



STRATEGIC PLANNING CHALLENGES FACED BY CLOTHING RETAIL SME'S IN CAPE TOWN, SOUTH AFRICA

by

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ABSTRACT

The main objective of this study was to investigate the challenges faced by SMEs in relation to strategic planning and factors affecting strategic planning in the clothing retail industry in Cape Town. The main research question was “what are the strategic planning challenges faced by SMEs within the clothing retail industry in the Cape Town. A mixed method methodology consisting of both qualitative and quantitative question was adopted. A survey questionnaire including in-depth questions as well as open-ended questions administered to 56 clothing retail store managers were used.

This study employed a descriptive research design which aimed to describe the problem as it exists, identifying and obtaining data. The convenience sample was used to identify the targeted participants of 56 SMEs clothing retail owners. Rigor is based on the quality of being exact, the quality of being thorough and accurate, on the study rigor was used on measuring the reliability of the phenomenon on strategic planning challenges through the questionnaire of the study. Trustworthiness also was used to the point of trust, confidence and which readers have in results/findings. Based on the study the participants have shown the truthfulness of the phenomena on strategic planning based on the same experience.

The research results show that clothing retailers in Cape Town faced a variety of strategic planning challenges. These challenges include: the non-communication of strategic planning to all levels of the business, not prioritizing strategic planning, neglecting strategic planning, and poor strategic plans. Government regulations, industry competition and lack of management skills are the key factors that have an impact on the strategic planning process. Recommendations from findings managers and owners have been confusing strategic plan and strategy implementation. This confusion can develop to complicate strategic planning.

Key words: challenges, retail, SMEs, strategic planning and factors.

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DEDICATION

This project is dedicated to my late grandmother “Luweka Mambanjwa Sobende” I know she is always there for me every time spiritually “may her soul rest in peace”. We will always miss and remember you.

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GLOSSARY

SME - Small and medium enterprises
GDP - Gross domestic product
GSP - Global strategic planning
SWOT – Strength, weakness, opportunity and threat
CAGR – Compound annual growth rate
GSP – Generalized system of preference
BRICS - Brazil, Russia, China and South Africa
PESTLE – Politics, economic, social, technological, legal and environmental
BOD – Board of directors
CEO – Chief executive officer
COO – Chief operating officer
CFO – Chief financial officer
SP - Strategic planning

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CHAPTER 1

INTRODUCTION TO STRATEGIC PLANNING

1.1 Introduction

Small and medium enterprises (SMEs) are known to be the key drivers of economic growth through employment creation, contribution to gross domestic product (GDP), technological innovations and social development. Since many entrepreneurs do not formulate business plans, strategic planning and decision-making can be a major key determinant of the failure and success of SMEs. The growth of SMEs depends on the ability to apply strategic planning. Strategic planning is therefore a vital tool for SMEs in the time of international competition, technological adjust and increase in the market share (Kutllovci and Shala, 2013:87).

According to Majama & Magang (2017:75) strategic planning includes coordinating activities to reach the vision of the organisation. Wang, et al. (2007:3-4) supported this view as it concern setting up a vision, growth and creation of a strategy to reach the company goals. SMEs who mostly engage in strategic planning are those that are more likely to be innovative, develop products and achieving international growth (Wang et al., 2007:3). Owners and managers that tend to neglect their long-term vision and goals are likely to fail in achieving their maximum performance and growth (Wang et al., 2007:10).

SMEs are playing an important part in the economic growth of South Africa's economy. They are the major contributor in increasing job creation, creating business ideas and implementing them, promoting economic combination, and keeping social solidity (European Network for SME Researcher, 2013:1). For the effort to remain competitive and maintain stable sales level and profitability, companies across the world have turned to the management of their strategic planning. It has been estimated that SMEs comprise ninety percent (90%) in new ventures, creating job opportunities up to sixty percent (60%) and make up to thirty-four percent (34%) of gross domestic product (GDP). SMEs are those organizations that hire the major of unemployed people in the country (OECD, 2005:2).

SMEs definitions differ from country to country. According to the National Small Business Act (NSBA) 102 of 1996, there are four categories of SMEs in South Africa. The categories are as follows:

- Mid-sized retailers employing between hundred to two hundred employees and with an annual turnover of R40 million.
- Small-scale retailer employing fifty employees and a turnover of R2 million.
- Small retail business with ten employees with an annual turnover of R200 000 and
- Micro retail with fewer than five employees and with an annual turnover of R150 000.

