

Evaluating the Role of Strategic Planning in SMEs; Challenges and Opportunities

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ABSTRACT

This paper evaluates the role of strategic planning in small and medium enterprises (SMEs), emphasizing both its potential benefits and inherent challenges. Strategic planning is increasingly recognized as a critical mechanism for SMEs to enhance competitiveness, allocate resources effectively, and sustain long-term performance. The paper highlights the opportunities that strategic planning offers, including improved decision-making, innovation, and adaptability to market dynamics. At the same time, it acknowledges the barriers faced by SMEs, such as resource constraints, lack of managerial expertise, and external uncertainties, which often limit the effectiveness of formal planning processes. By synthesizing insights from recent literature and theoretical perspectives such as the Resource-Based View and Dynamic Capabilities Theory, this study develops a balanced conceptual framework that integrates both opportunities and challenges. The paper contributes to academic discourse by bridging gaps in SME strategic management studies and provides practical implications for entrepreneurs, managers, and policymakers seeking to strengthen SME resilience and growth through more effective strategic planning.

KEYWORDS: Strategic Planning, SMEs, Opportunities, Challenges, Business Management

I. INTRODUCTION

Small and Medium Enterprises (SMEs) play a vital role in driving economic development across the globe. They account for the majority of business establishments and provide significant contributions to employment creation, innovation, and economic diversification. In many developing economies, SMEs contribute more than 50 percent of jobs and nearly 40 percent of GDP, underscoring their importance as engines of inclusive growth and social mobility (World Economic Forum, 2022). Their adaptability and ability to respond quickly to local demand make them critical players not only in sustaining livelihoods but also in strengthening resilience during economic fluctuations. Consequently, the success and sustainability of SMEs directly influence broader national development and competitiveness.

Within this context, strategic planning has emerged as a crucial tool for SMEs in enhancing sustainability, competitiveness, and resilience. Unlike reactive or short-term decision-making, strategic planning equips firms with a long-term orientation, enabling them to anticipate environmental changes, allocate scarce resources efficiently, and align organizational objectives with external opportunities and threats. Recent studies have highlighted that SMEs that adopt structured strategic planning processes tend to achieve higher levels of profitability, sales growth, and operational efficiency compared to those that do not (Reboud, 2004; Wang, Walker, & Redmond, 2010). Strategic planning also plays a pivotal role in building resilience by preparing firms to navigate market volatility, regulatory shifts, and digital transformation. In this regard, it is not only a mechanism for growth but also a safeguard for continuity in increasingly uncertain business environments.

Despite the widely acknowledged benefits, many SMEs underutilize or poorly implement strategic planning in practice. Research indicates that a significant number of small firms rely on informal, intuitive approaches rather than formalized planning systems, often due to resource constraints, lack of managerial expertise, or limited commitment from leadership (Wang et al., 2010). Other studies reveal that even when strategic plans are formulated, challenges arise in implementation, with firms struggling to translate strategic intentions into actionable outcomes (Obstacles to Strategic Management in Ecuadorian SMEs, 2020). Cultural tendencies, such as family-centered business practices or resistance to organizational change, further compound these difficulties. As a result, SMEs face a paradox: while strategic planning is consistently linked with improved performance, its adoption and execution remain inconsistent and often inadequate.

This tension forms the basis of the research problem addressed in this paper. By examining both the opportunities and challenges associated with strategic planning in SMEs, the paper seeks to provide a conceptual understanding of why this critical management practice remains underutilized and how it can be better leveraged to ensure the long-term growth and resilience of SMEs.

The purpose of this conceptual paper is to critically evaluate the role of strategic planning in small and medium enterprises (SMEs), with particular attention to the opportunities it presents and the challenges that hinder its effective adoption. SMEs are widely recognized as the backbone of economic development, yet their capacity to engage in systematic and forward-looking strategic planning remains constrained (Bamiatzi & Kirchmaier, 2024). This paper sets out three key objectives: first, to map the potential opportunities that strategic planning provides to SMEs, including improved decision-making, enhanced competitiveness, and long-term sustainability; second, to identify the challenges that commonly obstruct effective planning, such as limited resources, managerial inexperience, and environmental uncertainty; and third, to propose a conceptual framework that integrates these opportunities and challenges to guide both scholarly inquiry and managerial practice.

