UDK:005.3
Paper received: February 2,2024
Paper accepted: March 5,2024

Journal of Entrepreneurship
And Buisiness Resilience
Year VII • Vol 7, No 1.
pp. 93–104

SCIENTIFIC REVIEW

STRATEGIC PLANNING FOR FOSTERING RESILIENT ENTREPRENEURSHIP DEVELOPMENT

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ABSTRACT

This paper discussed process of developing strategic plan for resilient entrepreneurs. Also, the article explores the characteristics of a good strategic plan. We therefore argue for a synthesis of the disciplines- entrepreneurship, marketing and organizational management, considering forces and trends in the broader community, political, social and technological forces; consider opportunities and challenges. Research is based on primary and secondary sources of information. Author concluded that Entrepreneurs must be confident, but also open to learning and adjusting their strategies. The ability to adapt and make necessary adjustments is essential for resilience.

Keywords: *Strategic Planning, Strategy, Resilient Entrepreneurship, SME, Development*

JEL classification: *O20, O31*

INTRODUCTION

The word strategy was derived from ancient Greek word which means the art and science of the general deploying forces for battle. Strategy and goals are often misunderstood and misused by people in modern day entrepreneurial education. According to business dictionary (2015), the word strategic planning refers to a systematic process of ensuring a desired future for a business, translating this vision into broadly defined goals or objectives and ensuring sequential steps in achieve the goals and objectives set. Volberda [20] maintained that strategic planning is based on long term forecast which helps the company to anticipate future challenges and opportunities. Namely, when we analyze future tendencies in the development of organizational phenomena, we need to trace the past and to build our concepts and beliefs on this basis [14]. According to Kotler and Koller [8] strategic planning should express the basic idea of which way the organization goals will be achieved. It provides comparative advantage to business enterprise ([12]; [7]). In the same vein, Strategy Management Group (2016) defines strategic planning as an activity of organizational management used in setting focus, priorities, strengthening operations energy and resources, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes or results, and assess and adjust the organization's direction in response to a changing environment. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what an organization is, who it serves, what it does, and why it does it, with a focus on the future. Based on these, many authors have commented on the importance of strategic planning in business and organizational development ([18],[1],[2]). Effective strategic planning articulates not only where an organization is going and the actions needed to make progress, but also how it will know if it is successful and its decision-making process [4]. Researcher Price (2014) tries to shed light to these two often misunderstood words by various actors in the field of entrepreneurial education. Successful entrepreneurs learn from setbacks and use them as steppingstones. Overcoming challenges builds resilience and strengthens their resolve [13]. Resilient entrepreneurs stay calm in the face of unexpected challenges and steady when things do not go according to plan [9].

Characteristics of a good strategic plan for resilient entrepreneurial development

"The world is going to be too tough and competitors too ingenious as companies are shaken loose from traditional ways of conducting business" [16]. Because of that, a good strategic plan for entrepreneurial development must cover an appropriate time frame usually between 1 to 2 years. Furthermore, the period of 1 to 2 years will help a business enterprise to improve on its developmental plan. At times some big organizations stretch theirs more than this. Further, a good strategic plan is usually informed by the past antecedents and projects into the future: Basically, strategic plan of a business organization is a forward-looking document which states in clear terms where the organization is going [6]. However, it takes lessons from the experience of the business organization. Experience and performance are good predictors of future success or otherwise of an organization. Using historical comparisons, growth rates for similar markets or products, and implementation timelines from prior projects will add realism to the plan and increase confidence in its outcomes. Also, a good strategic plan should incorporate market trends, external forces and a competitive landscape. It looks inward into the organization. So, a good strategic plan recognizes the unfolding events which are currently happening within the organization. As a result, entrepreneurs are expected to incorporate broad market trends and macroeconomic factors into the plan as a way of influencing the rate of growth of their business. A good strategic plan also considers what is happening with your competitors and partners, and where your strategic plan will position in order to compete favorably.

Process of developing strategic plan for entrepreneurs

There is various frameworks of strategic planning but the pre-planning, planning and post planning process will be adopted for easy understanding of the process of developing a good strategic plan. Each of these stages will be discussed in the succeeding paragraph.

Stage 1: Pre-planning stage involves three different steps which include: agreeing on a strategic planning process; carrying out an environmental scan; and identifying key issues, questions and choices to be addressed as part of the strategic planning effort.

Agreeing on a strategic planning process: This is the first step in the first stage of the strategic planning process. This may be done at a Board meeting with key staff present, or may require a special meeting or retreat, including Board, key staff, and some external stakeholders. At the session, the convener should:

- Ensure that he or she provides an understanding of what strategic planning is and how it is done.
- Analyze its importance or potential value to the organization, in terms of providing a common vision and focus, with agreed-upon goals and strategies.
- Discuss the costs of doing strategic planning, in terms of staff and Board time and other resources and what might need to be given up in order to develop a plan;
- Agree upon a process and establish responsibilities for the various steps in the process, including at least one-day (or several half-days or evenings) devoted to a Board and (all or senior) staff planning retreat or a series of planning meetings.

