

Strategic planning in SMEs, a Review of the English and French Literature

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Abstract

This paper examines the English and French literature relating to the nature and value of strategy and planning within the small firm. It seeks to follow the literature trail that has emerged since the publication in the mid-1980s of a benchmark paper on planning and strategy in small firms by Robinson and Pearce. The literature review found that despite the passage of 24 years the no discernable pattern or generic theory relating to the value of planning or how such planning should take place within small firms has emerged. The need for future research to address these issues is discussed.

Keywords: Literature review, strategic planning, SMEs, Australia, France

INTRODUCTION

In a benchmark paper Robinson and Pearce (1984) published a literature review and conceptual analysis of the nature of strategy and planning in small to medium enterprises (SMEs). Their paper posed a series of research questions relating to the value and process of planning for the small firm, as well as the role of outsiders. An examination of the literature since the publication of this work suggests that while many have cited the paper, few have directly addressed the research questions it raised. The purpose of this paper was to explore the literature published in the field of strategy and planning for small firms over the past twenty-four years to determine what it revealed in relation to answers to the issues originally raised by Robinson and Pearce

(1984). This review raises the sometimes difficult nexus between strategy and planning. Since the mid-1980s the focus of the literature relating to entrepreneurship has tended to concentrate on strategy and strategic decision making rather than planning. Heracleous (1998) has likened strategy to a “double-loop” and planning to a “single-loop” process, reflecting the long-term, more iterative nature of strategy formulation. By comparison planning is generally short-term and focused on process. Even strategic planning requires a balance between long term vision and short-term process.

Managing a small firm typically involves greater strategic behaviour than is commonly recognised. For example, the hire of a single employee is not strategic in a large firm, but it is strategic in a small one. While the decision making behaviour of the owner-manager within the small firm is not always particularly systematic or formal from a planning perspective, it frequently has strategic impacts on the firm. The analysis we have made shows that strategy and strategic thinking are less of a problem for the owner-manager than is their ability to engage in a process of planning to assist them in the decision making required to successfully operate their firm. While strategy and strategic thinking are important, of more importance is the owner-manager’s ability to apply an appropriate planning response to a given strategy or strategic environment. Our focus here has thus been strategy and planning in the small firm and their links. As suggested by Richbell et al. (2006), planning can “take a variety of forms from the informal to formalized and carefully prepared plans”, meaning “formal written plans rather than plans held in the head of an owner-manager”, “formal statement of future intentions rather than something roughed out on the back of an envelope”. As suggested by Bracker & Pearson (1986), there are different types of planning, depending on both the form (more structured or more intuitive) and the content (more strategic or more operational). The question however remains of the value of planning for small firms and the appropriated level of formalisation.

This paper presents only a small part of a much larger literature review undertaken into the English and French language publications. Our focus is on the value of planning to the small firm and the nature of the planning process, specifically how formal or informal it should be. The review is structured into two areas of focus that relate in turn to: i) the value of planning to the small firm; and ii) the process of strategic planning within small firms.

The approach taken with the literature review methodology was to search using key words, titles, authors and cross-referencing citations indices from a range of online journal databases such as *Science Direct*, *EBSCO Host* and *JSTOR*, as well as *Google Scholar*. This search has been complemented by an analysis of papers and communications in the main French speaking journals and academic conferences related to small business research. Each paper was reviewed and then separated into one of the categories associated with our conceptual framework. Several major literature reviews were also sourced (Bouckenooghe, De Clercq, Willem & Buelens, 2007; Ireland, Webb & Coombs, 2005; Bergh, Hanke, Balkundi, Brown & Chen, 2007; Goy, 2006; Ratnatunga & Romano, 1997; Marchesnay, 2003; Street & Cameron, 2007; Kraus, Schwartz & Reschke, 2005; Daily, McDougall, Covin & Dalton, 2002; Wood, 1999; Middleton-Stone & Greer-Brush, 1996; Tonge 2001a; 2001b). These indicated that no consistent pattern emerged in relation to small firm strategy and planning due to a wide variance in the methodologies used as well as the lack of consistent definitions for SME, planning, strategy and performance. No clear understanding, predictive theory or model was found in relation to the SME planning, strategy or growth.