This study focused to small clothing retail stores employing ten employees and with an annual turnover of R200 000, based in the Cape Town. These stores are accessible and the collection of data was easy.

The aim of this study is to investigate the challenges faced by the small clothing retail stores with regard to strategic planning and factors affecting strategic planning in the clothing retail industry. This study will also explore the value of strategic planning within the clothing retail industry.

The South African retail industry has engaged in the economic development and is playing an important role in South Africa's economy at large (Kumbhat, 2019:20). Retail means the selling of the pre-owned and brand-new products to the society and other stores (Kujtim. 2018:2).

SMEs are a dynamic element of economic growth around the globe (Majama and Magang, 2017:74). Until recently SMEs did not engage in strategic planning. The importance of SMEs to world economies is well documented. SMEs (firms with 200 or less employees) make up the largest business sector in every world economy and governments around the globe are increasingly promoting and supporting SMEs growth as part of their overall national development strategy (Wang et al., 2011:2).

In South Africa, SMEs have played a vital role to address some of the economic development challenges that the country has faced (Leboea, 2017:3). SMEs are overwhelmed by high failure rates and poor performance levels. To ensure sustained development of the sector, it is vital to understand why some SMEs are more successful than others (Wang et al., 2017:2).

1.2 Problem statement

South African SMEs are the drivers of the economy and growth and yet they have been lacking a strategic planning orientation to increase their productivity and performance. This lack is due to major weaknesses such as knowledge of the economy by management. SMEs managers, owners and experts have noticed that even though they might have received resources such as funding and skilled workers, they are still not doing well in their strategic planning (Majama and Magang, 2017:74).

According to the Market line industry profile (2018:1) the South African retail industry has experienced a growth of (8.7%), comparing to Nigerian (6.4%) and Egypt (4.7%) in between 2013 - 2017. Bryson (2018:3) indicates that strategic planning at its best helps owners and managers to effectively mark on their major challenges they faced.

Sandaba & Pooe (2014: 660-661) mentioned that the effectiveness of strategic planning provides support at all levels of the business and gives competitive advantage to the SMEs. Research by Wang, et al. (2007:2) revealed that SMEs have lack of time, expertise and insufficient knowledge of the planning process that needs to be shared with employees and external consultants. Okeke, et al. (2016:10) indicated that it is possible to make the most use of many strategies and policies in order to improve company's growth and production.

1.3 Research aim and objectives

The aim of this research is to explore the challenges faced by SMEs during strategic planning within clothing retail industry in Cape Town.

To address the above aim, the primary objective was to investigate the strategic planning process with-in SME clothing retail stores in the Cape Town. The subordinated objectives were:

- (i) To investigate the process of strategic planning within SME clothing retail stores in the Cape Town.
- (ii) To observe the value of strategic planning within SME clothing retail stores in the Cape Town, and
- (iii) To determine the development of strategic planning success within in the clothing retail stores in the Cape Town.

1.4 Research questions

The main research question to tease out the main objective is: What are the strategic planning challenges faced by SMEs in the clothing retail industry within the Cape Town? The secondary questions in support of the main research question were:

- (i) What determines the strategic planning process within SME clothing retail stores in the Cape Town?
- (ii) What detects the value in strategic planning within SME clothing retail stores in the Cape Town, and
- (iii) What determines strategic planning success in SME clothing retail stores in the Cape Town?

1.5 Research purpose

This study provides useful information to owners or managers in SME clothing retail stores in Cape Town to help them to develop and to value strategic planning in order to remain competitive, to grow and to be successful. This study will also be beneficial and will contribute to SMEs clothing retail owners and managers to improve strategic planning activities, policies,

and the significance of effective strategic planning. This will improve the organisational performance and growth to achieve its organisational goals.

1.6 Literature review

1.6.1 Theoretical framework of strategic planning

1.6.1.1 Strategic planning and small and medium enterprises

Majama & Magang (2017:75) defined strategic planning as an action of correlating tasks to reach an organisation's vision objective. The term strategic planning is always misinterpreted with strategy formulation. Strategy formulation is the act of growing the vision and mission, recognizing the nature of the firm (David, 2005:2). The managers and entrepreneurs that have good business personality must choose between alternative game plans for investigation, new ideas and the ability to take risks (Thompson et al., 2012:36).

