

THE IMPACT OF STRATEGIC PLANNING IN SMALL BUSINESS:  
EMPIRICAL EVIDENCE FROM EAST TENNESSEE

by

Sara Howe

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Doctoral Study Submitted in Partial Fulfillment  
of the Requirements for the Degree of  
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### **Abstract**

This qualitative research study explored the impact of strategic planning in small businesses within the service industry, specifically in East Tennessee. The focus was to gauge the level of importance small businesses placed on strategic planning, if any. The general problem to be addressed was the level of importance small businesses place on strategic planning that could affect organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. The purpose of this qualitative case study was to enhance the body of knowledge through magnifying the explanations behind organizational and operational issues in the service industry and the impact strategic planning could offer. Three research questions were designed to investigate further. The study consisted of one ten question interview that was strategically designed and given to 23 small businesses to provide their own unique experiences. Six themes emerged after organizing and analyzing the data. Themes included participants asking for more information or examples of specific interview questions, participants having a sudden realization of the use of strategic planning within their business or changing their perspective on the use of strategic planning terminology, placing a high importance on strategic planning, and referencing covid as a challenging in planning. In completing the final analysis, it was noted that the strategic planning and strategic management body of knowledge is evolving and mutating rapidly, especially after the pandemic in 2020 affected small businesses. The findings pointed to a need for more research involving the innovations and adaptations small businesses used to navigate organizational problems post pandemic, and ways small business owners could use strategy in planning for events that are uncertain or unexpected.

*Keywords:* strategy, strategic planning, strategic management, small business

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**Approvals**

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### **Section 1: Foundation of the Study**

Analyzing the impact of strategic planning on small service industry businesses involves examining the level of importance the business leaders place on this action. Problems that can plague businesses such as high turnover, low employee engagement, financial uncertainty and company closures are investigated in this study with respect to the influence of the level of importance placed on strategic planning. Background information is provided in this section to introduce the problem, purpose, research questions and the framework of the study. The element of strategic planning in the service industry is underrepresented in obtainable peer-reviewed research, and the gap in literature is presented. This section concludes with an extensive review of the professional and academic literature on the many facets of strategic planning, problems that can be addressed by utilizing strategic planning, and the impact it can have on the overall success of small businesses.

#### **Background of the Problem**

Operating a successful small business with a rich reputation and a prosperous future can require a plethora of skill, knowledge, and professional dedication that can be tied to the level of importance used in strategic planning. Unfortunately, organizational and operational problems that can plague companies such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, and customer dissatisfaction are issues that can be analyzed and dissected in order to provoke solutions. Strategic planning is an element of business management that may provide elucidations and implications that guide business owners in understanding the root causes of these issues. Schendel and Hofer (1979) describe strategic planning as a series of logical steps that includes the definition of a mission statement, long-term goals, environmental analyses, strategy formulation, implementation, and control. Wolf and

Floyd (2017) define strategic planning as the formalized, periodic process that provides a structured approach to strategy formulation, implementation, and control, and to influence an organization's strategic direction for a given period and to coordinate and integrate deliberate as well as emerging strategic decisions. Sirelkhatim and Gangi (2015) explain the root of the problem may stem from small business owners lacking the necessary tools, education, knowledge, and experience to understand the importance of strategic planning and the influence it has on the success of the business. Taneja et al. (2016) find the consequences of poor planning are shown to be detrimental as they affect the stimulation of innovation, the ability to provide jobs, and staying competitive to survive. Further, McDowell et al. (2016) present evidence supporting a possible origin of these issues stems from poor strategic focus and planning within the organization affecting the longevity of the business. The objective of strategic planning in smaller companies is to provide a procedure of documenting goals, action plans, and establishing a direction for the company. As a solution, Ralph et al. (2018) confirms the use of strategic planning will enhance the performance and ability to better manage company concerns. Small businesses can face issues that threaten the success of their operations, so it is vital to understand that these problems exist, establish clarifications in the causes, and recognizing how the utilization of strategic planning could impact the company to support conduits in correcting and managing the obstacles.

### **Problem Statement**

The general problem addressed is the level of importance small businesses place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. Ronda et al. (2019) shows small businesses

fail to participate in strategic planning methods such as providing clear and specific goals causing employees to lose interest in working for the business and ultimately leaving the establishment. Vershinina et al. (2017) find that when handling problems such as future uncertainty or closure of the business, entrepreneurs should employ strategic planning methods within their decision making to ensure the company can remain successful. McDowell et al. (2016) explain an element in overcoming company failure and establishing small business longevity is having an established focus on strategy. Small businesses failed within the first five years of service due to their inability or lack of strategic planning. Based on the literature some company's financial performance is determined solely based on the strategic planning outcomes (Gomera et al., 2018). Setting goals, understanding the specific needs of the company, and strategically planning for the future can be impactful elements in small businesses as they guide the organization through their obstacles and operations. The specific problem to be addressed is the level of importance small business in East Tennessee within the service industry place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure.

### **Purpose Statement**

The purpose of this qualitative case study was to enhance the body of knowledge through magnifying the explanations behind organizational and operational issues in the service industry and the impact strategic planning presents small businesses. The greater problem was investigated through the exploration of the role strategic planning offers to avoid issues such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty,

customer dissatisfaction, tarnished company reputation, and company closure at an assortment of small service industry businesses located in East Tennessee.

### **Nature of the Study**

Interpreting the importance level small businesses place on strategic planning requires a deeper understanding of the actions behind the problem, as well as greater ability to conceive the thought process behind the behaviors. When focusing on the problem statement, understanding how to achieve the information and data needed is critical in selecting the appropriate research design and methodology. Comprehending the importance level small businesses place on strategic planning will require a deeper understanding of the actions behind the problem, as well as greater ability to conceive the thought process behind the behaviors. An important part of research is to keep in mind it is required to be creditable, analyzable, transparent, and useful (Boros, 2018). When striving to explore the reasons behind a certain event such as strategic planning usage in a business, it can be valuable to use a case study approach in qualitative research design to understand and explore the issue.

### **Discussion of Methodology**

Three methods utilized to conduct research characteristically include fixed, flexible, and a mixture of methods. Within the fixed methodology, quantitative research is used as a formal, objective, systematic practice in which numerical data are used to acquire information. This can be used to define variables, assess relationships between variables, and establish cause-and-effect interactions among variables. Within the flexible methodology, qualitative research is used as an investigation method of understanding founded on unique methodological practices of inquiry that study a problem. The mixed methods approach takes both fixed and flexible features and combines them to take advantage of both sets of characteristics. While all three methods have

their own unique traditions and physiognomies, choosing the appropriate method is imperative in ensuring the research questions are addressed and answered accurately.

Dean (2018) suggests that qualitative research methodology can be utilized when the business problem is not particularly comprehended and there is an existing appeal to explore the problem thoroughly, this being the principal reason this method was chosen over the other methods. Using a short interview process will assist in the process to provide data that can be analyzed further. Choosing a qualitative method over a quantitative method allows the researcher to explain the problem in order to gain an understanding of service industry businesses' experiences with strategic planning while addressing the research questions. Dean (2018) explains the benefits of the qualitative design allow the researcher to observe and explain human actions and while avoiding resorting to generalizing numerical reports, which is the leading reason the quantitative method was not chosen. Windsong (2018) points out the interview process benefits from data collection that is based on the subject's experiences, not data collection of numbers as used in a fixed method. The mixed methods approach was not selected as Almalki (2016) suggests using a mixed methods approach to the research does afford opportunities to have an enlightened discussion or debate connecting the information that is produced by both quantitative and qualitative methods. Therefore, by offering the information obtained through thorough interviews within a qualitative research method will be the best technique to convey the situations and experiences of the small business owners and the level of importance they place on strategic planning.

The qualitative case study design was appropriate as this type of research is a useful form of qualitative inquiry most appropriate for a comprehensive, holistic, and in-depth examination of a multifaceted problem (Harrison et al., 2017). The vivid illumination of the problem is the

motivation behind the research and the objectives pursued. Highlighting a statistical based study in quantitative methodology may assist in providing measurements to the body of knowledge in regard to the numerical data, however, choosing a qualitative approach will add a profound and insightful element to the existing literature to illustrate specific experiences. The study should be able to provide further insight into additional gaps in recent literature, as well as offer an understanding into the impact of strategic planning in small service industry businesses.

### **Discussion of Design**

Designing the research study to fit into a case study strategy is a significant approach to show a written description of the business problem. The case study was chosen to explore comprehensively a specific problem within the realm of strategic management. Rahi (2017) explains the case study design presents small group problems and focuses on a particular issue. Further, the case study design is preferred when the researcher has little control on events Rahi (2017). Utilizing a case study design will allow the researcher to gather information related to the problem statement and provide specific data to dissect the focused strategic management problems. Gaya and Smith (2016) advocate strongly for the utilization of the case study design when accompanying qualitative research, as well as state this is a more rational and suitable approach in the field of strategic management. Gaya and Smith (2016) assert that case studies complement research in the department of strategic management and offer rich data for comprehensive explorations and recognitions of problems in their genuine life context.

To explore the designs not chosen for this research, Rutberg and Bouikidis (2018) elaborate on ethnography, phenomenology, and grounded theory by providing the objectives they seek. Ethnography exposes the way culture is outlined, the conduct related to the culture, and how culture is comprehended. This method was not chosen, as the research in this study will

not explore culture in any unique fashion. Phenomenology is utilized to explore lived experiences and discover meanings of this experience. This method was not chosen as the case study focuses on problems and a specific issue that is present. Further, Rutberg, and Bouikidis (2018) conclude the explanation by explaining grounded theory examines actions and effects of a behavior in a culture by uncovering developing patterns in the data collected. This method was not chosen as the case study offers a useful opportunity to explore and recognize a specific problem while contributing this research to the field of strategic management. Utilizing the information and explanation of the additional methods available for research such as ethnography, phenomenology, and grounded theory, and with the clarification of these specific designs, it is evident the case study will be the most appropriate choice for the research topic and problem proposed.

### **Summary of the Nature of the Study**

The qualitative case study discovered the importance of strategic planning within small service industry businesses in East Tennessee using qualitative methodology. Conducting qualitative research that investigates the level of importance businesses place on strategic planning allowed the information to remain experience based and not rely on numerical reporting. While quantitative research would be helpful in adding statistical data, the occurrences and encounters of the businesses interviewed allowed the development of a descriptive case study. Other accepted methods included the narrative method, phenomenology, and the grounded theory method; however, the choice of a case study was influenced by the desire to provide a deeper understanding into the experiences and events that small service industry businesses undergo.



## **Research Questions**

The research questions below outline the problem regarding the level of importance small businesses place on utilizing strategic planning while attempting to understand if strategic planning may help assist in managing company issues. The first question allowed the researcher to understand how the failure to use strategic planning can lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. The second question attempted to understand what impact strategic planning may have in assisting the company through problems. The third question allowed the researcher to understand what types of strategic planning may be important to the business, if any. These questions delivered an opportunity to explore the situations and circumstances that are connected to the low level of importance small businesses place on strategic planning and the impact this has on the organization's operations and issues.

RQ #1: Why does failure to strategically plan lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure?

RQ #2: How much of an impact, if any, does strategic planning have in solving company problems?

RQ #3: What types of strategic planning are important in small business?

## **Theoretical/Conceptual Framework**

According to Wolf and Floyd (2017), strategic planning has been a focus of research in business for several years, as well as one of the most widely used management tools in contemporary organizations. Using theory to guide the research encompasses a discovery of the corresponding literature, as well as an appreciation towards the basis of the concept. Neubert &

Dyck (2016) argue that the goal-setting theory is one the most influential and conventional theories in the management literature, and can be recognized as a theory in which directs the success of business.

### **Goal-setting Theory**

The goal-setting theory plays a significant part in this study by suggesting a foundation on which the research experiences can be understood and synthesized. Further, a common theme to be appreciated in the connection between the goal-setting theory and the positive impacts this concept has on organizations implementing it. "Employees are more engaged in and satisfied with their work, excel in contextual performance as well as task performance, and contribute to the short-term and long-term viability of organizations and society" (Neubert & Dyck, 2016). Locke (1968) originally developed the goal setting theory and proposed people will be motivated to strive towards goals and those goals will deliver an individual a measure for better performance. Locke (1968) also suggested these goals are tools against which to judge the individual's own performance, as well as opportunities to alter the behavior in order to moderate the incongruity between performance and the ultimate goal. Within the strategic planning position, goal setting is among the most essential elements in the process of designing a plan for the business.

### **Importance of Planning in the Goal-setting Theory**

Wolf and Floyd (2017) indicate planning is crucial in the development of strategy together with how businesses manage key problems, set goals, evaluate alternatives, and choose the strategy they will utilize. When pairing strategic planning with one of the many important elements such as goal setting, Gardner et al. (2016) suggest the effects on performance are shown to be altered. Gardner et al. (2016) used the goal setting theory to prove trainees' goal

orientations have a significant impact on the designated goals they were given, as well as positively affected their performance on the job. Distinctive goals have distinctive results regarding performance which has been established repetitively in the associated literature (Landers et al., 2017) and when presented with informal goals, an individual's performance will be inferior to the execution when presented with more demanding goals.

### **Achieving Goals by Noticing Relationships**

This theory sets groundwork for the research into small businesses who place a low level of importance on strategic planning as it suggests organizations may need to analyze what type of goals they set for themselves and their employees. Lantham (2016) explains utilizing the goal setting theory provides a framework for priming goals. Further, this theory suggests a commitment to achieving goals has been found to be an important constituent in the connection between goals and the organizations overall performance (Landers et al., 2017). A common theme that can be observed shows when organizations have a commitment to specific goals they wish to achieve, such as the main objectives laid out in a strategic plan, they will be motivated to accomplish these goals (Locke, 1968) and the overall performance will be improved in the process. Relationships can be seen in Figure 1, which illustrate specific strategic planning goals and foundations such as employee performance, customer relationships, and employee engagement. Outcomes may rely on the level of importance small business owners place on the strategic planning concepts. The expectation of this qualitative case study is to show that placing a low level of importance on strategic planning, and the goals within the process, could potentially have a negative impact on the organization's success, while placing a higher level of importance may influence the outcomes in a more progressive approach.

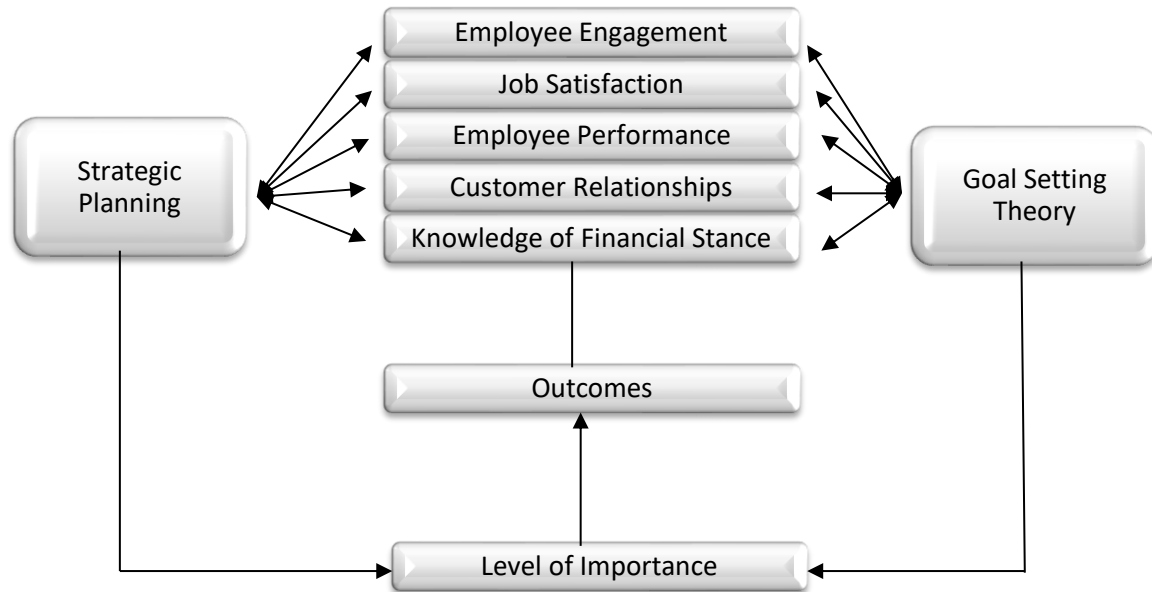


Table 1- Theory Relationship to Strategic Management, and the Impact on Small Businesses in Author's Conceptualization

### Definition of Terms

*Strategic Planning:* Schendel and Hofer (1979) describe strategic planning as a series of logical steps that includes the definition of a mission statement, long-term goals, environmental analyses, strategy formulation, implementation, and control. Wolf and Floyd (2017) define strategic planning as the formalized, periodic process that provides a structured approach to strategy formulation, implementation, and control, and to influence an organization's strategic direction for a given period and to coordinate and integrate deliberate as well as emerging strategic decisions.

### Assumptions

Assumptions could distort the research from providing clear and unbiased information, therefore, it will be crucial to take an impartial stance within the interview process and the presentation method of the data. One principal assumption is that strategic planning is critical in small business survival and placing a high level of importance on strategic planning can impact

the organization positively. A second notable assumption involves the notion that smaller service industry businesses simply do not have the resources available to them in comparison with larger companies, therefore, they are at a disadvantage regarding how much time and effort they can place on strategic planning. A third assumption would be that the managers and owners will answer to the best of their ability, providing truthful and authentic answers that are not scientific in nature, rather reactions to their own experiences. All three of these assumptions are important to recognize in order to remain unbiased and neutral when obtaining, evaluating, and presenting the data.

### **Limitations**

Potential weaknesses in the study present themselves in the area of quality and quantity of sample sizes. Because this study involved the service industry in East Tennessee specifically, the businesses chosen were at random and may not paint an exact picture of the entire service industry in East Tennessee. While the businesses chosen were completely unsystematic, there may be areas of East Tennessee that cannot be represented within the study as not all service industry businesses can be interviewed. Further, the companies chosen had an opportunity to respond to the interview request and some simply choose not to participate, making the sample size smaller. Another weakness was when the entity declined to answer one or more questions within the interview but contributed to the rest. In this case, this will be categorized as incomplete, and will be deemed unusable for the purpose of the study. Another weakness of the study was in the trustworthiness of the businesses to provide true and honest information to the interview questions asked. It may be tempting for owners and managers to embellish their answers to make the business look better or make themselves look better. This is a weakness that cannot be controlled and is a significant limitation to the study that should be noted.

**Delimitations**

Choices made regarding what to include and what to exclude shape the boundaries of the study. The East Tennessee region was utilized to highlight a more precise area that seems to have minimal literature provided in this realm. Requiring the organizations are within the service industry creates a more specific area of examination that will provide business owners the opportunity to analyze, evaluate, and potentially use to their benefit. Minimizing the sample size by creating terms such as employee number limits and operation limits will provide a better understanding of specific small service industry businesses. Electing to utilize a qualitative case study method delivered an opportunity to design comprehensive interview questions to maximize the amount of detail gathered and offered the ability to explain the experiences of the businesses while providing a deeper understanding of their encounters.

**Reduction of Gaps**

The central region of current literature is in obtaining correlations between strategic planning and how it affects employee performance. Williams Jr et al. (2018) explains while there are abundant resources explaining the use of strategy in small business and the positive influence it can have on the performance of operations and employees, little literature provides the explanation regarding the precise level of importance small businesses place on the concept of strategic planning. Williams et al. (2018) suggest strategic planning has recently been in the spotlight of business research and given much scholarly attention, however, the effect of strategic planning on small business operation is undistinguishable. Further, almost no literature exists in the area of strategic planning within the service industry in East Tennessee, and addressing these gaps was a goal of the researcher.

The value of this study related to the expanding problems small service industry businesses face such as high turnover (reference) low employee engagement (reference), tarnished brand reputation (reference) and company closures (reference) by investigating how much of an emphasis the businesses place on strategic planning and what impact that has on these issues. Taneja et al. (2016) find the consequences of inadequate planning are shown to be damaging as they affect the ability to provide jobs and maintain a competitive advantage. Mishra et al. (2015) found that employee turnover and low employee engagement was a direct result of small business owners lacking direction and organization, as well as plaguing employees with too many roles and responsibilities. Further, the trust employees and customers place in the small businesses is impacted by the reputation the organization has within the community. Little research exists in the service industry profession regarding how small businesses can place a higher importance on strategic planning to avoid detrimental issues like turnover, low employee engagement, and negative customer perception of the organization. This study provides new research in the specific service industry arena, as well as the impact and level of importance small business owners place on strategic planning.

### **Implications for Biblical Integration**

The piece of literature discussed in this section is the Bible as a requirement of the institution. The research conducted in this study does not have a connection to this piece of literature. Relating strategic planning to religious associations could be perceived in some respects, one of which is in leadership. While Buddhists appreciate the exemplary guidance from Buddha, Hindus value their many inspiring deities' leadership, and some Christians follow their God's word, leadership is a crucial factor in strategic planning that can allow managers, mentors, supervisors, and directors to set a good example for their followers. For individuals that follow

the Bible, warnings of fearing the leader (the Christian God) and only following one way of thinking to prevent severe judgment by the leader are enormously prevalent. Peter warns “Rid yourselves of all malice and all deceit, hypocrisy, envy, and slander of every kind” (1 Peter 2:1, New International Version) which could translate into steering clear of poor ethics and setting a good example for your employees by leading with integrity and dignity.

In a business setting, strategic planning can allow some employees to benefit from their leaders’ standards and management by understanding the vision, mission, and focus of the organization. Further, business leaders and managers can use some unique biblical principles to follow, even if they are not associated with that specific religion. For example, Exodus warns Christians “Do not mistreat or oppress a foreigner for you were foreigners in Egypt” (Exodus 22:21, New International Version). This concept could be appreciated when managing a small company that employs ethical practices and shows good moral character by not discriminating against employees who practice other religions, have different views on political standpoints, or who simply are from other parts of the world. By showing true and respectable principles such as strong ethical leadership and vehemently prohibiting discrimination, organizations can stay successful in their strategic planning practices and set a positive example for others to follow.

