>Bibliography</b>
15-	Small Enterprise Interviews	<b>77</b>	<b>Appendix</b>
22-	Defining The Concept of Strategic Planning	<b>79-</b>	<b>Interview questionnaires</b>
30-	Summary of The Literature Review		

## List of Tables

Table-1	Researcher participation and responsibility to the milestones of the project.	iii
Table-2	The possible modes of interaction that we had identified and for which we designed and developed tools and processes to work with:	12
Table-3	Summary of strategy expert interviews participants.	13
Table-4	Industries targeted by this research project based on Statistics Canada North American Industry Classification System (NAICS).	17
Table-5	The identified modes of interaction with SE business managers along with tools and processes that were put in place for each.	20
Table-6	Comparison between Strategic and Operational Planning, Adapted from: (Ramesh Rudani, 2013)	28

## List of Figures

- 4 Figure-2 The system loop displays how quarterly performance, time, knowledge and understanding of systemic strategic planning often short-circuit manager's intentions to improve SE planning performance, leading them to return to old habits.
- 8 Figure-2 The Johari Window helps the SE manager visualize what we mean when we speak of latent opportunities. It involves tapping into the blind and unknown areas of the window, which is detailed later in the report.
- 9 Figure-3 Research Process and Timeline Map
- 14 Figure-4 Cities our experts have their headquarters
- 16 Figure-5 Five dimensions of small medium enterprise sampling and profiling.
- 18 Figure-6 Map of the Canadian Provinces targeted in the research project.
- 23 Figure-7 The three dimensions or phases of the strategic planning process
- 33 Figure-9 16 small enterprises were interviewed, one was a female manager amongst 15 males.
- 33 Figure-10 56% of the managers interviewed have attended and graduated with a university degree.
- 33 Figure-11 88% of the managers interviewed were 40 years and older.
- 33 Figure-8 Very few businesses interviewed plan beyond one year. According to our research assessment 88% rely on a 12 months or less planning time frame.
- 34 Figure-12 More than 60% of the population interviewed were businesses with 10 to 29 employees.
- 34 Figure-13 A majority of the population of SEs interviewed were in manufacturing or a services provider.
- 34 Figure-14 68% of the interviewed SEs had more than 20 years of experience in business.
- 38 Figure-16 Over 60% of SE managers gave

- more importance to Operational Planning than Strategic Planning
- 38 Figure-15 Having a clear understanding of the difference between Strategic and Operational Planning may positively influence the SE growth
- 39 Figure-17 The absence or limited use of strategic planning generates a limited view on the spectrum of possibilities and outcomes for the enterprises future and growth.
- 40 Figure-18 Over 80% of Small Enterprises confuse Strategic and Operational Planning
- 41 Figure-19 Only 12% of SEs driven by CEO are experiencing growth, whereas 50% of SEs with more inclusive management styles experience growth.
- 42 Figure-20 More than 50% of the managers interviewed have adopted a top-down management model.
- 42 Figure-21 All SEs who declared a negative growth rate chose to rely on a top-down management style.
- 43 Figure-22 Having a formal planning process may positively influence the SE growth.
- 44 Figure-23 Informing employees about SE strategic goals and objectives may positively influence the SE growth.
- 45 Figure-24 The majority of the interviewed SEs are using strategic tools and techniques to solve specific challenges
- 45 Figure-25 A continuous monitoring and tracking of the SE written goals may positively influence the SE growth
- 46 Figure-26 Having a clearly written and communicated vision and mission statements may positively influence the SE growth
- 47 Figure-27 All SEs who are adopting a three years strategic plan are over 20 years of age
- 49 Figure-28 The business management process integrating strategic planning and business modeling.
- 52 Figure-29 The business management process integrating strategic planning and business modeling emphasizes the role of the business manager.
- 62 Figure-30 System loop displaying how the five factors put the enterprise in a reactive state, a dynamic that is enhanced due to constantly increasing sales, that trigger the need for more capacities, and in effect increases the SEs overhead to support the extra activity.
- 68 Figure-31 Comparing the manager centered planning model to an organizationally integrated process design. The yield in the first instance is limited to the managers point of view, while the improved version leverages the power of diversity in mindsets and points of view opening to a wider set of possibilities and potential outcomes.

## Introduction

***Strategy in the broad sense of the word has long been the pinnacle to succeeding at having events turn to one's advantage in building civilizations, in warfare, or steering a business.***

**W**hy focus this research on Small Enterprises (SEs)? On one hand, large enterprises are spread all over the globe and employ many people and make sizable profits. On the other hand, we found that SEs are a powerful engine for developing our economies. They are a great source of innovation and have a chance at being influential corporate citizens.

After the economic crisis of 2008, the business community was further polarized at the expense of medium-size companies whose population decreased by 17% from 2006 to 2010. While 14% of them stepped back to become small organizations, 1.4% of them made the leap to become large enterprises through acquisitions, and the balance of these companies closed their doors (BDC, 2013). These events increased the power and impact of small enterprises in North American economies providing more business opportunities and increasing their impact and significance in the Canadian economy. Awareness of SEs as an asset for the economy

also increased. As of 2012, small businesses created 78% of all job positions in the private sector. Furthermore, small businesses account for 98% of employers across the nation (Industry Canada, 2013). Businesses composed of 1 to 99 employees accounted for 25% to 41% of the GDP, compared to 12% for Medium Enterprises (MEs) ranging from 100-499 employees (Industry Canada, 2013). These numbers may suggest that SEs with 1 to 99 employees have a stronghold on the economy.

SEs' impact on the Canadian economy is the leading factor for dedicating this project to **exploring strategy development and implementation in small enterprises (SEs) of 10 to 99 paid employees within the provinces of Ontario and Quebec.**

In the context of this research, our team trusts that the healthy combination of principles borrowed from various fields of study might help better understand the dynamics between business strategy theory in its current form, its



application within SEs, and how it might otherwise be used to increase overall SE performance. We hope to increase SEs awareness of the value of infusing systemic strategic planning to their management cycle by clarifying what strategic planning is, and defining the process. This also involves understanding their conception of business models and the latest business modeling skills and tools used by professionals to uncover unrealized potential.

We hope our findings will help business managers acknowledge the degree of separation between their strategic thinking and planning methods, business modeling thinking, and how the two may tango.

By analogy, in this report we chose to compare the management process to stones. Stones may rest eternally until they are unturned and revealed. SEs alike, with time learn to master skills and processes that allow it to improve the efficiency of its operations and the delivery of products and services. Once several stones are revealed and fashion colorful and shiny features, we like to group or categorize them. They are then aligned with other stones that complement their qualities.

Business processes are also enhanced when paired with neighboring processes. They can increase quality, efficiency, delivery and timeliness of one another. Once logically aligned, these processes allow the enterprise to leverage unseen potential, which enacts the systemic

prospective of the SEs capacity to grow and bloom.

Organizational alignment is what differentiates mature from less experienced organizations. Corporate maturity in this case refers to wisdom and capacity of an enterprise, which may or may not relate to the number of years it has been in business.

As we dug into the strategic planning process, we were naturally drawn to the structure or unrealized potential in human centered leadership. Human potential is more often than not the biggest expense, hence, legitimizes fully leveraging its potential. This involves engaging employees in the process of strategy development to improve efficiency, communication to understand the purpose of the enterprise, and overall yield of the SE.

Integrating systemic strategic planning and business modeling is a quest toward sustainability, here defined as the level of organizational alignment to seek continuity and relatedness through the enterprises' vision, mission, and goals, all guided by organizational values. Values are more than just words in your business plan and reports, they are the foundation of your modus operandi. Enterprises should live their values and be guided by them in every action taken from hiring to planning, and down to the smallest details.



# Problem Statement

*Many studies about strategy in small firms have confirmed the absence of strategic planning practices.*



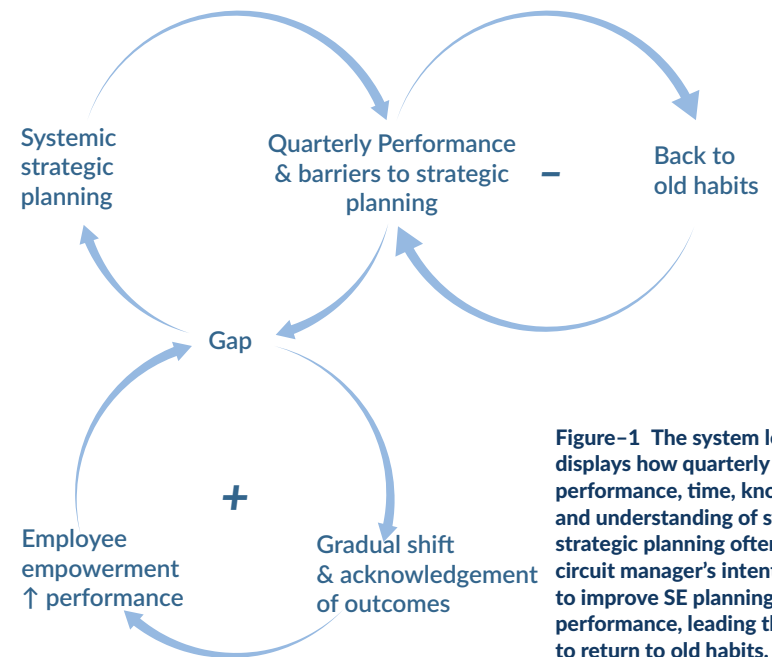
Hathway Management Consulting, a British Columbia based consulting firm concurs; referring to an Australasia study from 2003 in which researchers concluded that 58% of SMEs had a strategic plan, but the tools used were often limited to SWOT, PEST, and budgeting, which had an internal and limited scope. In a later review of this study in 2005, which broadened the sample of businesses to nearly 3000 SMEs, of whom, only 16% of enterprises were found to commit to consistent planning practices and processes. Following the two phases of data gathering, the report concludes on SMEs' inconsistent or incomplete approach to strategic planning (Hathway Management Consulting, 2013).

To remedy this disturbing situation, many scholars have recommended the use of strategic planning for small businesses to improve their performance (Balasundaram, 2009). In the Small Business Economics Journal, Leitner and Guldenberg demonstrate that small and medium firms have much more to gain from adopting strategic planning than larger corporations. This opportunity comes from the absence of or inconsistent use of strategic planning in SEs.

The need to compensate for limited resources available to the enterprise emphasizes the importance of well aligned management mental models to plan diligently, deliver, and efficiently monitor benefits

found in strategic planning. To be properly applied, strategy must first be well understood and valued by the user to be later adopted.

Business strategist and researchers praise strategic planning for its wholeness and high potential for impact it may have on SEs and the economy (Sosiawani, Ramli, Mustafa, & Yusoff, 2015)(Schwenk & Shrader, 1993)(Miller & Cardinal, 1994) (Zucco, 2015; Alexander, 2015; Deshaies, 2016). For these reasons, we chose to dedicate this project to exploring strategic planning in small enterprises (SEs) of 10 to 99 paid employees within the Canadian provinces of Ontario and Quebec.



**Figure-1** The system loop displays how quarterly performance, time, knowledge and understanding of systemic strategic planning often short-circuit manager's intentions to improve SE planning performance, leading them to return to old habits.

# Research Questions



***In a fast growing and highly unpredictable world, how do SE leaders perceive and welcome strategic planning?***

- ➡ ***What are the key factors that impact the adoption of strategic planning in SEs?***
- ➡ ***How can we influence these factors to increase the use of strategic planning in SEs?***

***To what extent are the current mainstream strategic planning practices responsive and convenient for SEs needs?***

- ➡ ***What set of best practices might facilitate the formulation of business decisions that stem from a strategic mindset?***
- ➡ ***How might the late business modeling tools and frameworks support SEs in strategic planning?***

## Methodology

*The research process was designed to collect and understand business manager's perceptions and knowledge about strategic planning practises and underlying processes in SEs.*





To evaluate and validate these practices: two mechanisms are utilised:

1. **Expert interviews** with strategy development professionals and consultants, who based on their day-to-day experiences have a reliable bearing of how small enterprises approach strategy in general.
2. **SE management interviews** that articulate strategy and shape the way SEs behave in the face of the changing business landscape.

The Johari window framework uses two axes to contextualize one's knowledge in relation to their self awareness. The framework uses four quadrants also referred to as the four selves: the open-self, hidden-self, blind-self, and unknown-self. The Johari window is a dynamic tool in which the subject and the observers move from one quadrant to another depending on the context or subject explored. It is a handy tool to remind us of the dynamics between our awareness of the environment that surrounds us, and our knowledge of what we know to be true, what we know to be false, and what we are unaware of (Mindtools, 2016) (Beck, 1994).

Our research team elected a deductive research method to establish the initial research hypothesis. This approach led us to link findings to pre-existing literature, and scaffold findings on

existing knowledge about strategic planning in small businesses (Saunders, Lewis, & Thornhill, 2009). A set of semi-structured interview questionnaires were designed to cater to both the strategy experts and SE managers. The questionnaires both relied on open-ended and closed-ended questions to elicit qualitative and quantitative responses (Lamont & White, 2008).

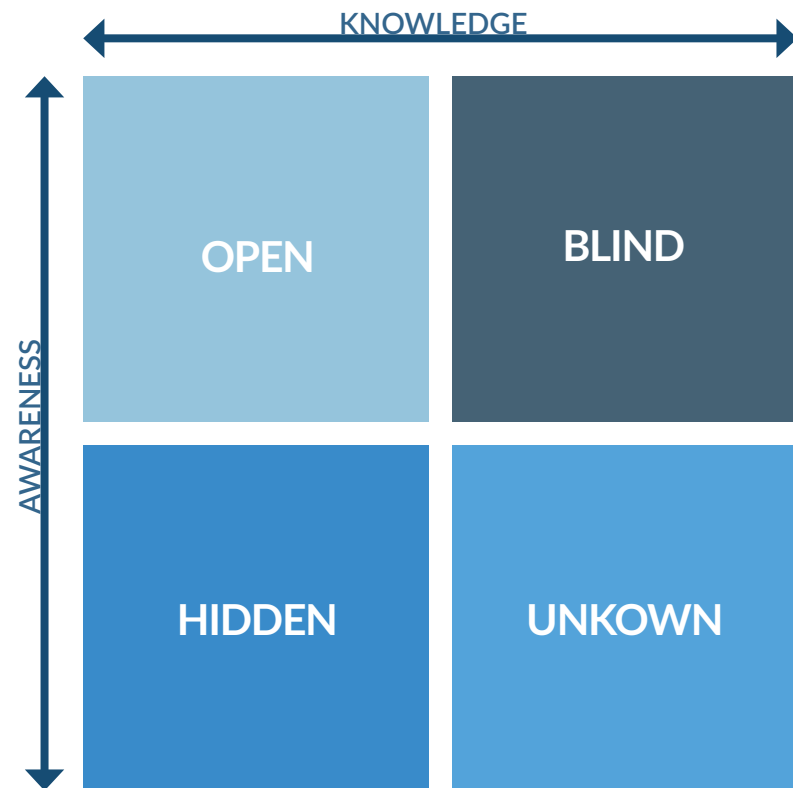


Figure-2 The Johari Window helps the SE manager visualize what we mean when we speak of latent opportunities. It involves tapping into the blind and unknown areas of the window, which is detailed later in the report.

# Small Enterprise Strategy Development

## Research Process Timeline Map

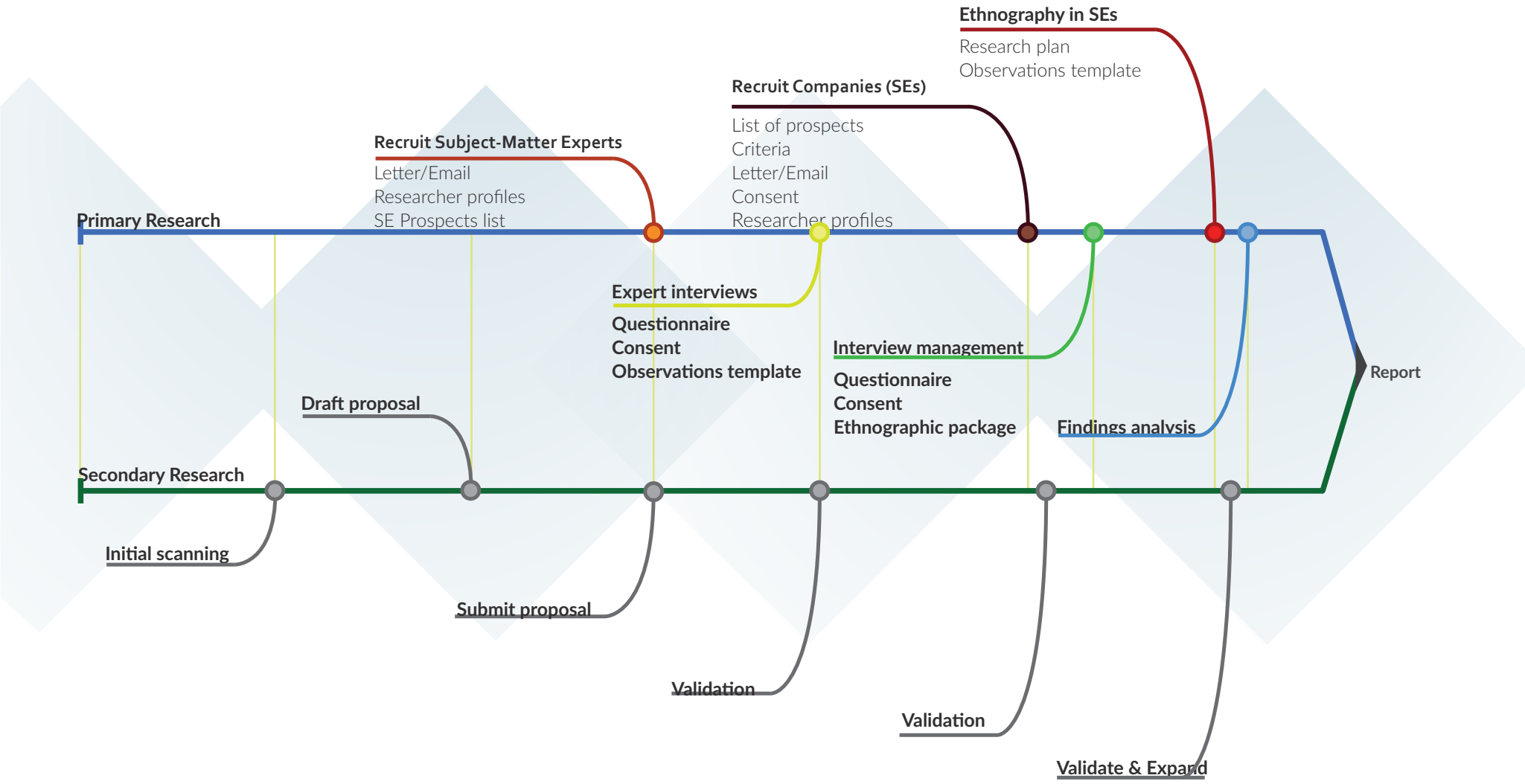


Figure-3 Research Process and Timeline Map

## Overview of the Research Process

Figure-3 on the previous page depicts a linear view of our research process representing two timelines simultaneously taking place. Activities on both timelines overlap and support one another to ensure information-rich exchanges with participants. The diamond shapes in the background remind us of converging and diverging our focus as we ease through the timeline from left to right.

## Literature Review

An extensive literature review was done for the research team to assimilate existing academic literature to facilitate the exploration of scholarly knowledge and thoughts about strategic planning in small enterprises. The research team started its research initiative by conducting an in-depth review of current literature on a broad scope of fields of study with direct and indirect relevance to the research topic. Reviewing the literature helped build a preliminary knowledge foundation toward refining and improving the project topic, scope, and position in the wider context (Saunders et al., 2009).

This research focuses on Canadian enterprises in the provinces of Ontario and Quebec, to better understand their perspective on strategic planning. However, the team also researched scholarly literature from around the globe on the subject of

strategic planning in small businesses and related subjects

The main topic and conclusions from the readings have been organized to synthesize our understanding of the “conversations” taking place between authors. Finally, this approach has also facilitated to pinpoint gaps and potential future interventions.

### *Literature Review Limitations*

Here are a few limitations to be considered:

- Provincial and national authorities categorize small, medium, and in some cases micro, enterprises under the same segment labeled as SME. These discrepancies have a significant incidence on researchers ability to isolate information from subsegments of this category of enterprises. In Canada, micro enterprises have 1 to 9 employees, small enterprises count anywhere between 10 to 99 employees, and medium size enterprises may have a 100 to 499 employees.
- There is a finite but large number of research papers on strategy in SMEs. Our team had to limit research efforts to a manageable load of papers taking into consideration the time allocated to the project. Although researchers were quite thorough, they may have overseen valuable papers on the immediate and related subjects.