Business owners must be familiar with the game plans exercises, procedures and expertise these will give them competitive advantage to their competitors. Strategic planning and strategy formulation are the most important tools for business owners to focus on in order for the organisation to grow, make profit and market analysis (Kutllovci and Shala, 2013:87). Organisations that capture strategic planning are those companies that always have new ideas, product development, come up with new exercise and management technology and that accomplish global expansion (Wang et al., 2007:3).

SMEs who are involved in strategic planning are likely to survive, increasing the business performance, gaining competitive advantage and become well recognized (Majama and Magang, 2017:75-76). SMEs that do not concentrate on the organisation's strategic planning action tend to not improve and better performance that has an effect on an organisation to break down or close (Majama and Magang, 2017:75-76).

1.6.1.2 Value of strategic planning and retail industry

SMEs are not making strategic planning their first priority. SMEs tend to neglect the strategy making processes. According to Wang, et al. (2007:3) the lack of planning, lack of time, specialised expertise and inadequate knowledge becomes an issue to SMEs because the management does not share the strategic planning to all employees and external specialist. Strategic planning makes it possible for SMEs to forecast future of the business likely to respond effectively to the environment through improvement of their performance (Sandaba, et al., 2014:2).

Owners/managers who exercise effective strategic planning in their organisation tend to create public value, fulfill their mission, meet their mandates and cope with the changing environment (Bryson, 2018:2). Market line Industry Profile (2018:1) revealed that South African retail industry grew by 8.5% with the forecast increase of 52.6% in 2022, with menswear as the largest segment. However, the strong and the absence of introducing variety of new products or services in this industry toughen the market among competitors and reduce the degree of rivalry.

Wang, et al. (2007:4) indicated that strategic development is obstructed by different barriers, which become a problem to most SMEs that result in not prioritizing strategic planning. This has led to research on identifying organisational planning barriers.

1.6.1.3 Strategic planning

The major management task is strategic planning practice in any business which they have practice most in it. Strategic planning is an identifiable established task and settling of firm's mission and its commercial strategy (Maleka, 2014:16).

1.6.1.4 Communication plan and task

The communication plan and task illustrated in Figure 1.1 below is firmly creating brief information that can be communicated to the employees of the organisation. A communication plan constructs an organisational balance (Maleka, 2014:18).



**Figure 1.1: Communication plan and tasks
(Maleka, 2014:18)**

Communication plan and tasks in Figure 1.1 above shows that there is communication plans and tasks process to be followed by the organisation to achieve its strategic goals. The vision and mission of the organisation are the first and the most important in the plan. Strategies and goals need to be carefully discussed and communicated within all levels of the business in

order to be understood and interpreted successfully. Effective measurements need to be done to evaluate the process and suggestions of alternative strategies can be considered (Maleka, 2014:18).

Communicating the business's strategic planning to the organizational structure at all levels tends to grow and improve productivity (Maleka, 2014:20). Involvement of organisational managers throughout the strategic planning process involves exercising on making the right decisions. The senior executives are more in-charge in the development and execution of the strategic planning (Kwamboka, 2014:2).

1.6.1.5 Growth of retail market and contribution to the economy

The South African retail industry has sustained a sensible annual inflation rate. In South Africa retail trades sales information are collected by Statistics South Africa (STATS SA) per month which collected from approximately 2500 retail enterprises. The purpose of this collection is to compile data in order to analyze businesses and industry performance to gather estimates of GDP contribution (STATS SA, 2018:1).

Retail has a huge impact on the South African economy as slow economic growth has its impact on South Africa's retail sector; the country is performing significantly better than its peers across the continent according to the Market line Industry Profile, (2018:2). As an origin of employment, retailing provides a large scope of career opportunities such as store management, merchandising and becoming an owner of retail business (Market line Industry Profile, 2018:2).

Consumers gain from retailing; as such retailers do marketing tasks that make it achievable to consumers to access the various products and services. Retailers are involved in arranging the process by gathering a variety of products and services from different suppliers (Reliving MBA days, 2012:1).