### **Relationship to Field Study**

The relevance from analyzing the low level of importance placed on strategic planning and the effect this may have on problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure should attempt to explain the rationale organizations use. The advantage in explaining the reasons behind these problems will show businesses what steps they can take to avoid these issues. Williams Jr et al. (2018) explain strategic planning provides



direction in the day-to-day operations of a small business, as well as in leading the business successfully. Without this direction, problems can consume companies that may have a negative impact on the overall success of the operation.

### **Who Benefits From This Study and how it Benefits Them**

Both large and small organizations can utilize the information in this study to enhance their view on the importance of strategic planning, as well as incite a consideration into what approach they take within their own businesses and operations. Additionally, smaller businesses, specifically within the service industry, can examine the information presented and apply it toward their unique situations and circumstances. Further, the service industry businesses selected for the study will have the opportunity to be asked questions they may or may not have considered. These interview questions may provoke thought or spark inspiration directly and could provide the operation a possibility of making changes that will affect their own performance, problem management, and future success. Moreover, the employees of these specific companies may also be affected as their companies may choose to implement new strategies, or simply place a higher importance on strategic planning after they have been interviewed and the research is published. Finally, this research and publication could be forwarded to the Small Business Association to utilize as an example which could potentially shape policy administrative changes.

### **Contribution to Strategic Management Field**

Conducting research in an attempt to explain the problems small businesses face with regard to strategic planning and the importance organizations place on this topic should provide additional information to the body of knowledge that currently exists. While there is a lack of research in the service industry with respect to strategic planning, there is a plethora of

information that explains the importance of strategic planning in small business. Business incubators, strategic business advisors, and strategic consultants can also benefit from the work performed within this research study by providing additional information to shape the way they can offer information to the constituents in this field. Individuals should be able to learn useful details that illuminate the importance and impact of strategic planning. The study will attempt to research small service industry businesses and the level of importance placed on strategic planning, which can assist people and organizations searching for material that highlights these facets.

### **A Review of the Professional and Academic Literature Outline**

The general problem addressed is the low level of importance small businesses place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. The specific problem addressed is the low level of importance small business in East Tennessee within the service industry place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. The purpose of this qualitative case study was to enhance the body of knowledge through magnifying the explanations behind organizational and operational issues in the service industry and the impact strategic planning presents small businesses. The research questions asked in this study included: Why does failure to strategically plan lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure? How much of an impact, if any, does strategic planning have in solving

company problems? What types of strategic planning are important in small business? Within the literature review, the examination of current information will be addressed in relation to the problem statement and purpose of this study to further the analysis of strategic planning and its impact on business.

Research traced the concept of strategic planning and the elements in which it is comprised of in a professional setting. The research additionally examined the strategic planning systems businesses use and how they can be incorporated into the operations of a company in order to produce results, while also defining and addressing the problems businesses face. The research and literature recognize strategic planning as beneficial in several areas, it is also liable for failures in business. Comparisons and contrasting components of previous research and findings are presented to analyze the impact strategic planning has on professional operations. Finally, the relationship between using strategy in professional planning and the influence it may have on operational processes is included in the literature review to discuss not only the problems, but the opportunities businesses can identify.

### **Strategic Planning Explored**

Establishing a plan to move the business forward is a concept many organizations understand and is fundamental in the success of the company (Cengiz et al., 2016). However, in order to execute this effectively, businesses are faced with the task of addressing their strengths, weaknesses, opportunities, and threats, which can be exceptionally challenging if the business is not brutally honest about their current situation. (Cengiz et al., 2016). Small businesses may feel they do not need to value formal strategic planning as it could be viewed as a larger corporation tactic, however, the researchers present their position very clearly when making their argument. “Strategic planning is a vital management tool for projecting the long-range business goals and is

not only for big businesses, but also applicable to small businesses in spite of their limited resources” (Cengiz et al., 2016, p.1). In contrast, the literature presented the idea that strategic planning can take resources that small business may feel they do not possess, such as financial resources, experience or knowledge, and time to organize their strategies. The vast challenges are exhibited and the impact of developing a strategic plan is also presented as a challenge that may hurt the company further (Cengiz et al., 2016). This argument contradicts the research from (Valitov & Khakimov, 2015) which highlights the benefit of the development and usage of strategic planning. It is concluded that using strategic planning methods such as SWOT analysis, decision making, and long term or short-term goal setting are in fact elements that need attention in small business. Finally, focusing on the way in which a small business enables effective usage of their limited resources is how the strategic planning process will be able to positively influence their organization (Cengiz et al., 2016).

Differentiating between strategy and tactics is another essential element of understanding the significance of strategic planning in small business. Strategy focuses on the plan and provides a path for achieving the organizations mission, vision, and goals, whereas on the contrast, tactics are the more specific actions that are immediately taken to accomplish the ideas set forth by the larger strategy (Mackay & Zundel, 2017). For example, if a company has developed an element of their strategic plan that specifically states a goal of serving 300 customers on their opening day to achieve a strong community presence, they will need to employ tactics to get there. First, they may put out a social media prompt to reach more people in a short amount of time without utilizing any financial resources. Second, the company may employ a specific referral program that involves a customer receiving a reward for bringing in additional business. Third, they may invest in printed signs and other materials to place in their

storefront to entice the people who can physically see their organization. Fourth, they can use employees to pass out flyers to the public in other areas and events. Fifth, the company can send out an announcement to their neighboring businesses to inform them of the opening. These actions are examples of tactics the business can use to achieve their goal within their strategic plan. Strategy determines what needs to be done and why, while the tactics involve putting an overall intent into action by determining how it will be done (Mackay & Zundel, 2017). Making that distinction is important when developing a strategic plan for the business as owners and managers need to be fluent in not only articulating what they want, but specifically formulating how they will get what they want (Mackay & Zundel, 2017).

Studies rarely build on the questions behind why a small business fails to see the importance of strategic planning (Robinson & Pearce, 1984). Research shows that after examining over 50 planning related studies from small business settings, there are four main reasons for the non-use of strategic planning which include time, getting started, experience or knowledge, and the lack of trust. (Robinson & Pearce, 1984). To elaborate on these issues presented, the time refers to the difficulty finding moments to plan because time is scarce when running a business and managing the operations and problems that can arise. Getting started refers to the lack of experience and exposure to the planning process and may be unfamiliar with how they can start the planning process. Experience and knowledge refer to the lack of specialized expertise needed to create and manage a strategic plan. Finally, a lack of trust refers to the owners or managers being extremely sensitive about sharing their information or decisions. These four reasons for the nonuse of strategic planning shape the assumptions presented in further research in the literature review, and additionally, confirm the claim that

strategic planning is so fundamentally important yet so widely neglected by small businesses (Robinson & Pearce, 1984).

Finding the value in designing a strategic plan for a small business is a feat many owners and managers are unsettled about as this plan is what can dictate the direction and future for the operation (Block et al., 2015). The time, energy, and knowledge it takes to construct a strategy can be stressful and confusing for small business owners, however, if the concept of strategic planning is carefully defined and understood, the person can attempt the process with a more solid foundation. One argument found in the literature is the lack of resources that contributes to small businesses not utilizing strategic planning and seeing the value in the process (Block et al., 2015). While the planning process can take a considerable amount of time, the designing plan itself may not necessarily need to require money. A strategic plan at the base of its meaning is an articulated plan that necessitates an entrepreneur or business generate a mission, vision, a list of goals, and a list of objectives to grow, compete, and expand (Block et al., 2015). This part of the strategic planning process can be a fundamental aspect of entrepreneurship that allows the small business owner to organize their thoughts and ambitions in a formulated plot. Understanding the basic elements in developing a strategy is crucial before beginning a business as this plan is essentially a map to how the business wants and needs to operate successfully (Block et al, 2015).

Examining the role of strategic management and planning in small business has been a concern of many researchers and business organizations as many literature pieces highly recommend the implementation of strategy and goal setting in small business (Ijir & Gbegi, 2015). After a study regarding the usage of strategic planning was conducted on 105 small businesses, the results contradicted the literature as it was shown there was no effect on the

performance of the businesses or improving the operations (Ijir & Gbegi, 2015). This presents itself as a large contrast in the information that is readily available to small business owners that pushes for developing at the very least a small strategic plan. The specific results of the study show that inferior planning has no substantial connection with low performance of small businesses and strategic planning has no considerable connection in improving the operations of small business (Ijir & Gbegi, 2015). The objectives of this specific analysis are incredibly similar to the research presented in the project conducted for this study. The authors were attempting to find out if low performance was a result of poor planning in small business, as well as examine to what extent strategic planning could potentially improve the overall operations within the small business. An interesting contrast in hypotheses was also recognized as the authors postulated the opposite of this specific study in that they did not feel strategic planning had any effect or relationship with poor performance or improving the operations. They argue repeatedly about the overwhelming evidence that suggests the benefits of strategic planning and the relationship with the argument that most small businesses do not strategically plan (Ijir & Gbegi, 2015). Another interesting element to this research was the claim that small businesses only focus on short term operational aspects rather than long term strategic issues, as well as their decision-making determinations that prove to be more reactive and intuitive than formal and proactive (Ijir & Gbegi, 2015).

An impactful claim that rarely are strategic plans ever a live process within companies and the benefits of strategic planning are not realized unless the process is incorporated within the current operations is wildly precise and common (Reid, 1989). This assertion from the author comes from over thirty years ago, however, it is strangely more accurate today as recent literature has confirmed. This is a problem for small businesses, and even more of a conundrum

when paired with the inability to create a strategic plan due to lack of knowledge or resources (Reid, 1989). There are reasons small businesses neglect planning other than lack of resources and professional knowledge (Reid, 1989). One reason involves the daily activities and operations leave them little to no time for planning. A second reason is they fear the problems and severe weaknesses that strategic planning will reveal to them. A third reason reveal the small business owners may feel that future changes simply cannot be planned for. While these are valid reasons, strategic planning helps a owner or manager take advantage of opportunities and potentially be able to manage unexpected problems (Reid, 1989).

Planning in business is beneficial but learning through the strategic management process offers more advantages than just planning alone (Brinkmann et al., 2010). An opposing group of researchers challenges the value of planning in smaller firms when it is related to performance while stating that smaller companies can cleanly open their doors and start operating without the need for formal strategy (Brinkmann et al., 2010). However, the literature points in favor towards using strategic planning to assist in company growth, competitive advantage, to alleviate organizational problems, and to perform better as a whole (Brinkmann et al., 2010). Determining the correct and proper approach to achieve goals and aspirations within a small business is a challenge many owners and managers face, nevertheless, the creation of a business plan and strategy allows the company to address some potential problems challenges before they may occur (Brinkmann et al., 2010).

Empirical evidence over the past 30 years has shown to present the fact claiming strategic planning is one the of the most widely used management tools in organizations (Wolf & Floyd, 2017). On the contrary, there are conflicting studies that state the opposite when highlighting smaller businesses (Wolf & Floyd, 2017). It is believed that smaller firms lack the time and



resources to employ a strategic plan that encapsulates all the necessary components needed such as a SWOT (strengths, weaknesses, opportunities, threats) analysis, mission, vision, goals and objectives, company stance and performance measures, action plans and core values. Further, if small businesses do have the knowledge to create this articulated strategic plan, they rarely communicate these elements with their employees, update their design, or commit to the plan (Wolf & Floyd, 2017). Research provides ample reasons for smaller businesses to decline to participate in a more formal strategic planning process as many owners and managers believe their business will operate and function just fine without the need to formulate a strategy that is communicated with all parties of the company (Wolf & Floyd, 2017). Small businesses may choose to engage in goal setting at the very minimum, however, if they do not explicitly communicate these goals with their employees, they cannot expect the performance or attitudes of the personnel to change or progress for the better (Wolf & Floyd, 2017).

Apprehension in developing a strategic plan is common among small business owners, but an important attribute to note is there is no universal strategy that will ensure a maximum benefit to any organization (Balashova et al., 2018). Formulating the strategic plan is a prominent first step in the process, however, it requires more than simply writing down a list of short- and long-term goals as there are many facets and additions to a strategic plan that will enhance the overall business performance (Balashova et al., 2018). This activity can be used to establish priorities, concentrate energy and resources, reinforce operations, avoid problems, ensure employees are performing seamlessly while working towards common goals, confirm an agreement throughout the organization regarding outcomes and results, assess the direction of the company, and adjust the response to changing environments as the company sees fit. With those features in mind, strategic planning can be responsible for the overall success of the

company, and unfortunately small business owners and entrepreneurs often overlook the value and significance of strategy (Balashova et al., 2018). Further development of business strategy can be useful for researchers to analyze and explore in order to gauge the effectiveness and measure the success of the strategic decisions small businesses make (Balashova et al., 2018).

Small business's performance relies heavily on the use of developing strategic plans and utilizing those ideas and activities to positively impact the business's capabilities to move forward (Bi et al., 2017). Enabling a company to achieve a competitive advantage, avoid organizational issues, and stay innovative are elements that revolve around employing a solid strategic plan for the business (Bi et al., 2017). There is discussion of the fast-changing environments small businesses must strive to keep up with, as well as numerous ways companies can seek out and recognize strategic opportunities to develop their strategic plans. By embracing the importance of strategic planning and understanding the integral components of the company's strategic position, the organization can grow, evolve, and potentially outperform their competition (Bi et al., 2017). As with many of the literature pieces presented in the review, a gap in research exists with regard to the service industry, as well as investigating the importance level small businesses associate with strategic planning. Further research is needed to advance this discussion in an attempt to place a major focus on the significance of strategic planning in small business.

Small businesses are often categorized by the low performance issues and high failure rates which are often blamed on a absence of resources such as financial means, location, and capable employees (Majama & Magang, 2017). Further, while blaming the difficulties and operational issues on these elements is an easy thing to do, the evidence is strongly in favor for implementing a strategic planning process to avoid these problems, as well as recognizing the

value strategic planning will provide the small business itself (Majama & Magang, 2017). An argument made within the literature advised that even companies that have all the resources they need available to them will still fail if they do not employ strategic planning measures (Majama & Magang, 2017). Dominant issues are presented that involve most owners and managers having little to no knowledge in the area of strategic planning, the companies not finding value in planning due to the small size of the business, as well as owners admitting to making business decision based on intuition and not using a thought out strategic based approach. Further, several classifications of what strategic planning means or is comprised of are described in detail within this piece of literature from (Majama & Magang, 2017). One definition sets a claim that strategic planning is a coordination of activities to achieve a company's goals. Another claims strategy is a commitment to go in pursuit of a specific set of actions a business has laid out. An alternative description asserts strategic planning is a continuous process that involves making business decisions systematically and organizing the results to measure the progress and changes needed. A common theme that can be seen within the classifications is the attempt to influence the future of the business as well as the ways in which a business can succeed. A notable feature of this literature suggests that even though there is evidence planning will assist in the future of the business by providing direction, enhancing decision making, and contain setbacks, many owners simply do not see a value or necessity in strategic planning, nor were they able to provide verification they used a plan (Majama & Magang, 2017). The challenges that small businesses face and factors that impede the adoption of strategic planning are discussed to show there is insufficient knowledge of the planning process which was the foremost reason as to why companies did not place any importance on strategic planning (Majama & Magang, 2017).

Within yet another piece of literature from the strategic management field, comes the claim that strategic planning has a strong relationship with the improvement of an organization's performance (Sosiawani et al., 2015). While this area is well documented and heavily studied, the lack of a connection between the level of importance small business owners place on the concept of strategic planning is still prevalent, and further, the link to the service industry in more rural areas is missing. In many studies, the performance was solely based on financial performance and missed the areas of employee retention, customer satisfaction, innovation, quality, reputation, and endurance (Sosiawani et al., 2015). The financial performance does impact the small business, but it is important to note that there are many other areas of performance that involve strategic planning other than the monetary element (Sosiawani et al., 2015).

An interesting argument is made within existing literature that claim strategy is required in order to survive and maintain a successful small business (Ogbari et al., 2018). Because a strategic orientation is beneficial to a company, a positive effect is shown to influence the organizational performance and competitive advantage of a small business when a strategy is implemented (Ogbari et al., 2018). Using this information, it confirms the hypothesis made in several studies that states a strong strategic direction and orientation is crucial for a small business to adopt to achieve success (Ogbari et al., 2018). The article also presents the relationship between a strong orientation and planning system and the positive effect on the company's performance. Further, results of several studies show the more aggressive the strategy, the better the organization will understand the specific direction of the firm, and the goals they need to achieve to move forward (Ogbari et al., 2018).

### **Incorporating Strategy in Small Business**

When incorporating strategic planning into a business model, it is imperative the company and its leadership understand the difference between strategic planning and strategic thinking (Hunitie, 2018). Maintaining successful operations, preserving a competitive advantage, and avoiding operational issues relies on the ability to both think and plan strategically (Hunitie, 2018). The focus is to ensure a differentiation between simply thinking in a calculated manner and acting in a planned fashion within business when making decisions. When the leadership in a business was factored into the scenario, a study was performed to show the effect of strategic planning and strategic thinking was shown to be equally important (Hunitie, 2018). With an equal result such as this, comparing the two presents the significance of how considerable thinking and planning differ in business, yet can be used together to achieve notable results.

Small businesses must be able to choose the entrepreneurial strategies that benefit their unique situations, as well as adopt a process of implementation and incorporation of those strategies (Gans et al., 2019). In order to address a gap in the literature involving the decision-making process of how to plan and employ strategy, a study of the choices small businesses make and how the entrepreneurs make those choices shows evidence and methods to investigate the way companies incorporate strategy. A main strategic challenge for small businesses is how to choose the correct strategic plan for their company (Gans et al., 2019). The authors argue it is more beneficial to choose what not to do, rather than what specifically to do when planning a strategy for the business. The notion of testing numerous approaches may be more beneficial to the business as there are options that can be learned from in the implementation process if they prove to be unsuccessful (Gans et al., 2019). Further, the choice process is explored by showing two options a small business can take which involve either testing a strategy first or

implementing a strategy through experimentation that involves a level of commitment. It was concluded that entrepreneurs can implement and incorporate strategy in their businesses by exploring several alternative strategies before committing to one specific plan (Gans et al., 2019).

Preparing for growth is a component of strategic planning many business owners do not engage in, nor do they feel is important, however, these small business owners still perceive their business as successful (Weber et al., 2015). Many features of planning may influence the strategic direction and small business owners can benefit from preparing for growth before any type of expansion truly happens (Weber et al., 2015). For example, a small retail store may start their company with three to four employees in a small location with a minimum amount of inventory. If this company is ill equipped in their preparation for growth, they can run into several issues that may contribute to the decline of their organization. Not employing enough personnel to manage the demand, not having a large enough space to house the products, and not carrying enough of a variety to appeal to the new and growing customer base are problems can ultimately affect the business undesirably. A company can be successful before growth, but if they do not incorporate a strategic plan, or prepare themselves for growth, they may face detrimental repercussions (Weber et al., 2015).

Small businesses, including franchises, are affected by factors surrounding the implementation of strategic planning, specifically, strategic decision making (Kacker et al., 2016). The performance of a company can be related to the strategies the business incorporates, which correlates with the studies performed to gauge the effectiveness of strategic planning. The growth of a company and the size of their network depends on the type of strategies the business implements, as well as the time it takes to carefully develop, refine, and test the strategic plans to

produce a stronger company focus (Kacker et al., 2016). Overall, organizational growth is seen when companies enact strategies to tackle problems before they arise, as well as easily recognize opportunities for expansion and further development (Kacker et al., 2016). An important note is the inclusion of franchises within the small business realm as these entities can suffer from the same issues non-franchised organizations face if strategic planning is not considered (Kacker et al., 2016). Additional research is needed to measure the effectiveness of the strategic decisions small businesses make which is a common theme across the literature presented.

The integration of strategic management is a complex and risky process that involves studying the widening range of strategic issues that businesses face (Durand et al., 2017). Reviewing the library of strategic management research is a vital component in implementing strategy plans into business, while, on the contrast, understanding the formal inception of strategy was incepted over 50 years ago which has provided scholars and researchers with a plethora of knowledge that has significantly gone through many changes (Durand et al., 2017). A common theme amongst evaluators is a goal to consolidate and redirect the empirical facts and testing that has been performed over that period of time in order to find less fragmented base of knowledge to utilize. Reviewing strategic management literature throughout the history of the concept has a potential to make an important impact on the current status of strategic planning and organization when implemented into a business (Durand et al., 2017). Several important questions are raised within the authors' study which involve how the field has evolved, what the primary sources of field expansion are, what the boundaries of strategic management are, and how reviewing the research of strategy can contribute to the implementation of strategy in the business field. The conclusion brought about many challenges, one of which is an ongoing difficulty in ensuring strategic management and planning are not undermined, rather, it is

provoked to grow and heavily expand. New contributions to using strategy in small businesses are important for researchers to continue to present, as this research assists organizations in their ability to implement the best plan and strategy for their own businesses (Durand et al., 2017).

Literature presented in a study of 248 small businesses claims strategic business planning is in its infancy and there is no consistency in the claims that strategic planning is related to the firm's success (Kraus et al., 2008). This contradicts most research completed within this literature review that states strategic planning is one of the most studied business subjects, especially concerning smaller companies and their performance. Incorporating strategy into small business remains a large contributing factor to the future of the organization even if companies do not officially state they had or have an articulated plan (Kraus et al., 2008). The results of the study go against the author's original claim and hypothesis, as they prove the use of strategic planning is shown to have a positive, highly significant impact on small business performance (Kraus et al., 2008). This literature and research once again validate the importance of strategic planning in small companies.

Strategic choices can be influenced by economic environments, resource availability, and the accessibility to innovation when planning for the future of the business (Gandia & Gardet, 2017). However, when implementing strategy in small business, some companies can become dependent on finding internal or external resources that it can obtain, utilize, and amalgamate to support its strategic plan and purpose (Gandia & Gardet, 2017). When focusing on the choice to use innovation to incorporate strategy into a small business, the notion of cooperation becomes known, as well as the lack of financial resources which may cause a small business to face additional challenges (Gandia & Gardet, 2017). To highlight a gap in the knowledge, it is acknowledged that throughout different industries, the results of implementing strategy will



differ greatly as each specific business has its own unique dependencies, conditions, and environments (Gandia & Gardet, 2017).