## Expert Interviews

Expert interviews are key to the entire process as they help in steering our attention to key issues about strategic planning in SEs, and assist us to become more sensitive to key subjects and phenomenon. We used expert interviews to validate our initial findings from the literature review and to follow up on interesting patterns that may arise from the primary research findings.

### Recruitment

Our team used numerous tactics to recruit experts. Some of the tactics originally used were connecting with larger networks to promote the project and gather leads. Unfortunately, these tactics were not fruitful. The tactics listed below in order of importance, allowed us to achieve our goals in connecting with experts:


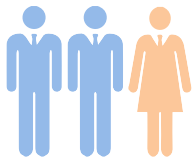


1. Identifying prospects through professional association websites and social network platform.
2. Cold-calling and emailing.
3. Referrals from friends and connections.

Experts were, for the most part, sourced through LinkedIn, a business networking platform, and contacted by email. The response rate was not high. However, the participation of the experts who chose

to take part was valuable to the researchers and the outcomes. Their experience and knowledge helped us corroborate in-field observations and knowledge gathered through our initial literature review. Furthermore, the research team found their knowledge to be profound and very experiential, thereby adding to the theoretical concepts gathered from scholarly writings.

Through teamwork and equal involvement in all tasks and activities, a clear protocol was developed to increase the chances of having identical, if not similar outcomes.

Table–2 lists the possible modes of interaction that we identified and for which we designed and developed tools and processes to develop this report.

Types of Interventions	Description	Description
		Number of participants
Online self-administered questionnaire	Participant does not interact with the researchers as he responds to an online version of the interview questionnaire.	
Phone/Skype Interview (Audio only)	The participant answers interview questions through an online or telecommunications platform. There is no in-person interaction between the researcher(s) and the participant. However, such method still provides us with a great opportunity to debate and explore aspects of the questions, insights, and answers.	
In-person interview	The participant answers interview questions live/face-to-face with the researcher(s). There is an opportunity for more in-depth exploration, but above all, this method includes the intuitive and sensory aspect of data collection from non-verbal communication.	
Interview follow-up	If the participant accepts to do so, researchers may contact the participant in-person, by phone, or email to validate information gathered from the questionnaire.	

**Table-2** The possible modes of interaction that we had identified and for which we designed and developed tools and processes to work with:

## Data Analysis

Our research team interviewed experts with 10 to 30 years experience dealing mainly with strategic planning within the context of SMEs.

We recognize that having some experience in Large Enterprises (LEs) is helpful in comparing and contrasting between both categories of companies in terms of strategic planning practices.

Table-3 Summary of strategy expert interviews participants.

	Place of Business	Years of Experience	Speciality	Workload SMEs vs LEs
	Laval-Montreal, QC	 13	Strategy & Acquisitions	 100%
	Toronto, ON	 28	Strategy & Innovation	 50%
	Mississauga, ON	 21	Strategy & business development	 75%





Figure-4 Cities our experts have their headquarters

## Small Enterprise Interviews

**B**elow, we describe the different points of view on the subject of enterprise segmentation and summarize most common practices. Finally, we construe steps taken, and the model used to identify appropriate parameters for the purpose of this research project.

Sampling was an elaborate task as we were not able to identify one reliable and standardized way to define SEs; rather we saw numerous ways to segment enterprises in various countries. No clear international set of guidelines are used to define small, medium, large enterprises; in fact, parameters used from country to country differ. For instance, some countries use the number of employees while others group businesses by their total annual revenue, in which case standards are quite different (Mugabe, 2012). European Union countries, for example, agreed in 2005 to go beyond a single parameter to determine what category a business belongs to by developing a set of conditions a business must answer. This amendment was made to provide SMEs improved access to governmental funding by raising the financial ceilings. For instance, a small enterprise according to the European Union has 10 to 49 employees and does not exceed 10 million Euros in turnover, and its balance sheet should be below 10 million Euros (OCED, 2005).

Scholars in research projects have used a variety of parameters such as annual sales, assets value or net profit, individually or combined

with other parameters (Balasundaram, 2009; Meyer, 1988).

This being said, to define the boundaries and sampling criteria to this major research project (MRP) on the adoption and use of strategy in small enterprises (SEs), our research team explored much of the scholarly, private, and government literature available on SEs and SMEs segmentation models. The findings were helpful in guiding us and providing us with a comprehensive list of considerations as we blazed our way into defining the category of SEs we intend to research. It is above all at the criteria definition stage where this information becomes necessary as we identify the research sample and profile subcategories of our sample population.

The following five dimensions portrayed in Figure-5, were chosen as our criteria to define the research sample.

Each dimension has a set of parameters such as the number of paid employees used by government agencies (Industry Canada, 2013), management style (Atherton & Lyon, 2001), and industries widely used by Statistics Canada (Statistics Canada, 2005).

## Defining participating enterprise's size

Defining the enterprise size has been a challenge since the inception of the project. Laura Read and Ben McCammon, who explored a parallel universe to strategic planning in SEs and their leaders looking at management mindset in sustainable SMEs. Both authors have maintained a broad scope as they explored the SME managers' mindsets. They chose not to restrict the project by company size by remaining open to enterprises of 1 to 499 paid employees (Read, 2014) (McCammon, 2013).

To increase precision and efficiency, our team further researched the specific segments of SMEs based on the following criteria derived from the questions above:

1. The segment with the greatest impact on the economy.
2. The segment that is most likely to respond to findings and recommendations for change. In other words more adaptable.
3. To use sample data easily accessible through mainstream information databases.

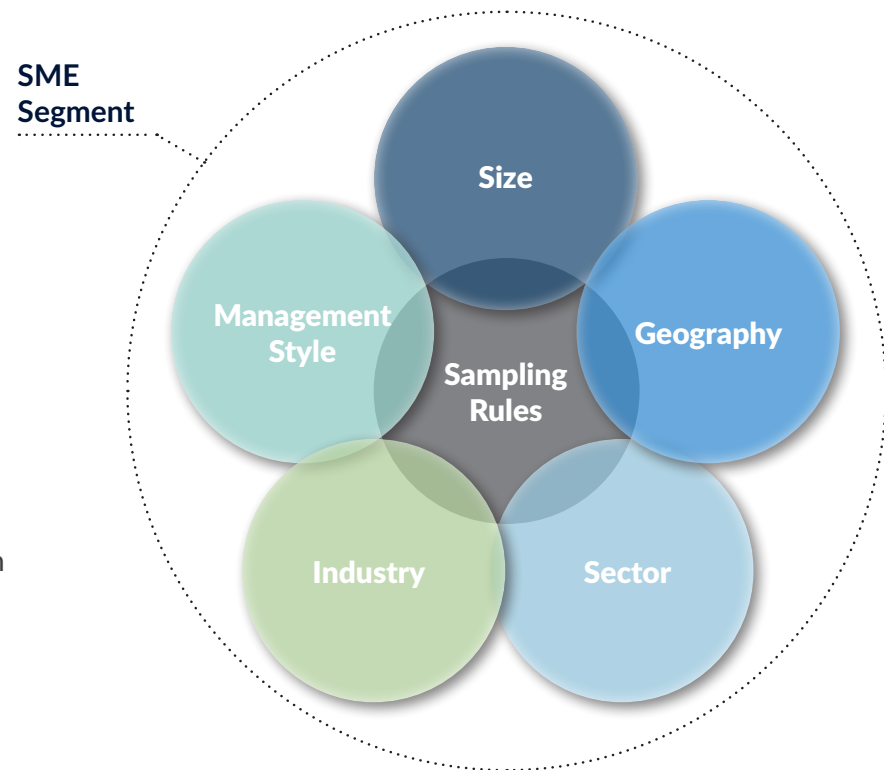


Figure-5 Five dimensions of small medium enterprise sampling and profiling.

## Selecting Industries

The list of industries is from Statistics Canada's industry grouping which is widely used (Statistics Canada, 2012). We excluded industries from the original list that are funded by the government, commodity industries that are often represented by large international companies, brokerage services in real estate, finance, and insurance, to focus primarily on the secondary industries and some tertiary businesses as listed in Table-4.

Industry	Rational
✓ Professional, scientific and technical services	Highly active innovation of product & processes.
✓ Wholesale / Retail trade	Represented by many SMEs.
✓ Manufacturing	High value-added to the economy & innovation.
✓ Transportation and warehousing	High constant contribution to the national GDP.
✓ Administrative and waste management	High rate of labour productivity.
✓ Information and cultural industries	Source of general & business behaviors.
✓ Other services	May include flexibility for interesting candidates.

**Table-4 Industries targeted by this research project based on Statistics Canada North American Industry Classification System (NAICS).**

### *Solving the geographic scope*

Our research team is based out of Toronto where 37% of Canadian enterprises are found. In fact, 37% of ME in Canada have their headquarters in Toronto making this vicinity a natural playground for the research project. Nonetheless, as shown in Figure-6, our team members decided to expand into the business population within the province of Quebec to gather a more diversified pulse of strategy definition and implementation and business model integration. It is important to point out that time and cost were key constraints for us.

### *Recruitment*

We had originally hypothesized that much of the participants could be sourced through economic development offices and professionals such as accountants, lawyers and fiscal specialists. We quickly realized that there was little collaboration to count on just these resources.

Therefore, we recruited enterprises through publicly accessible online databases and personal connections. Most of the prospects in Ontario, were recruited through the database of Innovation, Science and Economic Development Canada and through LinkedIn, a business networking platform. Other participants were found through referrals from our professional networks. Prospects



Figure-6 Map of the Canadian Provinces targeted in the research project.

were contacted through cold-calling and individual emailing.

One of the researchers in Quebec had worked in economic development in the past which facilitated the process. We attended a few business functions that allowed the researchers to get some more exposure in Quebec.

Table-5 on the following page, shows the possible modes of interaction that we had identified and for which tools and processes that were put in place.

### *Data Analysis*

Our research team followed two key approaches while collecting the primary data for SE ultimate decision makers. Some of the data was gathered from a semi-structured interviews in which the questions and answers were recorded by the interviewer. The second was through observing the small business managers while conducting the interviews (Saunders et al., 2009).

The data was taken from interview transcripts to be categorized using business population characteristics and management profiles. To make sense of this large amount of mainly qualitative content,

researchers read through the data searching for patterns from which we developed scales of qualitative information to isolate patterns. Once laid out in tables, the data provided a bird's-eye-view on patterns and potential data comparisons and subgroupings. In the following column are examples of the type of data that was analysed.

- Place of business (QC vs. ON)
- Company size
- Industry
- Environments (International vs. Domestic)
- Number of years in operation
- Type of value produced (product or service)
- Management style
- Age and gender of manager
- Strategic planning approach
- Internal communications

Following many sessions of data analysis and discussions, the data was structured and tested against our research questions and grouped by insight categories from which the conclusions were developed (Saunders et al., 2009).





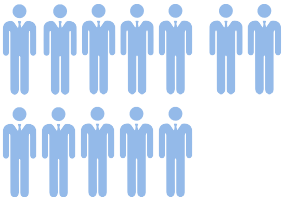
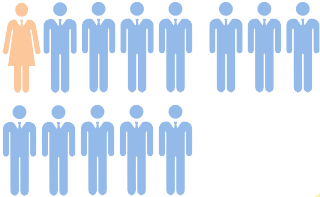
Types of Interventions	Description	Tools	Number of participants
Online questionnaire	Participant does not interact with the researchers as he responds to an online version of the interview questionnaire.	<ul style="list-style-type: none"> <li>• Online questionnaire</li> </ul>	
Phone/Skype Interview (Audio only)	The participant answers interview questions through an online or telecommunications platform. There is no in-person interaction between the researcher(s) and the participant. However, such method still provides us with a great opportunity to debate and explore aspects of the questions, insights, and answers.	<ul style="list-style-type: none"> <li>• In-person Interview</li> <li>• Online questionnaire</li> <li>• Online consent form</li> </ul>	
In-person interview	The participant answers interview questions live/face-to-face with the researcher(s). There is an opportunity for more in-depth exploration, but above all, this method includes the intuitive and sensory aspect of data collection from non-verbal communication.	<ul style="list-style-type: none"> <li>• Paper questionnaire</li> <li>• Online Consent Form</li> <li>• Online signup form</li> </ul>	
Interview follow-up	If the participant accepts to do so, researchers may contact the participant in-person, by phone, or email to validate information gathered from the questionnaire.	<ul style="list-style-type: none"> <li>• Verbal or digital communication.</li> </ul>	

Table-5 The identified modes of interaction with SE business managers along with tools and processes that were put in place for each.

## **Literature Review:**

*A Gap Analysis of Strategic Planning  
in Small Enterprises*

## Defining The Concept of Strategic Planning

Several studies have defined strategic planning throughout the past decades. However, there is no standard definition for it (Brews & Purohit, 2007) (Fossen, Rothstein, & Korn, 2006).

Olsen and Eadie have described strategic planning as future orientated efforts that help businesses making key business decisions to guide the business toward a preferred future scenario (Olsen & Eadie, 1982).

Balasundaram has indicated three main elements that define strategic planning from a practical perspective:

1. The business' awareness of the external environment,
2. Documentation for a course of action toward a preferred future,
3. Knowledge of both short and long term implications of the strategies.

Awareness of the business environment is the result of gathering information from the external environment, to better achieve a sustainable competitive advantage (Balasundaram, 2009).

Rick James has adopted the 'hedgehog concept' to define strategic planning. He believes that the foundation of strategic planning should answer the following sets of questions to isolate its competitive advantage, strategic goals, and objectives:

- What goals is the enterprise striving to achieve? What is their passion?
- What are the distinctive strengths of the enterprise? How can they best be compared to other competitors?
- What are the main drivers of the enterprise human and financial resources?

Rick also proposed that the effective strategic plan should make informed choices based on; knowing who the enterprise is, knowing what would bring change to the enterprise, predicting how the enterprise environment is likely to change, and conducting a rigorous and honest self-appraisal (James, 1999).

In conclusion, as shown in Figure-7, business strategy is theoretically divided into three dimensions or phases that the strategist walks through in some way or another. Each dimension can be carried out using different approaches depending on the managers' school of thought.

Figure-7 shows the three phases of strategic planning. Each dimension has a range of behaviors and thinking styles, also referred to by researchers as paradoxes since they are opposing

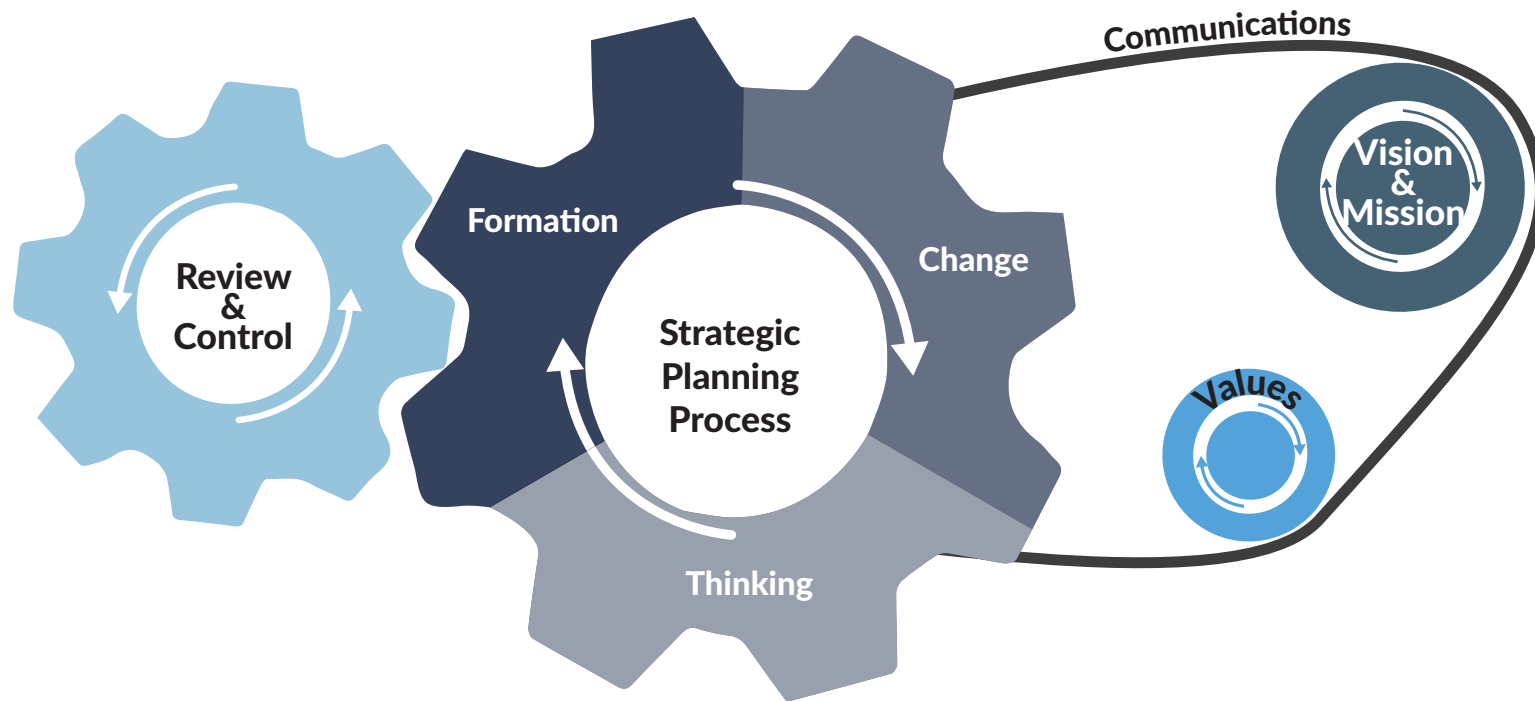


Figure-7 The three dimensions or phases of the strategic planning process

styles. It is important to note that the process of strategic planning is highly sensitive to the manager's thinking or mindset.

### *Defining The Concept of Planning Tools, Techniques and Practices*

There is a wide range of tools, techniques, and practices that have been developed to help managers approach strategic planning that facilitates their decision making process (Ramanujam et al., 1986). However, there is no agreed definition of the concept of strategic tools, techniques, and practices.

Knott has used the term "strategy tool" to describe a wide spectrum of frameworks, tools, practices, ideas, and techniques that help SE managers in the strategic planning process. The main purpose of such tools and techniques is to generate and communicate findings into a more organized structure (Knott, 2006).

Stenfors and Tanner have defined strategy tools as a diverse set of products that support the enterprises while analyzing the competitive market, and developing or maintaining strategic advantages (Stenfors & Tanner, 2007).

Gunn and Williams have proposed a broader definition of the strategic tools, which includes any systemic method or technique that has been used to inform the strategic decision-making process (Gunn & Williams, 2007).

Webster et al. have indicated that the effective usage of strategic tools and techniques can facilitate the integration of the strategic planning practices into the core management process (James L. Webster, William E. Reif, & Jeffrey S. Bracker, 1989). Additionally, Hussey has observed that many strategic tools and techniques can be used for several purposes such as information generation, providing frameworks for the analysis, and simplifying and facilitating the communication of the findings. Furthermore, it may help gain valuable insights as the data can be presented using several techniques (Hussey, 1997).

### *Planning Tools, Techniques, and Practices in Small Enterprises*

Strategic tools and techniques help SE managers make more informed decisions when approaching key strategic issues, which would result in developing more successful strategies in today's uncertain and highly competitive business environment (Frost, 2003).

Robinson & Pearce have found that many small enterprise managers have a broad understanding of the concept of strategic planning. However, they lack the specific knowledge about tools, techniques, and practices that should be used to develop strategies (Robinson & Pearce, 1983). On the same footing, Frost has found that SMEs are using a limited range of strategic tools, and therefore, he called for a wider and more in-depth understanding

of the strategic tools and their application (Frost, 2003).

Alternatively, a comparative research study on business performance in SMEs and LEs found that “most of the solutions [for strategy-making] neither respond to SMEs needs nor does it account for their specific challenges as they are designed for large enterprises” (Taticchi, Tonelli, & Cagnazzo, 2010). All of the above may suggest that strategy tools do not fall within or touch upon day-to-day activities of SE managers.

In conclusion, several studies suggested that the SEs might gain valuable benefits out of the strategic tools and techniques. The benefits include planning more efficiently, facilitating communication, supporting the decision making process, evaluating and analyzing the enterprise external and internal environments, reducing the costs of the product, and minimizing the expenditures. However, such benefits are mainly conditioned by a clear understanding of the available tools and techniques, and its usefulness and limitations (Afonina & Chalupský, 2012) (Stenfors & Tanner, 2007).

### *The Formality of the Strategic Planning Process*

A 2005 Canadian research paper on a large study made on nearly 3000 Australian SMEs reported that only 16% of firms were regular planners. Other professionals declared that their “experience within SMEs shows an inconsistent or incomplete approach to strategy

planning in the SME sector” (Hathway Management Consulting, 2013). On the same note, Kraus pointed out that planning within the SME context is mostly spontaneous, unstructured and informal.