THE VALUE OF PLANNING TO THE SMALL FIRM

Writing in the mid-1980s Robinson and Pearce (1984) noted that the value of planning in the small firm had gained only limited attention in the literature during the 1950s and 1960s, becoming more prescriptive and empirical in nature during the 1970s and 1980s. They cited 12 papers dating from 1950s to early 1980s that indicated planning was positively correlated with

better performance, although these findings were not universal and methodologies varied substantially. There was also evidence of the involvement of outsiders as having a positive impact in two of these studies. Within the French language literature it was D'Amboise (1974; 1993) who was the most prominent pioneer of this field of inquiry. Table 1 lists the papers that were included in our review of the literature relating to the value of planning to small firms. Table 2 lists the French and Canadian papers that were included in this review. These we have ordered by date as they provide a sequential development of the literature.

<<Insert Table 1 here>>

<<Insert Table 2 here>>

This literature suggests that planning assistance to small firms is primarily informal in nature, should avoid excessive paperwork and be focused on clear goals. When undertaken effectively with the support of the owner-manager it can lead to significant improvements in sales, profitability and employment growth (Robinson & Littlejohn, 1981). Planning requirements differ depending on the firm's stage of development (Miller, 1987), and on variables linked to the nature of environment (Miller & Friesen, 1978). During the early years the focus should be on sales and marketing, with more focus on internal operational efficiencies and human resource development as they mature (Robinson, Pearce, Vozikis & Mescon, 1984). The owner-manager also emerges as the central actor in the success or failure of the firm and how formal or informal its planning is found to be; with the majority engaging in little formal planning but remaining profitable (Shuman, Sussman & Shaw, 1985). Nevertheless, entrepreneurial owner-managers may benefit more from formal, long-term planning (Miller & Toulouse (1986), Bracker, Keates & Pearson, (1988)). This is likely to be of particular importance if they are seeking to secure external financing, which is a typical requirement of venture financiers, although most small firms do not seek such financing (Spitzer, Alpar & Hills, 1989).

Studies from the 1990s

The 1990s saw a major increase in the number of papers published in the field of small business management and entrepreneurship (Torres, 2003). However, in relation to the issue of strategy and planning in SMEs little discernable pattern emerged. The need for planning and management skills amongst owner-managers in the formative years of the firm were highlighted, along with a recognition that owner-manager education and age were less influential than analytical skill and the capacity for calculated risk taking (Alpander, Carter & Forsgen, 1990; Lyles, Baird, Orris & Kuratko, 1993). The planning process was viewed as being of more importance than the mere possession of a written plan, and there was also a recognition that the planning tools and methods appropriate for a large firm were not always appropriate for small ones (D'Amboise, 1989; D'Amboise, & Bakamibona, 1990).

Riesseeuw and Masurel (1994) found planning appeared to be stimulated by environmental complexity, but larger firms tend to plan more intensively than small ones and planning decreases with the age of firm. They concluded that knowledge of the market and environmental certainty are proxies for planning; plus the relationship between planning and performance is weak. Their study suggested that once a small firm's top management team or owner-manager becomes experienced within their task environment and/or where they feel that this task environment is munificent, they will be less likely to plan, at least in a formal manner. This strategic perspective of the firm's owner-manager was found to be an important element in the planning process in a later study undertaken by Stewart, Watson, Carland and Carland (1999). They found that while planning appears to enhance venture performance the entrepreneurial managers from the smaller firms were more likely to engage in planning.

Studies from the 2000s

Little appears to have changed in more recent studies, other than that the literature is now providing evidence from countries outside the USA, UK and other “Anglo” economies. For example, Lussier and Pfeifer (2001) in a study of small eastern European firms found that success appeared to be related to the owner-manager’s level of education, their receipt of professional advice from outsiders, the recruitment of good staff and detailed strategic planning. They also examined 24 studies that sought to determine the causes of success and failure in business. Sixty-two percent of these studies found planning a significant factor contributing to the firm’s success. In the French literature Goy (2003) and Goy and Paturel (2004) sought to build on the work started by Julien and Marchesnay (1996) in the previous decade. They tried to better understand the contingency factors of planning behaviour and identified three main influences: the owner manager personality, the nature of the industry or activity and the turbulence of the environment requiring more or less flexibility and reactivity.