1.7 Research methodology

1.7.1 Research design

A research design is the planning of environments for gathering and investigating facts in a manner that targets combining information on the significance of the research rationale (Akhtar, 2016:68). According to Welman, et al. (2005:52) research design means the strategy according to which the research participants will select and how data will be obtained. This study employed a descriptive research design which aimed to describe the problem as it exists, identifying and obtaining data on the characteristics of strategic planning from the clothing retail store's owners/managers. Content analysis was used to identify and explain

the unfolding of SME strategic planning and procedures. Content analysis is a research tool used to regulate the existence of certain words, themes, or concepts (Thompson et al., 2012:36).

1.7.2 Sampling

Sampling is a group of people in a chosen population that will be interviewed in a research study (Singh and Nath, 2010:2). The sampling method for this study employed was non-probability. Welman, et al. (2005:67) defined non-probability sample as a sample that do not allow certain members to participate in a research.

This study will employ mixed methods consisting of qualitative and quantitative research methods. Data will be gathered quantitatively by using a survey questionnaire (Appendix B) and it includes closed-ended questions. Interviews will also be conducted and an open-end question format will be used (Appendix C). This qualitative approach aims to provide a concrete foundation for participants to retrospectively reflect the concepts that caused strategic planning challenges they faced in their businesses and improve the accuracy of the information attained.

A non-probability sample was used in this study as a selection method that put together all the clothing retail owners/managers in an exercise that do not allow every single person to participate in this study (Welman et al., 2005:67). Convenience sampling was be used to identify the targeted participants of 56 SMEs clothing retail owners and/or managers in the Cape Town. The unit analysis for this study was 56 SME clothing retail store owners/managers. It comprised both female and male SME owners who are legally registered under legislation of the South African retail industry within the Western Cape. These SME clothing retail owners/managers signify diversity in terms of years in strategic planning, experience and knowledge.

1.7.3 Data collection

Data was collected in two phases. Firstly, using the survey questionnaire with 18 closed-ended questions and secondly the interview question guide with 10 open-ended questions to collected in-depth data which provide every participant the opportunity to provide in their answers in detail.

According to Hancock & Hancock (2009:391) the survey questionnaire allows topics to be covered in detail. This approach is the best for this study to investigate the owner's or

manager's perceptions and experience (Majama and Magang, 2017:80-81). The survey questionnaire in Appendix B was used and completed by the participants in their stores or offices in the Cape Town.

An unstructured interview is an interview which has no set of limitation (Welman et al., 2005:166). This kind of interview was used to conduct, analyze and understand challenges faced by these clothing retail stores in Cape Town. This is an informal kind of interview and it discusses in-depth details on the phenomenon. There are fixed questions to be undertaken although the researcher posed open-ended questions in Appendix C where the participants were given a chance to explain in more detail the problem based on their experience and knowledge of strategic planning

1.8 Chapter outline

Chapter One - This chapter presents an introduction and background to the research topic. The research questions, objectives, aims, problem statement, research purpose and design. It furthermore provides a literature review and describes the research methodology.

Chapter Two - This chapter will provide an in-depth literature review on the challenges faced by SME clothing retail in strategic planning within the Cape Town region. The aim of this discussion is to gain perceptions, knowledge and a worldwide perspective on factors contributing to these challenges.

Chapter Three - The research design and methodology will be discussed. It will include a discussion on sampling and data collection instruments methods. Data analysis and ethical consideration will be clarified.

Chapter Four - This chapter will provide data of the study collected from SME clothing retail manager's /owner's perception, knowledge of strategic planning in the Cape Town. The data will be presented, analyzed, discussed and interpreted

Chapter Five - This chapter will outline the findings, recommendations and conclusion for future research.

1.9 Summary

The study was introduced and the background provided link to the problem statement and research problem. The challenges faced by SMEs in strategic planning within the clothing retail industry were briefly discussed.

The research aim, research questions, research objectives, significance of the study and the demarcation of the study were provided. The research design and methodology were briefly outlined which will be discussed in more detail in chapter three.

Chapter 2 will provide an in-depth literature review on all aspects of the challenges faced by clothing retail SMEs within strategic planning process. A global strategic planning is previewed and discussed.

CHAPTER 2

LITERATURE REVIEW ON STRATEGIC PLANNING AND SMEs

2.1 Introduction

This chapter will provide the clarification, definitions, advantages and disadvantages, and relevant literature on strategic planning. Small and medium enterprises (SMEs) and data gathered that will support research questions due to strategic planning.