The significance of this paper lies in its dual contribution to management practice and academic discourse. From a practical standpoint, strategic planning is often underutilized in SMEs due to perceptions that it is too costly or time-consuming relative to short-term operational needs (Taneja, 2023). However, when applied

effectively, strategic planning enhances adaptability and resilience, particularly in volatile environments where SMEs must compete with larger firms. Thus, providing a structured conceptual approach helps SME managers to recognize the value of planning and align it with their organizational capabilities. From an academic perspective, this paper contributes by addressing a gap in the literature where studies have typically emphasized either the benefits or the barriers of strategic planning in isolation. By synthesizing both aspects, this work advances a more balanced understanding of strategic planning as both an enabler and a constraint. As Al-Dhaafri and Al-Swidi (2023) note, the integration of strategic planning into SME contexts requires a nuanced understanding of contextual contingencies, including cultural, institutional, and resource-related dynamics. Accordingly, this paper not only provides conceptual clarity but also stimulates further empirical testing and cross-contextual research.

II. LITERATURE REVIEW

A. Strategic Planning in SMEs

Strategic planning has long been recognized as a vital process for guiding organizations toward sustained growth and competitiveness. In the context of small and medium enterprises (SMEs), strategic planning refers to a structured process through which firms define long-term objectives, assess their internal strengths and weaknesses alongside external opportunities and threats, and formulate coherent strategies for achieving performance goals. Unlike larger firms, however, SMEs often conduct strategic planning in a less formalized manner due to resource constraints, shorter planning horizons, and the central role of the owner-manager in decision-making (Mehta et al., 2025). The process typically involves environmental scanning, setting objectives, developing strategies, implementing them, and evaluating outcomes, yet in SMEs this sequence tends to be more flexible and iterative. Scholars argue that key characteristics of strategic planning in SMEs include adaptability, informality, and strong integration with daily operations, with a heavy reliance on the entrepreneur's vision and experience (Williams, 2025). These features highlight that while strategic planning is critical for SMEs, its practice is shaped by unique organizational realities.

The role of strategic planning in SMEs can be further understood through established theoretical perspectives. The Resource-Based View (RBV) offers one of the most prominent lenses, positing that competitive advantage stems from resources and capabilities that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). Within SMEs, strategic planning thus focuses on leveraging unique internal assets such as specialized knowledge, networks, or niche products that enable differentiation. Recent studies confirm that SMEs that align their strategies with such resource strengths enhance performance and innovation outcomes (Bogale & Kero, 2023). Nonetheless, RBV has been critiqued for emphasizing static resources, which may be insufficient in turbulent markets. To address this, the Dynamic Capabilities perspective emphasizes how firms continuously adapt by sensing opportunities, seizing them, and transforming their resource base in response to environmental change (Teece et al., 1997). This approach is particularly relevant for SMEs, which operate in volatile contexts and must

frequently reconfigure limited resources to survive and grow. For example, Utomo et al. (2024) found that SMEs with strong dynamic capabilities were more effective in digitalization and sustaining competitive advantage, illustrating the importance of adaptability in strategic planning.

In addition, Contingency Theory provides an important complementary perspective by asserting that there is no universal approach to strategic planning; rather, effectiveness depends on the fit between internal conditions and external factors. SMEs in turbulent industries may require more flexible, adaptive planning, whereas those in stable environments may benefit from more formalized, structured processes (Mark & Erude, 2023). Nguyen et al. (2023) also demonstrated that contingency factors such as technological volatility and competitive intensity significantly influence how firms apply strategic management practices. For SMEs, this suggests that strategic planning must be tailored not only to internal capacities but also to contextual dynamics, reinforcing the notion that planning is highly situational.

Taken together, these perspectives enrich our understanding of strategic planning in SMEs. The RBV emphasizes the importance of identifying and exploiting internal strengths, the Dynamic Capabilities perspective highlights the need for continuous adaptation, and Contingency Theory reminds us that planning must align with contextual realities. This theoretical triangulation suggests that strategic planning in SMEs is not a one-size-fits-all practice but a multifaceted process shaped by resources, adaptability, and environmental fit. Understanding these dimensions is essential for developing conceptual models that capture both the potential and the limitations of strategic planning in smaller firms.