The nature and benefit of strategic planning was shown by Baker (2003) who found that a firm’s strategic planning could be used to enhance financial performance. Strategic planning was measured within these firms by several elements. The first was the presence of a written mission statement. Also used were the firm’s analysis of market trends and competitor activities, and its formal setting of short and long-term goals. Finally, there were the actions taken by the firm to monitor and evaluate this strategy in an ongoing way. Verreyne (2006) also pointed the link between strategy decision making and the performance of SMEs. She identified different types of strategic decision making that exhibit different influences on performance within the firm. Maes, Sels and Roodhooft (2005) found that linkages between a firm’s managerial characteristics, organisational configuration and overall performance are mediated by management practices. They found positive relationships between short term operational management practices (e.g. cash flow monitoring) and the firm’s financial performance, but less evidence for formalisation in

strategic planning. The external environment plays an important role in determining the nature of planning in the small firm with uncertainty resulting in some decline in formal planning behaviour among some types of owner-manager (Yusuf, 2000; Yusuf & Nyomori, 2002). Finally, a study of small firms from Ghana undertaken by Yusuf and Saffu (2005) found that planning was not related to performance, with the exception of manufacturers. When faced with environmental uncertainty planning was not stimulated and the level of the owner-manager's education was not found to be significant. They concluded that while planning can be of benefit to a small firm it is not a solution for firms faced with poor economic outlook in their task environment.

Summarising the evidence on the value of planning

These studies suggest that little has changed since the mid-1980s with respect to the empirical literature and evidence of planning being of value to small firms. As described above, there is evidence that small firms do gain a benefit from planning although the specific nature of this benefit remains unclear. What does seem consistent across these studies is the importance of the owner-manager or top management team within the firm to the quantity and quality of planning, and the success of planning outcomes. Past management experience, education and the level of entrepreneurial orientation of the owner-manager all featured as important variables influencing planning outcomes. However, there remain differences across these studies as well as conflicting findings. Methodological variations in the size of firms, measures used and type of firm are all likely to have led to these differences.

THE PROCESS OF PLANNING IN SMALL FIRMS

We can now turn to the issue of what specific activities should comprise the planning process in small firms and how they might allocate resources to this planning. Compared with the earlier topics this area of the literature was found to be relatively poorly covered and not systematic in

the way it was addressed. Shuman and Seegar (1986) sought to address some of the research questions originally posed by Robinson and Pearce (1984), in particular: “*what specific activities should comprise the planning process*”? They included a working definition of strategic management:

“Strategic management is the process of examining both present and future environments, formulating the organization’s objectives, and making, implementing, and controlling decisions focused on achieving these objectives in the present and future environments (Smith, et. al. 1985; p.4).

In this context planning is an interactive process that includes the personal and business objectives of the owner-manager. The level of formalisation in this process depends on the size and characteristics of the firm. However, they argue in favour of a more formal planning process. In their view the most important variable in determining the effectiveness of the outcome is how well the planning is done; not how much planning is undertaken. Good information and reporting systems within the firm are likely to assist this process. As with many other studies in this field, Shuman and Seegar (1986) found difficulty in demonstrating a causal relationship between planning and financial performance (as measured by profitability). However, they noted that the success of the firm’s actual planning processes was dependent on the owner-manager’s capacity to change, and the firm’s past and current operating performance.

The owner-manager must be confident that they can get a benefit from planning, and also need to be prepared to engage with others both inside and outside the firm in seeking to undertake this planning. Even where the planning is informal in nature, the dynamics of how a small firm operates makes it possible for the owner-manager to influence the planning process in either a positive or negative manner by using their power of ownership within the business (Goffee & Scase, 1985). The strategic flexibility of the small firm and its ability to generate organisational slack via careful financial control are factors important to success (Verdu-Jover, Llorens-Montes & Garcia-Morales, 2006).