Conversely, scholars such as Stacey supported the idea that strategy “emerges naturally through a process of adaptation, real-time learning and political negotiations rather than being articulated as a formal long-term plan” (Vrontis & Thrassou, 2013). However, Kraus warns that excessive use of “informal” strategic planning may affect business performance (Kraus, Reiche, & Reschke, 2007). Symptoms such as these are typical in organizations with faulty vision, mission statements, and commitment. Mission and vision statements, and company values deserve more attention as they help all components of a company align toward a common goal other than simply increasing sales and profits. Therefore, SMEs should leverage their mission and vision statements in establishing a common purpose and to inspire and motivate personnel (Forbes & Seena, 2006) (Mazzarol et al., 2009) (Sandada, 2014).

The self-determination theory (SDT) reminds us that the human propensity is to fulfill fundamental psychological needs; namely the need for competence, autonomy, and relatedness. They are innate cornerstones to growth and well being, and if unfulfilled may facilitate self-protection, isolation, and resistance. When fulfilled, these needs are a powerhouse to intrinsic motivation, which is required to integrate extrinsic motivation, salary and bonuses, and

leads to clear life goals and aspirations (Deci & Ryan, 2000).

Research findings on high performance SMEs found that they seek “multiple-strategy approach, innovative differentiation, and product or service-customisation strategy.” However, to achieve such strategic complexity, one requires good alignment between organizational and management mindsets, and a solid strategic toolset. Attributes found in mature organisations (Bamiatzi & Kirchmaier, 2014). In other words, this means being disciplined, to have a clear preferred long-term scenario, and to recognize that not all actions are designed to contribute to future growth (McGrath, 2013).

### *The Relationship between Strategic Planning and The Decision Making Process*

Several studies have investigated the relationship between systemic adoption of strategic planning and the decision making process. The key finding from many of these studies is that there is a direct relationship between systemic planning and the components of the decision process (Ramanujam, Venkatraman, & Camillus, 1986) (Lyles et al., 1993).

Camillus found that systemic strategic planning enhances the decision making process by enabling creativity to brainstorm on new scenarios about possible preferred futures (Camillus, 1975). Furthermore, Camillus along with others found that the adoption

of strategic planning improves the quality of the decision making process, as it places a greater emphasis on goal formulation and developing distinctive competencies. (Ramanujam, Venkatraman, & Camillus, 1986; Lyles et al., 1993; Nikandrou et al., 2008).

### *Understanding Characteristics of Small Business Managers*

Hogarth-Scott et al. believe that the small business manager has to balance between the strategic and the operational aspects of the business to be successful (Hogarth-Scott, Watson, & Wilson, 1996). However, doing so is not an easy task as other scholars such as Thompson et al. have pointed out. They have indicated that managers of SMEs, who have technical expertise, tend to focus on business operations rather than the development of higher level strategic planning (Thompson, Bounds, & Goldman, 2012). On the same footing, Lancaster and Waddelow found that business managers with professional qualifications such as accountants, architects and lawyers are more interested in the technical aspect of their business rather than the planning aspect (Lancaster & Waddelow, 1998) (Mcelherron, 2013).

On the other hand, Robinson and Pearce indicated that SE managers who have more strategic planning knowledge are more likely to define clear measures for the strategic objectives progress, and monitor the progress of these plans more regularly. Furthermore, they tend to

meet or exceed their goals and objectives (Robinson & Pearce, 1983).

Another research study found that parameters such as manager age, professional and educational backgrounds, previous experience in entrepreneurialism, and experience in the relevant industry influence their strategic mindset (Richbell, 2006).

Gibb and Scott have indicated that the majority of small enterprise managers respond to emerging opportunities and threats through ideas that are formulated mainly by their personal judgment. However, these ideas are often vague, not associated with a timeframe, based on a limited knowledge of the external environment, and implemented without sufficient knowledge of the long-term consequences (Gibb & Scott, 1985)(Balasundaram, 2009).

### *The Relationship between Strategic and Operational Planning*

According to Mulford et al., strategic planning have three major steps: (1) information processing, which involves assessing the organization on its environment, (2) the decision making process which seeks to identify the business mission and goals, and (3) the change phase oversees the execution of the strategy. However, operational planning is tactical; it deals with a shorter time horizon and processes that are of a more functional such as human resources, marketing, sales, and inventory (Mulford et al., 1988).

Other definitions indicate that strategic planning includes an assessment of the threats and opportunities of the external environment, and the strength and weaknesses of the internal environment of the organization, and the development of the strategic plan, which normally contains the organization's mission, goals, and objectives, and organizational changes. On the flipside, operational planning is about the organization's immediate future and in control of functional operations of a firm such as sales and marketing (Loucks, Martens, & Cho, 2010).

Other scholars such as Sherman, et al. have integrated strategic and operational planning in one process. In their view, strategic planning rigorously analyzes the business internal and external environment, which yield operational and tactical plans that clarify business strength, weaknesses, threats, and opportunities, and develop the appropriate measures to monitor the overall progress towards the desired future (Sherman et al., 2006).

To Rudani, both strategic and operational planning seek to clarify the who, when, what, and how. However, each focus on different aspects of the business as clarified in Table-6.

The successful implementation of strategic plans is highly dependent on the short-term operational and tactical planning. Strategic planning addresses the strategic challenges that the enterprise



needs to achieve the desired future. While short-term and operational planning provides solutions that can be implemented systematically in the immediate future, which contributes towards overcoming the strategic challenges (Whitacre et al., 2008).

### *The Benefits and Return on Investment (ROI) of Strategic Planning in Small Enterprises*

Sosiawani et al. found that strategic planning is a major contributor to better performance for the enterprise (Sosiawani, Ramli, Mustafa, & Yusoff, 2015). Schwenk and Shrader have conducted a meta-analysis where they reviewed twenty-six studies about strategic planning in small enterprises and found a positive relationship between strategic

planning and performance (Schwenk & Shrader, 1993). Similarly, Miller and Cardinal have studied and reported on twenty-six other published studies and found that strategic planning has a positive influence on the enterprise performance (Miller & Cardinal, 1994).

Other studies have concluded that the majority of SE failure relate to the lack of systemic planning (Malone, 1989; Robinson & Pearce, 1984; Richbell, 2006). A properly developed strategic plan is essential for SE to create and maintain a competitive advantage in the market. Having a clearly defined strategic plan is the optimal recipe for sustainability and success (Ogbor & Ogbor, 2009).

	Strategic	Operational
Meaning	The planning for achieving the preferred future of the business	The planning for achieving short-term tactical objectives for the business
Focus	Business preferred future	Tasks, functions, and routine activities
Vision	Big picture (wide)	Immediate requirements
Level of Detail	Points out directions through general guidelines – Wide	Highly detailed plan – Narrow
Evaluation	Progress toward the preferred futurew	Completion of specific tasks, functions, and action plan.

**Table-6 Comparison between Strategic and Operational Planning, Adapted from: (Ramesh Rudani, 2013)**

### *Dimensions of Strategic Planning in Small Enterprises*

Since the mid-eighties, several studies have explored strategic planning in small enterprises (Balasundaram, 2009). Krause et al. have analyzed strategic planning using multiple dimensions such as the formality of strategic planning, the specific strategic planning tools and processes, and the length of the planning horizon (Kraus, Harms, & Schwarz, 2006).

Suklev & Debarliev have broadened the range of dimensions of strategic planning analysis to include: the formality of strategic planning, the use of strategic planning techniques, the management participation in strategic planning, the employee participation in strategic planning and the barriers to the strategic planning process (Suklev & Debarliev, 2012). While Hodges and Kent considered other dimensions such as knowledge of the strategic planning, external and internal environment considerations, and the developed measures to monitor and control the strategic goals and objectives (Hodges & Kent, 2006).

### *The Relationship Between Strategic Planning and Business Model*

There are limited number of studies that have tackled the relationship between strategy and business model. However, some of the conducted studies have provided some valuable insights that clarify such relationship.

Joan Magretta has indicated that business model is different than strategy despite being used by enterprises interchangeably. He further clarifies how in a business model, the different components fit together as a system. However the business model does not factor in other critical dimensions such as performance and competition, as they are part of the strategy development phase (Magretta, 2002).

Casadesus-Masanell and Ricart have found that the business model is a reflection of the enterprise realized strategy. They argued that business modeling deals with the enterprise logic, the way it operates, and how it creates value for its stakeholders. On the other hand, strategy evaluates the business model's viability to compete in the marketplace. (Casadesus-Masanell & Ricart, 2010).

Teece has concluded that business model should define how the enterprise creates and delivers value to customers, and then converts payments received into profits. On the other hand, strategy is the essential step to determine the viability of the selected business model.

## Summary of The Literature Review

The research team has conducted an extensive literature search for articles to facilitate the exploration of scholarly knowledge and thoughts in the field of strategic planning in small enterprises. The conducted literature review on strategic planning has shown us the way to major gaps in strategy planning in SEs. Furthermore, it has opened our research mindset to new perspectives.

Much of the studied research on strategic planning shows a positive relationship between the extent of planning activities and the performance of SE. Furthermore, this relationship remains positive regardless of the formality of the planning and the performance measures to evaluate the outcomes of the planning (Lyles, Baird, Orris, & Kuratko, 1993) (Sandada, 2014).

The development of a successful organization-wide strategy requires addressing key aspects such as: goal setting, company strengths, weaknesses, opportunities, and threats, financial projections, performance measurement, and monitoring and control procedures (Bracker & Pearson, 1986). On the other hand, the success of the strategic planning process is highly reliant on having a viable business model. Furthermore, some scholars argued that having a decent business model combined with a highly informed strategy could be the key to business success (Teece, 2010).

**Primary Research Findings**

**P**rimary research findings are highlighted in the following pages. They have been organized in one of the two categories : leadership and process.

**Leadership** is lacking in most cases. Managers often focus on micro aspects of the business that are identified in the their financial statements. Not many SEs have achieved a high level of capability maturity, which hinders their development and overall performance.

Strategic planning is far from being systematic and systemic. Planning is treated as a operational tool and is therefore not integrated across the organization.

Business modeling, although a growing trend in the world of business, is not popular with our research population. We also found that any business modeling decisions are strongly tied to operational, tactical, and strategic decision-making. As a result, strategic planning and business modeling have been merged under what we have called the “process”.

“

**Myth: “Strategic  
Planning is not meant  
for Small Enterprises.”**

”

- Princess Alexander



# Small Enterprises Management Profile

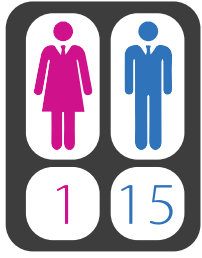


Figure-9 16 small enterprises were interviewed, one was a female manager amongst 15 males.

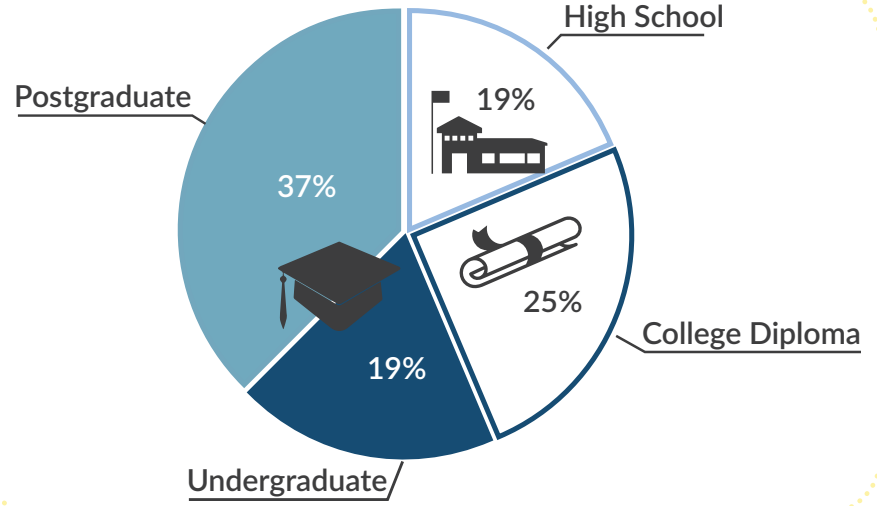


Figure-10 56% of the managers interviewed have attended and graduated with a university degree.

Figure-11 88% of the managers interviewed were 40 years and older.

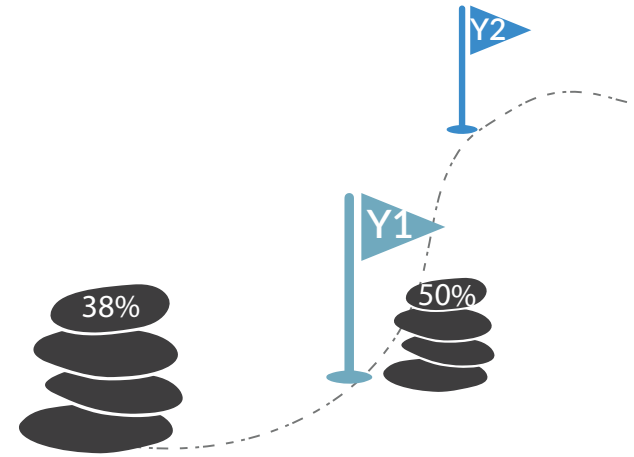
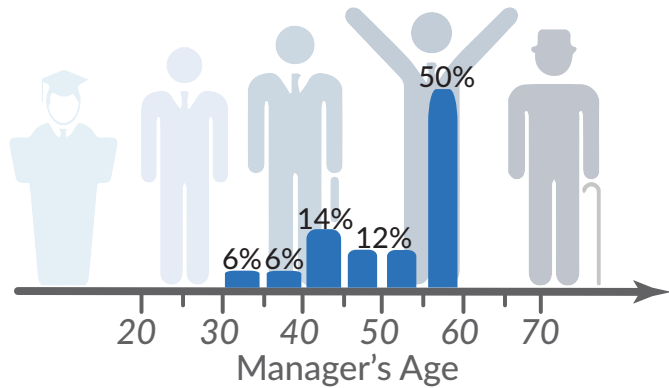


Figure-8 Very few businesses interviewed plan beyond one year. According to our research assessment 88% rely on a 12 months or less planning time frame.



# Small Enterprises Population Profile

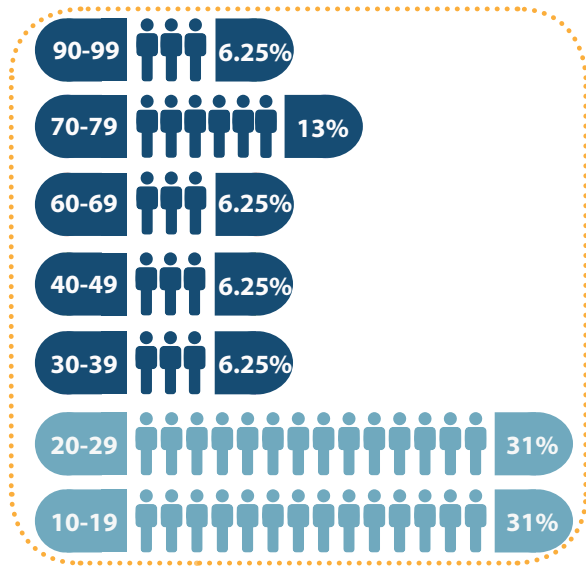
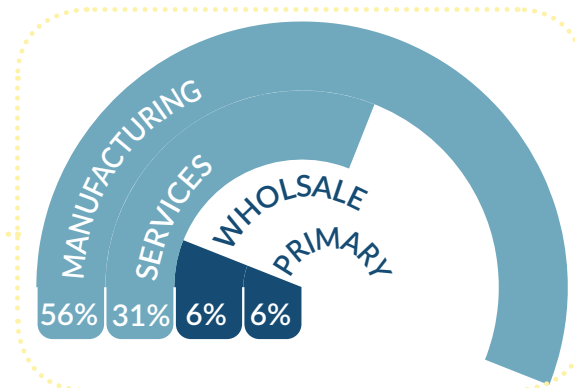


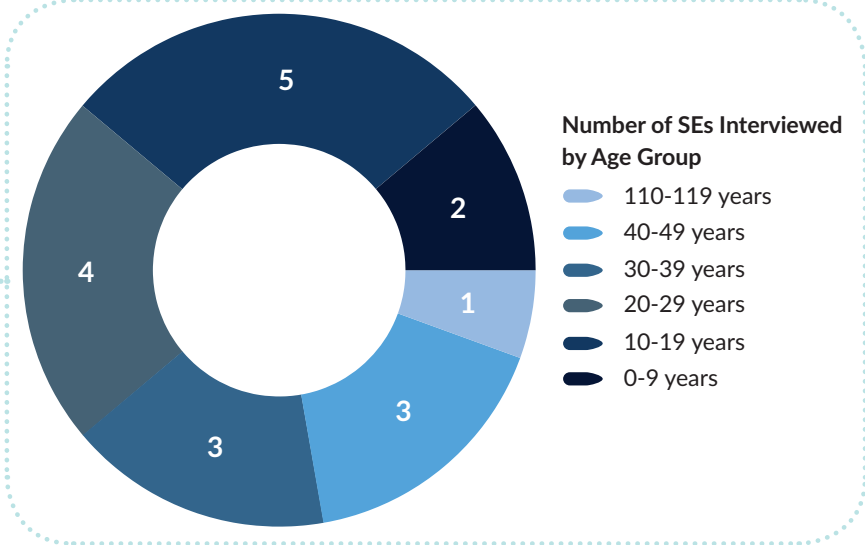
Figure-12 More than 60% of the population interviewed were businesses with 10 to 29 employees.

Figure-13 A majority of the population of SEs interviewed were in manufacturing or a services provider.

Figure-14 68% of the interviewed SEs had more than 20 years of experience in business.



- Scientific and Technical Consulting Services
- Professional Training & Coaching
- Aerospace Product and Parts Manufacturing
- Advertising Agencies
- Digital Media Publishers
- Computer Aided Design (CAD) software
- Institutional Furniture Manufacturing
- Computer Software
- Security System Manufacturer
- Food
- Air transportation
- Wood Product
- Electrical equipment, appliance and component
- Fabricated metal products
- Machinery
- Wood Product



## Findings from the Leadership Perspective

### *There is a general lack of understanding of the concept of strategic planning by SEs*

The interviews conducted with strategy experts showed that there seemed to be a lack of understanding of strategic planning. According to Mr. Zucco, Senior Vice President at Optimus SBR, a Toronto-based management consulting firm, recently named as Canada's fastest growing professional services firm (Profit Guide, 2015), indicated that small businesses have very little understanding of strategic and business planning. Small companies often tend to know what is going on in the company, but when the time comes to talk about their competitive landscape, the conversations are cut short. Having a circumscribed understanding of the external environment becomes an important handicap to building a strategy toward a finite goal (Our expert interview with Mr. Zucco, 2015).

### *SE managers think that strategic planning is not meant for them*

The conducted interviews revealed that some SE managers believe that strategic planning is an expensive, complicated, time and resources consuming process that is not designed for small enterprises .

For example, a digital media enterprise manager argues that businesses need to be careful about where and how they allocate their limited resources. He believes enterprises who choose to dedicate resources to the strategic planning process may, in the process, waste valuable resources for value creation and steer the attention away from the day-to-day needs. Strategy consultant, Princess Alexander indicated to us that it is highly unlikely that SEs will dedicate resources to work on strategic planning, in their view at the expense of day-to-day operations (Our expert interview with Ms. Alexander, 2015). Similarly, Normand Zucco indicated that many small businesses are intimidated by strategic planning and think it's for large enterprises only. However, Mr. Zucco believes that strategic planning is more critical for small businesses as they are more flexible and adaptable in nature, unlike their counterparts the large enterprises that do not engage in as much change. Many small enterprises adopt this mindset with regards to strategic planning because they see it as an expensive choice. Strategic planning is fundamentally a



deep interrogation process to scan for facts and wants by first answering key questions, which lead to sub questions. Asking the right questions is an art, and it may lead to priceless insights

allowing management to expand their point of view and start connecting the dots and assessing existing gaps that need to be addressed.

Removing the intimidation factor out of the strategic planning process for SEs would be a breakthrough; one that could boost the level of adoption of strategic planning (Our expert interview with Mr. Zucco, 2015).

### *SE Managers have different Interpretations of Strategic Planning*

Our interview with SEs revealed different interpretations of strategic planning terminology. Some SEs believe that strategic planning is just a matter of establishing financial targets and projections. As a result, strategic planning for them becomes only a matter of defining financial targets and projections. They fail to fathom the benefits of an organization-wide strategic plan that integrates all of the various aspects that could affect the organization's future and growth.