B. Previous Studies and Identified Gaps

A growing body of research has examined the role of strategic planning in small and medium-sized enterprises (SMEs), with mixed but insightful findings. Many studies emphasize that systematic strategic planning enhances firm performance by strengthening long-term orientation, improving decision-making, and facilitating resource alignment. For example, Mehta, Khan, and Yousaf (2025) found that strategic intent and formalized planning processes significantly improved the sustainable performance of Pakistani manufacturing SMEs. Similarly, Dwikat, Arshad, and Mohd Shariff (2022) demonstrated that strategic planning, when coupled with business innovation, positively influenced the sustainability outcomes of Palestinian SMEs, particularly in turbulent market conditions. Other studies highlight the role of strategic information systems planning, showing how SMEs that integrate IT into their strategic decisions can enhance agility and competitiveness (Al-Shukri, 2024). In line with this, Lestari, Rahmawati, and Wulandari (2024) reported that innovation and technology adoption reinforce the positive effects of strategic planning on micro and small enterprises in Indonesia.

Despite this evidence, scholars also note that the success of strategic planning is not universal. Williams, Zorn, Crook, and Combs (2020) argued that the benefits of planning often depend on contextual factors such as environmental uncertainty, managerial capacity, and the quality of implementation. In some cases, formal planning yielded weak results, particularly when execution lagged or when firms faced rapidly shifting market conditions. Likewise, Keelson et al. (2024) found that in emerging economies, competitive intensity and limited

resources could diminish the effectiveness of strategic planning unless complemented by innovation and process improvements. These findings suggest that while strategic planning has the potential to enhance performance, it is not a guarantee of success, particularly for SMEs operating under significant resource constraints.

III. METHODOLOGY

C. Opportunities of Strategic Planning for SMEs

Strategic planning offers small and medium enterprises (SMEs) a wide range of opportunities that significantly contribute to their growth, resilience, and long-term sustainability. One of the most prominent advantages is its ability to enhance decision-making and foster a long-term orientation. Unlike ad hoc or reactive approaches, strategic planning provides SMEs with a structured framework for setting priorities, aligning resources, and identifying future goals. By developing roadmaps, establishing key performance indicators, and adopting scenario-based thinking, SMEs are able to make informed decisions that reduce uncertainty and prepare for future challenges. Tawil, Mohamed, Schmoor, Vlachos, and Haidar (2023), for example, demonstrate that strategic decision support systems can improve forecasting and responsiveness in SMEs, thus enabling managers to move beyond short-term survival strategies.

In addition to improved decision-making, strategic planning serves as a catalyst for competitiveness and innovation. Through systematic analysis of internal capabilities and external opportunities, SMEs can identify market gaps, pursue differentiation strategies, and embed innovation into their long-term objectives. Audretsch et al. (2023) highlight that SMEs engaged in strategic collaboration with partners often achieve superior innovation outcomes, underscoring the role of planned partnerships in creating competitive advantage. By integrating innovation objectives into the planning process, SMEs ensure that creativity and adaptation are not incidental but strategically directed. This intentional alignment strengthens their market positioning in increasingly competitive and dynamic environments.

Another opportunity provided by strategic planning is more effective resource allocation and financial sustainability. Given that SMEs often face resource scarcity, a structured planning process helps prioritize investment decisions and avoid misallocation of limited financial and human capital. By evaluating trade-offs and channeling resources into initiatives with the highest potential impact, SMEs improve efficiency while securing sustainable growth pathways. Moreover, this discipline in resource management strengthens the firm's financial health and prepares it to withstand market volatility.

Strategic planning also positions SMEs to adapt to market dynamics and the ongoing wave of digital transformation. In an era of rapid technological disruption, SMEs that plan proactively are better equipped to anticipate changes, invest in digital capabilities, and redesign their processes accordingly. Gonzalez-Varona, Lopez-Paredes, Poza, and Acebes (2024) stress that organizational competence for digital transformation in SMEs

can only be achieved when guided by structured planning, allowing firms to sequence digital initiatives and mitigate risks associated with sudden disruption. Such forward-looking strategies enable SMEs not only to remain competitive but also to evolve with emerging business models and consumer demands.

Finally, strategic planning enhances stakeholder confidence, both internally and externally. A clearly articulated strategy signals to investors, banks, and partners that the enterprise is prepared for sustainable growth, which in turn improves access to finance and partnership opportunities. Internally, the process aligns employees with the organization's vision, creating a sense of shared purpose and commitment. This dual impact builds legitimacy and credibility, essential for SMEs striving to strengthen their position in competitive markets. As Fenwick, Vermeulen, and Compagnucci (2024) argue, transparent and credible planning processes foster trust and accountability, reinforcing confidence among stakeholders.