Messeghem (2003) proposed that small firms with strong entrepreneurial orientation will be characterised by high levels of standardisation, specialisation and formalisation, and will also possess a complex external information system, as well as a complex planning and control system. In a study of small firms in the food processing industry he found support for these propositions, suggesting that the entrepreneurial orientation of the firm's management may be associated with increasing formalisation. The role of the owner-manager in the planning process is therefore critical to how formal and how successful the planning is. Busenitz (1999) has noted that entrepreneurs when making strategic decisions tend to make use of biases and heuristics. This quality appears to separate them from managers in large firms who are likely to operate with more rational decision making. It is not that entrepreneurs are more prone to taking risks; rather they are inclined towards basing decisions on limited information, often from very few sources, and to overconfidence of their own ability to achieve goals. This would suggest that small firms with highly entrepreneurial owner-managers might be more likely to engage in different planning behaviour to those from less entrepreneurial orientations.

Jenkins and Johnson (1997) classified owner-managers into those who sought entrepreneurial outcomes and those who do not, and those who realise these outcomes and those who don't. This typology and the study of actual performance suggested that effective planning needed both an external and internal focus, with emphasis on intuitive sense making models that focus on the critical relationships between the strategic and operational tasks. More recently, Verreyne (2006) has identified four different types of strategic decision making processes that encompass different activities and verify the hypothesis that different firms will use different processes of different levels of complexity.

Innovative and Market Focused

Successful growth is therefore associated with entrepreneurial vision and also the ability of the owner-manager and their top management team to identify *growth vectors* that allow the business to secure above average rents within niche market segments (Ansoff, 1965; Alvarez & Barney, 2004). They must be willing to innovate, creating new or improved products and services to offer to existing customers, or to seek new market opportunities with existing products. McDougall, Covin, Robinson and Herron (1994) found that successful growth was related to an aggressive new product led and new market led entry strategy targeted at high growth industries. The senior management team in such firms displayed strong marketing skills. In less munificent market environments the firms adopted focus niche strategies with specialist products targeting the needs of key customers.

The evidence suggests that small firms seeking to grow will need to focus on innovation in the form of new product development, and this will be contingent on the firm's ability to understand the importance of marketing in order to achieve success (Huang, Soutar & Brown, 2002). This does not mean that good project management is no longer required, and good business plans are the antecedents of effective new product development (Salomo, Weise & Gemunden, 2007). Nevertheless, marketing and communications play an important role in the education of customers and the success of any new product or new market entry will depend on the firm's skill at marketing and promotion (Lee & O'Connor, 2003). Fast growth for small firms via new product development is more likely where the firm can widen its customer base and diversify its suppliers (Pavia, 1990). However, financial skills are just as important to the successful implementation of any strategic plan as marketing skills. As shown by McMahon (2001) the more comprehensive the firm's financial reporting the more likely that it will be efficiently managed. His analysis of small firm financial reporting in Australia suggests that more competence in financial management will significantly improve business success.

The owner-manager who is seeking to launch a new product or service is likely to rely upon customer feedback as well as their belief that their firm has the resources and team competence to exploit the market opportunity (Choi & Shepherd, 2004). When faced with hostile task environments entrepreneurial firms have been found to perform better, due to their ability to create long-term strategic vision, undertake effective environmental scanning and command premium prices for their products or services due to value adding (Covin & Selvin, 1989). It is important that the small firm focuses on the needs of the customer and develops a capacity for market differentiation, something that requires a sound knowledge of the customer (Zahay & Griffin, 2004).

Developing Strategy in the Small Firm

Throughout its lifecycle a small firm will have different strategic goals. At start up it will be focused primarily on securing sufficient sales to survive. However, as it matures its main priority is likely to be how to grow profitability (Olson & Morris, 1990). Robinson and Pearce (1986) suggested that the owner-manager will need to continuously reassess their strategies and practices to ensure that they devote sufficient attention to both new products and market opportunities, and established lines. Balancing the strategic and operational activities will also be necessary. The planning process of the small firm will need to be opportunistic, with sensitivity to customer needs, as well as focused on building up internal resources to allow for future growth. Any attempt to exploit a market opportunity must be matched by appropriate managerial competencies in the industry or market segment (Hendry, Arthur & Jones, 1995).