During an interview with an information technology enterprise manager, the leader shared his views about strategic planning claiming that it is solely about establishing financial targets and projections. In business terms, the SEs formal plan is strictly financial and, therefore, aims at increasing sales and reducing costs annually. According to this view of strategic planning, the manager has no or very little understanding of where his business stands in the constellation of IT firms. The company is, therefore, vulnerable to any emerging force that could downplay the sales growth plan. Threats such as amendments to government policy or industry standards, new entrants in the market, emerging technology that could replace the company's function, and many more scenarios (Our interview with SE managers, 2016).

According to Normand Zucco, SEs often do have some financial and analytical skills. However, they tend not to have a broad enough perspective to understand the broader marketplace that they are

operating within. The internal analysis phase of the strategic planning process extends beyond simply analysing and understanding financial data. Strategic planning is about understanding the internal environment of a business aside from financial data, and grasping the external components of the company's environment, and creating fruitful interactions between the different parts of the system to generate value (Our expert interview with Mr. Zucco, 2015). Strategy consultant Robert Deshaies indicated that many SEs rely primarily on financial indicators to make key business decisions while they often fail to include other internal and external factors gathered in the strategic planning process (Our expert interview with Mr. Deshaies, 2016).

Examples of internal factors to be observed are forces that influence enterprise resources, capabilities, and core competencies. Internal factors rest on the company vision, mission and values to evaluate organizational objectives. It is designed to assess the enterprise's strengths and weaknesses, such as the value chain which analyses the process the company follows to produce value.

External factors are the opportunities and threats the enterprise is

exposed to. They are typically grouped by the acronym PEST or PESTLE for political, economic, social, technological, legal, and environmental. They are often forces that are not readily noticeable, one needs to commit to an exercise that will help unearth such forces that are in motion.

Some SE managers believe that strategic planning is all about developing a clear product strategy that effectively addresses and captures customer needs and translates them into product specification. For example, a manufacturing SE manager described product strategy as the only foundation of the strategic planning as it provides the enterprise with the ability to determine the advantages of the product over similar products and as a result, focus on specific customer segment (Our interview with SE managers, 2016).

Other SEs managers saw strategic planning as tactical activities based around improving sales and marketing effectiveness and efficiency. For example, one of the interviewed SEs used strategic planning tools (SWOT analysis) for tactical purposes, they developed a set of challenging questions to help them uncover potential gaps in their pre-existing action plans for sales and marketing. Other managers use strategic planning tools such as stakeholder analyses to validate new business ideas (Our interview with SE managers, 2016). However, in both of the previous cases, there were no strategic guidelines or an overall strategic plan that drove their action plans.

*There is confusion between Strategic and Operational Planning*

Figure-16 below, shows that over 80% of the interviewed SE managers confuse strategic planning with operational planning and often used both terms interchangeably. On the other hand, we found that all SEs managers, who have a clear understanding of the difference between strategic and operational planning are achieving a positive growth rate.

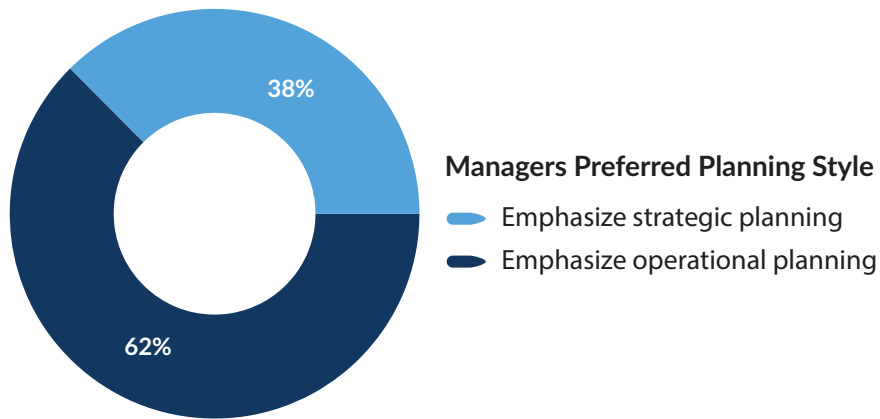


Figure-16 Over 60% of SE managers gave more importance to Operational Planning than Strategic Planning

The majority of SEs tend to develop operational plans rather than strategic plans, therefore overseeing many components usually found in a strategic plan. For example, a manager of a telecommunication SE claimed to have extensive strategic planning knowledge. However, the answers to our interview questions revealed, much confusion between operational and strategic planning as demonstrated in

Figure-15 (Our interview with SE managers, 2016). The company is not driven by strategic planning, but rather operational planning as the enterprise manager’s mindset focuses on product development. French et al. indicated similar confusion in the survey responses received while researching a different and targeted sector of business. They found that the majority of the participants confuse strategic with operational planning (French et al., 2004).

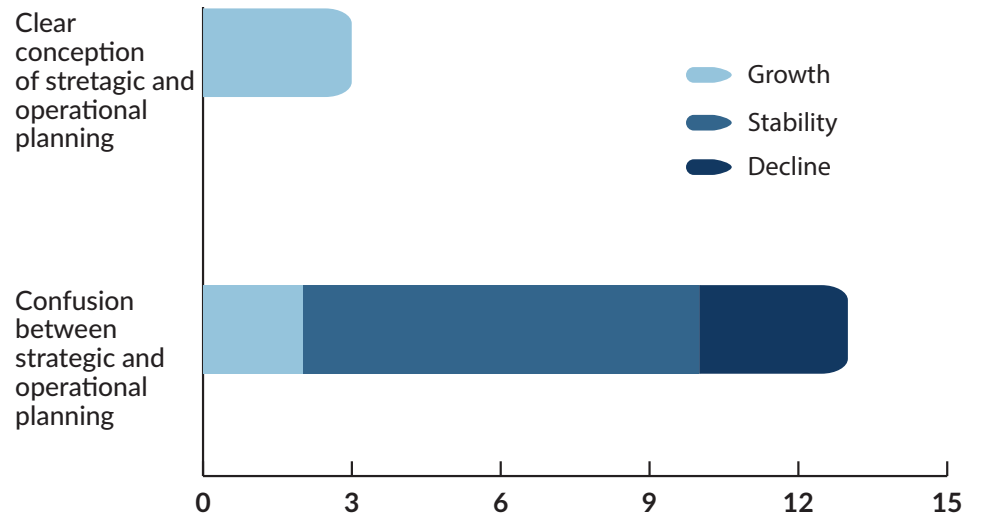


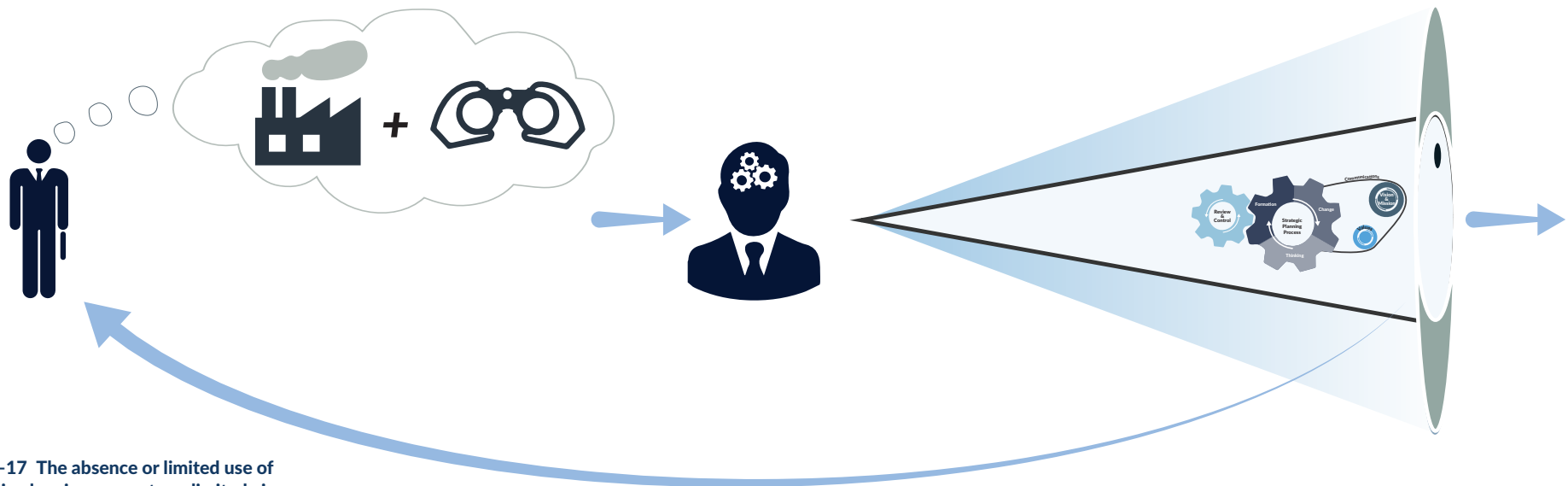
Figure-15 Having a clear understanding of the difference between Strategic and Operational Planning may positively influence the SE growth

### *Failing to realize the potential value of strategic planning*

The conducted interviews with SEs' managers have revealed a low level of training in strategic planning, as well as a low level of understanding of the value that strategic planning plays in the growth of SEs. As a result, the SE focuses most of its energy on the operational aspects and neglects the strategic needs of the business. According to Princess Alexander, a growth strategist and venture coach expert we interviewed, failing to realize the importance and potential Return On Investment (ROI) of strategic planning is one of the major barriers to strategic planning in SEs. Furthermore, she believes that understanding and appreciating the benefits of strategic

planning would be a critical enabler to SE managers to adopt strategic planning (Our expert interview with Ms. Alexander, 2015).

Figure-17 contrasts the range of possible outcomes between an operational planning and a strategic planning methodologies. The smaller cone displays a narrow view of the possibilities in comparison to the larger cone yielding a larger set of potential options and outcomes for the enterprise to explore.



**Figure-17** The absence or limited use of strategic planning generates a limited view on the spectrum of possibilities and outcomes for the enterprises future and growth.

### SEs attach more importance to operational planning

We found that over 60% of the interviewed SE managers attach more importance to operational planning than strategic planning.

Another interview with a CEO of a Quebec based SE revealed that the enterprise is not undertaking an overall strategic plan. Like the case mentioned previously, the manager has a strong focus on product development, improving the production process, and quality control. He also has an operations-oriented mindset. This insight was corroborated by our three experts. According to Normand Zucco, SEs tend to lean towards an operational mindset rather than the strategic one. As a result, they don't dedicate to strategy development, as they are very busy with the operational aspect of the business (Our expert interview with Mr. Zucco, 2015). On the same note, Princess Alexander noted that SEs are inward-focused, they spend much of their time on operational performance at the expense of external scans (e.g. demographic, behavioural, consumer trends, industry, competitors, concepts, new technologies, pricing trends, and labour practices). Furthermore, Princess Alexander argues that strategic planning is not treated as a top priority or something that should regularly be addressed by SEs (Our expert interview with Ms. Alexander, 2015). Similarly, French et al. found that the vast majority of managers of small professional service firms give greater importance to operational

planning than strategic planning. Furthermore, French et al. found that 85% of the professional service firms participating in their study did not undertake strategic planning. Instead, their strategic decisions were taken opportunistically or reactively (French, Kelly, & Harrison, 2004)

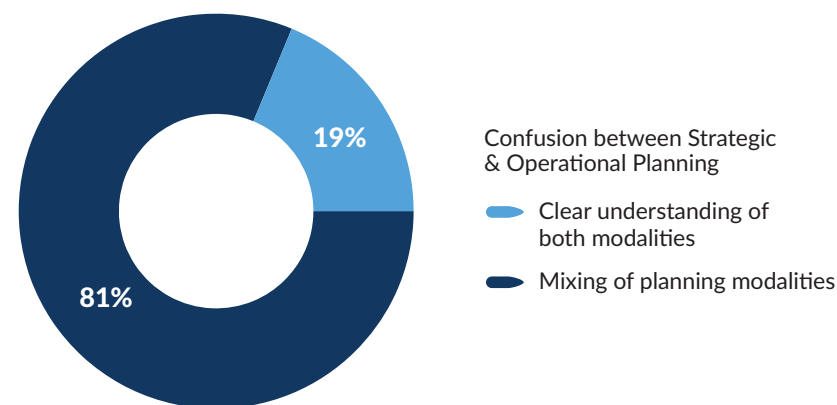


Figure-18 Over 80% of Small Enterprises confuse Strategic and Operational Planning

## SE management's style and mindset make an enormous difference

Our research findings have emphasized the influence of management style and mindset on the strategic planning process. Figure-19 shows that 100% of the interviewed SEs with a negative growth rate were following a classic top-down management style.

While, SE managers who formally involve company employees in their strategic planning process had a stable or positive growth rate.

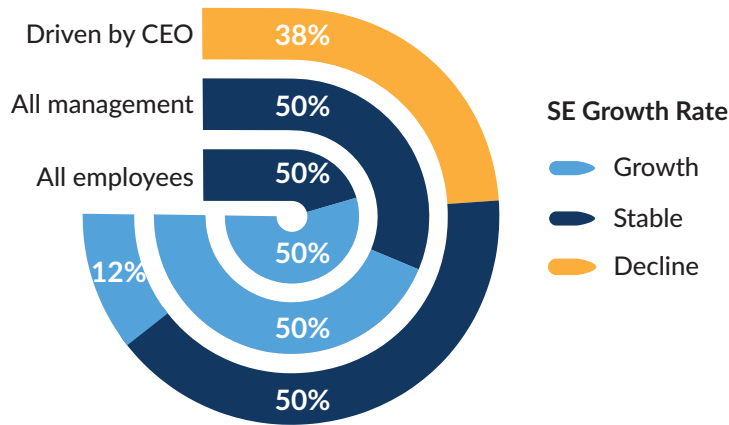


Figure-19 Only 12% of SEs driven by CEO are experiencing growth, whereas 50% of SEs with more inclusive management styles experience growth.

Strategy development is a skill and art. During an interview, senior strategist Normand Zucco highlighted that strategy development is a skill that can be learned. Although he stressed the fact that there are the 'naturals' or 'gifted' people who seem to have an

innate ability for strategic thinking. Some people seem to have the right lens for strategic work allowing them to conceptualize easily macro information on a business' context. They can easily synthesize large amounts of information and weigh potential actions swiftly (Our expert interview with Mr. Zucco, 2015).

On the other hand, many SEs suffer from leadership deficit, which extends beyond decision making and migrates to internal communications between management and employees. In fact, 50% of the SEs interviewed had a centralized decision making process, not involving employees across the organization.

For example, one of the participants admitted to having a formal strategic planning process in place, which yields a comprehensive strategic plan. However, the interview revealed that although the SE had a manager in place, the true ownership of the strategic goals and objectives remains in the hands of the owner of the company. In this particular case, executive management decisions such as strategic objectives, strategic priorities setting, and sequencing are bypassed by company ownership (Our interview with SE managers, 2016).

In the research process, we found that one of the barriers to strategic planning in SEs is due to limited resources, which was also corroborated by our strategy experts. We also made a direct connection to managerial

and leadership related problems, cultural challenges, and limited knowledge of strategic planning, all of which stem from human behavior within the organization.

Figure-20 looks at the proportion of managers in the population researched that apply a top-down, cross-functional, and bottom-up management styles. Paired with Figure-21, the two shed light on the importance of attending to the management style. Unlike top-down management styles, for which one-third of the SEs saw a declining growth pattern, cross-functional and bottom-up management style are more likely to witness positive growth.

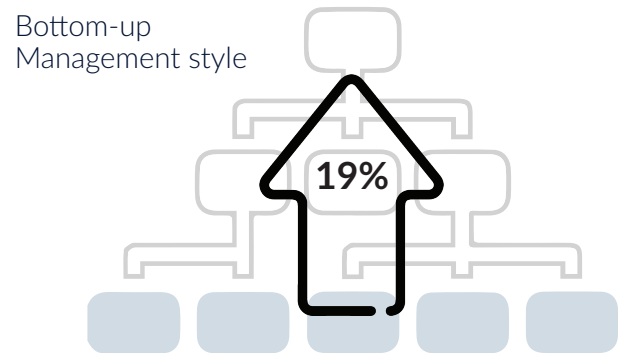
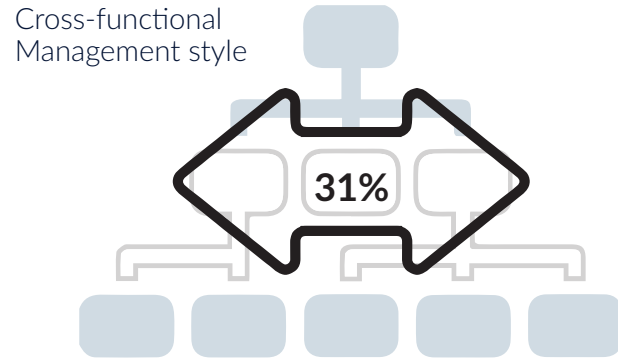
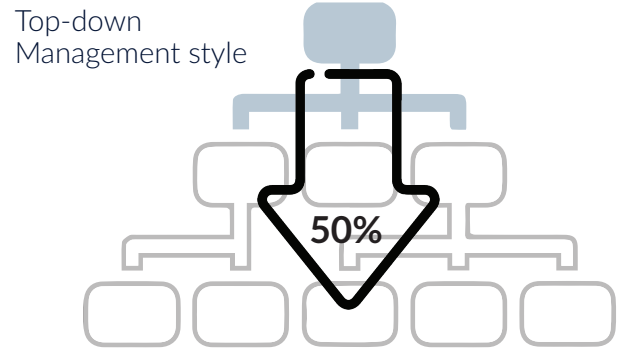


Figure-20 More than 50% of the managers interviewed have adopted a top-down management model.

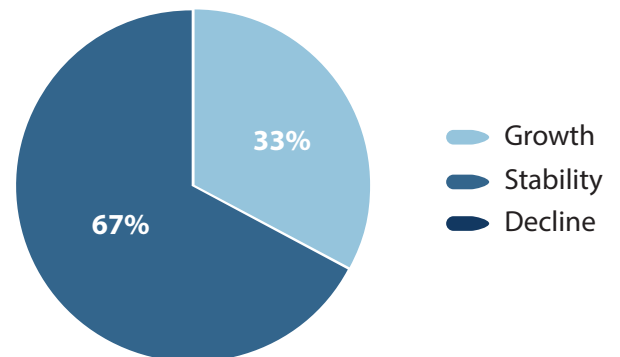
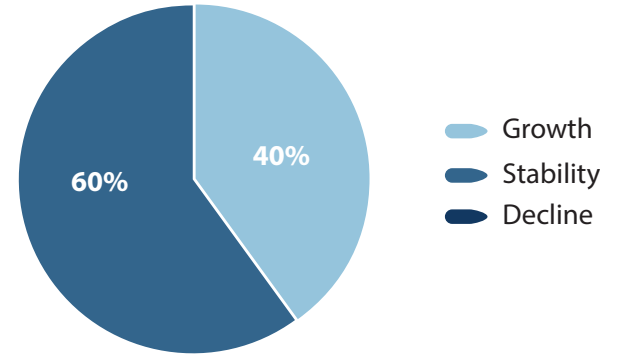
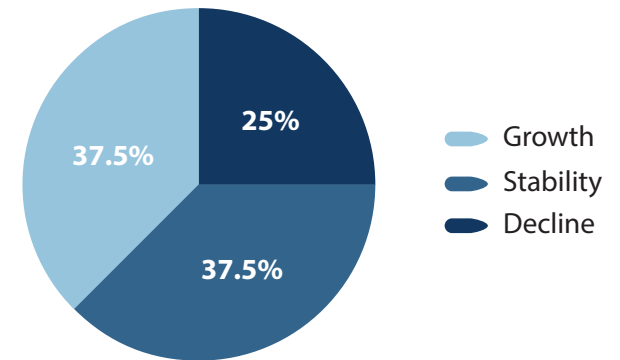


Figure-21 All SEs who declared a negative growth rate chose to rely on a top-down management style.

## Findings from the Process Perspective

### *Formality in strategic planning process has a positive impact on SE growth*

Our interview findings have shown that all the businesses with a formally integrated strategic plan have benefited from a stable to a positive growth rate. The opposite scenario is also true; findings in Figure-22 show that only the enterprises that do not commit to formal planning have a negative growth rate.

Normand Zucco affirmed noticing that according to his experience, most SEs do not have formal planning mechanisms. Instead, they react to their environment making them fragile and vulnerable (Our expert interview with Mr.Zucco, 2015). They are agile with day-to-day events, but can rather easily lose their business bearing.

Many scholars recognize the formality of strategic planning as a dominating factor in predicting business performance (Bart and Hupfer, 2004) (Forbes and Seena, 2006) (Sandada, 2014).

O'Regan and Ghobadian have indicated that formal strategies are more efficient at eradicating barriers than informal reactive behavioral patterns (O'Regan and Ghobadian, 2002; Leitner & Guldenberg, 2010).