Taken together, these opportunities demonstrate that strategic planning is not merely a managerial tool but a vital mechanism for enhancing SME resilience and growth. By improving decision-making, fostering innovation, optimizing resources, enabling adaptation, and strengthening stakeholder trust, strategic planning provides a holistic foundation for SMEs to thrive in an increasingly uncertain and complex business landscape.

D. Opportunities of AI Adoption in Business Management

The adoption of artificial intelligence (AI) in business management presents a wide range of opportunities that can transform how organizations operate, compete, and deliver value. One of the most significant contributions of AI is its ability to enhance decision-making and predictive analytics. By processing vast amounts of structured and unstructured data, AI systems can identify complex patterns and trends that are often beyond the capacity of human cognition. For instance, Brynjolfsson et al. (2025) demonstrate that generative AI tools embedded into workplace processes not only improve the speed and quality of decision-making but also help less experienced workers enhance their problem-solving capabilities. Similarly, Kumar et al. (2024) highlight that predictive analytics powered by AI enables managers to shift from reactive to proactive strategies, particularly in areas such as demand forecasting, churn prediction, and maintenance planning, thereby increasing both responsiveness and accuracy.

In addition to decision-making, AI adoption contributes substantially to automation and operational efficiency. Firms have increasingly deployed AI to automate routine tasks, optimize workflows, and reduce inefficiencies across operations. Czarnitzki et al. (2023) found that AI adoption at the firm level is positively associated with productivity gains, suggesting that automation not only streamlines repetitive functions but also complements existing assets by freeing human resources for more strategic roles. Industry-level studies also reveal that AI-intensive sectors have demonstrated significant productivity growth relative to other sectors, further reinforcing the efficiency-enhancing effects of AI (PwC, 2024).

AI also functions as a catalyst for innovation in business models and services. Beyond improving existing processes, AI generates opportunities for organizations to experiment with novel ways of creating, delivering, and capturing value. Jorzik et al. (2024) argue that AI is increasingly central to business model innovation, with applications ranging from data-as-a-service to personalized digital platforms. Empirical evidence indicates that firms investing in AI often experience higher sales growth and enhanced market valuations as a result of product and service innovations (Babina et al., 2024). Case studies similarly show how AI capabilities support scalable platform-based business models that integrate intelligent connectivity and governance structures (Z. Zhang et al., 2025).

Moreover, AI technologies are reshaping the customer experience by enabling personalization at scale. Through advanced algorithms, organizations can customize product recommendations, optimize communication timing, and deliver tailored services that increase consumer engagement. Kumar et al. (2024) note that the integration of AI across marketing functions from targeting and pricing to promotion and customer service has significantly improved customer experience outcomes. Complementary findings by Beyari (2025) reveal that AI-driven personalization in social media marketing directly enhances customer satisfaction, while also fostering stronger brand loyalty. These outcomes underscore the strategic role of AI in creating meaningful, long-term relationships with customers.

Finally, the adoption of AI enhances competitive advantage and strategic resilience. By strengthening an organization's ability to sense opportunities, seize them, and reconfigure resources dynamically, AI contributes to improved robustness under volatile conditions. Zhang et al. (2025) emphasize that AI supports "innovation resilience," allowing firms to maintain and restore innovative output during disruptive events. Similarly, Guo et al. (2025) highlight how AI-enabled supply chains are better equipped to adapt and recover in the face of uncertainties, ultimately improving systemic resilience. Taken together, these findings position AI not only as a tool for short-term efficiency but also as a strategic resource that can sustain competitive advantage in uncertain business environments.

E. Challenges of Strategic Planning for SMEs

Strategic planning in small and medium-sized enterprises (SMEs) is often hindered by a series of challenges that stem from both internal and external constraints. One of the most pressing difficulties is the issue of limited resources, particularly financial, human, and technological. Many SMEs operate with constrained budgets and lean staffing structures, which restrict their ability to invest in formal planning tools, data analysis, or long-term strategy development. This scarcity often forces firms to focus on survival rather than sustainable growth, limiting their capacity to engage in systematic planning (Ahmad, 2024).

A related obstacle is the short-term focus and informality that characterizes many SMEs' management practices. Owner-managers often prioritize immediate operational concerns such as cash flow or inventory management over long-term strategic initiatives. As a result, planning tends to be reactive and ad hoc rather than

proactive and structured. This orientation may generate quick responses to market pressures but undermines the firm's ability to establish long-term goals and sustainable strategies (Schwaeke et al., 2025).