A paramount goal within the implementation of a strategic plan is measuring the results it produces, and continues to produce (Sull et al., 2018). The guidelines of a strategic plan do not necessarily need to be complex and involved, they can be simple and flexible so that any entrepreneur, business manager, or owner can understand and incorporate into their operation. The literature argues that a strategic plan should consist of a small set of priorities that everyone in the organization can support to generate improved results (Sull et al., 2018). This contradicts what previous literature has illustrated (Balashova, 2018) as it has been stated a strategic plan should involve an intricate and involved catalog of information a company and its employees can refer to. To analyze this information further, it is argued that a complex set of rules may be too difficult for business owners to generate, and could be too complicated for employees to understand, communicate, and remember (Sull et al., 2018). In contrast with previous studies, the benefits of a more formal and articulated strategic plan may be outweighed by the issues it could present as the starched strategic plans are inclined to be too long on guidance and short on flexibility (Sull et al., 2018). When implementing a strategic plan, it is imperative that the strategy is simple and the priorities, objectives, focuses, initiatives, and other elements are easy to understand by everyone within the organization. The characteristics of effective strategies are outlined to include elements such as limiting the objectives to a manageable number, focusing on the middle ground between short term and long term goals, making smart strategic decisions and choices, addressing vulnerabilities of the business, providing exceptional guidance everyone in the organization can follow, and ensuring the management has a focus on how to effectively

implement the strategy. Adding too many aspects can throw off the balance between guidance and flexibility and hurt the effectiveness of the strategic plan itself (Sull et al., 2018).

Designing and incorporating a strategic plan may be intimidating for small business owners, as many do not understand the concept fully or have the resources to complete a strategic plan (Malone & Santangelo, 1986). Research claims planning is more critical for smaller businesses than it is for larger companies as smaller firms have little room for error (Malone & Santangelo, 1986). This assertion is strangely forthright when compared to other research as it confirms smaller companies do not have the capacity to survive errors and miscalculations like larger corporations do. When faced with a daunting task that impacts a business owners' livelihood, developing a strategic plan may be so overwhelming that it is simply not undertaken. As the literature and research have stated numerous times, the business owners and managers may not have the knowledge of the strategic planning concept fully or may not see the value in completing this task properly (Malone & Santangelo, 1986). What is exceptionally important to note is that a strategic plan does not necessarily need to be a strict and starched process as there are no set rules or regulations on how to complete a strategic plan. The idea is to at the very least have an articulated plan that is available for the company members to view, discuss, and recognize (Malone & Santangelo, 1986).

Significant theorizing and research have concentrated on the characteristics of the relationship between strategic planning and the way organizations can manage their issues, however, a large issue remains to be the uncertainty small businesses face (Matthews & Scott, 1995). While uncertainty comes in many forms, one major participant is the environmental uncertainty as it can be almost impossible to change or influence (Matthews & Scott, 1995). Reviewing the literature shows a correlation between the lack of strategically planning and the

perception of uncertainty, as well as making a claim that small firms lack the essential staff and time to engage in strategic planning and therefore do not plan at all (Matthews & Scott, 1995).

Small businesses do not design plans with strategy as a focus because they perceive the environmental uncertainty to be too unstable to organize or prepare for (Matthews & Scott, 1995). This assertion is in alignment with previous research as small business owners were shown to feel the strategic planning process was intimidating, especially if they lacked the resources or knowledge to create and maintain a strategic plan (Matthews & Scott, 1995).

Growth within a small business is heavily sought after, and the literature presented provides robust evidence that strategic plans and processes that are carefully followed by small companies are the main contributors to the growth of the organizations (Chebo & Kute, 2019). Incorporating strategy into a small business is paramount in the success of the venture, and further research shows that involving the employees in the decision making, planning, and the learning from mistakes to better the future strategies (Chebo & Kute, 2019). For example, using feedback from the employees and management will ensure the personnel is included in the process, as well as has an opportunity to voice their opinions, concerns, and ideas to better the small business. Another example can be seen in the way organizations allow their employees to set goals and establish objectives that they can be responsible for. Allowing the employees to become connected with the goal setting process is helpful for the company. This can be seen in two diverse ways; the employees feel included and empowered to set their own goals, and the owners or managers can benefit from the thoughts and designs the employees have constructed by using their perception to renovate other areas of their strategic plan (Chebo & Kute, 2019). Further, it is crucial to note that entrepreneurs and managers use and incorporate strategic

management and planning in different ways and small businesses may benefit from the various uses as long as the firm's mission, vision, and goals are consistently met (Chebo & Kute, 2019).

### **Managing Operational Issues with Strategic Planning**

Managing issues within the operation can be assisted with a resource-based strategy that can help predict the performance of a small business (Campbell & Park, 2017). A question asked within the literature contains inquiries into the strategic competitive advantages to prevent failure and the strategic management that company uses affecting the overall business performance. The results provided a firm argument that the utilization of strategic management does positively affect the company's performance, and further, also alleviates many of the operational issues a small business can run into (Campbell & Park, 2017). Findings of this research both support and contradict previous research and literature provided by exposing that unique and changing variables contribute to a company's success and performance (Campbell & Park, 2017). Additionally, strategic management allows a small business to understand how to use internal resources to make better strategic decisions which affects the overall growth of the business (Campbell & Park, 2017).

Performance management remains large problem businesses face within their organizations but can be managed with strategic planning which provides the structure to make strategic decisions (Ghee et al., 2015). Smaller businesses struggle with managing performance issues such as employee engagement, financial performance and ultimately the survival of the business itself (Ghee et al., 2015). These issues are commonly seen in smaller businesses that may not have the resources to develop an articulated plan, and more specifically, if the business has been passed to a successor that possesses a different management style (Ghee et al., 2015). This type of transition may be detrimental to the company and its survival as the plans laid out

from a previous owner or manager may not be of similar interest to the new successor (Ghee et al., 2015). By not employing a strategy that addresses how a company will handle a new ownership implementation or management change, the operational issues may worsen, or become a troubling component within the business that impedes the growth process (Ghee et al., 2015).

Numerous researchers have praised strategic planning as a way to assist, alleviate, or even prevent the increase of operational issues within a small business (Miller & Cardinal, 1994). Literature from a span of twenty years was analyzed from 35 studies involving strategic planning and the link to performance. The conclusion rendered similar data from most recent literature in that there is a strong correlation between planning and better performance (Miller & Cardinal, 1994). This specific resource is from over 25 years ago and spanned decades before, but this is important and relevant because it shows strategic planning was just as beneficial to the management of organizational issues and contributed to better performance as it is today. Further, it is stated that methodological differences should be held responsible for the inconsistent findings that contradict this notion, as they are accountable for the debate concerning the value of strategic planning (Miller & Cardinal, 1994).

An increasingly large body of research concentrates on the operational issues small businesses face, while suggesting these organizations engage in strategic planning to confront the problems before they spread (Watts & Ormsby, 1990). The U.S. Bureau of Labor Statistics provides some unpleasant information on small business success rates going into the year 2020. Just over 20% of small businesses fail within the first year, and by the end of the fifth year, that percentage increases to over 50%. More grimly, the ten-year mark shows only 35% of small businesses remain in operation. The research shows consistently that strategic planning is

necessary to achieve longevity and success, however, it also shows that an alarming amount of small businesses neglect to strategically plan which results in harmful consequences and outcomes (Watts & Ormsby, 1990). A strong strategy will include elements that combat operational problems before they begin such as management of finance, marketing, personnel, and overall daily operations (Watts & Ormsby, 1990).

Employing a comprehensive strategic approach and plan enhances small business performance and assists in avoiding operational issues such as employee performance, turnover, company reputation, financial performance, and overcoming failure (Williams et al., 2018). Research provided argues that strategic planning is an essential remedy for problems a small business can face, while improving operations, making smart business decisions, and enhancing the overall performance (Williams et al., 2018). One issue that plagues small business owners is the decision between relying on entrepreneurial instincts or align themselves with what most business classes teach and engage in strategic planning. (Williams et al., 2018). The research is vast in the area of strategy in small business but lacks in the specific way strategic planning can help with the management of individual organizational issues. In the incredibly early years of research into strategic planning, approximately 40 studies were completed between 1970 and 1990 with regard to the effect on performance that produced inconclusive or inconsistent results (Williams et al., 2018). Further, studies performed after 1990 continue to generate mixed results and no relationship can be found linking strategic planning and positive firm performance. These pieces of information contradict the notion provided in this literature review that strategic planning is essential for the success and growth of small businesses. The vexing issue is the irregularity in research, and the ability to determine which studies are dependable, and which studies do not provide accurate or helpful information. Additionally, a common theme that is

present involves the hypotheses in each study that state strategic planning positively affects small business performance (Williams et al., 2018). With all of the literature that is available, it is perplexing to see an immense amount of inconsistent and contradictory results.

### **Employee Engagement and Performance**

Problems in small businesses can arise in the form of employee engagement and overall performance issues, more specifically with the methods that management uses strategic initiatives and behaviors to provoke enhanced performance (Tarakci et al., 2018). Managing employee performance can be executed in several different fashions, however, a strategic approach is used to collect employee feedback at the individual level in order to better the outcomes and achieve a lasting strategic change (Tarakci et al., 2018). Overcoming employee engagement and performance problems are investigated within this study, while showing a strong favor in utilizing a strategic process that involves using performance feedback from the employees themselves. This strategy allows management to plan for changes to transform the company's current processes and overcome their issues (Tarakci et al., 2018). It is important to note the authors' consideration of objective conditions that may indict the organization's strategic position as a cause of poor performance, as well as the lack of current literature that supports this notion. When employee performance falls below a certain benchmark or goal, the company has set, management is then put in the spotlight unfavorably, thus creating a potential strategy for using employee feedback to manage the problems (Tarakci et al., 2018).

Analyzing the organizational behavior within the company is a process that allows the owners and managers to not only observe what affects the employee engagement and performance, but what strategic steps can be taken to ensure employees are frequently motivated and eager to put forth their best effort (Gagne, 2018). Developing strategic goals and plans to

overcome employee performance issues enables the business to take control of the problem before it spreads to the entire organization and helps the consistency of employee performance stay progressive (Gagne, 2018). The literature argues that through strategic planning and development, organizations can set goals for employees to strive for, while measuring their performance in getting to those goals in an attempt to better the strategic processes (Gagne, 2018). Further, the way an organization implements their strategic plan has an effect on the performance of employees as there may be management matters that can influence the way employees perceive the strategic plan. A correlation with (Weber et al., 2015) evaluating the organizational behavior should not only be a part of the strategic plan initially, it should also serve as a way to measure the success of implementing the strategic plan (Gagne, 2018).

Research based arguments claim organizational issues such as overall performance and employee engagement are clearly influenced by the company's strategic orientation and planning methods (Pett et al., 2019). Managing the issue of employee performance is difficult for many smaller businesses as they may not possess the resources to correct behaviors and actions they want to (Pett et al., 2019). For example, if a small bakery has under ten employees and several of them are coming in late, not engaging with customers professionally, or are performing poorly, the manager or owner may wish to either train them with improved methods or fire them. Some may not have the ability to set time aside to offer better training, and others may not be able to afford the loss of even one employee. Using a strategic plan to improve the employee performance conditions, specifically placing a value on learning orientations, helps the business achieve a better position and improvement method in correcting the issues (Pett et al., 2019). Small businesses may struggle more than larger firms as they may not possess the assets involving time, energy, and resources, however, they can take steps to better their strategic



orientation and plans to better accommodate the possibility of future operational issues (Pett et al., 2019).

Employee participation in a strategic plan is a challenge some organizations will face when attempting to manage their operational issues, and evidence from the literatures suggested that strategic planning is one influence that can improve the performance of the company. (Falshaw et al., 2006). Performance in general is studied in relation to strategic planning, however, the issue of employee participation toward the strategic plan has less attention. When a small business designs a strategy, the employees will need to be on board with the elements within that plan in order to achieve the desired results and the constructive involvement of the workforce (Falshaw et al., 2006). Stimulating new ideas, increasing motivation and enhancing internal communication and interactions are decisive features that planning and strategy attempt to provoke. It is important that employees are included in the strategy, especially when setting company goals, aspirations and decisions, as problems can arise that will need swift management if the communication of these fundamentals is not present (Falshaw et al., 2006).

### **Customer Perception and Company Reputation**

Developing a strong and positive reputation within the customer base and community is an element that can influence the stakeholder perception and the state of competitive advantage. (Zhao et al., 2017). An issue that plagues many businesses is the perception of the company to the public, as well as becoming optimally distinct from other competitors, which is vital in the successful continuation of a firm (Zhao et al., 2017). Strategically managing this problem maximizes the firm's overall performance by focusing on a strategic position that uses new opportunities for integration and not conforming to what the industry has used previously (Zhao et al., 2017). It is concluded that there is a shortcoming in understanding the sources and

consequences of managing strategy to develop a constructive stakeholder perception which impacts the reputation of a business. The perceptions of stakeholders have a well-defined effect on the performance of the company, thus making the management of strategic planning and position a crucial component in achieving optimal distinctiveness (Zhao et al., 2017).

Relationships between strategic planning and avoiding problems such as a negative customer perception and poor satisfaction can be seen in the literature spanning decades back (Risseuw & Masurel, 1994). The environmental aspect may have an influence on the way customers respond to a small business, as well as the strategies the business chooses to adopt and manage (Risseuw & Masurel, 1994). For example, a business can construct a mission statement that explicitly states how they want their customers to view them and create a list of goals and tactics to use in order to abide by that mission statement. Further, a business can survey their customers to gather factual information about how satisfied the customer is with the products, services and customer support. Additionally, the business should communicate this strategy with their entire staff to ensure everyone is working toward the same goals, and to avoid operational problems. A critical point made was the claim that consistency is essential in shaping customer perception in any environment (Risseuw & Masurel, 1994).

Enhancing performance through brand management, brand identity and the overall image a company gives off to their customers can be done using strategic focus and planning (M'zungu et al., 2019). An issue small business owners can face is the perception of their company and brand, which affects their overall reputation, as well as the resources needed to build a brand and manage it properly (M'zungu et al., 2019). When strategic planning measures are taken to avoid problems such as a tarnished reputation or brand image, it is shown that the efforts taken have a positive effect on company performance (M'zungu et al., 2019). One measure taken to record the

success rate of strategic planning and implementation was the return of clientele to the small business, as this indicates the customer has a positive perception of the company and respects their reputation (M'zungu et al., 2019).

### **Financial Performance**

Small businesses must make financial decisions that take a considerable amount of experience and knowledge to determine, as well as employ strategic planning to ensure the best financial decisions are made (Calopa, 2017). Often, financial decision making becomes stressful for the small business owners as the livelihood of the operation can ride on the ability to make the correct choices. This notion is studied thoroughly to produce information on the attitudes small business owners have when making these exceptionally important financial decisions that can be heavily problematic (Calopa, 2017). A study of 106 small businesses was presented to highlight the significance in financial and strategic planning, and the business owners' concerns for overcoming the prevalent problem of financial performance. The results indicate a common theme across the research, which is the limitation and gap in literature concerning small business and strategic planning to solve financial issues (Calopa, 2017). To achieve financial success and avoid detrimental financial business problems, the possession of knowledge regarding financial planning, experience in managing financial aspects of a business, and capability to make strategic decisions is highlighted within the study, which, confirms research presented by (Sosiawani et al., 2015) that outline the necessity of strategic planning. Further, it is concluded that using strategic planning to develop a strong financial plan within the business is essential to the firm's performance, progression, and evolution (Calopa, 2017).

The complexity of financial performance in small business is menacing, however, with the proper strategies in place, and the addition of a solid plan, financial performance can progress

productively (Song et al., 2011). When a company uses strategic planning to assist in their daily operations, they can reap benefits such as better financial performance (Song et al., 2011). Issues that present themselves to small businesses include an inconsistent cash flow, low or no access to funding for growth, unexpected expenses, an over-reliance on credit, and ill-chosen pricing on products or services. Utilizing strategic planning to combat these problems ensures the company is prepared or has tactics ready to manage the problems accordingly, and without that strategic plan, the business may be caught off guard resulting in damaging consequences (Song et al., 2011).

One of the most relevant studies within this literature review is the role of economic crisis in the ability to financially plan for the business' future. In 2020, the world experienced the beginning of the coronavirus which no business owner could have planned for or predicted. Studying the strategic orientation and management procedures during a time of economic stability is one variable, however, studying the strategies used during an economic crisis is another aspect, which can be highly beneficial to contribute to the body of knowledge during an unprecedented time. Overcoming the financial problems with strategy is seen in the economic crisis by the ways companies can seize any available opportunities they can possibly find (Beliaeva et al., 2020). Studies show that owners and managers that rely on their strategic plans, specifically financially, are more confident about their prospects for company growth (Beliaeva et al., 2020). An economic crisis is a noble example of an environmental jolt that can send organizations scrambling to reconsider their strategic approaches and plans, while on the contrary, can also strengthen the ability to make sound strategic decisions (Beliaeva et al., 2020). Research argues that strategy is crucial in overcoming financial challenges, as well as recognizing opportunities and becoming more equipped to navigate the challenges during an

economic crisis (Beliaeva et al., 2020). A significant example is the utilization of innovation in an economic downturn to create new and diverse methods for the business to survive such as the strategic usage of any variety of technology.

### **Longevity and Overcoming Failure**

The gravest issue in a small business is the possibility of failure and never being able to achieve longevity. Managing how an organization can handle this problem can be studied specifically by exploring the reasons why failed enterprises collapsed and attempting to make sense of the reasoning (Mandl et al., 2016). For example, a study of 111 companies that had gone out of business provided a table of reasoning to show the justifications of the company closures, which included the written accounts that were posted to each company's homepage online. Many show a correlation involving a lack of planning, specifically financially, as these were the reasons provided repeatedly (Mandl et al., 2016). The research provided claims most businesses had stated financial reasons for the company failure, however, they did not include the explicit details involving the management procedures, if any, they used to counteract the problems (Mandl et al., 2016). An important note provided was the learning experiences the small business owners experienced during failure, and how those encounters could be used to evolve, plan, and potentially start again.

Achieving longevity within a small business can require a substantial amount of perseverance and dedication. Unfortunately, many small ventures will undergo a learning process that ends in company closure; however, it may impact them beneficially if and when they decide to start another organization (Dias & Teixeira, 2017). Using the consequences and the aftermath details of a failed company can be beneficial when planning for the future of a new venture (Dias & Teixeira, 2017). The parts of strategic planning that are uncertain may be less

indeterminate if an owner already has the experience of failure and may use it as a pathway to success (Dias & Teixeira, 2017). Further, while longevity is highly desired among small business owners, the survivors of failure are more adept and proficient in planning for the future of the company (Dias & Teixeira, 2017).

Causes of business failure are vast, however, a common theme within the literature suggests there is a lack of strategy in general, whether that be financially, with respect to gaining a competitive advantage, or internally and organizationally. (Amankwah, 2016). The stream of research and studies have become progressively convoluted and fragmented throughout multiple fields such as accounting, strategy, and entrepreneurship. While the commonality is small business collapse, there is further evidence of a lack of knowledge of the strategy process and the underutilization of the company's resources that contribute to the failures (Amankwah, 2016). Planning involves understanding prior business experiences, avoiding mismanagement, and retaining key personnel, all of which contributed to small business failure (Amankwah, 2016). Poor strategic execution and strategic error are shown to be primary antecedents of organizational failure (Amankwah, 2016).

Relying on professional knowledge is an important feature of business strategy, however, some small business owners may not possess any previous experience or knowledge operating a company (Mueller & Shepherd, 2016). This finding suggests that business owners who have acquired previous professional knowledge are more equipped to use this insight to improve on their future plans and objectives (Mueller & Shepherd, 2016). Failure is a considerable problem small businesses face, however, with the proper strategy in place, and the reliance on professional knowledge, owners and managers can actively take strategic steps to work to avoid insolvency (Mueller & Shepherd, 2016). In agreement with previous literature presented in this

review, failure can essentially be used as a steppingstone to the recognition of subsequent opportunities, in addition to maintaining a positive attitude towards the operational developments and progressions (Mueller & Shepherd, 2016).

General management of the small business plays a key role in the success of a company, as management and the practices used are the driving force that guides the operation forward (Walsh & Cunningham, 2016). Research on this topic is diverse, however, it is noted that management and the strategies they enact can be a reason that small businesses struggle to attain longevity, and may fail (Walsh & Cunningham, 2016). For example, management may make strategic decisions to avoid failure that may involve terminating employees to prevent further damage or monetary loss, attempt to correct a misalignment of the organization to better support the environmental realities, or they may reevaluate their responsibilities and priorities to avoid company collapse. Managing these operational issues using strategic planning may provide a better force to achieve longevity, as well as allowing the owner or manager to understand the harmful warnings of imminent business failure (Walsh & Cunningham, 2016).

Gathering more data to understand how business failure transpires, and the issues that contributed to the inability to attain longevity can come in the form of studying failed small business' experiences. Analyzing what led to the collapse is exceptionally important as this can be used as a complex but valuable learning experience (Atsan, 2016). A study that included 13 entrepreneurs who closed their small businesses after operating for more than three years provided rich information into the specific reasoning they failed, the learning outcomes they faced, and the internal and external factors that led to their decline. A large portion of the entrepreneurs studied admitted they had an inability to calculate costs properly or design a financial strategic plan (Atsan, 2016). Further, the decision-making process and using strategy to

support the choices was unsubstantial at best, while the absence of business and managerial knowledge also played a large role in the failure of small businesses (Atsan, 2016). Exploring this knowledge is profoundly significant as companies can either learn from the mistakes of others by planning for the future effectively and efficiently, as well as using this knowledge of other small business failures to guide them through their own critical situations (Atsan, 2016).