Similarly, in a study conducted on planning in small businesses,

Krause et al. found that formal planners were able to grow twice as much as non-planners (Kraus et al., 2006) (Sandada, 2014).

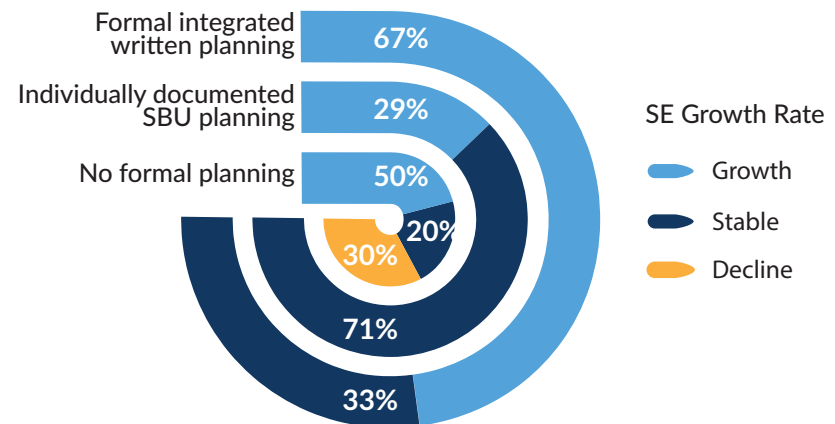


Figure-22 Having a formal planning process may positively influence the SE growth.



### Communication is Key to Strategic Planning in SEs

Our research findings have found communication and organizational culture to be one of the major barriers for over 80% of the interviewed SEs. Furthermore, Figure-23 shows that 100% of the SEs that declared having a stable or positive growth rate, fully or somewhat inform their employees of their strategic objectives.

Regarding communication modalities in SEs, Robert Deshaies indicated that SEs often struggle with formulating efficient messages and communicating them to internal and external stakeholders (Our expert interview with Mr. Deshaies, 2016). The failing communication hinders the collective coordination of the human resources toward a common goal.

According to Sherry Ferguson, communication should play a major role in supporting an organization's efforts towards achieving its strategic goals and fulfilling its mission. Furthermore, she emphasized the importance of integrating communication planning in the strategic planning process (Ferguson, 1999). Other scholars such as Laura Wild argue that communication plans should be a core factor in the organizations' strategic plan as it includes the organization's vision and mission statements, strategic objectives, and priorities, external and internal environment analysis, and performance indicators (Wild, 2010). Properly communicating messages and goals provides clarity for the workers and rallies toward a common goal.

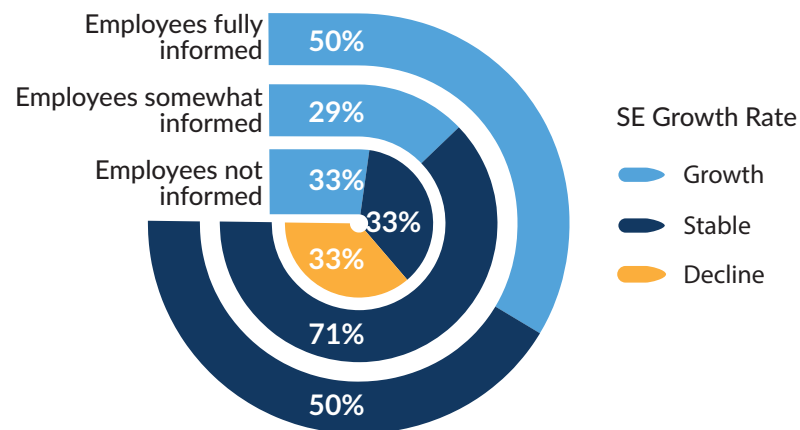


Figure-23 Informing employees about SE strategic goals and objectives may positively influence the SE growth.

*Strategic planning tools, techniques, and practices in SEs. The more systemic, the better.*

Our interview findings in Figure-24 have shown that over 55% of the interviewed SEs are using on-demand strategic tools and techniques to solve specific challenges. However, we found that only 25% of the interviewed SEs are adopting a systemic use of strategic tools and techniques or hiring an external consultant.

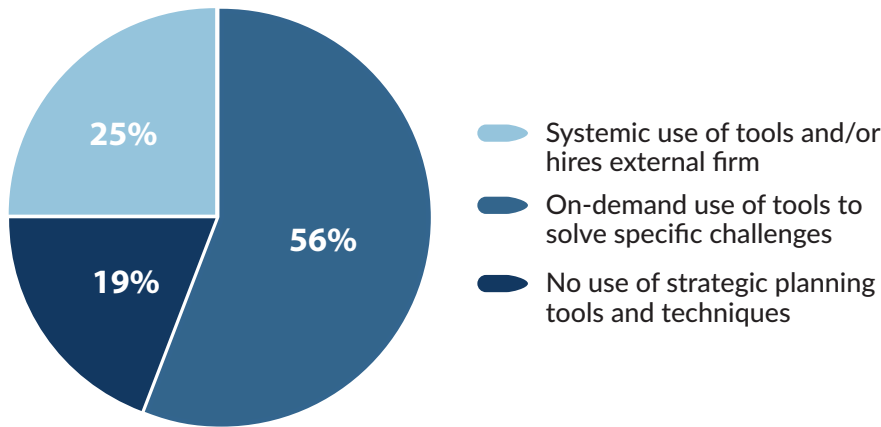


Figure-24 The majority of the interviewed SEs are using strategic tools and techniques to solve specific challenges

The low percentage of adoption for systemic use of strategic tools and techniques was confirmed by Mr. Zucco as he indicated that Small businesses don't adopt strategic planning practices because they lack the tools and frameworks that make strategic planning easier for them (Our expert interview with Mr. Zucco, 2015). On the

other hand, Ms. Alexander has noted that having reliable strategic tools for SEs require a healthy combination of conventional tools and frameworks mixed with some creativity to make them efficient and actionable (Our expert interview with Ms. Alexander, 2015).

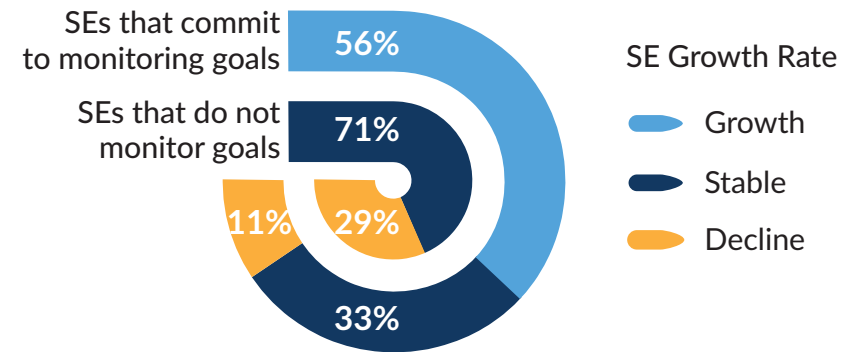


Figure-25 A continuous monitoring and tracking of the SE written goals may positively influence the SE growth

Robert Deshaies, expert strategist, reminded us that there is more to scanning and gathering data on internal and external environments. One needs to make the data actionable. He recalls on multiple occasions witnessing data collected by companies about their environments, data that remained latent and, therefore, was not converted to decision-making insights by the management team. Modeling ways to remedy such situations is an inexpensive and accessible tweak to unlock dormant opportunities and enhance existing assets to leverage strategic decisions (Our expert interview with Mr. Deshaies, 2016).

### Having clear goals with clear performance measures is crucial to SEs growth

Our research has shown that having strategic goals along with proper monitoring and tracking has a positive influence on SE growth rate. Among the SEs interviewed, enterprises with clear and written strategic goals that are continuously monitored for performance witness positive growth.

Furthermore, we found that having clear goals combined with a systemic adoption of planning tools, techniques, and practices increases the likelihood for high growth rate. For example, one of the SEs interviewed, who has the highest growth rate in the population of SEs we interviewed, is establishing goals that cover a wide range of areas. Goals that are highly influenced by the enterprise mission and vision statements. The management team engages in strategic planning discussions and activities which result in a one year strategic plan that covers several overall enterprise goals and objectives, marketing plan, financial and sales performance indicators, product quality control, customer service, human resource, and innovation management. After that, they seek their employee's feedback and revise their plans accordingly. Later, the owner, the management team, and the staff with high level of experience develop and drive the smaller goals for each of the departments. As a result, the company has clear short-term and long-term plans, goals, and objectives (Our interview with SE managers, 2016).

### Mission and Vision statements give clear directions for strategic planning in SEs

The research findings have emphasized the importance of having documented vision and mission statements. According to our conducted interviews as shown in Figure-26, close to 40% of the interviewed SEs have clear written vision and mission statements, and unlike businesses, who declared

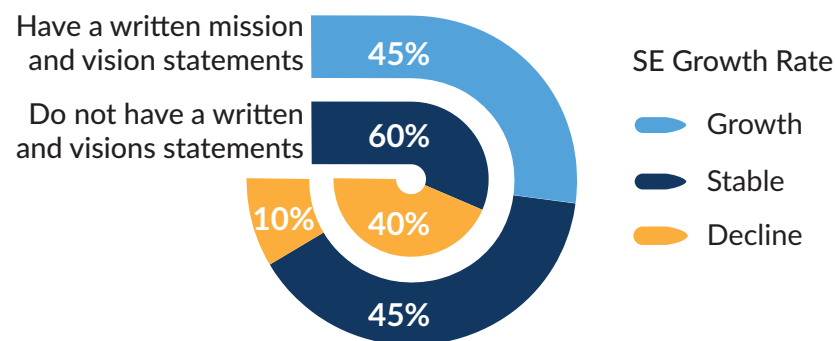


Figure-26 Having a clearly written and communicated vision and mission statements may positively influence the SE growth

not having mission and vision statements, they typically seem to perform better, achieving either stable or positive growth patterns. One of the enterprises interviewed, a specialty food producer and wholesaler, was very explicit about the importance of building on business values to power your company mission and vision. Values to them are criteria for their decision-making. One of their values has to do with community, customers, and suppliers in a small village; they made sure to design their decisions around their commitment to these key stakeholders.

*Vectors of Corporate Maturity: SEs tend to have a short planning time-horizon*

The manager of the SE has pointed out that although they provide a high-priced product, they have been in business for more than 20 years and have had good business because they do not target maximum profits at the expense of the community's harmony. He also indicated that it is their responsibility as a corporate citizen and that people do not forget those who have increased their profits at the expense of others (Our interview with SE managers, 2016).

The topic of company values was brought to our attention during our expert interview with Robert Deshaies. He argued that SEs are not accustomed to developing organisational values to build upon, a vision to work toward, and a mission to answer to (Our expert interview with Mr. Deshaies, 2016). Normand Zucco has also emphasized the importance of having a clear vision and mission. He finds that SEs easily lose sight of their strategic orientation as they react to business opportunities without testing them with the strategic direction (Our expert interview with Mr. Zucco, 2015). Forbes and Seena have indicated that company's mission statement plays a major role in motivating the employees and guiding the decision making process. Similarly, Mazzarol et al. concluded that SMEs need to use their mission and vision statements in establishing a common purpose, to inspire and motivate personnel (Forbes & Seena, 2006; Mazzarol, Reboud, & Soutar, 2009; Sandada, Poee, & Dhurup, 2014).

Our investigation revealed close to 90% of the SEs interviewed plan on a 12 months and less timeframe. On the other hand, only 12% of the SEs that were interviewed, which have been founded more than 20 years ago, had clear and formal strategic planning processes and documentation over a three year period (Figure-27).

Although findings regarding strategic planning and time horizon seem inconclusive, we found that businesses with a longer planning time horizon of three years or more share a commonality; they all have been in business for more than 20 years. These businesses are known to commit to systemic strategic planning, which includes internal and external analysis, and later flows into operational planning. We deduct that as strategic planning and strategic thinking are complex processes that take time to be learned and integrated, more mature organizations are more likely to have formalized processes.

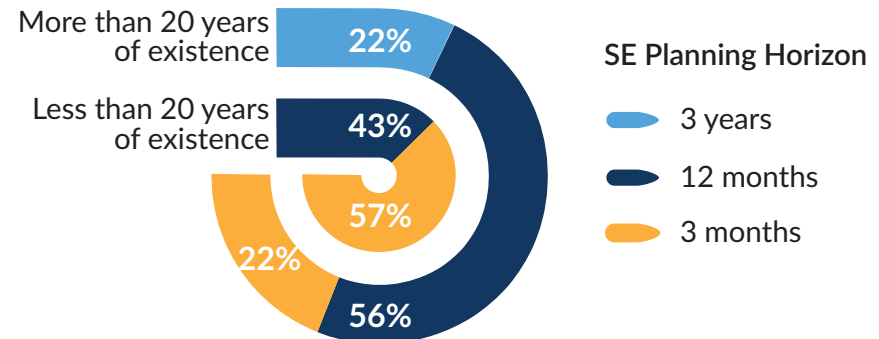


Figure-27 All SEs who are adopting a three years strategic plan are over 20 years of age

### *The incidence of strategic planning in SEs increases as the internal capabilities increase*

The number of employees is an example of increasing internal capabilities.

Many studies have suggested a significant relationship between the size of the business, measured by the number of employees, and business planning. Frederickson and Mitchell emphasized such relationship by indicating that the increased number of resources (e.g. human or financial resources) and internal distinction would lead to increased planning (Fredrickson & Mitchell, 1984). Similarly, Debarliev et al. have identified the business's number of employees as one of the main factors that have a substantial correlation with the strategic planning incidence (Debarliev, Trpkova, & others, 2011).

In accordance with the above findings, we found that all SEs with 30+ employees have either individually documented business unit plans (e.g. sales, marketing .etc.) or a fully formal integrated written plan. Similarly, Ms. Alexander has identified the lack of human resources that possess the strategic skills and the know-how, as one of the major barriers to strategic planning in small businesses (Our expert interview with Ms. Alexander, 2015).

### *Majority of SEs are adopting some strategic planning practices for tactical or operational purposes*

Our research findings show that 75% of the participating SEs adopted some strategic planning tools and practices such as stakeholder analyses and financial analysis for tactical or operational purposes (e.g., to drive sales, allocate resources, or manage inventory). However, adapting such strategic tools and practices was not a conclusive factor in influencing the SE growth positively.

On the other hand, as was mentioned earlier, all the interviewed SEs that were adopting an overall enterprise strategy, as shown in Figure-28 on the following page, have reported a stable or a positive growth rate. Normand Zucco indicated that business strategy depends on how good the businesses comprehensively address all components required to achieve growth, not just a few of them (Our expert interview with Mr. Zucco, 2015).

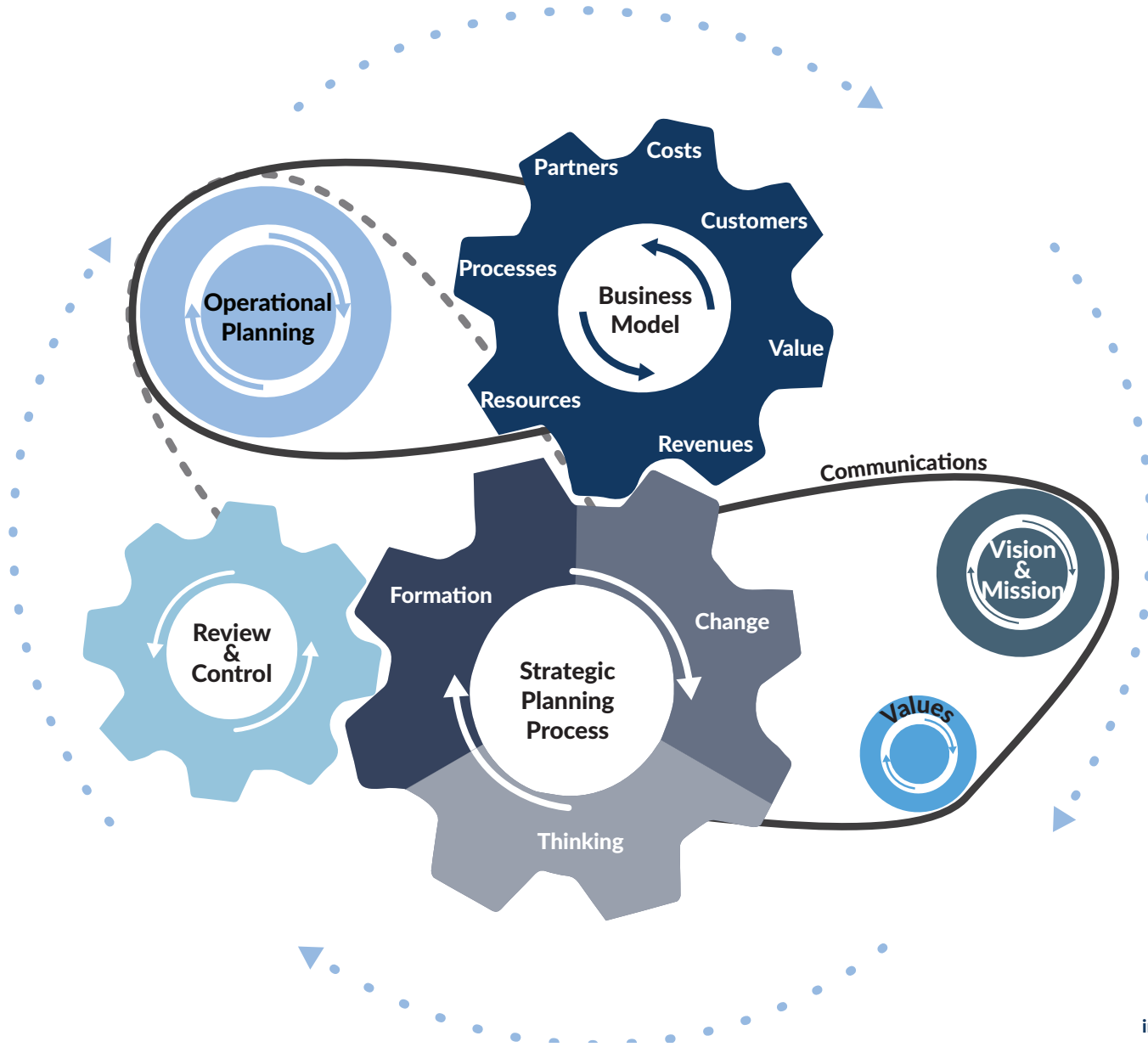


Figure-28 The business management process integrating strategic planning and business modeling.

## *Reflection on the Strategic Planning Process and the Business Model*

In the business process design shown on the previous page we insist on clear and articulated connection between the strategic planning process and business modeling. The design proposed is based on our observations and assessment following expert and SE interviews. It's worth drawing the attention to the wheel on the far upper left representing operational planning processes. We deliberately added this part to the system as most SEs interviewed commit mainly to this aspect of the process. While walking through the model one can easily notice that operational planning is meant to be articulated by overarching planning processes such as the strategic planning, and business or SBU planning in conventional strategic frameworks. This suggests that the 'tail is wagging the dog', evidence of a faulty sequence of events, and an opportunity to improve SE performance by linking functional actions to the strategic focus.

We also found that there does not seem to be a sacred succession of events when it comes to articulating the business model and strategic planning processes. Although it is not the goal of this research project to find an answer to this particular question, we suggest based on our observations that one process may precede the other depending on the type of measures being taken by the business.

Some environmental forces such as the threat of new entrants may

require the business to redefine its business model if it is unable to strategically navigate around the problem with the appropriate strategy and associated resources. On the other hand, the bargaining power of suppliers might be more easily mitigated with the appropriate strategy.

Another example would be at the start-up phase when a new business needs to define the set of conditions that allows it to generate sales for a profit, or its business model. It might choose, later when it has more resources available, to define a strategic plan on a set time horizon.

These are simple examples of how the strategic planning frameworks may interact with business modeling frameworks.

## Recommendations

*Leaving no stones unturned and  
aligning the parts toward an  
integrated system for performance.*





Each enterprise has a set of characteristics that define its distinctiveness, yet all businesses need to wage a variety of management challenges. To do so, many frameworks and systems are available to SE managers and their team. As managers seek to shape an enterprise they often perpetuate past behaviors waiving their right to access latent opportunities waiting to be grasped.

This research project provided researchers with a unique opportunity to touch upon key factors specific to small enterprise management, which led us to isolate three key dimensions of strategic planning in SEs:

1. Management represented by the owner or manager of the enterprise.
2. Leadership describes the management style toward human resources.
3. The strategic planning process.



#### Management

SE managers have a unique opportunity to enhance the enterprise's performance, which starts with them.

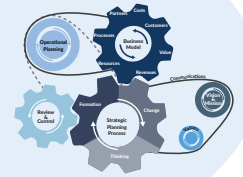


#### Leadership

Coordinating human resources is challenging, yet since HR is more often than not the greatest expense, it also holds much of the latent potential.