Another significant challenge is the lack of managerial expertise or leadership commitment to strategic planning. In many SMEs, leaders are entrepreneurs with strong technical or product knowledge but limited formal training in strategic management. This knowledge gap may lead to undervaluing the importance of planning or implementing plans without sufficient rigor. Furthermore, without clear leadership support, strategic initiatives often fail to gain traction within the organization (Nguyen, 2023).

In addition to resource and leadership issues, SMEs frequently face cultural and contextual barriers. Family-owned SMEs, for example, may prioritize continuity, tradition, and informal decision-making processes over structured planning frameworks. Employees may also resist change, particularly when strategic planning is perceived as bureaucratic or misaligned with the firm's established culture (Fenwick, Vermeulen, & Compagnucci, 2024). These cultural dynamics complicate efforts to formalize planning and reduce the likelihood of successful implementation.

Finally, SMEs must contend with external uncertainties such as market volatility, regulatory changes, and increasing competition. In dynamic environments, long-term strategic plans may quickly lose relevance, discouraging firms from engaging in extensive planning activities. This challenge is particularly acute in developing economies, where institutional and policy frameworks can change rapidly, creating instability for small businesses (Zhan, 2024). Such uncertainty often leads SMEs to avoid detailed strategic plans, opting instead for flexibility and short-term adaptation.

Taken together, these challenges illustrate why strategic planning in SMEs remains inconsistent and underdeveloped compared to larger firms. Limited resources, short-termism, weak managerial expertise, cultural resistance, and environmental instability combine to create formidable barriers. A conceptual framework evaluating the role of strategic planning in SMEs must therefore account for these obstacles if it is to provide a realistic and practical understanding of the phenomenon.

IV. DISCUSSION & RECOMENDATION

F. Discussion

The discussion of strategic planning in SMEs reveals both opportunities and challenges that shape their performance and survival in dynamic markets. On one side, strategic planning provides SMEs with a framework to anticipate market shifts, align scarce resources effectively, and strengthen competitiveness. By engaging in formal or informal planning, SME leaders are able to enhance decision-making, identify growth opportunities, and respond proactively to environmental changes. Recent studies emphasize that strategic planning contributes

significantly to SME success, particularly when combined with innovation and strong leadership practices (Rodrigues, Franco, Silva, & Oliveira, 2021). However, SMEs often face substantial barriers in adopting strategic planning effectively. Limited financial and human resources, managerial inexperience, and cultural resistance to change often lead to reactive rather than proactive strategies. This suggests that while strategic planning offers SMEs pathways to long-term sustainability, its impact is mediated by organizational capacity and contextual constraints, echoing the view that planning in SMEs must remain flexible and adaptive rather than rigid or overly formalized.

From a theoretical standpoint, these insights reinforce and extend perspectives from the Resource-Based View (RBV) and Dynamic Capabilities Theory. RBV highlights strategic planning as an intangible resource that enables SMEs to organize and deploy their limited assets more effectively to generate competitive advantage. In this sense, planning becomes a form of cognitive and managerial capital that adds value by integrating resources into coherent strategies. Yet, RBV alone does not explain how SMEs adjust when external conditions change. Dynamic Capabilities Theory complements this by emphasizing the ability of firms to sense opportunities, seize them, and reconfigure resources in response to uncertainty. Empirical studies have shown that SMEs with stronger dynamic capabilities are more successful at translating strategic planning into sustainable growth and resilience, especially in turbulent environments (Saedikiya et al., 2024; Fernandes, Müller, & Wolf, 2025). Together, these theoretical lenses position strategic planning not as a static document but as an evolving capability embedded in broader systems of organizational learning and adaptation.

The practical implications of these findings are equally significant. For SMEs to benefit fully from strategic planning, there must be deliberate investment in capacity building, policy support, and managerial training. Capacity building efforts should focus on equipping SME managers with strategic thinking, financial literacy, and scenario analysis skills, enabling them to design and execute effective plans even with limited resources. Policymakers can play a vital role by creating enabling environments through subsidies, training programs, and strategy advisory services that lower barriers for SMEs to engage in strategic planning. Managerial training, both formal and informal, should highlight lean and adaptable planning tools suitable for resource-constrained contexts, ensuring that strategies remain actionable and aligned with operational realities. Ultimately, strategic planning should not be seen as a one-time exercise but as an iterative process that evolves with organizational growth and market conditions. By embedding strategic planning within both theoretical and practical frameworks, SMEs can transform it into a tool that balances opportunity with challenge, thereby enhancing their capacity for resilience, competitiveness, and sustainable growth.