Problems attaining longevity come in different forms, however, the ultimate obstacle for small businesses seems to be avoiding failure at all costs (Jeng & Hung, 2019). Small business failure is a painfully costly event that can be damaging financially, socially, and psychologically (Jeng & Hung, 2019). Managing the issue of longevity is seen in the way a business designs their overall strategy and plan, as well as the way they place value on following this plan through the operations (Jeng & Hung, 2019). Learning from failure typically allows a business owner or manager to reflect on the things they did wrong, the things they feel they did correctly, and the things they would change about the situation knowing what they know after failing (Jeng & Hung, 2019). If a business has never experienced failure or the negative effects that come with a company decline, they may be less informed or knowledgeable in attempting to avoid future failures as they have not been subjected to the rich sources of feedback and experience previous failure can provide (Jeng & Hung, 2019). In these situations, it is valuable to strategically plan for the attainment of longevity as they did not have the opportunity to gain experience from past failures (Jeng & Hung, 2019).

### **Using Strategic Planning Methods as Business Tools**

To give a definition of a strategy tool and the way businesses can utilize this concept, the statement “A strategy tool is a generic name for any method, model, technique, tool, framework, methodology or approach used to provide decision support” (Qehaja & Kutllowci, 2020, p.23)



was given to clarify. Within the literature, several contrasts are given to discover and investigate a gap in the information and lack of empirical evidence regarding strategic planning methods and the use of this concept as a business tool. A study of 314 small enterprises was conducted to observe the extent to which strategy was used, and, while many of the studies presented in this literature review show a common theme that supports the high use of strategy, this specific study showed the opposite when reporting there is an extremely low usage rate of strategy (Qehaja & Kutllovci, 2020). While contradicting many literature pieces, this study also corroborated a common theme throughout the literature which is the scarcity of empirical evidence and literature that addresses the management of strategy and strategic planning in small businesses. Further, the study points to the level of strategic usage by comparing smaller companies with larger companies to conclude that smaller firms do not use as many strategic tools or methods as larger firms. It is highly recommended that companies use as many different strategies and methods as possible to ensure successful practices (Qehaja & Kutllovci, 2020).

Innovation plays an integral part in a small businesses' arsenal of tools they can use to succeed (Arend et al., 2017). The question of whether strategic planning hurts or helps a company's ability to innovate is presented in the authors' study and is certainly contradictive of further research presented by (Qehaja & Kutllovci, 2020). The idea that firms can use strategic planning to focus events and actions to increase productivity and effectiveness is analyzed, while determining firm performance is enhanced as planning precedes a more rational approach in the decision-making processes (Arend et al., 2017). While innovation should be exploited to all levels possible to achieve desired results in a small business, the results of an analysis from over 227 companies shows that strategic planning negatively affects innovation (Arend et al., 2017). This research also, on the contrary, shows that strategic planning is used to achieve high returns

on investments and counteracted the negative outcomes by engaging in a degree of risk taking. The study shows a clear attempt to reveal how innovation is a strategic tool that can be managed in a way that can avoid a negative impact on the company itself. The final result shows a large number of tensions still exists in the available information regarding whether strategic planning can hurt or help innovative activity if not managed properly, which is a crucial tool small businesses can use to attain desired outcomes (Arend et al., 2017).

Building on previous research presented by (Arend, et al., 2017), innovation continues to be one of the most important and useful tools an organization can use within their strategic planning process (Maron et al., 2019). There is an absence in business strategy that impacts the way the organization can move forward, which in turn, can have detrimental effects on the performance and sustainability of the small business (Maron et al., 2019). Ensuring the formal business strategy stays relevant, up to date, and innovative is a way companies can stay prosperous, as well as prompt them to continuously update their strategies (Maron et al., 2019). One common tool to use in a strategic plan is a SWOT analysis, however, many businesses are never provoked to update this helpful instrument. Using innovation within the strategic process to elevate the SWOT analysis tool can benefit the small business in a plethora of forms (Maron et al., 2019). It is important to note that the literature suggests larger businesses tend to pursue a strategy that is higher in innovation, while smaller firms can pursue strategies that may be higher in risk (Maron et al., 2019). This contradicts the idea that smaller firms do not engage in strategy because of the lack in resources, knowledge, and time that was presented in previous studies, however, it does confirm that strategy tools differ between larger organizations and smaller businesses (Maron et al., 2019).

“Formal strategic planning calls for an explicit process for determining the firm’s long-range objectives, procedures for generating and evaluating alternative strategies, and a system for monitoring the results of the plan when implemented” (Armstrong, 1982, p.198). Evaluating, monitoring, and measuring results of a strategic plan is just as important as the implementation, and measurement tools should be utilized to keep track of the information outcomes and effects (Armstrong, 1982). This notion is highly forgotten and neglected by smaller companies as many feel that simply having a strategic plan is enough (Armstrong, 1982). Measuring and evaluating the success is a tool business owners can use to make adjustments or additions to their plan, and further, lets the company know if their strategy is actually working and functioning properly (Armstrong, 1982). Any effective strategic planning process should include an element of measurement and evaluation of the strategies the company has set forth (Armstrong, 1982).

In correlation with previous literature, innovation and innovative strategies are effective when developing the organizations strategic plan. Using innovation as a business tool allows the company to maintain an advanced and progressive strategy that will improve competitiveness, expand financial capabilities, and provide continuing development strategies to be used in the future (Valitov & Khakimov, 2015). It is argued that markets are continuously changing and evolving, therefore, a company’s strategy needs to follow suit and take an innovative approach when designing and abiding by their strategic plans (Valitov & Khakimov, 2015). Businesses that lack the usage of innovative strategies can fall victim to issues within their company that could otherwise be avoided with the proper commitment to innovation and the usage of this tool in the strategic plan (Valitov & Khakimov, 2015). With innovative techniques, the company is better able to use their strategic plan to manage their growth stages, improve competitiveness,

reduce costs, and increase financial stability, and strengthen or improve management capabilities (Valitov & Khakimov, 2015).

Methods to assist a small business in achieving desired results can come in the form of initially understanding the specific strategic concepts that play a significant role in the company's framework, and then using those concepts to accomplish the organization's goals and avoid complications (Jalonen et al., 2018). This type of strategic planning involves meaning-making and concept-shaping elements that involve a level of ambiguity. The argument presented shows a contrast in the outcome, which states the utilization of strategic concepts will lead to a strategic change, however, specific strategic concepts developed by a business can be used as tools to enact a positive institutional change (Jalonen et al., 2018). A central contribution of the study conducted shows the need to improve the understanding of the use of strategic concepts as tools and resources in the operation. It is suggested that the development of new strategic concepts could be vital in assisting companies with the way they set a new strategic direction for the business (Jalonen et al., 2018). The opportunity for future research is explored by suggesting investigating the contrast in how strategic concepts can constrain decisions and functions of the business.

Diversity is a strategic business tool that small firms should pursue to grow their business successfully that is widely researched and proven to impact a firm's survival (Sequeira et al., 2018). There is some evidence that performance in small firms with diverse workforces is higher than in small firms that are not diverse (Sequeira et al., 2018). "The resources a firm holds can be strategically used to drive the firm's direction and give it a sustainable competitive advantage, if these resources can be characterized as valuable, rare, difficult to imitate, and difficult to substitute" (Sequeira et al., 2018, p.32). Further research suggests if the firm has established

procedures and policies to leverage its resources, they will notice enhanced productivity and less negative outcomes in relation to their strategy. (Sequeira et al., 2018). Enhanced problem solving and a more creative stance is shown in the research to be an effect of using diversity as a strategy tool to improve the overall performance of a small business. “Small firms with inclusive organizational climates from inception will experience positive organizational outcomes, such as higher levels of job satisfaction and commitment, and lower turnover rates as they grow” (Sequeira et al., 2018, p34).

Methods of strategy may have a correct or incorrect way of being used, however, it is important to evaluate the results of the strategic methods used when applied, not just the way in which the strategic tools were used (Jarzabkowski & Kaplan, 2015). For example, a SWOT analysis is a strategic planning method that can be seen as a business tool managers and owners can use to assess their future strategies. This tool is used frequently in organizations as many managers prefer this method because it is easy to use and familiar to most, however, it may be executed differently by different managers (Jarzabkowski & Kaplan, 2015). What should be considered is not how the SWOT analysis was used, but the results of the tool when applied such as a better understanding of the firm’s financial stance, confirmation of the competition, or future opportunities for expansion. The literature shows several diverse measurements of success and argues that when strategic planning and its many elements of usage is utilized as a business tool, the company will achieve the right and desired outcomes (Jarzabkowski & Kaplan, 2015). It is necessary to note that the use of strategy as a tool does not necessarily mean the business will succeed, it straightforwardly poses the claim that the use of strategy engages business managers and owners to make strategic decisions (Jarzabkowski & Kaplan, 2015).

Focusing on retaining loyal, dependable employees and avoiding organizational issues such as high turnover and poor employee performance is a portion of strategic planning that may periodically go unnoticed. Incorporating a human resources aspect to the strategy is important for small business owners as superior performing employees are a large part of a successful company (Ballaro & Polk, 2017). Problems can arise that heavily affect a small business regarding employees such as the cost of recruitment and training, as well as the inability to hold on to skilled talent. Almost half of voluntary turnover happens within the first two years of employment, and a generous portion of employee turnover is due to poor hiring decisions. (Ballaro & Polk, 2017). The weight of these problems can be lessened with the implementation and incorporation of a strong strategic management plan that includes a human resources aspect (Ballaro & Polk, 2017). A small business can utilize a training program that ensures consistency throughout the organization, meaning all employees receive the same amount of training and the same elements of training. This confirms all employees were given the tools to perform properly, and the customers who frequent the business will be treated the same by all workers personnel. For example, a coffee shop that utilizes the same training schedule and procedures for all of their employees will ensure a consistency in how the business operates, and how customers, situations, and issues will be dealt with. Should a business choose to skip the training process, employees will not have the knowledge or ability to provide the same service to the customers, nor will they have the educational tools to operate the business the way the owner or manager would want them to (Ballaro & Polk, 2017). Planning is an element that eradicates the uncertainty of how employees will perform by incorporating a component of strategy to provide guidance (Ballaro & Polk, 2017).

### **Conclusion and Review of Literature**

Using strategic planning to combat operational problems and achieve success is recognized repeatedly throughout the literature. The research outlined the concept of strategic planning and the foundations of the implementation process. The literature also explored the strategic planning methods organizations can utilize as well as addressing the problems that businesses encounter. The research acknowledges that strategic planning is advantageous and valuable in most business settings. There were several comparisons made, as well as contradictions and contrasting factors that were explored, however, the conclusion of the literature points in high favor for the benefit and significance of strategic planning in small business. Conclusively, the connection between applying strategic planning and the influence it has on the organization is shown repeatedly and presents several approaches and tactics small businesses can take to create, develop, and successfully maintain their strategic plans.

### **Transition Summary**

This study will attempt to address the problems small businesses in the service industry face and provide an understanding if this can be aligned with the level of importance the business leaders place on strategic planning. Damaging issues small businesses encounter such as high turnover, low employee engagement, financial uncertainty and company closures can produce even further detrimental effects to the economy. While the unique facet of strategic planning in the service industry is underrated in accessible peer-reviewed studies, the attempt to address this gap in the study below is offered. The next section includes the project which will concentrate on the level of importance small businesses place on strategic planning, and the impact strategic planning can have on small service industry businesses by illuminating the specific details of the research study.

## **Section 2: The Project**

This qualitative research case study analyzes the level of importance small businesses place on strategic planning. Section two defines the project and how the researcher completed the plethora of elements included in each task associated with the project. First, the purpose statement is repeated to remind the reader of the rationale behind the study. Second, the role of the researcher is illustrated, the participants are delineated, the research method and design are outlined in further detail, the population and sampling is discussed, and the data collection is explained in a way that allows the reader to recognize how the researcher will be evaluating the data. The instruments used, collection techniques, organization techniques, and an elaborate summary are provided to enhance the data collection segment. The last part of section two addresses the validity and reliability of the qualitative case study. This part of the research study delves into the processes used to gain information and data to analyze further for section three.

### **Purpose Statement**

The purpose of this qualitative case study is to enhance the body of knowledge through magnifying the explanations behind organizational and operational issues in the service industry and the impact strategic planning presents small businesses. The greater problem is investigated through the exploration of the role strategic planning offers to avoid issues such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure at an assortment of small service industry businesses located in East Tennessee.

### **Role of the Researcher**

Qualitative studies require a researcher to gather and analyze data, collecting participants to examine, as well as designing the tools to use such as surveys and interview questions. In



contrast to quantitative research where the studies can be conducted through evaluations without the direct connection of the researcher, qualitative research allows the researcher to become more involved with the data collection process (Sutton & Austin, 2015). One role the researcher can take is to ensure quality of information and presentation. Quality represents a significant concern within research (Twining et al., 2017). The researcher attempted to collect enough information to create a valuable, beneficial, and meaningful study. According to Mooney-Somers and Olsen (2017), research competence is a prerequisite for performing human research. It is an ethical requirement for the researcher to be competent in the methods.

Bias management and challenges were taken into significant consideration which proved to be another role of the researcher. Outcome bias is when researchers consider questionable procedures to be acceptable if the outcome is favorable to the researcher or participant (Sezer et al., 2016). Researchers must remain neutral parties while reading and writing scholarly literature (Shaw & Le Roux, 2017). The hazard of bias to the precision and consistency of the methodologies and designs used in qualitative studies should be heavily respected to show the trustworthiness of findings from those studies (Thorne et al., 2016).

Another role of the researcher was the design of the questioning instrument and the design of the questions within the interview. Singer and Couper (2017) advocated for the use of exploratory and profoundly probing questions in addition to the use of open-ended questions to elicit the required information from the participants in both its breadth and depth. The researcher will use a plethora of questions to ensure a thoughtful and detailed interview experience.

The researcher was also responsible for selecting the data analysis approach to be used once the information is gathered. Thematic analysis is a frequently used approach when analyzing qualitative data (Nowell et al., 2017). Thematic analysis of the data should ensure the

incorporation of transparency, the identification and elimination of bias, and the incorporation of ethical systems into the data analysis process (Castleberry & Nolen, 2018).

### **Participants**

Researchers are expected to act within ethical boundaries when conducting academic research, especially with human participants (Holbrook et al., 2017). Gaining access to participants will involve the use of electronic formats. Due to the COVID-19 pandemic and the restrictions it has placed on the ability to interact with people in person as well as the detrimental effects it has placed on small businesses causing them to be unable to allocate time for a phone appointment. The use of social media to recruit participants in an organic and unbiased manner will be an excellent way to access potential participants. The first step to recruiting participants was to visit a small business social media group that contains several small service industry businesses within East Tennessee. Because the area is small, and the pandemic has closed most of the small service industry businesses, letters to participate were sent out to the members of this social media group and will include owners that had operating small service industry businesses before the pandemic began in February 2020, and owners that still managed to remain open. The researcher's second step was to form a working relationship with each participant who answers the letter of interest to summarize the specific details of the study and the ability to ensure the completion of the interview. This initially involved recognizing their interest in the letter sent, contacting the owner in response by electronic form via email, establishing if they fit the necessary requirements of the study, and explaining in great detail the components of the research. Once these were verified, the researcher then explained further the potential challenges, issues, or unexpected consequences they may encounter. It was critical for all participants to be informed of all the risks and potential benefits to which they can be exposed to by participating

in the research study. This was one of the ways through which the researcher protects the participants from some types of harm (Nusbaum, et al., 2017). All participants were asked to grant permission and given consent forms along with further information on the study they needed to sign before continuing with the process. During this time through the pandemic, many small businesses may not wish to divulge their financial information or any information that may be considered embarrassing. The research design contained confidentiality agreements and the heavy importance of safeguarding small businesses so that no confidentiality breaches would occur. Keeping records, documentation, evidence, and any sensitive information secure remains an imperative component of academic studies (Holbrook et al., 2017). Acting ethically and professionally throughout the interactions with all participants was the researcher's priority.

### **Research Method and Design**

Dean (2018) suggests that qualitative research methodology can be utilized when the business problem is not particularly comprehended and there is an existing appeal to explore the problem thoroughly, this being the principal reason this method was chosen over the other methods. Using a short interview process assisted in the process to provide data that could be analyzed further. Dean (2018) explains the benefits of the qualitative design allow the researcher to observe and explain human actions and while avoiding resorting to generalizing numerical reports, which is the leading reason the quantitative method was not chosen. Windsong (2018) points out the interview process benefits from data collection that is based on the subject's experiences, not data collection of numbers as used in a fixed method. By offering the information obtained through thorough interviews within a qualitative research method, the best technique to convey the situations and experiences of the small business owners and the level of importance they place on strategic planning was to design thoroughly.

The qualitative case study design was appropriate as this type of research is a useful form of qualitative inquiry most appropriate for a comprehensive, holistic, and in-depth examination of a multifaceted problem (Harrison, Birks, Franklin & Mills, 2017). The case study was chosen to explore comprehensively a specific problem within the realm of strategic management. Rahi (2017) explains the case study design presents small group problems and focuses on a particular issue. Further, the case study is preferred when the researcher has little control over events (Rahi, 2017). Utilizing a case study design will allow the researcher to gather information related to the problem statement and provide specific data to dissect the focused strategic management problems. Gaya & Smith (2016) advocate strongly for the utilization of the case study design when accompanying qualitative research, as well as state this is a more rational and suitable approach in the field of strategic management. Gaya & Smith (2016) assert that case studies complement research in the department of strategic management and offer rich data for comprehensive explorations and recognitions of problems in their genuine-life context. Due to the pandemic and the unavailability to meet for interviewing in person, designing an interview that allowed the researcher to ensure quality and thoroughness was a crucial element. This interview was completed through an electronic platform to protect both the researcher and the participants.

### **Population and Sampling**

Eligibility criteria within the population that was accessible was needed to participate within this research study as it involved a multitude of specific elements that must be met to generate any relevant information. The general population for this research study was comprised of the owners of small service industry businesses in East Tennessee. This parameter of the population also included small service industry businesses that were operational before the

pandemic started in February 2020 that will fit the criteria. A small business to be used in this research is outlined by the SBA as a for-profit enterprise employing a maximum of one hundred workers that can include sole proprietorships, partnerships, or franchises (Small Business Administration, 2020).

Showing an appropriate representation of a population remained an important goal of qualitative research (Boddy, 2016). The research included a qualitative case study that will use owners of small service industry businesses as part of the sample of the study. Using only one interview or one case location may not allocate enough information in a study to offer reliable results; therefore, more than one interview or location is advised to achieve saturation (Boddy, 2016). Saturation occurs in the research process when there is no added information or other patterns that appear (Van Rijnsoever, 2017). Because of the limitations with the effects of the pandemic, a goal was to find at least fifteen small businesses as a baseline to participate, and if saturation is not reached, more will be interviewed to reach the goal of attaining saturation. It is important to still achieve the detailed and distinctive information each of the participants in this qualitative study. A base number of fifteen participants would provide insight to the ten in-depth open-ended questions they would answer which will produce over 100 unique answers.

The population was located, and the sample size of a base of fifteen was exceeded to 23, and thoroughly reflected the accessibility of the population. This new larger size allowed the researcher to ask 10 in depth, open-ended questions which will produce a wealth of information to share in the findings. There were 23 small businesses that answered 10 in depth interview questions which provided 230 detailed and unique answers. In defense of the sample size chosen, literature is provided to justify the researcher's decision. Taherdoost (2016) explains the need for choosing the correct sampling technique in addition to discussing the differences between

sampling by simple random, stratified random, cluster, systematic, multi-stage, quota, snowball, judgment, and convenience sampling. For this specific research study, convenience sampling was chosen as the 2020 pandemic has continued to become worse in case infection count and has closed most of the small service industry businesses that are in East Tennessee. Convenience sampling is selecting participants because they are often readily and easily available (Taherdoost, 2016). The strengths for convenience sampling assist in the large list of limitations and difficulties the pandemic has created, however, the weaknesses of this sampling technique include a potential selection bias or a possibility of over or underrepresenting the population (Taherdoost, 2016). The researcher avoided bias by selecting the participants from a general social media group for East Tennessee small service industry business owners, and utilized the participants who responded, and who then fit the specific criteria. Using a smaller sample size allowed the researcher to provide a more in-depth vision, as well as a more potent and robust presentation of the information (Malterud et al., 2016). Further, a study with strong and clear communication between the researcher and participants may involve fewer participants to offer appropriate information power than a study with vague or nonspecific dialogues (Malterud et al., 2016).

### **Data Collection**

Gathering the information for this research study, analyzing it, and organizing the data is focused on in this section. The data collection process is outlined to show how the researcher obtained the information using instruments, as well as the technique of gathering the data which is in the form of a completed interview. Keeping track of data and securing it is explored, as this study will use qualitative data from the different small business owners that were obtained through an interview electronically using an online platform or via voice interviews.

## **Instruments**

The principal instrument that was used in this study was a carefully designed interview taking place electronically or verbally or using another electronic platform that was convenient for the participant. The researcher designed the instrument (see appendix A) by focusing on the problem statement as well as the three research questions. A challenge was formatting the interview to flow sequentially to extract the most amount of information from each business owner as possible. An introduction to the interview was given to specify the difference between strategic planning and a business plan. The order of the questions is imperative to master as this is what should activate each business owner to want to answer. For example, when designing the first question, it is crucial to start off with a simple yes or no prompt that asks each business owner if they utilize a strategic plan in their small business. If they answer yes, the researcher will be able to understand they had a plan in place for their organization. If they answered no, the researcher had an opportunity to understand more with reference to the importance level they place on the strategic planning process by the rest of the answers they provide in the interview. Further, the second question then asks what their understanding of the strategic planning process is. This question allowed the researcher to understand if the small business owners have any knowledge of the strategic planning processes and what they list as their loose explanation and characterization. If the business owner answers with a plethora of examples, the researcher will be able to understand that the business owner has some knowledge of the strategic planning process, however, if they do not provide an answer or provide a few words, the researcher will have the opportunity to understand their meaning of the strategic planning process further. Additionally, more specific questions will be asked to help understand

the influence and importance of strategic planning regarding employee performance, customer perception, financial performance, and, if any, the company's operational problems.