#### Process

Process is often interrupted by daily obligations at the expense of long-term organizational alignment and efficiency.








**Figure-29** The business management process integrating strategic planning and business modeling emphasizes the role of the business manager.

SE managers, consultants, economic development professionals and educational institutions will hopefully find inspiration in the Journey Maps to SE performance on the following two pages. To aid stakeholders to best understand and use the journey map, an index based on the maturity of the development of management processes, inspired by Matthew DeGeorge's *Business Capability Maturity Model* (DeGeorge, 2013), was developed to help identify at what stage a SE seeking to achieve new synergies would want to start.

The maturity level index spans from one to five, one being a relatively simple SE without complex systems and integrated capabilities, and five is a highly developed enterprise with complex and linking processes yielding advanced capabilities.

# Journey to Improving SE Performance : A Process for SE Managers

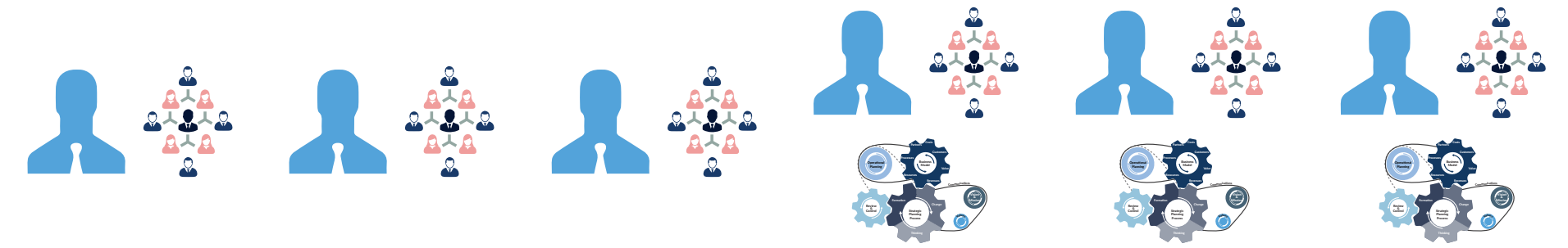
STAGES	Conduct Manager Self-Assessment	Relate to Employees	Activate Employee Potential	Familiarize with strategy process	Familiarize with business modeling
MATURITY LEVEL	<p>1</p> <p><i>Identify your strengths and limitations</i></p>	<p>1</p> <p><i>Adopt collaborative mindset</i></p>	<p>1</p> <p><i>Quick wins &amp; employee engagement</i></p>	<p>2</p> <p><i>Develop new capacities</i></p>	<p>2</p> <p><i>Develop new capacities</i></p>
ACTIVITY	<p>Assess your management style and mindset know your strengths and limitations, and set realistic expectations.</p>	<p>Build a trusting relationship with your employees through developing and maintaining clear and efficient communication channels.</p>	<p>Activate the latent potentials of your team through enabling them to sharpen their strategic skills and involving them actively in key decisions.</p>	<p>Seek to better understand the strategic planning process, its potential benefits and ROI, and strategic planning tools, techniques, and practices.</p>	<p>Train on business modeling, and familiarize with its relationship with strategy development.</p>
FOCUS					
GOAL	<p>Better understand the manager's skills as a manager and a leader, and see where he can leverage his abilities and improve others.</p>	<p>Acknowledge the need for less management and more leadership.</p>	<p>Solicit employees' involvement and participation in the strategic planning process.</p>	<p>Develop intrinsic motivation to adopt strategic planning, and acquire knowledge that facilitates the adoption of the strategic planning process</p>	<ul style="list-style-type: none"> <li>- Review current business model</li> <li>- Acknowledge the systemic impact of decisions on BM</li> <li>- Optimize time and resources.</li> </ul>

Define the enterprise purpose	Scan the Enterprise' Environment	Define strategic goals and objectives	Develop Action Plan & Schedule Strategic planning sessions	Monitor and control your progress	Reassess goals and objectives
-------------------------------	----------------------------------	---------------------------------------	------------------------------------------------------------	-----------------------------------	-------------------------------

3	3	4	4	5	5
---	---	---	---	---	---






Clarify your purpose	Know your environment	Develop overall goals and objectives	Break it down and make it actionable	Keep track of the progress	Adapt
----------------------	-----------------------	--------------------------------------	--------------------------------------	----------------------------	-------

Develop a shared understanding on why the enterprise exists, whom it serves, and where you want the enterprise to be in the future.	Identify and assess opportunities and threats in the external environment and strengths and weaknesses in the internal environment.	Translate enterprise mission, vision, and values into a series of strategic goals and objectives to address key issues identified in the environmental scanning process.	Develop action plans and key tactics over the course of your planning horizon that specify who, what, and by when to achieve the planned goals and objectives.	Develop performance indicators for monitoring the progress towards achieving the strategic goals and objectives.	Regularly reassess your strategic goals and objectives according to the achieved progress and the changing environment.
-------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------



Identify a common goal for members of the organization to identify with a shared sense of purpose to collectively empower.	Gather a better understanding of how the enterprise relates to its environment.	Segment the path toward achieving the vision in manageable and measurable strategic goals and objectives.	Feasible action plans with clear responsibilities and milestones.	Identify clear performance indicators that goes beyond relying solely on financial indicators.	Maintain goals that are highly meaningful, relevant, and responsive to the emergent needs and challenges.
----------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------	------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------

# Journey to Improving SE Performance : Tips for SE Managers, Consultants,

STAGES	Boost the level of leadership in SEs	Be attentive to the SEs needs and challenges	Help SEs think more critically about their business model	Guide SEs and help them to avoid pitfalls	Promote and share emergent knowledge with other SEs
MATURITY LEVEL	<p>1</p> <p>Leadership is the key factor to success</p>	<p>2</p> <p>Identify your strengths and limitations</p>	<p>3</p> <p>Have a solid foundation</p>	<p>1 2 3 4 5</p> <p>Mentor the process</p>	<p>1 2 3 4 5</p> <p>Benefit from the collective experience</p>
ACTIVITY	<p>Promote strong leadership by conducting leadership development workshops to optimize the performance of HR and focus their abilities for SE strategy.</p>	<p>Partner with SE managers to co-design and tailor better learning material that are workplace embedded and respond to SE needs.</p>	<p>Inform SEs about business model and its components, its relationship with strategy, and the tools &amp; practices to analyse and implement business models.</p>	<p>Monitor the adoption of the strategic planning process and advise SEs on the best tools, techniques, and practices that facilitate their adoption process.</p>	<p>Build a knowledge base of practical observations and solutions that emerge while adopting the strategic planning process, and share challenges and success stories.</p>
FOCUS					
GOAL	<p>Better motivated, more engaged, and empowered human resources</p>	<p>Practical knowledge stemmed from SEs specific nature, needs, and challenges</p>	<p>SEs having a clearly defined and articulated BM</p>	<p>Facilitate a smooth adoption of the strategic planning process</p>	<p>Provide a learning and sharing environment for SEs.</p>

# Economic Development professionals, and Educational Institutions

Leverage innovation and design thinking

1 2 3 4 5

Think out of the box

Follow discovery-driven innovation methods and design thinking principles to identify and develop planning tools, techniques adapted to SEs.



Innovative and appealing to use tools, techniques, and practices for SEs

## *Recommendations for SE Managers Detailed*

**Invest in educating yourself and your employees on the benefits return on investment (ROI) of strategic planning, and strategic planning frameworks, tools, techniques, and practices** as they are critical to increasing the systemic adoption of strategic planning. We found that the most highly successful businesses interviewed were managed by professionals with a postgraduate education.

Here are key vectors to support enterprise leaders to get informed and train to develop strategic planning skills:

- Colleges and universities play a vital role to gear up and train SEs toward a systemic adoption of strategic planning.
- Business owners groups and associations are wonderful catalysts as they are often run by business managers and owners which facilitates the connection, bonding, and expedites trust.
- Business incubators and accelerators help catalyze a systemic adoption of strategic planning in SEs at a point when they need it the most.

**Benefit from the collaborative experience.** A company is a full circle organism and it is all of the components that make it strong not just the head. The manager alone cannot do it all. If you do not feel comfortable with strategic planning and business modeling you can look for help internally or externally. It is important that a manager focuses on his strengths.

For instance, a manager may excel and love planning operational activities, and it makes business-sense that they concentrate on their core strengths. Nonetheless, it is important that they unequivocally take part in planning processes, and that they seek input from their employees.

**Activate the latent potentials of your team through developing and maintaining clear and efficient communication channels** in order to solicit the employees' involvement and participation in not just the work, but also the thinking. Activating your team's potentials, and seeking frequent feedback is the cornerstone to effective systemic strategic planning.

**Motivate and enable your subordinates to sharpen their strategic skills** in order to enhance their contribution to the company's strategic goals and objectives, and to apply them in their day-to-day work.

**Build a trusting relationship with your subordinates and involve them actively in key decisions.** A great leader knows not to underestimate what his team knows because they understand that the collective processing power of many minds will outweigh the minds of a few, a notion known as the 'superadditivity' effect in organizational psychology (Page, 2007). Increasing the diversity of points of views will invariably increase the probability that the SE makes well informed decisions, avoid costly errors, and increase opportunities. It will also help people be more committed.

The enterprises, much like individuals, can have a collective sense of identity and fundamental purpose. Most people like to know what direction they are going and why they are heading that way. It improves their efficiency at making decisions related to their work (Senge, 1993).

**Consider different angles and possibilities.** A manager's mental model may point to opportunities and neglect others, or discount threats to the business. A healthy combination of systemic strategic planning and entrepreneurial intuition can broaden the management's perspective and dissuade them from relying solely on experience, intuition, or

financial performance indicators to make strategic decisions.

**Start by asking the right questions.** The strategic planning exercise, as Normand Zucco reminded us, does not have to be a costly process to start out. It is about taking the time to ask questions, but to ask the right set of questions. This allows the business and its people to gather the right information toward building a solid foundation.

**Schedule and commit to dedicated sessions of strategic planning.** Be sure to integrate these activities into your business processes. The content that is generated in these sessions must somehow be tied to activities, events and goals already occurring in the company. Nesting objectives into short-term, and then into medium and long-term goals is a great way to blaze the path to respond to company vision and mission with a purpose. Purpose supersedes financial and material fulfillment, it is an icon or ideal.

Experts acknowledged the need to build standard practices in business planning and strategy development for SEs. As businesses gain experience, it gets easier.

**Segment the strategic planning process into smaller steps spread over the course of your planning horizon and link them to operational signposts.** This makes it more accessible and more motivating by

leading to tangible outcomes. Do not try to turn the company on a dime. Effective, reliable, and integrated processes take time to develop. Processes mature with time as the business gains experience, and the people in the company develop a good understanding of what they are here to do and how they can do it more efficiently. Company maturity is something to work on continuously with a long-term outlook.

**Go beyond, strictly financial data.** Adopt other quantitative and qualitative measures of performance in your business. Have the wisdom to draw lessons from your company's experiences. Adopting systemic planning processes, tools, and related practices, can facilitate access to new opportunities, growth, and improve resilience.

**Clarify the SE core values, write and live your vision and mission statements.** A strategic plan is best implemented when it rests on a solid foundation made up of vision and mission the business could achieve taking into account its assets and know-how. Purpose, is the product of a tactile and experienced vision, mission, and set of values. They are the foundational components of business as they support management and employees by providing a heading and criteria to filter distractions. Modern management literature also refers to a greater goal or a Big Hairy Audacious Goal (BHAG), which speaks to "where do I want to go?" (Blatstein, 2012).

**Inventory the business.** The way your business is configured

and the way you sample the industry and the market are unique to you. Observe your management style, account for the mix of personalities and knowledge sets in your team. Adapt processes and tools to fit the reality of your business. Do not wait to be in a situation where your choices are limited because your business is declining. Be proactive and remain ahead of the pack.

**Familiarise yourself with the company's external environment.**

Technologies such as Internet and databases could be employed for environmental scanning. Human resources in the company are a sensor for external activity, whether they stumbled upon useful information while searching the web or some other medium, or heard comments from suppliers, partners or customers that might serve your planning purposes. Some economic development and other business development offices offer services to update a business on the latest in their external environment.

***Recommendations for Colleges, Universities, Business incubators, and Business development centers***

**Train SEs about business model and its constituent elements, the relationship with strategy and practices, tools, and techniques for business models analysis and implementation.** Managers would highly benefit from business modeling techniques as it provides them with a much clearer perspective of their business. It can expose them to scenarios that could not be accounted



for before expanding their outlook to fully understand the dynamics between the components of the company.

SEs interviewed were not aware of business modeling analysis and tools. Experts found that ignoring business modeling may explain why some businesses do not mature well.

**Be attentive to the SEs needs and challenges.** Partner with SE managers from different sizes and industries in order to co-create and tailor a set of tools, techniques, and practices that respond the SEs specific needs and challenges.

Experts argue that we need to look at the limited use of strategic planning tools from another angle. In other words, we need to understand what they do, how they do it, and adapt tools to their behaviors and systems rather than push tools and systems onto their business processes and structures.

The findings have shown that the systemic use of strategic tools and techniques have a positive impact on the SE performance. However, the existing tools and frameworks, which are mainly developed for large enterprises. The tools require creative minds for innovation to adapt them to SEs specific needs and challenges. This involves understanding what SEs do, how they do it, and adapt tools to their behaviors and systems. Doing so would make the existing tools and frameworks more efficient, actionable, and easier to understand and use by SEs.

**Guide SEs throughout the process of adopting strategic planning and help them to avoid pitfalls.** Monitor the process of adoption, inform and train and SEs on the best available tools, techniques, and practices that enhance their adoption of the strategic planning process.

Most highly successful businesses interviewed were managed by professionals with a postgraduate education. Considering formal education may facilitate and improve the integration and application of strategic planning, perhaps increasing the involvement of postgraduate institutions, colleges, and incubators/accelerators to increase the prevalence of strategic mindsets in SEs, as suggested by our experts, may be an idea to explore. On the other hand, business development and support initiatives such as business incubators or business development centers should strengthening the adoption of systemic strategic planning by the incubated businesses.

### *Limitations*

While this study looked at small enterprises in the Provinces of Ontario and Quebec, we believe that similar conclusions could be drawn for SEs across Canada. Our team did not study specific services or industries. Instead, our findings are drawn from various markets and industries. Therefore, further research might indicate that the obtained results might be more applicable to specific industries than to others. Conversely, the data collected might be subject to research bias.

## Conclusion

*Blocks to an integrated system to generate value and achieve flow.*

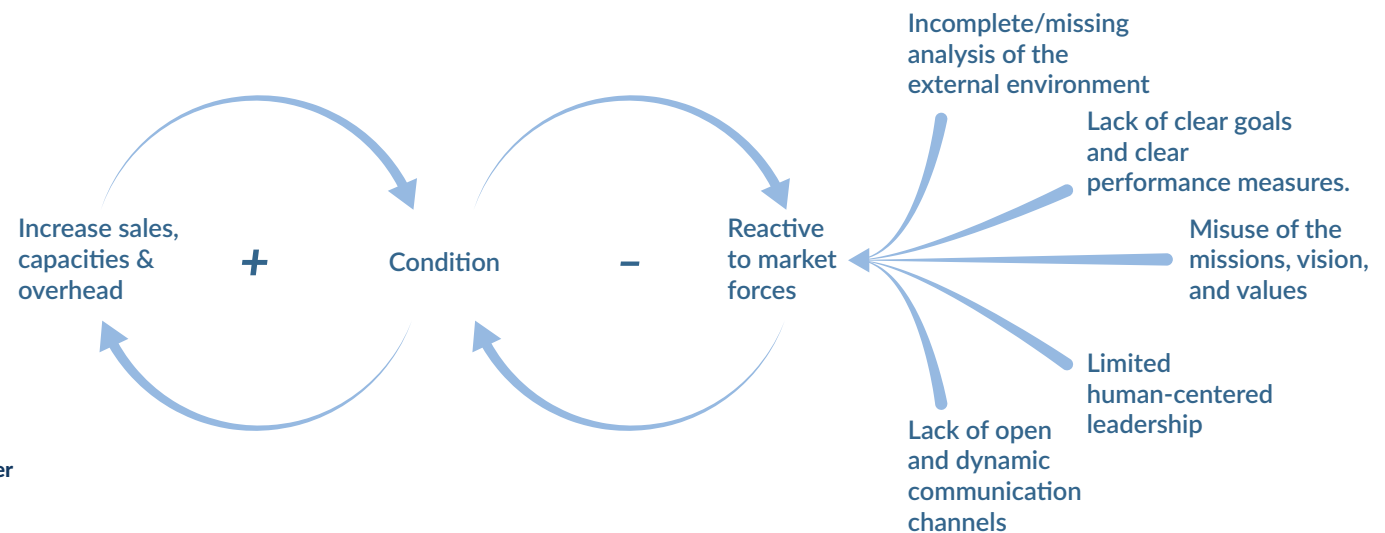


**A**T a time when management sciences appear to be in flux, especially the branch of strategic planning and business modeling, are interesting moments to explore heuristics available to us, to think and to perhaps dream of what might be the next generation of SE managers. Might they be process task-focused, or rather lean towards a human-centered approach?

This research has unearthed valuable insights about strategic planning in small enterprises. The most significant of all is the researchers' shift since we had set out to explore tools and processes, and unexpectedly veered our focus swing from process to leadership and people. We found that no matter how efficient or poor processes are, the outcomes are intimately dependant on the leader's mindset and how well he can align human resources in the enterprise.

Every SE owes its existence to a craft, whether product, service, or a combination of the two, a craft the enterprise most likely masters relatively well. The expansion phase is always when things get complicated. It requires a set of new skills to manage an everincreasing amount of material resources. New processes are also needed to empower the SE to do its craft faster and with the similar quality standards, and learn to coordinate with the human factor. This substantiates why the research started out with the tools that SEs use to plan strategically, and later shifted to the complex subject of leadership and purpose.

Matthew DeGeorge's maturity model, referred to in the recommendations section of this report, describes clearly the characteristics of the sole worker producing with limited or no



**Figure-30** System loop displaying how the five factors put the enterprise in a reactive state, a dynamic that is enhanced due to constantly increasing sales, that trigger the need for more capacities, and in effect increases the SEs overhead to support the extra activity.

capabilities, to suddenly increasing capabilities, and then to an organized and interconnected web of capabilities. The challenge lies in coordinating human resources that activate these new capabilities. We found that SEs who have yet to find a balance between their processes and how they lead their people are more prone to a stable or decreasing growth rate than the ones who have well coordinated human resources with a clear purpose. Leading goes far beyond tasking people to do activities *x* and *y*, the leader needs to develop the skills to communicate and coordinate these activities always referring back to the **purpose**. SE managers often subjectively and single handedly manage a business and make decisions based upon limited evidence. Their limited understanding of the problem space is often the product of oversimplifying and it yields suboptimal solutions. They need to learn to trust their resources and put their employees in a comfortable conjuncture, away from state of affairs, to contribute to defining the SEs competitive context. Employees are in greater number, and are the eyes and ears of the enterprise. Their collective knowledge is key to rendering an accurate assessment of the SEs environment.

The ultimate competitive advantage SEs can count on is their ability to pivot swiftly. We believe the best support system for them to capitalize on this ability is to master the coordination between the leadership and human resources. This phenomenon can also be observed in professional sports. The stronger teams know

better than to rely on one or two star players to pull the weight of the team. Games are faster and more complex than ever before, teams need complexity if they want to realize their potential.

One of the enterprises from the population surveyed mentioned how difficult it is to have employees participate in key strategic meetings. Is this due to company politics? Are employees concerned with being reprimended or having their job threatened for sharing their thoughts? Perhaps they do not trust their instincts nor the value of what they have to offer to the enterprise? Are strategy sessions best performed in a different context outside enterprise walls?

Our findings have indicated several factors that impact the adoption of the systemic strategic planning, all of whom were repeatedly referred to in our interviews with SEs. These factors include:

1. **Quasi-absence of a human centered leadership** waiving benefits of employee engagement, commitment, and knowledge sharing. Evidence from the research suggests human-centered leadership is healthy and should be prioritized over the process of systemic strategic planning.

- 2. Incomplete or missing analysis of the external aspects of the company.** The majority of SEs have a strong focus on internal financial information which informs them on how they are doing with respect to themselves. Accounting for the external environment helps identify key information that can help them know which way the winds are blowing.
- 3. Lack of open and dynamic communication channels between management and employees.** Such channels would help solicit the employees' involvement and participation in the strategic planning process.
- 4. Absence or misuse of the missions, vision, and values to guide the enterprise in its decision-making.** Having clear and experiential mission, vision, and values, help SEs lay a solid foundation for their strategic planning process toward sustainability, here defined as the level of organizational alignment to seek continuity and relatedness with the enterprises' vision, mission, goals, and organizational values.
- 5. Lack of clear goals along with clear performance measures.** Having short, medium, and long term goals that are nested into each other is a great way to blaze the path to fulfilling the company's' vision and mission with purpose. Clear performance measures the progress of the enterprise, and the level of focus to align with its strategic goals.