The second step in the first phase is to carry out environmental observation. This helps provide an understanding of how the

organization relates to its external environment. The scan usually includes an external component; identifying and assessing opportunities and threats in the external environment -- and an internal component; - assessing organizational strengths and weaknesses. This process is often referred to as "SWOT" analysis.
It is worthy to point out that the external component of the environmental scan must include a review of the target or service community and the broader environment in which the organization operates, to identify the opportunities and threats facing the organization. The third step in this phase is to identify key issues, questions, and choices to be addressed as part of the strategic planning effort. This implies postulating strategic issues or questions that the business should address and setting imports in terms of time or significance [5]. At times there can be disagreement among members of the team about priorities, concise effort must be put in place to possibly move immediately to the organizational vision and then goals. If there is no agreement on general directions and organizational goals, it may be vital to explore issue priorities and identify critical choices. Example the staff and Board might be asked to ascertain strategic issues from the environmental scan, with individuals identifying a specified number of such issues and indicating why each is strategic, including the benefits of addressing it and the negative consequences of not addressing it. To be able to do these, there is a need to involve or incorporate a wide range of programs.
The second phase is the process phase. It also consists of four steps namely: Define and review the organization's values, community vision, and mission; develop a shared vision for the organization; develop a series of goals or organizational status statements which describe the organization in a specified number of years; and agree upon key strategies to reach the goals and address key issues identified through the environmental scan.
When defining and reviewing the organization’s value and

community vision, the team must ensure there is agreement on why the organization exists, what goals or outcomes it seeks to achieve, what it stands for, and whom it serves [19]. Organizational core values or operating principles here refer to those beliefs or principles that guide the organization. These values are shared by the Board and staff, strongly held, and not easily changed. Community Vision on the other hand implies the business organization's vision for the community where it operates. This can be viewed as an organizational image of what the community service would be like provided the values were shared and practiced by everyone. Finally, the mission here refers to the stated purpose for the business organization and its existence. This can also be viewed in terms of the organization's public statement of the contribution it promises to make to help accomplish the community vision. Agreeing on values, vision, and mission

The next step in this phase is to develop a shared vision for the organization. This involves sharing the vision of the society with the business organization in a manner that will promote business-community harmony and enhance attainment of both vision and mission. At times, when planning a strategic plan for a business enterprise, the planner ensures that the vision for the organization is developed after a vision for the community has been discussed. This becomes imperative because the business organization cannot stand in isolation without society. It therefore implies that the shared vision of the organization depends on the shred vision of the society where it operates. To be able to do this, it is important to agree on where the organization wants to be in the next future.

In addition, the entrepreneur needs to develop a series of goals or organizational status statements which describe the organization in a specified number of years. The goals must cover a variety of categories of programs which the business enterprise or organization will do; status of the organization; resources available to the organization; institutional development; relationship with internal and external bodies and governance of the business organization [10]. The goals will serve as a guide to the progress of the organization [17].

Finally, the last step in this phase is to agree upon key strategies to be adopted in attaining or reaching the set organizational goals and address key issues identified through the environmental scan. The major emphasis here is on broad strategies, including current and new programs, advocacy, collaborative, or other approaches [3]. In doing these, the entrepreneur must make sure that the proposed strategies are related to specific goals of the organization and address several goals. This process requires a critical look at where the organization is now and where its vision and goals indicate it wants to be; and identifying strategies to get there. In choosing the specific approach to be adopted, certain criteria must be fulfilled. These criteria include timing, cost-benefit, acceptability of the strategy, feasibility of the strategy, appropriateness of the strategy and value of the strategy to be adopted.

The third phase, which is also the output phase, has three steps. The steps involved in this stage are developing action plan that addresses goals, specific objectives and work plan of the organization on an annual basis; finalize a written strategic plan that summarizes the results and decisions of the strategic planning process; and ensure build in procedures for monitoring, and modifying strategies based on changes in the external environment or the organization. These three components of the third stage shall be discussed in the next paragraph.

Develop an action plan that addresses goals and specifies objectives and work plans on an annual basis. Once the longer-term elements of a strategic plan have been developed, it is time to ensure a specific work plan to begin implementation. Strategic planning recognizes that strategies must reflect current conditions within the organization and its environment. Thus, it is rare to attempt to develop detailed annual objectives except for the first or perhaps the first and second year covered by the strategic plan. However, annual action plans are needed. Annual program objectives should be time based and measurable. The annual plan may be a part of the strategic plan or may be an annual addendum to it. Objectives and work plans for the Board and for the institution as a whole are as important as program-related ones. Most projects have specified annual objectives and work plans because of funder requirements, while only a strategic plan is likely to require a Board to think about its desired composition, skills, and involvement, or about organizational structure, administrative systems and business resilience.

CONCLUSION

The paper reviews the theoretical studies of strategic planning in SMEs and discusses their implications for entrepreneurship development. Our research confirmed that “entrepreneurial orientation is considered not only as a permanent effort towards production enlargement and company’s profitability, but also the development of creative vision regarding innovations and production process changing products and business strategy [15]. For entrepreneurs is of key importance to make strategic planning how could reduce risk, particularly in periods of economic uncertainty and crisis. In this context, one of the crucial tasks for entrepreneurs is how to prepare for activities that will help them develop their competitive businesses. “The fact is that entrepreneurial activity must include strategic questions because the scope of entrepreneurial activity and strategic activity overlap at the following common activities: innovation, networks, internationalization, organizational learning, teamwork add growth and development” [11]. In line with this, entrepreneur should have a holistic approach and provide a complete insight in all the companies` needs and scope, accordingly, to determine parameters for their strategy planning. Namely, for a company to be successful their entrepreneurs and managers need to have a business vision and be able to forecast events. Resilient entrepreneurs view mistakes as opportunities for growth. They analyze failures, extract lessons, and apply them to future endeavors

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