The introduction to the interview provided further details regarding the difference between strategic planning and a business plan. It could be important to differentiate between a small business having a business plan and having a strategic plan as the two could potentially be confused for one another. The clarification between strategic planning and a business plan was worded only to differentiate, and not to provide any information that would sway or influence the participants to answer any questions differently than they would have without the explanation. The introduction within the interview also asked the small business owners to be as honest as they can and to share as much as they felt comfortable as this would benefit the research study by providing honest and detailed information. Business owners were also reminded that this information would be kept confidential, and they would never be associated with their answers for this research study. The main goal of this interview was to gain as much information as possible while focusing on capturing each detail they provide carefully. The interview instrument was challenging to make short enough so as not to overwhelm the participants, but long enough and detailed enough to gain the information this study is going after. The closing statement included at the end of the interview thanks the small business owner for providing their honest answers and again remind them this is confidential and would not be shared with anyone other than the researcher.

Ten questions were used in this instrument, all of which focused around the three research questions and problem statement. Of these ten questions, two were closed ended questions and eight open ended questions. These questions were designed to allow the business owners to think about if they use strategic planning in their small businesses, how they use it,



what elements of planning are most important, and how, if in any way, planning influenced their organizational and operational success or failure. While the questions in this instrument were designed to probe as deeply as possible, it is important to word questions in an open and welcoming manner so the business owners would not feel too invaded. It is also extremely important to use clear and precise wording so the participants are able to clearly understand the question without needing any further explanation.

A pilot test was conducted to assess the appropriateness and validity of the instrument. The pilot test which consisted of the exact same questions as the interview itself was given electronically using an online platform such as Zoom or Microsoft Teams to three former local small business owners unrelated to this study. The researcher utilized the same methodology to collect, transcribe, review, and analyze the data that emerges from the results. This pilot test assisted the researcher in identifying if any of the ten questions are not worded clear enough, if any of the ten questions do not ask the appropriate prompts to gain a deeper understanding, or if any other changes need to be made to the interview to ensure a clear and concise dialogue . The pilot test included the same elements of the main interview given to the main participants. Once the pilot tests were completed by all three business owners and the answers were analyzed carefully, the researcher was able to make any changes needed. After the pilot tests were scrutinized and dissected, the researcher then used this validated instrument as the interview designed to be given to the 23 participants for the research study itself.

### **Data Collection Technique**

An interview is typically a face-to-face, however, due to the 2020 pandemic, the ability to collect data is heavily impaired making it extremely difficult to gather in person. Small businesses have gone through quite the gauntlet over the last few months, so this research study

utilized the interview process electronically to ensure the population, sample size, and ability to collect data without bias was not affected. Using this collection technique allowed the researcher to be able to interview the participants utilizing an electronic platform. It was important for the researcher to consider the participants' experiences and impressions of interview (Wolgemuth et al., 2015) as well as wording the questions in a way that mimics a more conventional live in person face-to-face interview to gain the most amount of detailed information as possible.

Once all 23 small business owners were identified and met the appropriate criteria, the data was collected by contacting each participant for the interview via Liberty University email. Once participants were in the process of beginning their interviews, the researcher transcribed, reviewed, and begin to enter the data collected into the organizational document. From this step, each of the interview transcripts were placed in their own file along with another initially blank document that will be used for organizing the data by theme. The documents were read and internally processed by the researcher in order to start the organization process into an Excel chart to code.

### **Data Organization Techniques**

The participants completed an interview that consisted of ten questions. It was expected that each participant would be able to answer all ten questions which would be organized into its own file along with a blank document that will be used to break down the information by theme. For example, one participant completed the interview, and the researcher analyzed the information collected during the interview. On the blank document associated with this participants' file, the researcher broke down the interview answers into more focused and condensed responses. This was be done for all 23 participants and all ten questions. From this

point, the researcher placed each similar response in an Excel spreadsheet that allowed the researcher to identify patterns and themes.

### **Data Analysis**

An Excel spreadsheet was used as a coding tool to see any repetitions or themes. Each business owner was color coded to show differentiation between the 23 participants. The participants' answers were the same color in all cells; however, the researcher was able to move and organize each answer cell in a way to see the similarities and differences in answers. Additionally, certain colors were used to highlight similar answers to observe themes and patterns. Further, each of the ten questions cells will be listed in order to organize all responses from all participants. The Excel spreadsheet acted in the same fashion a more conventional interview would have as the data was organized in the same method. Deterding & Waters (2018) explain the technologies available to researchers when coding in-depth interviews and processing data, however, they also point out the benefits to utilizing a more traditional approach to coding such as the flexibility and transparency it can provide. While software that is specific to coding qualitative research studies is encouraged by the school, the researcher felt using a more traditional method of organization was more beneficial as it allowed the researcher to do the coding. This also allowed the researcher to use the information cells as an interchangeable puzzle that could be pieced together in a plethora of diverse ways. Further, this coding method, while more challenging to sew together, assisted the researcher in becoming exceptionally familiar with each business owner's answers and experiences. Maher et al., (2018) divulges very specifically the researchers' approach to coding qualitative interview data and argues that the researcher must immerse themselves in the data, which can be unattainable if technology and software is used to organize data. Further, digital qualitative analysis software approaches such

as NVivo or MAXQDA regarding qualitative studies, may not fully encourage the organization and analysis process (Maher et al., 2018) and have potential to hinder the researcher's ability to demonstrate rigor in their studies. To contrast, the use of this software may help the researcher strengthen the analysis in addition to the Excel spreadsheet the researcher plans to utilize. This spreadsheet was crucial to the study as each small business owner has their own unique responses and their own unique experiences. This coding tool allowed the researcher to comprehend and organize the answers, develop an understanding of the similarities and differences, as well as the variations in answers to each question. Further, organizing the data in this manner allowed the researcher to gain an understanding of the level of importance each small business owner places on strategic planning, in what areas the participants feel strategic planning is most important, and how, if in any way, the strategic planning process influences the small business's operations.

### **Qualitative Reliability and Validity**

Eliciting information with a focus on credibility, trustworthiness, and transferability was a goal of this specific qualitative research study. The triangulation of data, researcher role, time spent with the participants, and a reflection of the data assisted the researcher with achieving the internal validity. Further, the external validity was attempted through the explanation of data collection tools and processes, data analysis processes, the reason of the selected research method, and setting the specifically described details with the data collection and data analysis. Information needs to be accurate as well as useful, and the use of many perspectives from participants will allow the researcher an opportunity to achieve these goals.

### **Reliability**

Common critiques of reliability within qualitative research revolve around issues such as researcher personal bias or subjectivity in the research process, and further, skepticism can occur from the scientific community when qualitative research findings are presented (Noble & Smith, 2015). Within the research, achieving reliability remained predominant in the research method as well as in the data collection and analysis. Producing the same results repeatedly by achieving saturation and consistently over repetitive questioning is a target the researcher aimed for. The central concentration of reliability is repeatability, consistency, and stability of the participants' experiences and events (Noble & Smith, 2015). Those specific phenomena's, especially achieving saturation, as well as the researchers' capability to collect, transcribe, and organize the information accurately assisted in achieving reliability.

Specific to this study, the researcher attempted to control the analytical procedures by consistently applying the data collection, data organization, and data analysis methods. The process for selecting participants stayed consistent with all prospective participants and the researcher required that each participant met the same criteria to be eligible for an interview. The participants who met the criteria did not have any relationship with the researcher, therefore, no personal bias was relevant. Further, because bias is more than a personal relationship issue, bias was minimized by asking to participants to review the transcribed results. Participants were sent a summary of their interview in to ensure the researcher was clear and understood their stance thoroughly. The same participants underwent the same process for collection of data. The participants received the same formatted email which was sent prior to the interview. This ensured the participants were willing to answer 10 questions, and the same interview questions will be given to the participants. When the data collection concluded, the same systematic

method for data organization and analysis was used to further certify the reliability. Further, maintaining consistent reliability through the data storage and security procedures was a focus. The researcher created and developed an interview (See Appendix A) that was to gain insight into the experiences of the participants, as well as ask the same questions in the same order with every participant. The researcher was then able to transcribe the finished interviews precisely in an effort to keep the process consistent and organized.

### **Validity**

Accurately portraying the information received in the interview process was another main goal within this research study. Triangulation was utilized within the data sources, and, because the data was analyzed properly, convergent data from participants validated findings. In addition to comparing numerous scholarly articles throughout the study, the researcher used observations and interviews in the triangulation process. When interviews and observations were complete, the researcher followed up the session by asking if the information received and transcribed was correct. There were 23 participants and 230 answers to the ten interview questions, therefore, the time involved in the number of participants and vigor involved in the number of interviews allowed for proper data triangulation to occur. Data triangulation involved the numerous perspectives from the wide range of participants which created a validation of the data collected. Discussing the findings with participants after the interview has been completed was a way to achieve validity as this is a way to obtain feedback to make any modifications that the participants may feel are needed. Further, validity was achieved by ensuring the questions and interview stay consistent and are phrased the same across the board with all participants. Creativity and subjectivity is often argued to be a challenge within qualitative research when establishing validity because the researcher may find a bias (Cypress, 2017). However, validity

itself is the extent in which the conclusions and findings of the qualitative research study can be applied to diverse situations, or the extent of how generalizable the findings are (Cypress, 2017).

For the purpose of this specific study, the researcher took detailed accounts of experiences from the participants in order to exhaust the interview questions. Further, the researcher then presented the findings back to the participant to ensure the accuracy of those detailed accounts and experiences. Establishing validity happened by eliminating any type of biases, as well as by diligently and accurately organizing interview transcripts. By finding businesses that the researcher has no affiliation with, the researcher made an honest attempt to minimize all bias from the study, and, if any bias occurred, the researcher was sure to document the bias in the findings. No bias was found or documented. Further, applying the same method and process consistently to each participant in the interview ensured the researcher's observations are valid. It could be noted that the duplication of this study with various locations and owners would result in a higher level of external validity. Validity was sustained through the utilization of triangulation in which the researcher's interpretations of the answers and reactions within the interview process were presented to the participants for their assessment and verification.

### **Transition and Summary of Section 2**

Conducting a study involving the level of importance small businesses place on strategic planning provided more data to the strategic management field as well as offered a qualitative research case study analysis for future researchers. Section two characterized the overall plan and how the researcher will attempt to complete the elements included in the research study. First, the purpose statement was reiterated to recap the justification for the study. Second, the role of the researcher was presented, the participants were described, the research method and design was formed in detail, the population and sampling was delineated, and the data collection was

explained specifically for the reader to become familiar with how the researcher will be assessing the information. The instruments used, collection and organization techniques, and an elaborate summary were presented to improve the data collection element of the research. The end of section two concentrates on the validity and reliability of the qualitative case study while addressing triangulation and saturation. Section two provided the processes used to gain information and data to analyze further for use in section three where the results of the qualitative research study will be presented in detail.

### **Overview of the Study**

This qualitative research study was intended to research the importance of strategic planning in small service industry businesses, as well as to obtain information that related to strategic planning and problems small businesses can face such as turnover, low employee engagement, financial uncertainty, low job satisfaction, poor employee performance, customer dissatisfaction, and potential company closures. Root causes of these issues in small businesses can be tricky to pinpoint and can be the result of many organizational and operational factors. Relating strategic planning to these problems is a main focus of this study and the interview questions that were asked to small business owners. While literature in this study pointed to negative consequences of poor planning Taneja et al. (2016) as well as the lack of necessary tools, education, knowledge, and experience, Sirelkhatim and Gangi (2015), the findings suggest planning is a critical component in the operation of a business and impacts the overall function of the business substantially.

The general problem to be addressed is the level of importance small businesses place on strategic planning that could result in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction,



tarnished company reputation, and company closure. The specific problem focused on small service industry businesses in East Tennessee and the level of importance they placed on strategic planning. The qualitative study was designed to encourage an understanding of small business owners' perspectives and specific experiences. Using a qualitative approach was necessary as business problems and situations can be complicated to understand (Dean, 2018) and there was an interest in exploring problems more thoroughly. The benefit to using a qualitative method was avoiding giving a generalized numerical report, and instead, observing and explaining human actions in a comprehensive manner. Further, using a carefully crafted interview allowed the researcher to understand each small business owner's viewpoint, as well as providing further insight into each interview question relating to the basis of the study. Understanding the impact of strategic planning in small businesses was the goal and using a qualitative approach that included interviewing 23 small businesses was a method that assisted in achieving this objective.

While one question guided this qualitative research study- "What level of importance do small business owners place on strategic planning?", there were three research questions the researcher aimed to answer which are as follows:

RQ #1: Why does failure to strategically plan lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure?

RQ #2: How much of an impact, if any, does strategic planning have in solving company problems?

RQ #3: What types of strategic planning are important in small business?

These questions supported the aim of the research and helped guide the researcher in designing the interview questions, as well as attempting to understand each answer thoroughly and comprehensively in order to present the findings after the data was combined and analyzed. Enhancing the body of knowledge in relation to strategic management and strategic planning affecting operational and organizational elements was a focal point and provided a solid purpose of the study. The researcher played a role in this study by designing the research instrument, and was to remain free of assumptions and bias, as well as gather and analyze the data from participants they acquired.

Eligibility for this study was straightforward and relatively uncomplicated. The 2020 pandemic did present challenges in this research study, however, the research amended the eligibility requirements to include businesses that were open prior to the 2020 pandemic requiring businesses to close, and, for some, permanently closing their doors for good. The small business owners who responded to a prompt to participate in a research study were to be of the following requirements:

#1. Be a legal owner of a small service industry business (businesses could include those that may have closed permanently due to the 2020 pandemic, but were operational before the government shutdown starting February 2020)

#2. Own a business employing less than 100 people

#3. Operate their small business in East Tennessee

#4. Be 18 years of age or older

#5. Able to answer 10 diverse questions relating to their operation

These requirements allowed the researcher to begin the interviewing process that spanned over 23 small businesses. Each answered 10 questions designed to provoke thought and incite a

plethora of information about strategic planning within the small business. The researcher transcribed each interview word for word and amassed over 150 pages of transcriptions from all of the interviews. Once all 23 interviews were completed and transcriptions were verified, the researcher then categorized the answers into a chart to be analyzed for patterns, similarities, differences, and themes. The purpose of organizing and analyzing the data in this fashion was to understand the comparisons and contrasts of each small business, as well as the topics that were most prevalent within the interviews. It should also be noted that the researcher initially started with a goal of interviewing only two small businesses to compare and contrast as a case study, however, the researcher was advised to increase that number to five. In further months, the researcher was then advised again to increase the number of participants to eight, and then to 10. After more edits were made, the researcher was told to add another five participants to the study for a total of 15. Finally, the researcher was advised to add another five participants for a total of 20. After much contemplation, the researcher added another three participants for a grand total of 23 to ensure saturation was not only met, but it was exaggeratedly exceeded with great detail. While this seemed extremely excessive, it was advised that saturation be proven without any doubt. Overall, the findings showed quite a few parallels and matches that were made almost instantly.

The design and fulfillment of a graph table chart to initially organize the data from 23 small businesses with 10 answers each was the first step in presenting the findings. This chart held 230 answers to eight open ended questions and two close ended questions. To streamline, the researcher summarized portions of the transcriptions into the chart to make a more manageable visual. This allowed the researcher to see where they could make comparisons, find

discrepancies, match answers, and formulate the themes most expressed. Further, this chart also allowed the researcher to understand how to present the findings in a categorized manner.

To begin, all 23 small businesses interviewed were given a pseudonym to protect their identity, business name, and specific location as this was a confidential and protected study. For example, the first small business was given the pseudonym “SIB1” and this ended with the last small business given the pseudonym “SIB23”. This was not only to protect each owner and each small business but was also beneficial in organizing the data into a chart to make smaller cells along the vertical axis of the chart. Then, each question was listed out on the horizontal axis at the top of the chart in full written form. For example, the first questions asked was, “What is your understanding of strategic planning in small business?” The 10 questions were listed out on top of the chart to allow each space below them to be filled in with each different answer from each of the 23 small businesses. Once the chart was full, the researcher was able to begin analyzing the patterns, similarities, differences, discrepancies, and themes. From this information, colors were used to show the same or very similar answer. For example, in question #1, “What is your understanding of strategic planning in small business?” The researcher would highlight each answer that said something similar to “none” or “no understanding” in red and was able to highlight answers that were the same or similar to “fully understand” or “use daily” in the color green. Another example is in questions #2, “Do you utilize strategic planning in your own business?” This was one of the two close ended questions and was relatively simple to organize by color as all of the participants that said “yes” were highlighted in lime green, and all of the participants that responded “no” were highlighted in pink. This gave the researcher a solid visual in which to begin finding the patterns and themes. For a third example, and one of the more complicated and difficult questions that could not possibly be replicated as they are one

small business owners experience and no one else could ever have that same experience, the researcher needed to find the themes and patterns within the answers that allowed them to align these answers with the 22 others given. Using a color-coded system was similar to questions #1, however the more in-depth questions (4-10) were long answers that required the researcher to thoroughly comb through each transcription and find a summary that paired with the specific question in order to find the resemblances and connections. In just a very few cases, no matches were found, however, this accounted for a very small portion of the results. Quite obviously, the two open ended questions were the easiest to organize, while the eight open ended questions proved to be rather challenging to organize as each small business owner has their own unique circumstances, situations, and experiences. The interview questions were as follows:

1. What is your understanding of strategic planning in a small business?
2. Do you utilize a strategic plan in your own business?
3. What level (high to low) of importance do you place on strategic planning within your own business and why?
4. What elements do you feel should be included in a strategic plan for a small business?
5. In what ways do you feel it is significant or insignificant to have a written strategic plan that can be referenced and revised?
6. What roles do you feel strategic planning plays in your business's financial performance?
7. What roles do you feel strategic planning plays in your business's employee performance and satisfaction?
8. How do you feel strategic planning impacts the way customers perceive your business?
9. In what ways do you feel strategic planning could influence the closing of a small business?

10. In what ways do you feel strategic planning could affect overall operational problems?

It is important to note that before the questions were asked, each small business was informed of the difference between having a business plan and utilizing strategic planning within their business to differentiate these two distinct elements. The pilot tests showed many people confusing a business plan with a strategic plan, so, the researcher clarified a business plan is something a business has to take to a bank to apply for a loan, or may have as a general plan for the business vision and mission to be achieved, while a strategic plan is mostly a written document that is frequently changed and updated to be used as a ongoing plan for the day to day operations, as well as the goals and objectives the business wished to meet. Once this difference was prefaced, the interview began with question #1 and ended with question #10.

The goal was to find the similarities and differences in these answers while also appreciating and sharing their encounters. To the researcher, it was important to study each small business closely and carefully while listening to each answer of each interview given. The initial aim of the study was to provide each answer in detail to showcase the tremendous effort put into the operations of a small business and how this related or did not relate to strategic planning. Because the goal post of the number of participants was moved so frequently, and so massively, the study had to instead focus on reaching saturation. To recapitulate, saturation occurs in the research process when there is no added information or other patterns that appear (Van Rijnsoever, 2017). Because this is a qualitative study and is to focus on the experiences and unique occurrences with each individual small business, this research could have gone on indefinitely, as no experience or viewpoint on a personal occurrence can be duplicated, ever. Further, because the majority of the interview questions were open-ended and geared to explore the unique experience of a small business owners own experiences, the possibility of perfectly

matching answers is impossible, and therefore could never conclude with perfectly matching circumstances or happenings. Reaching saturation with a qualitative study, with open ended interview questions did not rely on duplicating exact answers as this would be impossible. Rather, saturation was achieved by finding equivalent and harmonizing information that could be partnered with a slightly similar response. For example, interview question #6 asked, “What roles do you feel strategic planning plays in your business’s financial performance?” This question would be answered in millions of diverse ways if a million participants were asked as each small business owner has their own individual and unique point of view, as well as diverse experiences that lead them to what they want to answer. The researcher’s responsibility was to take the answers and information given from each small business, organize it into the chart, and then analyze each answer very carefully for any similarities, patterns, or themes they saw in the varied answers that were given. To be clear, saturation by this method was achieved within the first five interviews completed, however, for the sake of the study, 23 small businesses were used to drive the point home.

### **Presentation of the Findings**

This portion of the dissertation discusses the research process in detail, the themes generated from the analysis, and ultimately presents the findings of the research. First, an overview of the study will be provided to summarize the basis of the design with relation to the research questions. The research instrument used is specified in detail and each question of the interview will be dissected. Further, the interview answers of the small businesses are provided to reveal the experiences of the owners and their stance on the importance of strategic planning. Themes are discussed, particularly how they were recognized and developed, and the relationship of the findings to individual elements of this research is analyzed. Additionally,

conclusions regarding the findings, the initial problem that was to be studied, and the relationship to the literature will be explored meticulously. Finally, synthesizing the results and connecting them to the importance of relevance in the strategic management field is considered.

### **Themes Discovered**

Four themes, including two sub themes, were established after organizing and analyzing the data from the interview questions each business owner provided. First, all participants asked for more information and clarification before answering the interview questions. Under this theme, a sub theme was discovered that involved 61% of participants asking for an example of the specific interview question before giving their answer. Second, 96% of participants had a sudden realization of the use of strategic planning within their business after the interview was completed. Under this theme, a sub theme was discovered that involved 96% of the participants changing their perspective on the use of strategic planning within their business. Third, 78% of business owners stated they placed a high importance on strategic planning. Fourth, all participants referenced covid as a challenge in planning unprovoked by the researcher.