We found that to counter the five behaviors mentioned above, low performing SEs tend to adopt a reactive behavior and a shorter planning horizon. These taxing behaviors make SEs vulnerable as they increase the level of improvisation when faced with unexpected events, which later leads them to steer to suboptimal fixes; a negative self-reinforcing systemic loop as demonstrated in Figure-30. On the other hand, high performing SEs tend to adopt formal, dynamic, and integrated strategies empowering them to proactively anticipate and manage risk, and harness opportunities.

We mentioned earlier the power of superadditivity, which requires a focal point for team members to target. Some people find satisfaction in only generating sales, but on the longer term many personality profiles need more than sales or money to reach a level of satisfaction; they need a sense of belonging and purpose. This extends beyond the realm of business into the fundamentals of the human psychology of needs.

To achieve organizational excellence and reach new heights, enterprise leaders need to make a significant choice, the cornerstone to initiating an ascent to expansion. The manager, and most of the time instigator of the enterprise, needs to shift from working within the enterprise to working on the business (E-Myth, 2005).

## *Migrating From Theory to Action*

As we analyzed the insights and investigated to make sense of them, we found they were most insightful when grouped by process and leadership perspectives. The process point of view explores what SEs do, while leadership seeks to explain the mindset and the management style of SE managers.

We believe that SEs have more to gain in fine-tuning their leadership style and its application rather than allocating resources to drilling deep into the process perspective. Large enterprises have a logical and structured way to manage their organization. Although they probably have much to gain from digging into human potential, the magnitude and complexity of the system they are leading requires well grounded processes. As for SEs, the system is swift due to its limited size and needs to be harmonized more frequently.

The management process is mechanistic by nature, and therefore, was designed to serve management sciences, not specifically human nature in the realm of management. Industrial relations and human resources management work hard at “humanizing” the process, yet they are of the same DNA as management which induces friction.

We believe that incorporating design thinking roots and principles in a workshop style with both management and employees (e.g. empathy, purpose, and adaptability) into the SEs strategic planning process

would provide innovative means to better listen to stakeholders and identify the needs they seek to fulfill. Such exercises could help define a common language to simplify and visualize the tools and techniques that facilitate the management of SEs.

Once people are atuned, standard strategic planning practices, tools, and techniques must be customized to accommodate SEs specific needs and challenges. For the customization process to be successful, it is best if it is co-created with small enterprises and their team to define the jargon that specifically applies to their industry and the organizational culture.

## *Leadership toward an Articulated Strategy*

Our research findings indicated that leadership skills and management style are key factors that impact the adoption of strategic planning and the SE performance at large. Many SE managers fail to benefit from involving their human resources in the planning process as they often approach their planning from a financial perspective only. They believe that the sole purpose of their subordinates is to perform certain operational or functional tasks.

We believe that actively involved human resources in strategic planning

is the essence to successful strategic planning which yield better overall performance as well as improved financial gains. Benefits of strategic planning can only be actualized if the SE's manager chooses to commit to exploring the benefits of adopting systemic strategic planning practices. This involves change. Change to stimulate engagement in people-innovation to help the human capital flourish and unlock its potential. Strategy, as explained in this report, is more impactful as a collective process. SE employees are more than a set of hands to make something, they also can lend their hearing and sight to improve the enterprise's conception of its environments. SE managers should invest in their human capital and involve them actively in key business decisions rather than only commanding orders to them.

The good news is that it is easier to steer a small organization to engage in change than it is for large organizations. Politics are simplified and people love to feel that they are part of a team and that they have a clear direction other than objectives specific to their position. We have heard of stories of sailors committing to mutiny in tales of the high seas. Humans have not changed that much. They like to commit to a leader that directs them toward a purpose.

### *Process to Activate Strategy*

A full adoption of systemic strategic planning is comprehensive and requires much time and effort. Small enterprises may benefit from segmenting and extending the adoption of the process throughout their planning time horizon. The journey map suggested in the recommendations section proposes practical steps to facilitate the adoption of the process. SE managers should seek to:

1. Familiarize with the components and steps of the process.
2. Own the process and acknowledge the yield and ROI.

The strategy process is not repeated but iterated. In other words, if a business repeats what it did in the past, it could repeat acknowledged successes and failures and emulate unrealized or non-accounted for successes and failures. As a result, the enterprise can endlessly and viciously cycle through veiled and defective patterns.

### *Supercharging Strategic Planning Through Business Modeling*

The study of how strategic planning and business modeling interact is a relatively new endeavor amongst researchers and business experts. Unlike classic management principles, the emergence of new techniques and ontologies specific to business modeling look at the enterprise through a different lens and define its components in a whole new way.

We found that SE managers were not familiar, at the least not explicitly, with business modeling. It is safe to assume that being in business and managing to break even or be profitable is evidence of the existence of a business model, however complex and detailed.

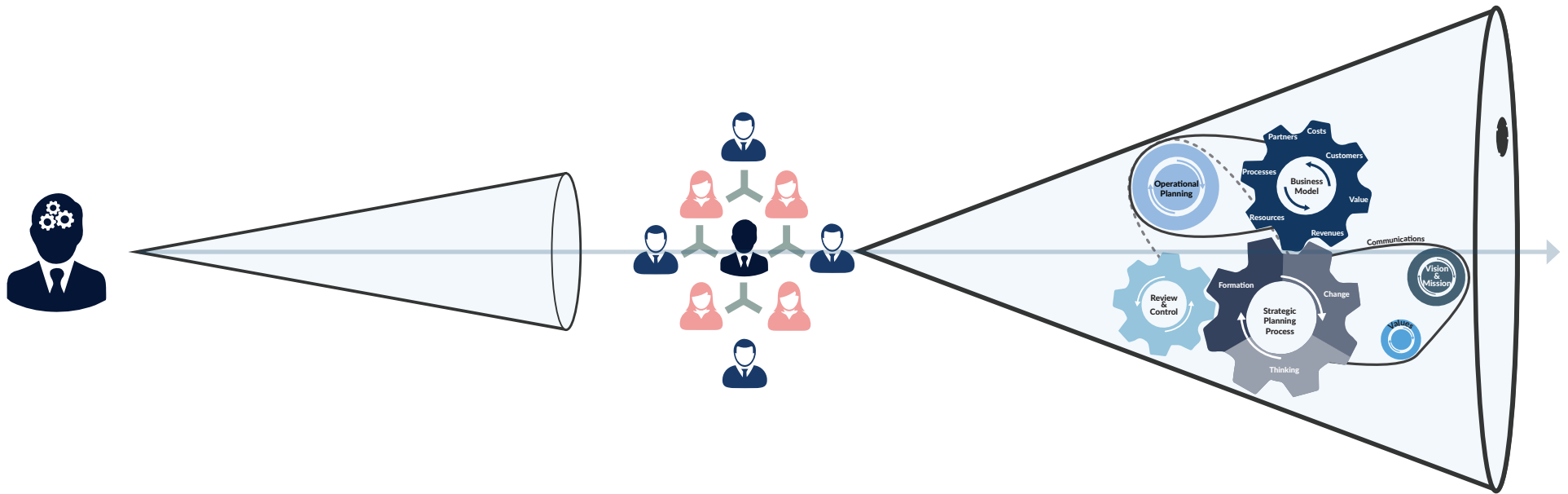
To the SE managers interviewed, defining the business model seems to be inherent to the strategy development process. Practitioners, seasoned managers in the art of business modeling and business experts alike, find that the study of both strategic planning and business modeling processes appear to be beneficial to developing a holistic view of the business context, and perhaps identifying other avenues filled with new opportunities that could not easily be identified in a linear analytical process.

### *Areas for Further Research*

Further study is advised on the implementation and effectiveness of strategic planning activities for small businesses. Another recommended area of research might be to observe and report the results before and after the adaptation of a systemic strategic planning practices by SEs. Furthermore, the research should study the SE ultimate decision maker's openness and willingness to adopt such practices. This will help better understand the tangible outcomes of strategic planning and the most successful and suitable practices and techniques to be adopted by SEs.

We believe that observing and documenting management journeys over a day and a year would facilitate highlighting behaviors that subscribe to a strategic agenda. We could then find ways to enhance these behaviors that are more impactful and meaningful to the strategic process and leverage them. It could facilitate a co-creation process by helping researchers understand the managers' current practices to move toward actualized strategy development best practices.





**Figure-31** Comparing the manager centered planning process model to an organizationally integrated process design. The yield in the first instance is limited to the managers point of view, while the improved version leverages the power of diversity in mindsets and points of view opening to a wider set of possibilities and potential outcomes.

## **Bibliography**

*Books, Journal Articles, Reports,  
Government Resources, Images.*



Afonina, A., & Chalupský, V. (2012). THE CURRENT STRATEGIC MANAGEMENT TOOLS AND TECHNIQUES: THE EVIDENCE FROM CZECH REPUBLIC. *ECONOMICS AND MANAGEMENT*, 17(4). <http://doi.org/10.5755/j01.em.17.4.3026>

Alexander, P. (2015, December 16). Expert Interview with Princess Alexander, a growth strategist and venture coach.

Atherton, A., & Lyon, F. (2001). Segmenting support for small and medium enterprises. Great Britain, Small Business Service. Retrieved from <http://core.ac.uk/download/pdf/17300312.pdf>

Balasundaram, N. (2009). Incidence of Strategic Planning in Small Business: an Overview. *Universidade Petrol*, 61(3), 11–17.

Bamiatzi, V. C., & Kirchmaier, T. (2014). Strategies for superior performance under adverse conditions: A focus on small and medium-sized high-growth firms. *International Small Business Journal*, 32(3), 259–284.

Blatstein, I. M. (2012). Strategic Planning: Predicting or Shaping the Future? *Organization Development Journal*, 30(2), 31.

Bracker, J. Y. S., & Pearson, J. N. (1986). Planning and financial performance of small, mature firms. *Strategic Management Journal*, 7(6), 503–522. <http://doi.org/10.1002/smj.4250070603>

Brews, P., & Purohit, D. (2007). Strategic Planning in Unstable Environments. *Long Range Planning*, 40(1), 64–83. <http://doi.org/10.1016/j.lrp.2006.12.001>

Business Development Bank of Canada. (2013). BDC study mid sized firms. Retrieved August 28, 2015, from [https://www.bdc.ca/en/Documents/other/BDC\\_study\\_mid\\_sized\\_firms.pdf](https://www.bdc.ca/en/Documents/other/BDC_study_mid_sized_firms.pdf)

BUSINESS DEVELOPMENT BANK OF CANADA. (2013). SMEs At A Glance summer 2013 BDC.pdf. BDC.

Casadesus-Masanell, R., & Ricart, J. E. (2010). From Strategy to Business Models and onto Tactics. *Long Range Planning*, 43(2–3), 195–215. <http://doi.org/10.1016/j.lrp.2010.01.004>

Charles L. Mulford, Charles B. Shrader, & Hugh B. Hansen. (1988). *Operational and Strategic Planning in Small Business*. Iowa State University.

Debarliev, S., Trpkova, M., & others. (2011). Strategic planning practice in transition economies: Empirical evidence from the Macedonian context. *Business and Economic Horizons*, 4(1), 27–39.

Deci, E. L., & RyanSource, R. M. (2000). The “What” and “Why” of Goal Pursuits: Human Needs and the Self-Determination of Behavior. *Psychological Inquiry*, 11(4), 227–268.

DeGeorge, M. (2013). Business Capability Maturity Model - Simplified. Retrieved April 25, 2016, from <http://managewithoutthem.com/2013/03/04/business-capability-maturity-model-simplified/>

Deshaies, R. (2016, January 12). Mr. Deshaies MBA & Post-MBA is President of 17 year old G4 Solutions consulting firm working out of Laval, Quebec specializing in business strategy, business valuation, value creation, business transactions, M&A, and succession. [In person interview].

Ferguson, S. D. (1999). *Communication Planning: An Integrated Approach*. SAGE Publications.

Forbes, D. J., & Seena, S. (2006). The value of a mission statement in an association of not-for-profit hospitals.

International Journal of Health Care Quality Assurance, 19(5), 409–419. <http://doi.org/10.1108/09526860610680058>

Fossen, R. J. S.-V., Rothstein, H. R., & Korn, H. J. (2006). Thirty-Five Years of Strategic Planning and Firm Performance Research: A Meta-Analysis. *Academy of Management Proceedings*, 2006(1), M1–M6. <http://doi.org/10.5465/AMBPP.2006.22896796>

Fredrickson, J. W., & Mitchell, T. R. (1984). Strategic Decision Processes: Comprehensiveness and Performance in an Industry with an Unstable Environment. *Academy of Management Journal*, 27(2), 399–423. <http://doi.org/10.2307/255932>

French, S. J., Kelly, S. J., & Harrison, J. L. (2004). The role of strategic planning in the performance of small, professional service firms: A research note. *Journal of Management Development*, 23(8), 765–776. <http://doi.org/10.1108/02621710410549611>

Frost, F. A. (2003). The use of strategic tools by small and medium-sized enterprises: an Australasian study. *Strategic Change*, 12(1), 49–62. <http://doi.org/10.1002/jsc.607>

Gerber, Michael E. E- Myth mastery : the seven essential disciplines for building a world class company / Michael E. Gerber HarperCollins Pymble, N.S.W 2005

Gibb, A., & Scott, M. (1985). Strategic Awareness, Personal Commitment And The Process Of Planning In The Small Business. *Journal of Management Studies*, 22(6), 597–631. <http://doi.org/10.1111/j.1467-6486.1985.tb00014.x>

Gunn, R., & Williams, W. (2007). Strategic tools: an empirical investigation into strategy in practice in the UK. *Strategic*

*Change*, 16(5), 201–216. <http://doi.org/10.1002/jsc.799>

Hathway Management consulting. (2013). Strategic planning - 5 essential considerations for SME owners.pdf.

Hodges, H. E., & Kent, T. W. (2006). Impact of planning and control sophistication in small business. *Journal of Small Business Strategy*, 17(2), 75.

Hussey, D. E. (1997). Glossary of techniques for strategic analysis. *Strategic Change*, 6(2), 97–115. [http://doi.org/10.1002/\(SICI\)1099-1697\(199703\)6:2<97::AID-JSC223>3.0.CO;2-I](http://doi.org/10.1002/(SICI)1099-1697(199703)6:2<97::AID-JSC223>3.0.CO;2-I)

Industry Canada. (2013a). Growth Map of Canadian Firms. Ottawa, Ont.: Industry Canada, Small Business and Tourism Branch.

Industry Canada. (2013b). Key Small Business Statistics. Ottawa, Ont.: Government of Canada.

James L. Webster, William E. Reif, & Jeffrey S. Bracker. (1989). The Manager's guide to strategic planning tools and techniques. *Planning Review*, 17(6), 4–48. <http://doi.org/10.1108/eb054273>

James, R. (1999). How to do Strategic Planning. *Handbook of IS Management*, 5.

Knott, P. (2006). A typology of strategy tool applications. *Management Decision*, 44(8), 1090–1105.

Kraus, S., Harms, R., & Schwarz, E. J. (2006). Strategic planning in smaller enterprises – new empirical findings. *Management Research News*, 29(6), 334–344. <http://doi.org/10.1108/01409170610683851>

Kraus, S., Reiche, B. S., & Reschke, C. H. (2007). Implications of Strategic Planning in SMES for International Entrepreneurship Research

and Practice. London. Retrieved from <http://blog.iese.edu/reiche/files/2010/08/Implications-of-strategic-planning-in-SMEs.pdf>

Lamont, M., & White, P. (2008). Workshop on interdisciplinary standards for systematic qualitative research. Washington, DC. Retrieved from [https://www.uab.edu/education/ci/images/earlychildhoodedu/ISSQR\\_workshop\\_rpt.pdf](https://www.uab.edu/education/ci/images/earlychildhoodedu/ISSQR_workshop_rpt.pdf)

Lancaster, G., & Waddelow, I. (1998). An Empirical Investigation into the Process of Strategic Marketing Planning in SMEs: Its Attendant Problems, and Proposals Toward a New Practical Paradigm. *Journal of Marketing Management*, 14(8), 853–878.

Leitner, K.-H., & Guldenberg, S. (2010). Generic strategies and firm performance in SMEs: a longitudinal study of Austrian SMEs. *Small Business Economics*, 35(2), 169–189. <http://doi.org/10.1007/s11187-009-9239-x>

Lloyd George Munyaiaradzi Mugabe. (2012). A Prognostic Investigation Of The Extent To Which Small To Medium Enterprises (Smes) Use Strategic Planning And Its. Retrieved May 7, 2015, from [https://www.academia.edu/9257518/a\\_prognostic\\_investigation\\_of\\_the\\_extent\\_to\\_which\\_small\\_to\\_medium\\_enterprises\\_smes\\_use\\_strategic\\_planning\\_and\\_its](https://www.academia.edu/9257518/a_prognostic_investigation_of_the_extent_to_which_small_to_medium_enterprises_smes_use_strategic_planning_and_its)

Lyles, M. A., Baird, I. S., Orris, B., & Kuratko, D. F. (1993). Formalized planning in small business: increasing strategic choices. *Journal of Small Business Management*, 31(2), 38.

Magretta, J. (2002). Why Business Models Matter? Retrieved from <http://repository.binus.ac.id/2009-2/content/A0154/A015481231.pdf>

Malone, S. C. (1989). Selected Correlates of Business Continuity Planning in the Family Business. *Family Business Review*, 2(4),

341–353. <http://doi.org/10.1111/j.1741-6248.1989.tb00003.x>

Mazzarol, T., Reboud, S., & Soutar, G. N. (2009). Strategic planning in growth oriented small firms. *International Journal of Entrepreneurial Behavior & Research*, 15(4), 320–345. <http://doi.org/10.1108/13552550910967912>

McCammon, B. (2013, April). How mental models influence decision-making: insights from leaders of sustainable Ontario SMEs. OCAD University, Toronto.

Mcelherron, L. (2013). An exploratory study into the strategic marketing planning practises of micro businesses in Ireland. Retrieved from <http://esource.dbs.ie/handle/10788/1718>

McGrath, R. G. (2013). *The End of Competitive Advantage: How to Keep Your Strategy Moving as Fast as Your Business*. Harvard Business Press.

Meyer, R. L. (1988). Financial Services for Microenterprises: Programs or Markets? Retrieved from <http://kb.osu.edu/dspace/handle/1811/65990>

Miller, C. C., & Cardinal, L. B. (1994). Strategic Planning and Firm Performance: A Synthesis of More Than Two Decades of Research. *Academy of Management Journal*, 37(6), 1649–1665. <http://doi.org/10.2307/256804>

Mindtools. (2015). Business Strategy Tools and Techniques from MindTools.com. Retrieved October 2, 2015, from [https://www.mindtools.com/pages/main/newMN\\_STR.htm](https://www.mindtools.com/pages/main/newMN_STR.htm)

Mindtools. (n.d.). The Johari Window: Using Self-Discovery and Communication to Build Trust. Retrieved February 16, 2016, from <https://www.mindtools.com/CommSkill/JohariWindow.htm>

Nikandrou, I., Apospori, E., Panayotopoulou, L., Stavrou, E. T., & Papalexandris, N. (2008). Training and firm performance in Europe: the impact of national and organizational characteristics. *The International Journal of Human Resource Management*, 19(11), 2057–2078. <http://doi.org/10.1080/09585190802404304>

OCED. (2005, December 2). Glossary of Statistical Terms: Small And Medium-Sized Enterprises (SMES) [Government]. Retrieved from <https://stats.oecd.org/glossary/detail.asp?ID=3123>

Ogbor, J. O., & Ogbor, P. D. J. O. (2009). *Entrepreneurship in Sub-Saharan Africa: A Strategic Management Perspective*. AuthorHouse.

Olsen, J. B., & Eadie, D. C. (1982). *The game plan: governance with foresight*. Council of State Planning Agencies.

O'Regan, N., & Ghobadian, A. (2002). Effective strategic planning in small and medium sized firms. *Management Decision*, 40(7), 663–671. <http://doi.org/10.1108/00251740210438490>

Osterwalder, A., Pigneur, Y., & Tucci, C. L. (2005). Clarifying business models: Origins, present, and future of the concept. *Communications of the Association for Information Systems*, 16(1), 1.