Gimenez (2000) has shown that small firms conform to the same strategic posture types as proposed by Miles and Snow (1978) in relation to large firms: the market seeking innovative *Prospector*; the strategically aware *Analyser*; conservative *Defender*, and the strategically challenged *Reactor*. As with large firms, the most successful growth was found among the

Analysers and Prospectors. The role of strategy within the small firm's planning process is that of a mediating variable between available resources and performance. The strategy followed by the owner-manager helps to guide the deployment of the firm's resources. Any strategy followed must build upon the resources that exist within the firm (Edelman, Brush & Manolova, 2005).

Chan and Foster (1999) examined the behaviour of firms in Hong Kong and suggested that the firm's owner-manager was the most critical element. They must recognise the need for planning and their age, education and even gender may play an influential role in how they respond. Past industry experience and whether they own the firm's equity solely or jointly may also play a role. Planning will require the examination of internal and external environments and may involve either a formal or informal process or more likely a combination. The owner-manager may seek assistance from outsiders in undertaking the planning, but there is no generic, robust theory of how strategy in the small firm is formulated. Formality or being systematic appears to have benefits, but the process should not become too bureaucratic or complex. Getting outside assistance is to be encouraged. Something that has been found to be of assistance to fast growing small firms (Julien & Lachance, 2001). Where environmental uncertainty is perceived to be high it is likely that the owner-manager will devote more time to internal networking and planning, which can have beneficial effects on the firm's performance (Sawyer, McGee & Peterson, 2003). However, the strategic behaviour of firms is likely to be dependent on size (Kalantaridis, 2004).

The process of planning – summing up

We do not claim that our review of the literature relating to the process of planning in small firms is exhaustive, but it does reflect a good cross section of the studies published in the area of planning and strategy formation by small firms over the past twenty years. An initial observation from this review is that the topic of small business planning, at least from a systematic or process

perspective remains poorly understood. The picture that emerges is that the process of planning in the small firm is largely informal and must simultaneously consider both strategic and operational issues. For firms seeking to grow there must be a clear *growth vector*, an innovation and sufficient organisational slack and managerial competencies.

Of importance are the specific ways that small firms can or should use their planning and control systems to achieve appropriate outcomes. A small firm that has few planning systems (which seems possible only with the very smallest micro-enterprise) is going to be focused on short term mostly operational planning. Where the firm is engaged in innovation and market growth, there will need to be a more strategic level planning. How formal this planning becomes is likely to depend on the owner-manager, the market into which they are targeting and the product or service they are trying to sell. A talented owner-manager or top management team may be able to run the business for a long period of time with rudimentary control, reporting and planning systems, but eventually as scale, scope and complexity rise the informality of the system will make effective management impossible.

CONCLUSION: WHAT DOES THE LITERATURE SUGGEST?

As this review of the empirical literature shows, the small firm is likely to gain value from planning although it is not the amount or even the formality of the planning that seems to matter. More significant is the ability of the owner-manager to apply systematic analytical thinking to their management of the task environment. If formality in the planning process is to be used it is likely to occur in response to a need to coordinate the organisational structure of the firm, or to satisfy the needs of external stakeholders. Outsiders can help to enhance the planning process within the small firm, but they and their level of assistance needs to be matched appropriately to the owner-manager and the firm.

One of the main research questions originally posed by Robinson and Pearce (1984) was: *is the value of planning contingent on the type of firm?* Based on the evidence so far we can conclude

that while small firms appear to gain benefits from planning, the value of this planning is contingent on the nature of the interplay between the firm's task environment, organisational configuration and managerial characteristics (Miller & Toulouse (1986), D'Amboise & Muldowney, (1988)). Firms that are faced with stable or munificent task environments are less likely to find value in planning than those where the task environment is more turbulent. There is a nexus between the turbulence within the task environment, the firm's organisational configuration and the nature of the planning response (Miller & Friesen, 1983).

The complexity of the organisational configuration (e.g. manufacturers versus services firms) may also play a role in determining the value of planning, and whether this value comes from more operational or strategic planning (Miller & Friesen, 1978). Finally, the value of planning seems to hinge upon the capability of the firm's owner-manager or senior management team to effectively undertake the planning process (e.g. quality not quantity).