### **Interpretation of the Themes**

Before the data is presented and the synthesizing methods are explained, the configuration of information was assessed for themes. The researcher was able to gauge patterns and themes after interviewing the small business owners and transcribing the interview data. Discovering ways to code the themes was the first initial form of organizing the information. Many answers were short, however, there were still 230 answers that made up the findings. As outlined in several previous sections, utilizing an Excel chart was the method to organize the data. To interpret the themes with a rich and robust understanding, transcribed data was entered into the chart to be analyzed and then organized to find patterns. An important part of the



researcher's goal was to use direct quotations and these components were to be sectioned out carefully by hand. The researcher was able to use the chart to code the data with colors and therefore was able to benefit from a more clear and relevant comprehension and appreciation for each unique answer. Using the chart developed, the 10 interview questions were placed at the top of each column on the x axis and each small business was listed on the side rows of the chart on the y axis. Notes from each answer to each question was placed into the appropriate cell to help the researcher organize the data and better comprehend the comparisons, contrasts, and patterns. Direct quotes were given their own column so the researcher could section them off from the cells exclusively. Streamlining of the data took place to see the information more manageably and most importantly, data that was relevant to the questions. After evaluating the streamlined information within the organizational Excel chart, the researcher was able to use similar sayings and rare keywords to streamline further. Once the information was simplified into the cells, there were several themes that presented themselves almost immediately. Because the researcher was required to remain neutral and free of bias, as well as stray away from any anticipated themes or predicted answers, there was no element of surprise in each theme that was discovered. Using an Excel chart made it clear to see the patterns develop, as well as the noticeable differences in each small owner's experiences. To understand the data fully, themes are briefly discussed as they are interpreted by the researcher. Then, that information is dissected to dive into each theme individually and explore the revealing details and full analysis of each theme under the representation of the data section.

***Theme #1. Participants Asked for Further Explanation on the Meaning of Strategic Planning (100%)***

This theme dealt with the small business owners asking the researcher for more information or clarification once the researcher finished asking an interview question. This is a theme that developed after the researcher was able to organize all qualitative answers into the chart to see the comparisons, differences, similarities, and patterns. Undoubtedly, the first topic to reveal itself in enormous volumes involved the very first question, “What is your understanding of strategic planning in a small business?” The first initial reactions were “none”, or “it is a form of planning.” All participants asked me to elaborate further on this question before they added in their clarifications to their initial reactions. After only 5 interviews, it was very clear the small business owners were interested in more information before they would answer some questions. Before the 10<sup>th</sup> interview this trend was observed, and the theme was developed. It appeared many did not want to come across as unfamiliar with the subject, or inexperienced, however, when asked to clarify or give an example, the researcher noticed each business owner become more aware of what was asked and realized that they simply do not use that “professional terminology” for what they consider to be simply everyday planning. For example, SIB1, SIB8, SIB12, stated they engage in a plethora of activities to ensure a smooth-running operation, however, they never thought to classify these actions formally as “strategic planning.” When I inquired further about the types of activities, they do to ensure a smooth-running operation, they listed off things like financial planning, event planning, employee scheduling, inventory management, and other various tasks that most strategic plans for a small business would include. This was interesting for both the researcher, as well as the participants

themselves as they realized how much work they put into running a smooth business whether it be day-to-day, weekly goals, monthly objectives, or yearly visions.

***Theme #1a. Participants Asked the Researcher to Provide an Example of Some Interview Questions Before Giving Their Answers (61%)***

This theme involved small business owners explicitly asking the researcher for a specific example that pertained to the question the researcher asked. In some situations, the researcher was asked to provide a vivid illustration that would help the small business owner answer, however, because this study was to remain unbiased and neutral, the researcher was able to give neutral examples that did not sway the participants' answers. While the researcher was conducting the interviews, the notes were put into the chart to see the comparisons, differences, similarities, and patterns. This theme was observed after noticing many of the small business owners asked for elaboration. The researcher needed to provide examples for questions to further help participants understand what the questions were asking. This theme presented itself within the first few interviews and became a predictable pattern. While the interview questions were worded in a manner found to be conducive in obtaining the most amount of information, it was apparent that most participants felt more comfortable answering if I gave an example or short explanation first. For instance, 14 small businesses, SIB4, SIB5, SIB7, SIB8, SIB9, SIB11, SIB13, SIB14, SIB15, SIB16, SIB17, SIB19, SIB21, and SIB23, asked me to give examples or some element of clarification for questions #4, #6, #7, #8, #9, and #10. Within the pilot test, this was not common, however, this question to elaborate further or provide an example was prevalent within these specific questions. This gave the researcher an idea for future research studies and the wording of certain questions, however for the purpose of this study, the same examples were given to each small business owner in order to keep consistency across the study.

For example, when a participant asked for clarification and an example for question #4 “What elements do you feel should be included in a strategic plan for a small business?” the researcher would state “Some examples would be things you feel as a small business owner that are important to you and your success. This could be ensuring you have enough employees to work that day or what your goals are in the future. Anything that you would want to plan for as a small business.” As seen, the researcher kept the clarifications and examples as vague and ambiguous as possible in order to avoid tainting their answers or influencing their answers in any way. An important note is that none of the small business owners used the examples and clarifications I gave when they provided their answers. The participants had their own unique answers and elements they felt were important to include in a strategic plan. To conclude, it was apparent that a main theme within the data pointed toward the participants needing more information and clarification of the questions before answering.

***Theme #2. Sudden Realization of the use of Strategic Planning Within Their Business After the Interview was Completed (96%)***

Upon completing the interviews, 96% of the small business owners specifically stated they realized they may have been using strategic planning throughout their entire operation and may not have known that they were doing so. This theme was developed after noticing many participants understood the meaning of the strategic planning term after talking about it, and recognized it was an action they do without knowing it had a term assigned to it. Almost all the business owners concluded that they did utilize strategic planning more than they thought, even if they said they used it in the beginning. The realization that strategic planning was used more than they previously stated was a theme noticed while organizing the data. This theme was observed almost immediately after the first five to six small businesses; however, it continued all

the way to 22 out of the 23 small businesses. This may tie back to the first theme in which many business owners initially thought they did not use strategic planning, but as the questions and conversation went on, it was apparent they could make the connection to what they were answering with how that directly related to strategic planning quite literally. This was a positive highlight in most of the concluding statements of each interview as it was noticeable that each small business owner had a feeling of accomplishment and understood they were responsible for many elements of strategic planning even though they thought they may not have in the very beginning of the interview. This theme provoked more than just an answer to a question, it seemed to have provoked a feeling of achievement. This theme also begged the question of if strategic planning and the use of that terminology is as widely used or understood as business academia would lead one to believe.

***Theme #2a. Participants Changed Their Perspective on The Use Of Strategic Planning Within Their Business (96%)***

After the ten-question interview was completed, the small business owners wanted to change their viewpoint or perspective on the use of strategic planning in their own business from where they felt they stood on the topic before the interview started. This is a theme that was developed after the researcher had streamlined the interview answers and was able to organize the data into the chart to see the comparisons, differences, similarities, and patterns. The majority of participants interviewed did, in fact, use a strategic plan within their business. However, this element was changed throughout the process of the interview as some started by saying they did not use strategic planning, then realized they may actually utilize some form of strategic planning after some conversation, and then, finally, asking to update or change their answers. Only one out of the 23 businesses said their strategic plan was “strictly intuitive” and they simply

did not need any type of strategy to operate their business. Saturation was overwhelmingly reached immediately, however, there was one small business that had another experience that did not coincide with the other 22 participants. It is important to note that many of the participants asked to change their answers once they reached the middle or the end of the interview. This was a pattern as many stated after they realized how much they have to plan and organize their daily, weekly, and monthly operations, they did see the common line between their actions and strategic planning promoting a change in their stance on its usage. Many that said they did not utilize a strategic plan in the beginning of the interview, asked to change their answers, as well as their stance on strategic planning saying things like, “Oh, well I guess I do strategically plan quite a bit after all” (SIB3) or, “Wow, I didn’t realize all of these things fell under the terminology of strategic planning” (SIB1). It was interesting to see many small business owners felt a sense of accomplishment after completing the questions as the interview did cover most of the problems a small business can face, and how strategy and planning can impact these issues. To conclude, the pattern of realizing they utilized some type of strategic planning within their organization occurred when the interviews were completed, and the theme was established once the researcher was able to streamline and analyze all data trends.

***Theme #3. Business Owners Stated They Placed a High Importance on Strategic Planning (78%)***

This theme encompasses the statements small business owners made in determining that they placed a high importance on strategic planning. Under this theme, 78% of business owners stated they felt it was of critical importance to strategically plan. This is a pattern that was observed and then developed after the researcher had analyzed the data and organized the chart. The researcher was able to conclude from this theme that a high importance is placed on strategic

planning for the overwhelming majority of small business owners interviewed. Duplication in the answers to the questions was observed, again, almost immediately, and it was surprisingly refreshing to see that three had a different viewpoint. While only a few, (SIB19, SIB3, SIB10, SIB4, and SIB16) said they placed a medium to medium-high importance on strategic planning, 18 small business owners agreed that strategic planning was a crucial element to their success and to avoiding problems like turnover, customer dissatisfaction, and financial performance. This theme was a critical find for the researcher in answering the main question that drove the start of this study which involved the level of importance small business owners placed on strategic planning. The interesting portion of this theme is that it can be related to the other interview questions that involve the direct elements of the research questions. For example, if a small business placed a high priority on strategic planning, they also answered the questions regarding employee engagement, financial performance, customer perception, and company closures with answers that reflected how important it was to notice these operational problems and take care of them immediately to plan strategically for the success of the business. This theme was extremely important to establish answering the research questions specifically. Because this was a direct research question, the researcher was able to use the answers each participant gave to precisely answer the question and contribute what level of importance the small business owners placed in strategic planning. This question and theme duo was also the inspiration in naming this research study.

***Theme #4. Referenced COVID as a Challenge in Planning (100%)***

This theme involved the small business owners stating COVID was a main challenge when trying to plan within their business, even though *any* COVID subject matter was never brought up by the researcher. This pattern of referencing the pandemic was a theme that was

noticed immediately. While this theme did not have to do directly with the research questions or the problem that was studied and was not provoked or specified by the researcher in any questions, it was the most notable of this entire process by far. The discussion of the 2020 COVID pandemic was mentioned with vigor. This theme was abundant with all small businesses stating they faced challenges to planning because of the situation the pandemic placed them in. The researcher started this dissertation process before the pandemic had started or was known about publicly. When the researcher was approved to begin the interviewing process, the pandemic had just hit the world harshly. This was an across-the-board theme with all participants mentioning COVID at some point throughout the interview as a challenge in planning. All business owners spoke of how the pandemic affected them, their planning, and their ability to plan for the future. While this was not a question within the interview, or talked about when trying to elicit data, all participants included many thoughts on how the pandemic had altered their business operations, their business problems, and their overall success and future plans in general. This was unavoidable as the unprecedented disaster negatively affected all small businesses substantially. This was talked about with all participants completely unprovoked, but very interestingly enough, it was a very prevalent topic of discussion as this affected almost every element of small businesses and their operational and organizational functions.

These four main themes, with two sub themes, seemed to show directly and vividly how saturated the data was. Saturation occurs when no other patterns or added information appear (Van Rijnsoever, 2017). No other patterns or information had been presented after 10 interviews, however, as required by the institution, the researcher exceeded the sample size and expanded it to 15, and then surpassed that requirement by eight additional participants, bringing the total to 23 small businesses interviewed. With a larger sample size in the hundreds, it would be a



possibility that more information or patterns would emerge, however, the same material, same data, and same evidence supported the researcher's conviction in reaching full saturation. This was a qualitative study and focused directly on the diverse experiences and perceptions of unique and different small business owners, and, fortunately, it was apparent by the end of the last interview that the data was able to show enough of a pattern to see the similarities and differences very clearly. Each participant did, in fact, have a unique and different answer to each question that the researcher used to gain a deeper understanding of their situations. In some case, the participants' answers mimicked the circumstances of other small business owners, which allowed the researcher to recognize each pattern and trend to formulate themes. The researcher was able to see overly saturated areas and immediately from the patterns and themes presented in this section and started the analysis to represent the data.

### **Representation and Visualization of the Data**

With the intention of illuminating the themes comprehensively, each interview question will be listed, and answers to each question will be discussed to illustrate what participants experienced and have undergone within their unique experiences. Once the interview questions are explored, why they were asked, and the purpose of the specific questions asked, the themes are brought back in to discuss again. The purpose is to clarify the relevance of each theme and how the questions allowed these small business owners to explore their own encounters and occurrences they are familiar with. Quotes are included and explicit excerpts from the interview transcriptions will be included to provide a deeper understanding of the small business owners' experiences and a thorough account of the perceptions the participant's had will showcase a rich contribution to the body of knowledge in the small business strategic planning field.

To begin, the first question the researcher asked each of the participants was, “What is your understanding of strategic planning in a small business?” This question was asked to understand if the small business owner had any prior knowledge, education, or experience with strategic planning. Further, this question was asked first to start the interview off with the main focus of the rest of the questions. This set the tone for the interview and also allowed the researcher to circle back at the end of the interview to see if the small business owners wanted to change their minds about how they had answered. As you can see from the themes stated above, this was a main question the small business owners wanted to change their answers on as they understood by the end of the tenth question that they really did in fact know more about strategic planning than they had thought when beginning the interview. One small business owner (SIB1) stated:

We don't utilize that exact terminology. We use strategic planning but probably don't refer to it as that because it seems to be informal. My understanding of it is the more formal way of doing it I guess. We use written documents for a business plan, sure, but not for our strategic planning that we have to tackle daily. We just don't have a written plan but we are constantly planning with strategy in mind. To answer your question bluntly we are aware of what strategic planning entails, and sure do use a strategic plan, but we never call it that.”

This was ironically the first interview I had completed, and after analyzing, it was apparent that the first interview would set the tone for the rest of the small business and there was a realization that there was consensus on the opinion on the formal terminology "strategic planning." Another participant (SIB8) stated:

That vocabulary is so corporate. In a small business we just do what we have to do to survive. We are planning at every second it seems like sometimes. Things come up that you weren't expecting, and you have to change a lot of things just to get back on track. Planning for the future is something we do daily, if not hourly. It involves a lot of maintenance if I can remember back to my old job. I don't care to call it strategic planning but from what I can remember what it involves, we do it relentlessly.

One interesting perspective from a small business owner that later changed their mind about their answer regarding what they understood strategic planning to be was SIB3 who realized after completing the interview that they knew way more about strategic planning than they initially thought. The first answer was:

I really don't know much about strategic planning at all. I just think it is all adaptability because strategy and business are related. Strategy helps what you do in the business day to day. You rely on management. Nobody went to business school in our small business, so strategy was experience related.

When we had completed the interview, they saw just how much they used strategic planning in their daily operations and said, "Wait, I guess I do know quite a bit about strategic planning, I just wasn't very familiar with the wording." The theme of not using the formal terminology of strategic planning was, again, by far the most prevalent theme with 100% of people stating this same information. This may be an opportunity for more businesses and educational institutions to explore a wider use of the terminology and definitions of strategic planning. Further, an interesting point stated above was how small businesses may not use that term as much as corporate or larger companies do.

The second question the researcher asked each of the participants was, “Do you utilize a strategic plan in your own business?” This question was asked to understand if these small businesses either used a strategic plan or they did not. This was a precursor in identifying if the lack of use or lack of importance placed on using a strategic plan had any connection with the operational or organization issues small businesses face. Because this was a yes or no question, it was relatively easy to gather the results and notice the theme. Only one small business answered “no”, while the 22 other small businesses were a “yes”. Some decided to elaborate a bit further after answering and more insight was brought to the study. For example, SIB2 and SIB9 both said they do use a strategic plan, however, it is not intentionally, and it comes more naturally. SIB19 said they use a strategic plan, but not as often as they would like to. SIB6 said they also utilize a strategic plan, but it is more intuitive for their situation. One very interesting quote SIB3 stated was:

Yes, you have to use a strategic plan and always be actively consulting. How would you build a house without blueprints? And how would you build an airplane without a design? You have to have a plan to follow in order to know exactly what you are doing. This applies to business immensely.

The third question the researcher asked each of the participants was, “What level (high to low) of importance do you place on strategic planning within your own business and why?” This question was asked to directly answer the main goal of the study and answer the principal idea of what started this entire study in the very first place. This coincides with theme #4 in that only five small businesses said they place a medium to medium-high importance on strategic planning while the rest of the 18 said they place a high importance overall. Many expressed why they

placed a high importance on strategic planning and elaborated liberally. SIB22 had an interesting elaboration:

So high. You have to with any business. Too many bars and restaurants are failing left and right. What happens is owners and managers buy friends drinks and they wind up partying it up. You have to be professional and have to run a business the way a business should be run. There should be no discounts give to friends. The costs need to be set and plans need to be established. It doesn't matter if you are selling bibles or beers, business is business.

SIB2 stated:

Extremely high importance. If you're not looking forward, you can get stale so quick. You can't just open a business and be done with it. You have to focus on the plans to move forward and how you are going to move forward. What steps are you going to take to make sure your business doesn't fade out? You have to have a high importance on strategy and planning because it is not an option to not keep growing.

Because so many participants were very clearly in favor of placing a high importance on strategic planning, the interpretation of the theme was that participants who know strategy is important will keep focusing on their strategies and will keep updating and maintaining their plans to stay successful no matter what they need to do. It was apparent that the participants who felt passionately about keeping their strategic plans up to date and placed a high importance on strategic planning were doing well financially, with their customer satisfaction, employee performance and engagement, as well as professionally healthy as a whole.

The fourth question the researcher asked each of the participants was, "What elements do you feel should be included in a strategic plan for a small business?" This question was asked to

understand one of the main three research questions involving what types of strategic planning are important to small businesses. This question allowed each of the small business owners to voice their own opinions regarding what they felt strategic plans should include in a small business setting. This question elicited very different answers from each participant as each had their own opinions. One participant (SIB17) stated:

Management. Operations involving daily planning. Having a solid bank and solid relationships. Developing relationships and friendships that are personal with everyone that's involved in the business. You also should have the end results you are looking for, as well as goals. You should probably then include the steps to achieve those goals. I guess just your overall plans.

Many of the small business owners included things that were important very specifically just to them in their own exclusive situations such as “employee appreciation gatherings” or “Scheduling time off for mental health.” It was fascinating to see that every participant had a different rendition of what they felt a strategic plan should include for a small business. In future research, designing a study around just this specific question to see how many different responses it would generate would be fascinating. It was quite interesting and rather enlightening to be exposed to so many diverse ideas.

The fifth question the researcher asked each of the participants was, “In what ways do you feel it is significant or insignificant to have a written strategic plan that can be referenced and revised?” This question was asked to reinforce the basis of the main question that started this study which was the importance that small businesses place on strategic planning. In asking this question, it allowed the researcher to understand if the participants felt it was significant or not to write out their strategic plans and be able to revise them as needed. Most of the small businesses

by this point in the interview had already expressed that they utilized a strategic plan, that they place a high importance on strategic planning, and that they were aware of many things that a strategic plan should include for a small business. However, the one area that many participants admitted to not partaking in was having it in a written form. Many of the participants stated they kept their plans inside their minds or went with the flow when it came to changing or updating plans. However, interestingly enough, the majority of participants said they felt it was significant or very significant to have a written plan. Because of the way the question was worded, it did not ask if the participants themselves possessed a written plan, rather, it asked if they felt it was significant or insignificant to have a written strategic plan. After only three of the participants claimed they felt it was insignificant, the majority of participants answered “significant” or “extremely significant” and they expressed how they needed to start writing things down in written form. For example, SIB12 stated:

Very significant. I don't have a photographic memory and many of us use different ways to communicate and plan. If our plans and strategies aren't written down, how will the rest of the manager or staff know what is going on? This can create confusion and poor communication that can create even worse problems for the business. We don't need more problems. We rely on a written plan and more importantly, we are all able to make changes and update the ideas so everyone stays on the same page. It's really essential.

Another participant (SIB7) stated:

Significant 100%. No one likes to repeat yourself constantly because someone wasn't listening in a meeting, or someone forgot what you said the first time. Write down the plans so you don't have to be constantly repetitive. Also, any strategic plan will slowly evolve. There are too many changes that happen without even knowing what can happen

so tracking your plans and being able to see how they evolve can help you in your current business and can help if you ever choose to open another business. It has to be referenced constantly.

To contrast the majority of the participants, there were three that did not feel strategic planning was significant at all. For example, two of the participants SIB6 and SIB22 said that for a small business it is not important because there is only one owner and just a couple staff members. They did not see the significance in having a formal written strategic plan because they were such a small operation. Further, SIB18 stated it was insignificant because everything will go wrong and everything won't line up exactly how you plan. SIB18 also stated that experience plays a bigger role in planning for the future. This was very interesting to hear as, again, each different business owner operates a different business in a different location with a different clientele which would ultimately affect the way each participant would answer. Further, it may also be a reflection of the age of the business, the size of the business, as well as if the business has been run by the same person for an extensive amount of time or has been passed down in the family. Again, for future research, this question alone may be a very fascinating area to study exclusively.

The sixth question the researcher asked each of the participants was, "What roles do you feel strategic planning plays in your business's financial performance?" This question was asked to provide details to answer the main research questions #1 and #2. A noteworthy addition to this question is that most of the small business owners were apprehensive about sharing details regarding their financial stances or financial information, so most of the answers were extremely short. This question fell into the category of diverse answers as each different business owner had a different experience with how they felt strategy played any role, if any, in their own



financial performance. This would be another great question to base an entire research study on as everyone answered with their own perspective and experiences. The similar theme in this question was the talk of the 2020 pandemic and how that greatly affect their financials, as well as their monetary wellbeing. Staggeringly, 100% of the participants brought up the pandemic as a factor in how planning for the future regarding finances could have never been planned correctly as no one knew how to handle the events that unfolded in 2020. Theme #6 was a massive topic that wasn't included in the question itself but was spoke about in every answer. One participant (SB4) stated:

Strategic planning plays a role in our financial performance because we plan events on the regular that provide us with the liquid capital and revenue to keep going. We use planning in our accounting, in our budgeting, and in our allocation of funds to certain events and products, however, no one could plan for a pandemic to wipe out seven months of our revenue and the loss of an entire staff. Who knows how many customers we have lost in this process as well. No one can plan for a financial disaster like that.

The theme of the financial question was that all participants kept their answers extremely short and were very apprehensive to share information regarding money. Further, the largest theme was the connection to the 2020 pandemic and how it devastated finances across the board.