Page, S. E. (2007). Making the Difference: Applying a Logic of Diversity. *The Academy of Management Perspectives*, 21(4), 6–20. <http://doi.org/10.5465/AMP.2007.27895335>

Paolo Taticchi, Flavio Tonelli, & Luca Cagnazzo. (2010). Performance measurement and management: a literature review and a research agendanull. *Measuring Business Excellence*, 14(1), 4–18. <http://doi.org/10.1108/13683041011027418>

Profit Guide. (2015, September 17). The 2015 PROFIT 500: Canada's Fastest-Growing Professional Services Firms. Retrieved from <http://www.profitguide.com/manage-grow/success-stories/the-2015-profit-500-canadas-fastest-growing-professional-services-firms-90237>

Ramanujam, V., Venkatraman, N., & Camillus, J. C. (1986). Multi-Objective Assessment of Effectiveness of Strategic Planning: A Discriminant Analysis Approach. *Academy of Management Journal*, 29(2), 347–372. <http://doi.org/10.2307/256192>

Ramesh Rudani. (2013). *Principles of Management*. Tata McGraw-Hill Education.

Read, L. (2014, August). *The Influence of Mental Models on Decision-Making Around Social and Environmental Aspects: Insights from Ontario SMEs*. OCAD University, Toronto.

Richbell, S. M. (2006). Owner-managers and Business Planning in the Small Firm. *International Small Business Journal*, 24(5), 496–514. <http://doi.org/10.1177/0266242606067275>

Robinson, R. B., & Pearce, J. A. (1983). The impact of formalized strategic planning on financial performance in small organizations. *Strategic Management Journal*, 4(3), 197–207. <http://doi.org/10.1002/smj.4250040302>

Robinson, R. B., & Pearce, J. A. (1984). Research Thrusts in Small Firm Strategic Planning. *Academy of Management Review*, 9(1), 128–137. <http://doi.org/10.5465/AMR.1984.4278109>

Sandada, M. (2014). Mission And Vision, Environmental Scanning And Formality Of Strategic Planning As Predictors Of The Performance Of Small And Medium Enterprises (Smes) In The

- Gauteng Province Of South Africa. *Ecoforum Journal*, 3(2), 7.
- Sandada, M., Poee, D., & Dhurup, M. (2014). Strategic planning and its relationship with business performance among small and medium enterprises in South Africa. *The International Business & Economics Research Journal (Online)*, 13(3), 659.
- Sandra Hogarth-Scott, Kathryn Watson, & Nicholas Wilson. (1996). Do small businesses have to practise marketing to survive and grow? *Marketing Intelligence & Planning*, 14(1), 6–18. <http://doi.org/10.1108/02634509610106197>
- Sascha Kraus, & B. Sebastian Reiche. (2007). *THE ROLE OF STRATEGIC PLANNING IN SMEs*. University of Klagenfurt.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students (5th ed)*. New York: Prentice Hall.
- Schwenk, & Shrader. (1993). Effects of formal strategic planning on financial performance in small firms: A meta-analysis. *Entrepreneurship: Theory and Practice*, (17(3)), 53–65.
- Senge, P. M. (1993). Transforming the practice of management. *Human Resource Development Quarterly*, 4(1), 5–32. <http://doi.org/10.1002/hrdq.3920040103>
- Sherman, H., Rowley, D. J., & Armandi, B. R. (2006). *Strategic management: an organization change approach*. Lanham, MD: University Press of America.
- Smith, S. W., Brownell, M. T., Simpson, R. L., & Deshler, D. D. (1993). Successfully Completing the Dissertation Two Reflections on the Process. *Remedial and Special Education*, 14(3), 53–59. <http://doi.org/10.1177/074193259301400310>
- Sosiawani, I., Ramli, A. B., Mustafa, M. B., & Yusoff, R. Z. B. (2015). Strategic Planning and Firm Performance: A Proposed Framework. Retrieved from <http://www.iarjournal.com/wp-content/uploads/IBTC2015-p201-207.pdf>
- Statistics Canada. (2005). Small, Medium-sized and Large Businesses in the Canadian Economy: Measuring Their Contribution to Gross Domestic Product in 2005: Table 1 – Business-sector gross domestic product by size of business, 2005. Retrieved August 11, 2015, from <http://www.statcan.gc.ca/pub/11f0027m/2011069/t001-eng.htm>
- Statistics Canada. (2012, June 14). North American Industry Classification System (NAICS) Canada 2012 [Government]. Retrieved from <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TVD=118464>
- Stenfors, S., & Tanner, L. (2007). Evaluating strategy tools through activity lens. Retrieved from [https://www.researchgate.net/profile/Leena\\_Tanner/publication/236848525\\_Evaluating\\_strategy\\_tools\\_through\\_activity\\_lens/links/00b4951962cf5bd27c000000.pdf](https://www.researchgate.net/profile/Leena_Tanner/publication/236848525_Evaluating_strategy_tools_through_activity_lens/links/00b4951962cf5bd27c000000.pdf)
- Stubblefield Loucks, E., Martens, M. L., & Cho, C. H. (2010). Engaging small- and medium-sized businesses in sustainability. *Sustainability Accounting, Management and Policy Journal*, 1(2), 178–200. <http://doi.org/10.1108/20408021011089239>
- Suklev, B., & Debarliev, S. (2012). Strategic planning effectiveness comparative analysis of the Macedonian context. *Economic and Business Review for Central and South-Eastern Europe*, 14(1), 63.
- Teece, D. J. (2010). Business Models, Business Strategy and Innovation. *Long Range Planning*, 43(2-3), 172–194. <http://doi.org/10.1016/j.lrp.2009.07.003>



Thompson, C., Bounds, M., & Goldman, G. (2012). # 127-The Status Of Strategic Planning In Small And Medium Enterprises: Priority Or Afterthought? The Southern African Journal of Entrepreneurship and Small Business Management, 5, 34–53.

Vrontis, D., & Thrassou, A. (2013). Innovative Business Practices: Prevailing a Turbulent Era. Cambridge Scholars Publishing. Retrieved from <http://books.google.com/>

### Images

Sari C. (n.d.). Arrow Down. Retrieved from <https://thenounproject.com/term/arrow-down/9997>

Sari C. (n.d.). Arrow Left. Retrieved from <https://thenounproject.com/term/arrow-left/9998>

Sari C. (n.d.). Arrow Right. Retrieved from <https://thenounproject.com/term/arrow-right/9996>

Sari C. (n.d.). Arrow Up. Retrieved from <https://thenounproject.com/term/arrow-up/9995>

Graft, J. (n.d.). Concrete Barrier. Retrieved from <https://thenounproject.com/term/concrete-barrier/314578>

Stauffer, A. K. (n.d.). Diploma. Retrieved from <https://thenounproject.com/search/?q=Diploma&i=17883>

de Laá, J. M. (n.d.). Flag. Retrieved from <https://thenounproject.com/search/?q=flag&i=43403>

Daplaza (2006). Galet - Retrieved from [https://commons.](https://commons.wikimedia.org/wiki/File:Galet_DSC00594.JPG)

[wikimedia.org/wiki/File:Galet\\_DSC00594.JPG](https://commons.wikimedia.org/wiki/File:Galet_DSC00594.JPG)

Erdely, S. (n.d.). Gear. Retrieved from <https://thenounproject.com/search/?q=gear&i=113122>

Črešnar G. (n.d.). Group. Retrieved from <https://thenounproject.com/search/?q=group&creator=753582&i=158272>

Črešnar G. (n.d.). Hierarchy. Retrieved from <https://thenounproject.com/search/?q=hierarchy&creator=753582&i=216737>

Chisamore, K. (n.d.). Inukshuk. Retrieved from <https://thenounproject.com/search/?q=Inukshuk&i=220391>

Boatman, E. (n.d.). Man. Retrieved from <https://thenounproject.com/search/?q=man&creator=6&i=442> <https://thenounproject.com/search/?q=man&creator=6&i=442>

Wilson, J. (n.d.). Man by Wilson Joseph Retrieved from <https://thenounproject.com/wilsonjoseph/uploads/?i=76132>

Wildmoser G. (n.d.). Management. Retrieved from the Noun Project (hierarchy horizontal)

ClkerFreeVectorImages (2012). Map of Canada, Retrieved from <https://pixabay.com/en/canada-map-geography-country-43751/>

Wilson, J. (n.d.). Mortar Board by Wilson Joseph Retrieved from <https://thenounproject.com/search/?q=mortar&creator=19905&i=35107>

Črešnar G. (n.d.). Organization. Retrieved from the Noun Project

Wilson, J. (n.d.). People. Retrieved from <https://thenounproject.com/search/?q=people&creator=19905&i=112429>

Wilson, J. (n.d.). Politicians. Retrieved from <https://thenounproject.com/search/?q=politicians&creator=19905&i=112429>



com/search/?q=politicians&creator=19905&i=220174

Schmitzer, R. (n.d.). School. Retrieved from <https://thenounproject.com/search/?q=school&i=357719>

Pinto, V. A. (n.d.). School. Retrieved from <https://thenounproject.com/search/?q=high+school&i=172492>

Notarangelo, R. (n.d.). Stones. Retrieved from <https://thenounproject.com/search/?q=stones&i=11039>

Wilson, J. (n.d.). Student Retrieved from <https://thenounproject.com/search/?q=student&creator=19905&i=35841>

Črešnar G. (n.d.). Group. Retrieved from <https://thenounproject.com/search/?q=team&i=252370>

Groume (2012). Trois Galets juxtaposés - Retrieved from <https://www.flickr.com/photos/groume/8255567187>

Groume (2012). Trois Galets superposés. Retrieved from <https://www.flickr.com/photos/groume/8255566213>

Boatman, E. (n.d.). Woman. Retrieved from <https://thenounproject.com/search/?q=woman&i=443>

Wilson, J. (n.d.). Woman. Retrieved from <https://thenounproject.com/search/?q=woman&creator=19905&i=76127>

Wilson, J. (n.d.). Hierarchy. Retrieved from <https://thenounproject.com/search/?q=Hierarchy&i=220170>

Wilson, J. (n.d.). People. Retrieved from <https://thenounproject.com/wilsonjoseph/uploads/?i=112429>

## **Appendix**

*Appendix A: Glossary of terms*

*Appendix B: Interview questionnaires*

## Appendix A: Glossary of terms

### *List of Acronyms*

Acronym	Term
SME	Small and medium enterprise
SE	Small enterprise
ME	Medium enterprise
LE	Large enterprise
MRP	Major research project
NAICS	North American Industry Classification System
SBU	Strategic Business Unit

## **Appendix B:**

### **Interview questionnaires**

*Experts Questionnaire*

---

*Small Enterprises Questionnaire*



## Expert Questionnaire

The Expert  
General Information

Name:

### Type of expert:

- Professional / Consulting
- Academic Expert
- Other:

Designation (Job title):

Email address (work):

Contact number:

### Highest education:

- High school
- Trade diploma
- College diploma
- Undergraduate
- Postgraduate
- Other:

# Expert Questionnaire



## Expert Questionnaire

### The Expert General Information

### Continuing education and/or certifications relevant to your profession or strategic planning?

Please provide any Professional certificates, Universally or Nationally recognized designation (e.g. CBAP, CICBV, etc.)

A large, empty light blue rectangular box intended for the respondent to provide details about their continuing education and/or certifications.

### How long have you worked in business strategy in general?

- Below 5 years
- 5 - 10 years
- 10 - 20 years
- 20+ years
- Other:

### What are the sizes of the businesses that you work with during strategy consulting engagements?

- Small Businesses (1-9) employees
- Small Businesses (10-99) employees
- Medium Businesses (100-499) employees
- Large Businesses (500+) employees
- Other:

2 of 7



## Expert Questionnaire

The Expert  
General Information

**What are the industry(s) of the businesses that you work with during strategy consulting engagements?**

- Professional, scientific and technical services
- Wholesale / Retail trade
- Manufacturing
- Transportation and warehousing
- Administrative and waste management
- Information and cultural industries
- Other services or industries:

**What are the targeted market(s) of the businesses that you work with during strategy consulting engagements?**

- Local Market
- National Markets
- International Markets
- Other:

**What are the type(s) of the businesses that you work with during strategy consulting engagements?**

- Business to Business (B2B)
- Business to Government (B2G)
- Business to Consumer (B2C)

3 of 7



## Expert Questionnaire

Strategic Planning  
in  
Small Enterprises

1. What is your personal experience with strategic planning in small businesses, what have you observed and what is particularly striking to you?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 1.

2. In your opinion, how do small businesses engage with strategy development?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 2.

3. What positions in the business hierarchy are directly involved in the planning process of the organization?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 3.

4. Who typically tends to initiate and lead the process?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 4.





## Expert Questionnaire

Strategic Planning  
in  
Small Enterprises

5. Have you noticed the tools, techniques, frameworks and procedures used by SMEs for this process? Are these formal/popular tools or in-house?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 5.

6. What would you identify as some of the common barriers or enablers that influence small businesses in their strategic planning process?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 6.

7. Have you noticed major differences between the strategic planning processes carried out by SEs versus LEs? If so, how would you describe it?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 7.

8. According to your experience, how would you describe the businesses' perceptions of strategy and business models theory?

A light blue rectangular box with a small triangle at the top center, intended for the respondent's answer to question 8.

5 of 7



## Expert Questionnaire

Strategic Planning  
in  
Small Enterprises

9. In your opinion are strategic planning activities a priority for SEs?  
Is it performed on a regular basis?

A light blue rectangular area intended for the respondent's answer to question 9.

10. What do you think might be the solution to better engage SEs in strategic planning? Techniques, tools, or other.

A light blue rectangular area intended for the respondent's answer to question 10.



## Expert Questionnaire

Enclosing

11. In your opinion what might be some of the possible channels that could be used to communicate strategic planning in small businesses for best results?

A large, light blue rectangular area intended for the respondent to provide their answer to question 11.

12. Thank you for participating in our research. Would you like to discuss any other issues that you think would be relevant for our research?

A large, light blue rectangular area intended for the respondent to provide their answer to question 12.

13. Would you like to receive a first-hand copy of the research outcomes?

- Yes
- No

14. Would you be open to being contacted in case we need to validate some of the findings from the interview?

- Yes
- No



Research Project on Strategy Development within  
Small Enterprises (SEs) in the Canadian Provinces  
of Ontario and Quebec

SE Manager / Owner  
General Information

1- Name:

2-Designation (Job title):

3-Email address (work):

4-Gender:

- Female
- Male

5-Age group

6-Highest level of education

7-Continuing education and certifications:

# Small Enterprises Questionnaire





Research Project on Strategy Development within  
Small Enterprises (SEs) in the Canadian Provinces  
of Ontario and Quebec

Participant's Role  
and Professional  
Background

8-What are your roles and responsibilities within the organization?

[Redacted area for response to question 8]

9-How do you contribute to strategy development within your organization?

[Redacted area for response to question 9]





10-Company name:

11-Industry:

12-City:

13-Total number of employees

14-When was the company founded?

15-How would you describe the current growth rate of your company?

	1	2	3	4	5	
Rapid decline	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Rapid growth

16-Further comments about your company's growth rate.





17-What factor(s) do you feel have had much influence on the business' growth rate? (Rate from 1 to 5, 1 being the most influential factor)

	1	2	3	4	5	6
Health of the economy (increased consumer buying power)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emergent industry competition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emergent of substitute products/services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Innovation Industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market regulation changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unexpected events	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18-What other factors that have not been listed do you think had much influence on the business' growth rate?

19-Does the organization have a written vision / mission statement?

- Yes
- No





### Vision and Mission

20-Are management and company staff formally made aware of the mission and vision?

	1	2	3	4	5	
Upper management only	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Entire company

21-Are company clients aware of the mission and vision?

- Yes
- No
- Other:

22-Does the company have written goals?

- Yes
- No

23- What time frame is designated to realizing company goals?

- Weekly
- Monthly
- Quarterly
- Biannual





- Annual
- Mid-term (2-4 years)
- Long-term (5+ years)
- All of the above, we have nested goals into larger goals toward a long-term vision.

Other:

24-Do the goals have quantifiable and measurable targets? (e.g., volume, market share, growth rate, profitability)?

- Yes
- No
- Other:

25-Does the company measure the actual performance against planned goals?

- Yes
- No
- Other:

26-What is the criteria used to formulate company goals?

- Personal experience.
- Strategic planning activities
- Market research
- The company's written mission / vision statements
- Internal capabilities
- Company mission / vision statements
- Business opportunities
- Other:





27-What is “strategic planning” to you? Do you feel that your company gets the full added-value from strategic planning activities?

28-How do you think strategic planning might serve the interests of your company? (Rate from 1 to 6, 1 being most beneficial)

To develop a set of operating plans.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To provide a better understanding and control over the organization's financial standing.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To identify external opportunities and treats.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For tactical purposes, or as a creative exercise.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
To keep the organization more focused towards the intended vision.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Has not served the company much to date.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internal capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



29- Have you identified other benefits of strategic planning for your company that were not listed above?

30- Who and to what degree are the following members of company hierarchy involvement in key business decisions within the organization?

	None	Informed	Takes part in planning
Owner/partners	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General manager (CEO)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Upper managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Second level management team, supervisors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees (with non-managerial role)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

31- What are the major obstacles, if any, to strategic planning process in your company?

- The complexity of strategic planning activities.
- Strategic planning not being embedded in the business culture.
- Limited financial resources
- Limited human resources
- Limited time
- No major obstacles.
- Other:



32-To what degree does the company gather and analyze information about market and other external factors, which may affect its business?

	1	2	3	4	5	
None at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Systematically

33-What dimensions of the business' environment are analyzed and to what extent? (Refer to definitions attached)

	Never	Sometimes/when needed	Systematically
Internal environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industry and transactional environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contextual environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

34-How often do you perform strategic planning related tasks and at what rate?

- Annually
- Twice a year
- Quarterly
- Monthly
- Weekly
- Daily
- None
- Other:

35-When faced with emerging events that may impact the company's intended strategy how does it react to such events?

[Redacted]

36-If any, what are the formal mechanisms in the company to scan for these emergent factors that may affect the intended strategy?

[Redacted]

37-Have you heard about the study of business modeling? \*

- Yes
- No

38-How would you define in your own words what a “business model” is?

[Redacted]

39-To your knowledge have you or a member of management in your company been trained on business models?

- Yes, someone has received formal training.
- No, not formally.

40-Does your company use business modeling tools and techniques?

- Yes
- No



41-Has your company formally looked into analyzing and significantly shifting your business model in the past due to internal or external forces?

- Yes
- No
- Other:

42-What business modeling tools and techniques do you use?

- Business Model Canvas/Value Proposition
- Triple layered Business Model Canvas
- Flourishing Business Model Canvas
- Other:

43-How often do you refer to your business modeling solution?

44-How do strategy and business models come into play in your company?  
How are they related or not?

45-According to your experience what are the key factors that drive your company's success and sustainability? (Rate from 1 to 6 number 1 being top priority)

Clear mission and vision	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Well-developed business model that can easily pivot	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dedicated, reliable, and knowledgeable human resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clear and well communicated business strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Forward thinking company culture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operational excellence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial growth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

46-What key strategic theme(s) has your company used to sustain your business so far?

- Product innovation leadership
- Service delivery excellence
- Operations excellence
- Continuous improvement
- Growth
- Target market niche
- Other:

47-What are the frameworks, tools and/or techniques you like to use?

- SWOT Analysis
- PEST Analysis
- Porter's Five Forces Analysis
- Four corner's analysis
- Value chain analysis
- Strategy map
- Some tools and/or techniques that we developed internally
- Other:

48-How would you rate the effectiveness of those tools that your company uses?

	1	2	3	4	5	
Not effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Highly effective

Would you like to comment the effectiveness of the tools or talk about your comfort zone with these and other frameworks you might have come across? (Optional)





Research Project on Strategy Development within  
Small Enterprises (SEs) in the Canadian Provinces  
of Ontario and Quebec

Strategy  
Communication

49-In your opinion how clear are the strategic goals / objectives to company employees that are not directly involved in the strategic planning process?

	1	2	3	4	5	
Not aware at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fully aware of company strategy

50-How is the strategy communicated through the organization?

- Regular meetings
- Online communication
- Informally or grapevine
- No specific communication channels
- Other:

51-Does the management team seek feedback from employees and staff when developing strategy?

- Yes
- No
- Other:





Research Project on Strategy Development within  
Small Enterprises (SEs) in the Canadian Provinces  
of Ontario and Quebec

We would like to  
hear from you

52-Would you like to discuss any other issues that you think would be relevant to this research project?

A large, light blue rectangular area intended for the respondent to provide their answer to question 52.

53-Thank you for participating in our research. Should you wish to, we will be providing a copy of the research outcomes to the interested parties. Also do you agree to be contacted in case we need to validate some of the findings from the interview?

- Yes absolutely.
- I prefer not.

54-Would you like us to add a thank-you note to acknowledge you and your company's participation in the final research publication?

- Yes, for myself and my company.
- Just for myself.
- I prefer not.





**Leave no stones unturned. Integrate the parts to create a system.**