These questions have been raised within the literature in the 1980s and 1990s. There has been a questioning of the growth stage theories of small firms (Miller & Friesen, 1984), and recognition of the importance of managing the interplay between organisational configuration (structure) and the strategic task environment with an appropriate planning response (Miller, 1987a; 1987b; 1987c; 1987d). However, the field remains under researched, particularly in relation to how small firms might respond to a given task environment and organisational configuration. The importance of SMEs in the world's economies and the increasing willingness of governments to support their development suggest that more studies should be conducted. Future research should thus focus on understanding the interplay between the firm's task environment and organisational configuration, and owner-manager's characteristics as key determinants of planning behaviour. Plus it should recognise that the value of planning and the level of formality within the planning process is likely to be contingent on the nature of these three elements.

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Table 1. Value of Planning to Small Firms

Papers	Sample Size	Key Findings
<i>Studies from the 1980s</i>		
Miller & Friesen (1978)	81	Looks for simultaneous associations among a large number of variables. Identifies 10 archetypes including 6 successful archetypes and 4 failure archetypes
Robinson & Littlejohn (1981)	67	Higher sales for firms that plan but the owner-manager's attitude is critical
Robinson, Pearce Vozikis & Mescon (1984)	51	Planning helps sales in young firms & staffing in mature firms.
Shuman, Sussman & Shaw (1985)	220	No link of planning to profitability, but CEO background & attitude is critical
Miller and Toulouse (1986)	97	Tries to determine the relationships that three aspects of the chief executive's (CEO's) personality have with the strategies, structures, decision making methods and performance of their firms. Identifies four imperatives or powerful influences- environment, structure, leadership, and strategy-that help shape organizational configurations. Those imperatives might change during the course of a firm's life cycle.
Miller (1987)		
Bracker, Keates & Pearson (1988)	217	Planning & financial performance found Entrepreneurial managers do best with formal long-term planning
Spitzer, Alpar & Hills(1989)	362	Planning linked to external financing but few plan & planning is informal
<i>Studies from the 1990s:</i>		
Alpander, Carter & Forsgen (1990)	122	Poor management linked failure, success due to analytical & risk taking skills.
Lyles, Baird, Orris & Kuratko (1993)	188	Planning process more useful than plan & leads to better & sophisticated strategy
Riesseeuw & Masurel(1993)	1,211	Knowledge & environmental munificence proxies for planning, weak link between planning & performance.
Stewart, Watson, Carland & Carland (1999)	767	Planning has benefits to small firms, but owner-manager attitude is critica
<i>Studies from the 2000s:</i>		
Lussier & Pfeifer (2001)	131	Success is linked to education of owner- manager, staffing, planning & advisers.
Baker (2003)	200	Planning helps financial performance & can be measured
Maes, Sels & Roodhooft(2005)	218	Owner-manager impacts indirectly on financial performance via management.
Yusuf & Saffu (2005)	297	Planning not linked to the firm's financial performance & environmental uncertainty not significant to motivate planning
Verreyne (2006)	477	Even though rational approaches may not be widespread in small firms, it does not mean that these firms do not make strategy, but rather that small firms use approaches that are more suitable to their unique circumstances

Table 2: Planning and Strategy in the Small Firm – Summary of the French speaking literature

<i>Authors</i>	<i>characteristic</i>	<i>Key Findings</i>
D'Amboise, G. (1974)		Comes to planning because focuses on operational management tools especially budget.
Montebello, M., Saias, M., Grefeuille, J. (1975).		One of the first studies on planning in SMEs
Tremblay, S. (1983)		Guide for planning in SME
Saporta B. (1986)		SMEs may have excellent performance without using sophisticated planning tools. SMEs need a much lighter process essentially because they need a greater proximity to their environment, in order to be able to decide and act without too much analysis.
D'Amboise, G. (1989)		Literature review on planning in SMEs.
D'Amboise, G. et Bakamibona A. (1990)		Start from Robinson & Pearce 1984, analyse the last papers published on planning since 1984 and conclude that planning as usually recommended for SMEs is too complex. Propose to adapt and lighten the tools for SMEs
Frank, H., Plaschka, Gerhard R., Rousl, D., Welsch, Harold P. (1991)		Build an international comparison of planning in SME
Cristallini, V., & Demissy, B.,(1999)		The main focus of the SME is its knowhow. When its knowhow is threatened, the SME is in danger. As their resources are limited, they are unable to change direction of growth as easily as bigger firms. Its strategic vision is thus evolutive in nature.
Torrès, O. (2001)		The reason why SMEs do not really plan is the proximity they need to keep with both their environment and their organization.
Goy, H., (2001)		Argues on the importance of conducting research on planning in SMEs
Goy, H., (2003),	Qualitative, 2 cases	Étudie les pratiques de planification dans le contexte d'environnements considérés comme turbulents au sens de Helfer et al. (1998), c'est-à-dire dans lesquels l'innovation technologique et le rythme d'évolution des marchés sont importants. Constate l'importance de la personnalité du dirigeant, l'influence du métier et la flexibilité de la démarche en continu
Goy Hervé & Paturol Robert (2004),	Quantitative, 82 SMEs	Part de la stérilité des méthodes inductives en matière de planification, propose un modèle et des variables de contingence pour faire une typologie des PMI en fonction de leurs attitudes et de leurs pratiques face à la planification.