The seventh question the researcher asked each of the 23 participants was, "What roles do you feel strategic planning plays in your business's employee performance and satisfaction?" This question was designed and asked specifically to provide details to answer the main research questions #1 and #2. Again, this was an open-ended question that each different business owner could answer with their own different viewpoints, operating a different business, in a different location, with a different staff, different customer base, and different perspectives and

experiences. The main theme noticed in this question was that no answer could be the same between all participants and each answer was as a diverse rendition of their own circumstances and encounters. The participants asked for examples and clarification. One example the researcher gave in order to stay neutral and unbiased, as well as to be careful not give away any sway towards an answer was to bring to mind if any type of strategies or pre-planning affected the employees in general. This theme of asking for clarification was noted by the researcher for future studies. Many answers were given, a few chose to explain in vivid detail. SIB14 stated:

Strategic planning when it comes to your employees is very important because it shows them you know what is going on and you are confidently in charge. If you have yearly meetings planned out the employees can look forward to the routine of this. Also, positive meeting introductions are key in setting the tone of the business and the tone of what is expected in the employees. It is important to always make movements forward and never be static. Employees need to feel like they are a part of a family and that they are safe. The biggest idea I try to drive home with my employees each time we have a meeting planned is to keep them motivated and stay overly optimistic.

Another interesting answer to the this came from SIB23 who stated:

The feeling of inclusion goes a long way in the way your employees feel when they are at work and how they perform. If you have happy employees, you typically have happy customers. I have found that employees appreciate when they know what's going on. So, if you are making your plans and strategizing for the future, including employees helps them understand you care about their opinions and you care about their ideas and concerns about new plans.

Going along the lines of employee satisfaction and performance, an interesting point was made by SIB9 who stated:

I am constantly inquiring with the staff on ways we can make the business better. I think it is important to let the staff creatively express themselves. We even have a staff group chat on Facebook to plan things like new events or theme nights. The collaboration of owners and employees is a positive thing that can only result in happy employees which, in turn, shows in their performance and engagement.

To contrast these and add in one that took a very different turn from the mostly positive answers was from SIB16 who stated:

Planning shouldn't matter. Everyone is replaceable and I could give a \*\*\*\* about turnover. I can get a new employee in here in a second, so I don't need to be wasting my time with employees who don't think I have it together or think that I don't know what I'm doing. If they aren't performing or they don't like their job, there's the door.

While hearing each of the 23 answers to this question certainly showed how each establishment has their own ideas of how strategic planning impact their employees in one way or another, it was interesting to see such an assorted way of going about it in various fashions.

The eighth question the researcher asked each of the participants was, "How do you feel strategic planning impacts the way customers perceive your business?" This question was designed and specifically asked to provide details to answer the main research questions #1 and #2. Again, this was an open-ended question that each different business owner could answer with their own different viewpoints, operating a different business, in a different location, with a different staff, different customer base, and different perspectives and experiences. The main theme noticed in this question was that no answer could be the same between all participants and

each answer was as a diverse rendition of their own circumstances and encounters. The participants asked for examples and clarification. One example the researcher gave in order to stay neutral and unbiased, as well as to be careful not give away any sway towards an answer was to bring to mind if any type of strategies or pre-planning affected the customers in general. This theme of asking for clarification was noted by the researcher for future studies. The answer that caught me a bit off guard was one from SIB6 who stated”

If you’re doing an excellent job in strategically planning, then the customers should ever notice. It should be an unproblematic and uncomplicated transition from planning behind the scenes and what the customer sees. For example, we put on events and large shows pretty regularly, and while it takes an extreme amount of planning, we hope our customers don’t even notice the things we plan for. All we hope is that they enjoy their experience and there are no hiccups that they notice.

Another version of how strategic planning may or may not impact the customer perception of the company is from SIB1 who stated:

Customers perceive our business to be professional at all times and we work hard to make sure it stays that way. Special events are well planned, overly thoughtful, and obviously done with much care that should be noticed by all customers. Events should be well coordinated and should show the amount of effort and strategy put into each. Also, the proper execution of a strategy is a key factor in a beneficial customer perception of our business.

While there were many different opinions on how strategic planning affected the customer in any way, it was clear that planning is essential for a customer’s experience, if they see it or it happens behind the scenes.

The ninth question the researcher asked each of the participants was, “In what ways do you feel strategic planning could influence the closing of a small business?” This question was designed and specifically asked to provide details to answer the main research questions #1 and #2. The main theme noticed in this question was that no answer could be the same between all participants and each answer was a diverse rendition of their own circumstances and encounters. The participants asked for examples and clarification. One example the researcher gave in order to stay neutral and unbiased, as well as to be careful not give away any sway towards an answer was to bring to mind if any type of strategies or planning, or lack thereof, that could have affected their company going out of business. This theme of asking for clarification was noted by the researcher for future studies. This question stumped the majority of participants and not many lengthy answers were given. Many stated, “I don’t know”, while others stated, “Running out of ideas or money”. Two unique answers were given that mimicked each other, one from SIB5 who stated, “Maybe the complete lack of planning could lead to a company closing” and SIB10 who stated, “Your plans could be outdated and irrelevant and if you don’t choose to fix it, you could lose your business.” This question was interesting to me, as well as to most participants as they seemed to realize that planning could very well play a part in several of the factors discussed throughout the entire interview, however, they didn’t quite know how planning would affect closing a company down. The literature discussed in section two of this research would state that the lack of planning and lack of strategy is what ultimately closes a business (Dias & Teixeira, 2017).

Finally, the tenth question the researcher asked each of the participants was, “In what ways do you feel strategic planning could affect overall operational problems?” This question was designed and specifically asked to provide details to answer the main research questions #1

and #2. Again, this was an open-ended question that each different business owner could answer with their own different viewpoints, operating a different business, in a different location, with a different staff, different customer base, and different perspectives and experiences. The main theme noticed in this question was that no answer could be the same between all participants and each answer was as a diverse rendition of their own circumstances and encounters. The participants asked for examples and clarification. One example the researcher gave in order to stay neutral and unbiased, as well as to be careful not give away any sway towards an answer was to bring to mind if any type of strategies or planning, or lack thereof, that could contribute to potential general problems within their company. This theme of asking for clarification was noted by the researcher for future studies. Operational problems come in all forms, however small businesses see the general problems such as high turnover, low employee engagement, customer dissatisfaction, financial distress, and other various issues that can plague a small business. The question was worded and asked in a way to provoke deeper thought into how strategies and the use of planning could or couldn't make an impact on the operational or organizational problems companies face. Many of the participants said, "Not planning at all", while many other said, "It would help solve the problems". A few unique answers were given to help showcase the impact strategic planning has on overall issues companies face. SIB10 stated:

The first major problem is human resources related and retaining employees. The service industry is such a transitory industry. Turnover is high and hard to control. Everyone is constantly flopping around from one place to another. If you can strategically plan how to better retain people, you are headed in the right direction. Develop a strategy to figure out what people care about in their jobs because money isn't everything. Find out if they actually like their job, and what you can do to ensure the employees feel good about the

job they have. As far as from the outside, most customers don't understand that it is hard to keep good atmosphere in the business, and also be able to keep good employees. These are the problems that using strategic planning can help with.

It was interesting to hear many different aspects to the solution to problems the organizations face, as the problems in the operations were all very different. Another participant (SIB15) stated:

It can affect problems by redundancy. Also, some feel the repetition is boring, but some like the structure and they can count on the routine each day. Finding a balance is important. If you have more than one person to do the job you will be prepared. You also must always be prepared to not only have a plan B, but to actually be able to utilize a plan B if needed. You have to keep planning ahead, keep the visions clear and keep the motivation going. Becoming complacent is not good.

As the interviews concluded, it was especially fascinating to hear the sense of accomplishment in many of their voices. It seemed as though talking about the undertakings and endeavors they had been through made them appreciate and notice much is involved in the small details that they might not think about all of the time. Many of them ended the interviews with something along the lines of, "I really didn't think I was a strategic planner, but I guess I do more of it than I thought". As this was a qualitative study and yielded 230 answers, coming to a specific result was not applicable, however, many themes were present and helped the researcher reach their goal of obtaining a better understanding of the small businesses' experiences. While one of the specific interview questions did explicitly ask the business owners what particular level of importance they placed on strategic planning, 78% of them answered "high", while the rest of the 22% didn't specify a level and had more detailed and intricate answers. The

opportunity to interview the business owners was not only an incredible journey, but a wealth of information was acquired to contribute to the strategic management field.

Utilizing a qualitative study method, the researcher was exposed to different answers to the ten questions asked in the interview. Each small business had a unique experience and their own distinctive encounters that they conveyed to the researcher which made the study very stimulating. Themes were established to sort the information, present within the findings, and give future readers a glimpse into some of the experiences of other small businesses and the encounters they have. The purpose of the study was to understand the level of importance small business owners place on strategic planning, and how this type of planning is utilized, or not utilized, within their businesses. To visualize the results of the diverse answers, the themes established within the analysis process were used to show contrasts and common matter below, in Figure 1.



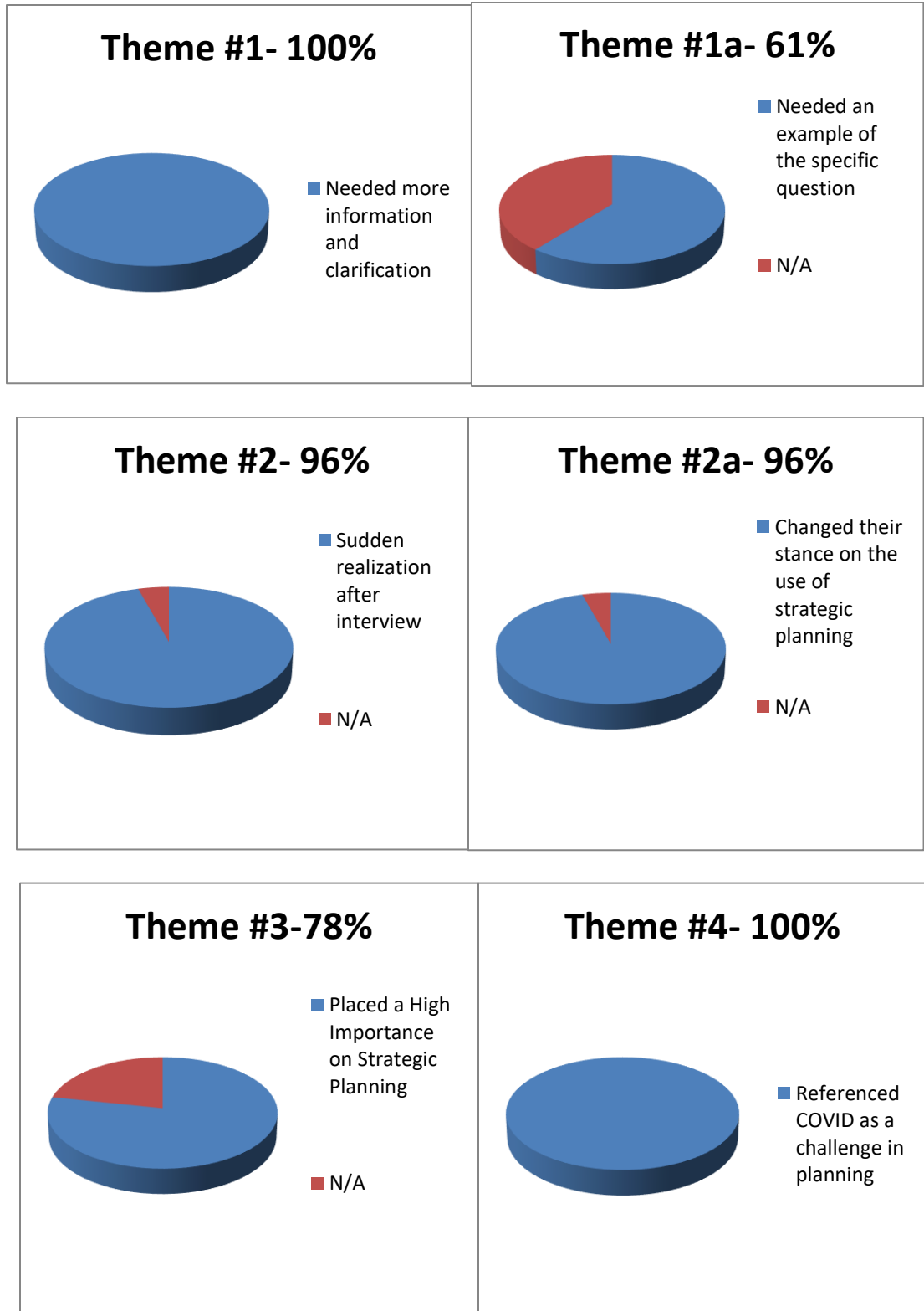


Figure 1: Six pie charts reflecting the percentage of answers per theme.

In summary, because of the diverse set of answers each interview question yielded, themes needed to be used to visualize the data as one specific result was not applicable in this qualitative study. The outcome and conclusion of this study rests in the themes that were found. Figure 2 below shows the percentage of participants that answered specific interview questions similarly which formed a solid theme to present as a result.

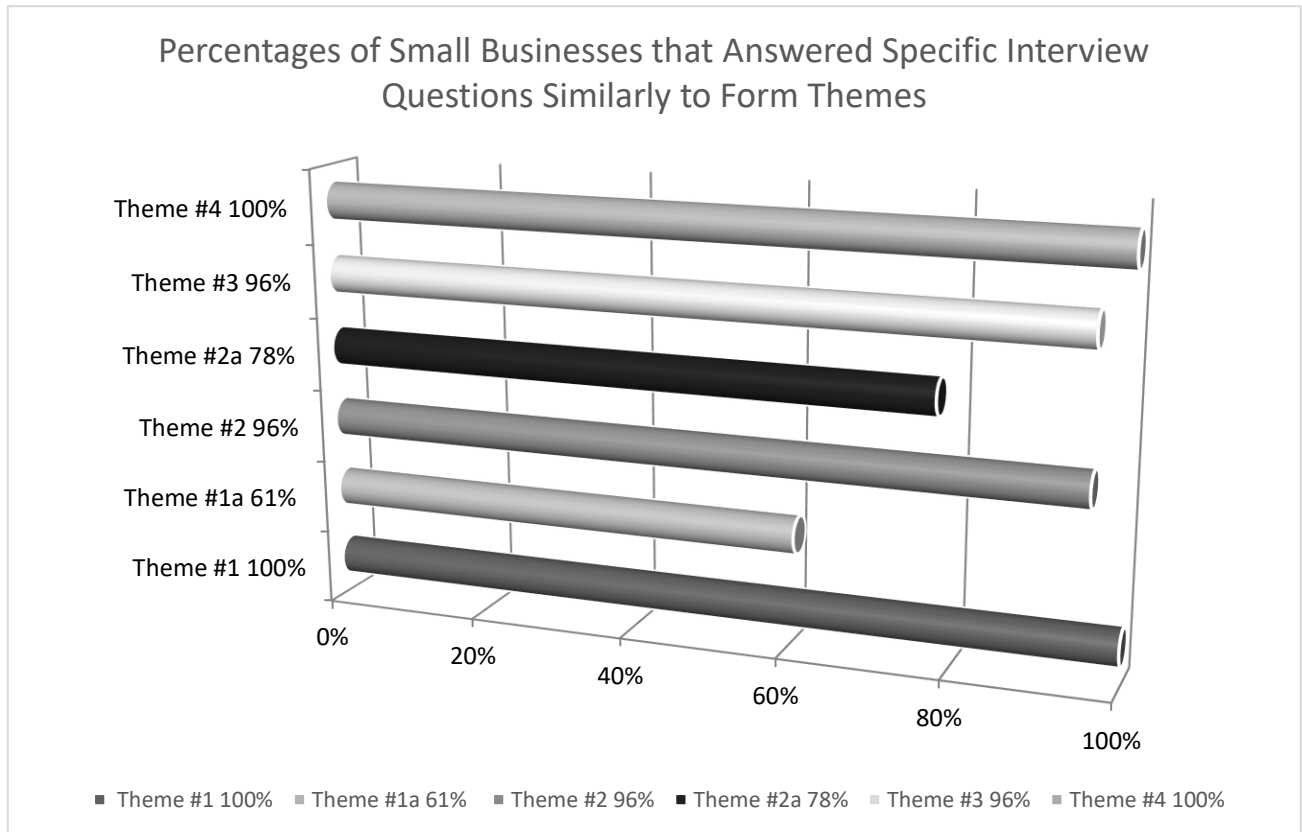


Figure 2: Percentage of participants that answered the interview questions similarly to form a theme.

**Relationship of the Findings**

Tying the data back around to several elements of this study shows the relationships formed with sections such as the research questions, the nature of the study, the purpose of the study, and the initial proposal for the research itself. There were three key research questions that led the study, as well as a research framework that choreographed the analysis. Further, there

was an extensive section of this paper devoted to the review of literature that can be tied to this research completed to show contrasts and similarities. Finally, the problem to be studied was the catalyst for guiding this research study and analyzing the data to present the findings in relation to these foundations.

### **The Research Questions**

To begin, there is a relationship between all aspects of this study, very specifically, the research questions that outline the problem regarding the level of importance small businesses place on utilizing strategic planning. The study addressed three research questions that attempted to understand if strategic planning may help assist in managing company issues. The first question (RQ #1: Why does failure to strategically plan lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure?) allowed the researcher to understand how or if the failure to use strategic planning could lead to high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, or company closure. The second question (RQ #2: How much of an impact, if any, does strategic planning have in solving company problems?) allowed the researcher to understand what impact strategic planning may have in assisting the company through their operations and if it helped to solve any potential problems. The third question (RQ #3: What types of strategic planning are important in small business?) allowed the researcher to understand what if there were any categories or specific types of strategic planning that may be especially important to the business. The relationship with the presentation of the findings and these three questions delivered an opportunity to explore the situations and circumstances of 23 small businesses. The findings presented above show that the research questions are connected to the

level of importance small businesses place on strategic planning and the impact this has on the organization's operations and issues.

### **The Conceptual Framework**

Finding the relationship of the findings to the conceptual framework took a glimpse back at how the study was initially composed and devised to answer the research questions and address the problem. According to Wolf and Floyd (2017), strategic planning has been concentrated on within research inside businesses for several years, in addition to one of the most commonly used management instruments in modern-day companies. The conceptual framework took on a theory it attached itself to, and therefore researchers can attempt to further analyze the importance of planning, specifically within the Goal-Setting Theory. Neubert and Dyck (2016) contend that the goal-setting theory is one the highly significant theories in management literature and can be acknowledged as a theory in which directs the success of business.

The relationship of goal setting, strategic planning, and the overall conceptual framework was discussed at length within the presentation of the findings. Wolf and Floyd (2017) indicate planning is crucial in the development of strategy together with how businesses handle key problems, set goals, evaluate alternatives, and elect the strategy they will develop and employ. Finding a relationship of the findings with this framework allowed the researcher to understand the connection that distinctive goals have and provide distinctive results regarding performance. This relationship was also established frequently in the accompanying literature (Landers et al., 2017) and supported the theory that when small business employees are presented with colloquial goals, an individual's performance will be inferior in the execution rather than when the same employees are presented with more demanding goals. The specific conceptual

framework set up a strategy for the researcher to follow while designing, planning, and executing the study itself.

### **Anticipated Themes**

As discussed within the first section of this research study, as well as within the presentation of the findings, no themes were to be anticipated as the researcher needed to remain unbiased and neutral. Anticipations and assumptions could distort the research from providing clear and unbiased information, therefore, it was vital to remain in an impartial stance, especially within the interview process and the presentation of the data. As stated, no themes were anticipated, however, there were some assumptions that did bring themselves to light after reading through thousands of pages of literature. One notion was that strategic planning is important in small business survival and placing a high level of importance on strategic planning could impact the business in a positive manner. No relationship between this notion and the final presentation of the findings existed because the researcher did not anticipate these specific themes. A second idea involved the view that smaller service industry businesses may not have the resources available to them in comparison with larger more corporate companies and could face a disadvantage regarding how much time and effort they can place on strategic planning. Again, this anticipation presented itself after the literature review was completed and before the research had begun, however, no set theme was anticipated, therefore no relationship was exhibited. The goal, and the thankfully reached objective, was to remain unbiased and neutral when obtaining, evaluating, and presenting the data.

### **The Literature**

Within the literature review, the assessment of existing material was addressed in relation to the problem statement and purpose of this study to further the analysis of strategic planning

and its impact on business. The relationship of the findings to the literature review proved to be similar, yet, somehow more evolved as the literature was formed before the 2020 pandemic which impacted every single small business in one way or another. This study found more advanced information and more modern innovations to adapt in this rapidly changing environment.

Ronda et al. (2019) express small businesses fail to participate in strategic planning methods such as providing clear and specific goals causing employees to lose interest in working for the business and, in due course, ending the employment. Within the direct quotations provided from small business owners interviewed, this can be related to the literature from two angles. First, the small business owners that expressed they felt it was important to include their employees in their planning and operations' decisions also stated they noticed those employees felt a sense of accomplishment and purpose within their jobs and thus were more likely to stay with the company. Second, the small business owners that stated they enacted goals for their employees also stated that their employees were more motivated to complete those goals.

Vershinina et al. (2017) find that when handling problems such as future uncertainty or closure of the business, entrepreneurs should employ strategic planning methods within their decision making to ensure the company can remain successful. Using the fourth theme to tie back to the literature, the future uncertainty was a focus of 100% of participants, especially concerning Covid and the problems the pandemic brought upon small businesses. While planning seemed to be a vital component after the pandemic hit, the participants all agreed that no person or business could possibly plan for a worldwide pandemic to affect their operations the way it did. Using strategies to come out of the hardships were crucial, such as planning for future

shutdowns, future mandates, and future complications that could develop due to the unknown nature of the pandemic.