G. Future Research Directions

Looking ahead, several avenues for future research emerge from this conceptual study on the role of strategic planning in SMEs. First, there is a strong need for empirical validation of the proposed conceptual framework. While the framework developed in this paper synthesizes theoretical insights and prior findings, its robustness can only be confirmed through systematic empirical testing. Quantitative approaches such as surveys and structural equation modeling, complemented by qualitative methods like case studies, would allow researchers to examine the strength and nature of the relationships between strategic planning, organizational challenges, opportunities, and performance outcomes. As Mousa (2024) argues, mixed-method designs offer valuable insights into the contextual dynamics of SMEs and help uncover the nuanced mechanisms through which planning translates into performance.

A second promising direction lies in comparative studies between developed and developing economies. Strategic planning practices are shaped by institutional, cultural, and economic contexts, which means that findings from one environment cannot always be generalized to another. SMEs in developed economies often operate with more formalized structures, stronger institutional support, and advanced technological integration, whereas those in developing economies may rely on informal planning processes due to resource constraints and market uncertainty. Zare et al. (2025) highlight that such contextual differences significantly influence the effectiveness of strategic planning, suggesting the importance of cross-country comparisons to enrich both theory and practice.

In addition, future research should conduct industry-specific analysis, particularly contrasting manufacturing and service SMEs. These two sectors differ in their dependence on tangible versus intangible resources, operational complexity, and customer interaction patterns. Mehta et al. (2025) demonstrate that in manufacturing SMEs, systematic strategic planning is closely tied to sustainable performance, but similar findings cannot be automatically extended to service SMEs, where agility, innovation, and customer orientation often play a more prominent role. Sector-specific research would therefore enable scholars to refine theories of strategic planning and provide managers with more tailored recommendations.

Finally, there is an urgent need for longitudinal studies on planning and performance outcomes. Much of the existing research relies on cross-sectional data, which limits the ability to draw causal inferences or capture how strategic planning evolves over time. Longitudinal designs would make it possible to trace how strategic planning practices develop, adapt, and influence performance across different stages of business growth and market change. As Kraus et al. (2006) note, longitudinal perspectives help to overcome biases and reveal the dynamic, reciprocal relationship between planning and outcomes. Such approaches would provide a richer understanding of the sustainability of strategic planning practices in SMEs.

In conclusion, advancing research in these directions empirical validation, cross-economy comparisons, sector-specific analyses, and longitudinal designs will deepen scholarly understanding of strategic planning in SMEs. More importantly, it will generate actionable insights for managers and policymakers, thereby strengthening the contribution of strategic planning to the long-term resilience and competitiveness of small and medium enterprises.

V. CONCLUSION

In closing, this paper has sought to critically evaluate the role of strategic planning in small and medium enterprises (SMEs) by mapping its dual potential as both an enabler of opportunity and a terrain of challenge. Our central argument is that while strategic planning can significantly strengthen SMEs through better resource allocation, competitive positioning, and long-term resilience, its effectiveness is contingent on overcoming internal constraints and external pressures. On the one hand, opportunities abound: systematic strategic planning can enhance decision-making quality, align operations with strategic goals, foster innovation, and even support sustainable performance in turbulent environments (Mehta et al., 2025). On the other hand, SMEs often confront serious impediments limited financial and human resources, lack of formal planning culture, leadership inexperience, and environmental uncertainty that can hamper the translation of strategic intent into meaningful action (Yahaya et al., 2023; Al-Shukri et al., 2024). By juxtaposing these tensions, our discussion promotes a balanced view: strategic planning is neither a panacea nor impractical in SMEs, but rather a nuanced capability that must be adapted, scaled, and supported by enabling factors (e.g. managerial training, governance mechanisms, external support). The theoretical contribution lies in articulating a conceptual framework that integrates opportunity and challenge constructs under SME context, thereby extending strategic planning theory into resource-constrained settings. Practically, the framework offers guidance to SME leaders and policymakers for diagnosing readiness, designing phased planning interventions, and deploying capacity-building measures to strengthen strategic execution. Ultimately, this paper aims to spur empirical testing and refinement of the proposed framework so that strategic planning becomes more accessible, actionable, and impactful for SMEs navigating complex modern business landscapes.

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