Table 3 Literature Review – Formality in Small Firm Planning 1980s

Papers	Sample Size	Key Findings
<i>Studies from the 1980s</i>		
Rice & Hamilton (1979)	35	Owner-managers are intuitive & informal in decision making with multiple info sources
Robinson & Pearce (1983)	85	Formal planning did no better than informal planning
Rice (1983)	22	SME plan informally not formally
Unni (1984)		Most SME are informal, intuitive planners & planning depends on owner-manager profile.
Ackelsberg & Arlow (1985)	135	Informal planning better than formal.
Orpen (1985)	58	Quality of planning not time spent matters. Formality enhances firm performance
Pelham & Clayson (1988)	156	Planning is operational & intuitive not strategic, past experience of OM impacts
Carland, Carland & Ashby(1989)	368	Formal planning linked to innovation, risk taking & achievement in owner-managers, formal plans linked to complex structure
Shrader, Mulford & Blackburn (1989)	97	Planning operational not strategic & formality not linked to performance. Operational plans linked to sales & profitability.

Table 4 Literature Review – Formality in Small Firm Planning 1990s

Papers	Sample Size	Key Findings
<i>Studies from the 1990s</i>		
Aram & Cowan (1990)	4	Strategic planning not a quick fix & needs a long-term but simplified “strategy in use”.
Schwenk & Shrader (1993)	26	Meta-analysis, weak association between formality & performance.
Olson & Bokor (1995)	442	Formal planning enhances performance, past experience of owner is important.
Matthews & Scott (1995)	130	Sophisticated planning higher in firms that are entrepreneurial in nature.
Berman, Gordon & Sussman (1997)	161	SME can benefit from formal planning but only manufacturers linked with growth
Rue & Ibrahim (1998)	253	No link between formal planning & ROI, but formal planning linked to sales growth.
O’Gorman & Doran (1999)	115	Formal mission statements of little value, no differences between high & low performers.
Stoica & Schindenhutte(1999)	242	A balance needed between formality & informality in planning.

Table 5 Literature Review – Formality in Small Firm Planning 2000s

Papers	Sample Size	Key Findings
<i>Studies from the 2000</i>		
Upton, Teal & Felan (2001)	65	Formal planning linked to fast growth firms & long-term planning most important.
Perry (2001)	152	SME do little formal planning but failure is linked with lack of planning
Yusuf & Nyomori (2002)	174	Sophisticated planning enhances performance but no link between uncertainty & planning
Fletcher & Harris (2002)	25	Planning associated with growth & emergent strategies but not pure emergent strategy
Woods & Joyce (2003)	513	Owner-managers have fewer planning tools, less education & skills, fast growth firms will use tools
Ebben & Johnson (2005)	344	No differences between firms using efficiency& flexibility strategies.
Gibbons & O'Connor (2005)	359	Entrepreneurial firms more formal in planning& conservative firms less formal.
Richbell, Watts & Wardle(2006)	70	Formal planning in SME is poor & owner- managers & business strategy are influential. Growth focused firms plan more formally.
Alpkan, Yilmaz & Kaya(2007)	312	Too much flexibility in strategic planning in uncertain environments risks no planning