McDowell et al. (2016) explain an element in overcoming company failure and establishing small business longevity is having an established focus on strategy. Small businesses failed within the first five years of service due to their inability or lack of strategic planning. It was observed as a clear theme that 96% of the small businesses interviewed realized that strategic planning was something they established, even if they did not utilize that specific terminology. This theme relates to the literature provided noticeably as almost all participants agreed they needed some sort of planning or strategy to avoid failure and to persevere. Because all of the participants had their own unique experiences with what strategies they used, and how they planned for the future, there was a profound pattern noticed that pointed back to the literature stating established strategies affect longevity.

Further, the literature review traced the concept of strategic planning and the elements in which it is comprised of in a professional setting. The research additionally examined the strategic planning systems businesses use and how they can be incorporated into the operations of a company in order to produce results, while also defining and addressing the problems businesses face. Based on the literature some company's financial performance is determined solely based on the strategic planning outcomes (Gomera et al., 2018). The relationship to the findings showed to support this notion, however, more knowledge and experience was provided due to the pandemic and the innovative ways these small businesses used to stay afloat. The research and literature recognized strategic planning as beneficial in several areas which showed a large relationship to the presentation of the findings as well through the themes reported. Throughout not only the literature review, but the presentation of the findings, comparisons and

contrasting components of previous research and findings were contributed to analyze the impact strategic planning had on business operations.

Finally, the relationship between using strategy in professional planning and the influence it had on operational processes was included in the presentation of the findings and the literature review to discuss not only the problems, but the opportunities businesses identified. Strategic planning in general as a subject was explored as the introduction to the literature review, as well as using strategic planning methods as tools within a small business. Further, incorporating strategy into business was explored in the literature as well as managing operational issues. Additionally, employee performance and customer perceptions of a small business were discussed in the literature, as well as financial performance and overcoming failure within business. These sections of the literature review related to the interview questions used within the interview process, as well as the results noted in the presentation of the findings. Notably, the research acknowledged that strategic planning is beneficial in most business settings which related directly to the answers most business owners gave within their interviews. There were several comparisons made, as well as contradictions and contrasting factors that were explored, however, the conclusion of the literature points in high favor for the benefit and significance of strategic planning in small business which had a direct relation to the themes presented in the findings. Categorically, the relationship between utilizing strategic planning and the influence it has on the business is shown repeatedly in both the literature and the findings. Conclusively, this relationship presents several approaches and tactics small businesses can take to generate, and positively support their own unique strategic plans.



**The Problem**

The general problem to be addressed was the level of importance small businesses place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. The relationship to the findings was established within the very specific interview questions and were presented in the findings and themes.

Managing a successful small business with a positive reputation and a successful future showed to require a plethora of either skill, knowledge, or simply professional dedication that was clearly pointed out in the presentation of the findings. That notion can be tied to the level of importance used in strategic planning, and was thoroughly discussed in the findings, specifically in many of the direct quotes small business owners gave. Strategic planning is a component of business management that can offer interpretations that can guide business owners in understanding the root causes of operational issues they may potentially face.

The specific problem that was addressed was the level of importance small business in East Tennessee within the service industry place on strategic planning resulting in organizational problems such as high turnover, low job satisfaction, poor engagement and performance, financial uncertainty, customer dissatisfaction, tarnished company reputation, and company closure. This problem was addressed directly by asking very explicit questions within the interview, and by understanding the various and diverse answers each of the 23 small businesses provided while organizing and presenting the data to bring this relationship to light.

## **Summary of the Findings**

One key conclusion that can be drawn from the findings is the importance of constant research and performing studies that are current and relevant. While this study took just over three years to complete, a pandemic disrupted the core of the analysis and investigation which led to a more intricate and detailed set of answers that each of the participants gave. The research questions set out to answer explicit issues, which the conceptual framework aimed to provide a structure for the study. The problem to be addressed was a guiding force that not only showed the impact of strategic planning in small business, but ultimately related to each of the elements within the design of the unmitigated research proposal and final study. The themes that were discovered allowed the researcher to not only address the problem, but to answer the research questions that were established prior to the study. The current literature supplied was compared, evaluated, and contrasted to showcase the patterns and opportunities for further research.

Additional key conclusions that can be drawn from this study involve the importance of strategic planning in small businesses to remain prosperous and productive, as well as the noticeable use of strategic planning among small businesses that may not necessarily know they are partaking in this discipline. The clarification of what strategic planning entails and what the field consists of became a didactic method organically and transpired into an enlightening event for both the researcher and the participants. A deeper exposure of the use of strategic planning, and the components of the subject facilitated a perspective change for business owners and a further illumination of how strategic planning affects small business operations. This study solidified that notion that it is critical to keep research relevant and constant to explore and increase the information that will positively impact the existing body of knowledge within the strategic management field.

### **Application to Professional Practice**

Utilizing the information offered in the presentation of the findings, several key areas were highlighted to show the importance of planning in a small business. Further, the addition of applying a strategic element to planning was discussed as some business owners understood the relevance of staying ahead of the initial plans they made. Improving general business practices by using strategic planning and considering the past, current, and future environments and circumstances could allow small businesses to plan accordingly. While not everything in the future can be prearranged or even known, such as the pandemic and the detrimental effect on business, the overall general practice of planning can ensure small business owners a organized formula to prepare.

### **Improving General Business Practice**

The results of this study could potentially help improve general business practices in numerous ways pertaining to small service industry businesses. Relating this idea to each of the four main themes discovered, strategic planning in small business could be applied to all notions respectively. First, when asking the interview questions to small business owners, it became clear that many needed more information about the meaning and definition of strategic planning, and some needed clear and specific examples of what the questions were asking. This could indicate several points such as the discontinued use of the formal terminology “strategic planning”, or the idea that this type of planning in small business may be more intuitive and natural for some, especially those that have been in the service industry businesses for an extended period of time. When asking what the proper and formal term strategic planning meant, it showed that the idiom may be antiquated or non-operational. This lead directly to the next main theme that showed most small business owners realized they do utilize a form or many forms of strategic planning,

they simply did not utilize that specific terminology or assign that label to what they were doing in their operations. For example, many small business owners had plans to market for specific events, placed a high importance on scheduling the appropriate people for the appropriate times, organized their finances strictly to avoid mismanaging cash and accounts, made the applicable corrections to any behaviors they found to be troubling such as employee issues or customer dissatisfaction, and planned for what supplies and resources they needed to have on hand for their shifts. While these things may seem trivial or like second nature to many small businesses, this is a part of strategically planning and many owners simply understood these actions as regular everyday normal operations. The use of a more proper or formal terminology like “strategic planning” did not seem to be necessary or even valued by some as this did not have an affect on the importance the businesses placed on planning in general. This directly led to theme three that showed 96% of the participants placed a high importance on strategically planning. The use of the word strategic placed in front of it simply indicated there was a method to the planning, however, within the service industry businesses, most plans are already strategic whether they are labeled that way or not. The application of adding strategy behind a plan did not need to be a vivid or grandeur ordeal, it simply encourages the business to remain ahead of the initial plan of action. For example, when planning the schedule for employees for a specific event, the manager or owner may take the action of scheduling- which involves writing names of employees down for each shift or day- and thinking about the action a bit more intentionally. They may deliberately put a person or persons that they know will match well with the atmosphere or perform best for the event they have planned on the schedule to maximize the potential. Additionally, they may contemplate or scrutinize the size of the event further and schedule back up or on call employees as a supplementary strategy to their initial schedule plan.

The last theme seemed to be the most universal for all of the participants as it dealt with mentioning the pandemic as a hinderance on planning, especially strategically planning, as no one could plan specifically for a global pandemic to affect small businesses the way it did. While this was not discussed in any interview question, nor was the research designed to explore this phenomenon as the study was designed in 2019, the application to general business practices could be considered as the businesses that survived could use their experiences to guide them into the future. For example, the utilization of a strategic plan may now have morphed into something different for many small businesses as many needed to find innovative and novel ways to succeed in the most volatile atmosphere. Small businesses were forced to adapt to new and diverse ways of operating such as offering take out only, closing their indoor spaces, designing new ways to offer goods and services online, and understanding the severity of a violently halted cash flow. Using the new plans and advances they made, they saw how to operate successfully through the pandemic, and found ways to repair the damages the closures the changes caused. Moving forward with their general business practices, small businesses can strategically plan for similar disasters, however, the entirety of everything going wrong could never be effusively plotted or prepared for fully. There are many areas of uncertainty in small businesses and the risks are constant. Employing strategies that allow for substantial changes and plans of action could be ways to combat inevitable or undefined challenges that may arise in the future.

### **Potential Application Strategies**

Organizations can use application strategies to potentially tackle the countless challenges and times of uncertainty within the operations of a small business. To leverage the findings of this study, the interview questions could be considered further, as well as the themes that

emerged from the data. To begin, the first theme consisted of the small businesses asking for further clarification of the definition associated with strategic planning. Some asked for specific examples before providing their answers to ensure they understood fully. A potential application strategy could be used in the comprehension of the actual use of strategy in the business operations. Understanding that strategic planning is, in fact, simply planning with a bit more intention and purpose. This may not matter to many as the use of a proper or formal term does not indicate a small business or owner is any better or sharper than another, it could simply indicate that the terminology is outdated or not used enough to remain feasible to use regularly. Whether the intention and purpose behind a plan is known, it is an extra step in the planning process that makes it more strategic. To apply this to general business practices would involve illuminating the phrase “strategic planning” and then informing people willing to listen of the details this vernacular entails. To contrast, if strategically planning in business is something many small business owners do intuitively or without thinking about it, the necessity of educating them on the proper terminology seems redundant, excessive, and possibly even insulting. The actions upon which they function and operate are far more important than using a specific term to label it.

The second main theme illuminated the recognition of the genuine use of strategic planning, however they may have defined it or understood it. Further, the change in stance on the assessment and interpretation of what it meant to plan strategically was discussed and analyzed. With this knowledge and information given in the presentation of the findings, a potential application strategy could be that of a reinforcement of exceptional operations and the advancing use of their already existing plans. While this study showed small business owners placed a high level of importance on strategic planning within the third theme, it also clarified that many did

not recognize they were even using it. This provides a foundation to potentially find room to grow within the elements included in their own strategic plan. The more elements included in the plan, the more reinforced the strategy becomes. Further, the implementation of the reinforced plans could provide enlightenment on potential problems that could arise. Therefore, implementing a strategic plan could hypothetically offer a possibility to correct problems before they happen.

Lastly, the pandemic was a large focus of the small business owners and the findings suggested that planning strategically was incredibly difficult during the year of 2020. Using this knowledge and experience each of the small business owners acquired during the pandemic, the potential application strategy can be seen in how to move forward using innovative approaches and diverse tactics. For example, small businesses can consider the way in which their colleagues and competition used the pandemic to change, adapt, and grow. Assessing which plans and strategies worked best within the pandemic is a way to understand how to successfully acclimate to a new type of environment. Focusing on the effective and lucrative strategies many small businesses had to implement during the pandemic can further improve everyday operations and the path forward to a prosperous future.

### **Summary**

Several components of focus small businesses undertake involve planning and strategy. Using approaches that are valuable and efficient pave the way for future endeavors, small or large. Understanding that planning within everyday operations may seem trivial or simply instinctive, but that the elements of their plans do include an intent and purpose highlight the use of strategy. Whether the terminology used or not, there is a high importance placed on strategic planning that allows the small businesses to assess employee satisfaction, customer perceptions,

financial performance, and operational issues or matters that may need attention. Evaluating the needs of the business in this manner indicates the continued importance for the use of strategy in planning.

### **Recommendations for Further Study**

Based upon the findings, several other areas could be studied to further the body of knowledge and the field of strategic management and planning. While this study set out to assess the level of importance small business owners placed on strategic planning, one area of question was if that level of importance correlated with the small business' success. The researcher plans to execute an additional study after this is published to address that specific question. Looking into the influences of strategic planning and if a connection can be made with a profitable and thriving business could further the knowledge of how strategic planning impacts operations.

Another area of study was the lack of strategic planning and questioning if that has a direct effect on the success of a small business. The answers all participants gave throughout this study were extremely informative and assessing in future studies if the lack of having a strategic plan affects the overall operations is an area of study the researcher would recommend. Being able to find a connection, if any, to the direct impact strategic planning has on a business was explored heavily in the literature review section, however, after the pandemic this information may have changed drastically as this unprecedented event catapulted most small businesses into a situation they had never been before.

Last, studying the effects of the pandemic on strategic planning is a recommendation for further study. Because this specific research study was designed in 2019, the researcher was not able to make changes to the interview questions or research questions. However, all participants of this study brought up the pandemic in one or more of their answers completely unprovoked.



This implies that more research could be done on the effects of the pandemic in correlation with strategic planning. More specifically, if any small business could effectively plan for a similar disaster, or if strategically planning plays little to no part in the actions a small business could take should a global pandemic or other disaster occur.

### **Reflections**

Allowing for a look back at the process of designing a dissertation, producing valid research questions, a basis for the study, a solid and robust literature review, and the method of research is addressed in this section. Personal growth is outlined, as well as professional growth to consider and reflect on. As a requirement of the institution, a biblical perspective is included.

### **Personal & Professional Growth**

Personal growth was achieved by the researcher on their own, specifically by understanding the purpose of this research and focusing on piecing it together to have a study that would be of value to others. Starting the dissertation process was demanding, overwhelming, and wearisome. Going through the beginning stages proved to be tedious and exasperating. Getting to the middle of the research and completing the literature review was an accomplishment. Moving to the Internal Review Board was mentally trying, however this was also an accomplishment when the Board approved. Conducting this research was the one element of this process that is of value to the researcher. Speaking with a multitude of small business owners in the service industry proved to be enriching, enlightening, and rewarding. Putting all of the information together to see what each business owner had experienced was an incredible feat. While the data analysis and organization process were long and extremely complicated, this was the only area of great satisfaction. Speaking to small business owners that had real life experience was far more educational than any element of this process. Finishing the dissertation

has made the researcher aware of several elements that were not known prior to starting the process. First, college and higher education should not ever need to be for everyone, nor should anyone feel forced to complete a degree to be “better.” Any type of knowledge is now accessible easily, and learning takes on many forms in many ways. This experience has taught the researcher that college is a privilege, in many cases financially crippling, and for those that are privileged to attend college, it should not be used as a measurement of value or worth. It is a process to obtain a credential for the privileged that society has trained us to believe is needed to measure self-worth. However, things that cannot be taught such as integrity, compassion, unique creativity, and even critical thinking, should be as highly praised among the population as a degree from a business. Further, this institution taught me that equality in general needs to be, and to permanently remain, a main focus within higher education. Second, certain features became more essential and significant than the material in the courses throughout this process such as integrity, compassion, and ethical behavior. Appreciating people for the experiences they have lived through, the knowledge they possess due to life experience, and the realization that a degree does not determine worth were substantial components the researcher recognized throughout the process. Third, the critical need for mental health advocates and resources while people undergo this process was noticed, vividly. Lastly, finding people who genuinely respect the college process and trust they are receiving valuable information seem to be rapidly disappearing, and this is an element the researcher plans to face both personally and in their work. My father, the most intelligent and kindest person I have ever met, told me that any project or job worth doing, is worth doing well. That is a piece of advice is far more valuable than anything from any textbook I've read and was acquired through life's lessons. Reflecting further on all of the people I admire and respect, most of them have taught me valuable lessons that they

learned through experiences, not from a college course. Out of all the people I have met throughout all of the college degrees I possess, all of the colleagues I have made, and all of the people I have associated with in life, the most impressive and influential people I have met have been kind, compassionate, creative, and positive. Those traits were clearly not from an institution, but rather come from life lessons and a genuine desire to be authentic. Completing this doctorate gave me an astronomical amount of respect for those that are able to follow their own path and choose to do what brings them genuine happiness. It will continue to be my hope that all humans are treated equally and will never be forced to work for a person or place they do not respect just to be able to exist on earth.

Professionally, the researcher plans to continue teaching college, however, there will be additions made to each of the courses the researcher will teach after seeing what this process consisted of. First, highlighting the magnitude of integrity and ethical behavior, emphasizing the importance of doing what makes an individual truly happy in life, and instilling a open and thought-provoking environment in the classroom will be of the highest importance to the researcher. Further, offering more mental health resources and outlets for students will be another main focus as no one should ever feel hopeless or inferior should they choose for themselves to go to college. Lastly, encouraging students to utilize critical thinking and to remain highly inquisitive of everything they encounter will be another area of utmost importance. As an educator, it is the researcher's goal to show their college students there are many options in life, resources available to them, questions that need to be asked, and a safe place to communicate should they feel comfortable reaching out.

### **Biblical Perspective**

The piece of literature discussed in this section is the Bible as a requirement of the institution. The research conducted in this study does not have a connection to this piece of literature. The perspective of someone who reads the Bible could possibly be compared with some of the lessons the researcher learned while undergoing the dissertation writing process or to general business practices. “Speak up for those who cannot speak for themselves” (Prov. 31:8) is a good example of how important it is to not only advocate for yourself, but to speak up for those that need the help. Further, speaking out about unethical behavior and actions is paramount, as every person should be held accountable for their actions, especially if they are damaging one’s mental, emotional, or physical health. It is important to note that no matter what position a person is in, if they are causing harm, they need to be held accountable. Sometimes this means banding together with others to call out unethical actions or behaviors. Some people may not feel they will be heard if they come forward with information that is sensitive, and therefore, as Proverbs states, we need to speak up for those who cannot speak for themselves.

Another line from this piece of literature states “Each of you should use whatever gift you have received to serve others” (1 Peter 4:10). In looking at business practices and people in higher positions that run operations, this should be a statement that is given to them daily as a reminder to serve others. Greed and unethical behavior can surround people in power, however, should they refer to themselves as a “Christian”, they are to use their gifts to serve others. For example, one of the small businesses the researcher interviewed was using their resources and platform to support a women’s health clinic which is highly respectable and shows a massive amount of integrity. To contrast, another business across from them (not interviewed by the researcher) made it clearly known they did not support the LGTBQ community, nor did they

support equality of any kind. The gifts they had been given as a business were clearly not being used to serve others, which was rather ironic and hypocritical. Serving others seems to be a theme in the Bible, and therefore it would be the researcher's understanding that people who are in the Christian community would do exactly that. However, it seems as though the people who are helped are chosen carefully and not equally.

The last reference in this piece of literature states "Anxiety weighs down the heart, but a kind word cheers it up" (Proverbs 12:25). While the researcher was unaware that the term anxiety was known when this piece of literature was written, the statement's sentiment may be able to correlate with the researcher's experience while writing this dissertation. Many people supported the researcher throughout this process and offered their kind words. The process resulted in horrific anxiety and depression, which no student or human should have to endure. Kind words given by others who had completed this same process were given to the researcher and made them aware of the massive amount of mental health issues that surround the higher education industry. This was comforting, but also rather disturbing. Alas, the researcher learned that they were most certainly not alone, and that many people felt similar whether it be starting, going through the process, or completing the courses. Kind words could also be contributed to amplifying the awareness of mental health in higher education.

### **Summary**

Compiling and concluding this research has taken three years. The experiences and lessons learned throughout the process affected the researcher personally, professionally, mentally, emotionally, and physically. Talking with small business owners and compiling the research itself was both exciting and remarkable. Finishing this dissertation comes with a feeling of accomplishment, however, it should be noted that research can be executed by anyone, not

just students within an institution. Research should be stimulating and awakening, and the process should not be draining or cataclysmic. Finding a desire to complete research on one's own would make the process enjoyable and enlightening. Learning from experiences is an exceptionally important way of being educated and informed.

### **Summary of Section 3**

Compiling all research started with an idea, three years ago, to study the effects of strategic planning in small service industry businesses in East Tennessee. The researcher paid specific attention to small businesses, specifically 23 unique businesses that held their own unique stories and circumstances. While the research itself was designed in 2019, and supposed to be conducted in 2020, the pandemic pushed back the ability to interview that many small businesses that were facing devastating influences from the mandates and closures. Finally, in 2021, the researcher was able to schedule all interviews and spend time speaking with each participant. This process was highly stimulating and provided the researcher with the diverse perspectives each small business possessed. Strategic planning seems to be a concept that is widely respected, utilized, and given a high importance, however, that exact terminology and formal elements have been substituted with a more non-formal approach that still mimics the definition of strategic planning. While many rely on intuition, past experience, and instinct, they utilize a form of strategic planning even if they are not aware. The main evaluation is that strategic planning makes its impact on the small businesses in their own unique ways, based on their level of understanding of the subject, their experiences over the years, and their intuition on how to run their business with what works specifically for them.

While planning in general remained a vital component of running a small business, the pandemic taught many people that some things, large or small, just cannot be strategically

planned for. Further, the way that small service industry businesses plan relies on many more foundations than simply implementing a strategic plan upon opening or reopening a business. The plans are constantly changed, added to, revised, and amended to ensure the operations can remain successful, sustainable, and organized. Several recommendations for further study were given to ensure the strategic management field and body of knowledge associated with it is added to and updated as the information, technology, and innovation is frequently changing. It will be vitally important to continue to research strategic planning and the effects it can have on small businesses for years to come, especially after what the years of 2020 and 2021 did to small businesses.

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### Appendix A: Interview

The purpose of this interview is to gain a deeper understanding into the level of importance small businesses place on strategic planning. It is important to note that strategic planning is different than possessing a business plan. Strategic planning focuses on the ongoing activities and processes within the organization. Providing honest and detailed information will help the researcher identify your experiences and viewpoints on strategic planning. The more information you provide, the better the researcher can synthesize the information and comprehend the approaches taken. All information is kept secured and confidential.

1. What is your understanding of strategic planning in a small business?
2. Do you utilize a strategic plan in your own business?
3. What level (high to low) of importance do you place on strategic planning within your own business and why?
4. What elements do you feel should be included in a strategic plan for a small business?
5. In what ways do you feel it is significant or insignificant to have a written strategic plan that can be referenced and revised?
6. What roles do you feel strategic planning plays in your business's financial performance?
7. What roles do you feel strategic planning plays in your business's employee performance and satisfaction?
8. How do you feel strategic planning impacts the way customers perceive your business?
9. In what ways do you feel strategic planning could influence the closing of a small business?
10. In what ways do you feel strategic planning could affect overall operational problems?