2.2 Strategic planning

Strategic planning gives an outline that an organisation should follow to reach its desired objectives. Sandaba & Pooe (2014:2) describe strategic planning as an organisations advantageous tool for competition and the best on gaining competitive advantage. Wang, et al. (2007:3) defined strategic planning as describing and explaining the organisations mission and execution of the mission.

Businesses should commit themselves and begin strategic planning since the surroundings are more composite and unreliable. This will enable owners and managers to achieve the organisation goals, therefore strategic planning generates an attainable connection between an organisations long-term and short-term vision and mission, objectives and goals (Maleka, 2014:660). Studies by (Maleka, 2014:660 & Wang, et al. 2007:3) revealed that strategic planning allows organisations to recognize critical issues and find a way of dealing with those issues, to perceive the ongoing environment, to interpret the businesses plan, and to simplify the challenges, usefulness, and resort of the firm. The more the firm exercises strategic planning, the more it develops solidity into strong competition.

Sandaba & Pooe (2014:4) mentioned that strategic planning has the inclination towards inflexibility in an organisation, which decreases capability to be changeable to the effective and competitive environment. In addition, strategic planning stipulates that various performances gain is allocated to game plan by the organisation.

Further strategic planning is a management tool, which protect the organisation from unsecured and competition from the markets. This gives an ongoing structure, which permits an organisation to appreciate competitive gain and advancement through performance (Sandaba and Pooe, 2014:4).

2.2.1 Steps in strategic planning with retail

Strategic planning steps within the retail are a suitable process and are done in accordance with convention or etiquette. Organisations engaged in certain activities to build advertising strategy, confirming the whole business is arranged in planned conditions.

The steps in strategic planning within retail are (Lumen Learning, 2019:1):

- **Step 1- Objective set:** An organisation search any number of goals for sum of purposes.
- **Step 2- Situational exploration:** Supports the top managers in the organisation to know what to ensure and in what way to ensure.
- **Step 3- Consumer exploration:** it is a difficult movement that specifically supports attention of promotion and sales assets further successfully.
- **Step 4- Strategic design:** This is a short-range act that the organisation takes to mark any manageable fundamentals of the tactic. Example “if an organisation has the goal to raise set sales by 4% by raising merchandising and marketing tasks to an applicable approach this might be an idea of strong marketing tasks in the specified strategic times”.
- **Step 5- Execution and control:** This refers to how the organisation positions its plan into action, that including in what way to establish cross functionally and communicates the main concerns.

The five strategic planning steps in retail shown above are suitable for businesses. Every organisation must have made a firm decision and being resolved not to change it leads its strategic direction. By making decisions, organisations look at business itself and the competitors.

After implementing these steps businesses are likely to identify the market and the factors that can and do impact it, such as consumers, point of view, technology and law. An organisation can easily assess the needs of consumers, ability and identify their competitors’ position (Lumen Learning, 2019:1).

These retailers form their contribution to locate themselves for specific targets, transform themselves to become different in the process of growth or development. These retailers also differentiate themselves by engaging in product or service, by what means of channel they will thrive on (Lumen Learning, 2019:1).

2.2.2 Advantages and disadvantages of strategic planning

Strategic planning has more advantages than disadvantages. Advantages are more significant than disadvantages. Organisations give their best attention to time and money in strategic planning processes (David, 2017:2).

2.2.2.1 Advantages of strategic planning

- All businesses are facing risks. Therefore, it is necessary to have a system or tool in place to recognize these risks. Identifying and managing the risks is one of the most important advantages of strategic planning in the organisation (David, 2017:1).
- Strategic planning forces owners and managers to think. That is creating creativity and capability by utilising ideas of management collaboration. This could be both top to downwards and from bottom to upwards in that attitude this includes employees in the system of strategic planning (David, 2017:2).
- It increases profitability and market share; managers should give attention to planning and strategic thinking to unfold their customer's component. Products and services, and market share are some of the best contribution to the firm. Making wise business decisions is one of the most important advantages of strategic planning. This differentiates between idea and good idea, but this will need a clear vision of the business objectives they want to achieve (Mitchell, 2006:2).

2.2.2.2 Disadvantages of strategic planning

- Strategic planning has failed because of the external environment such as economic changes, competition and technological changes. The external environment changes quickly, which may derail strategic plans (David, 2017:2).
- If an organisation executes strategic planning thoroughly, it may be a very expensive, inflexible, and time costing process. It can take up to 5 years or more to implement the plan and the benefits may not be immediately seen (David, 2017:2).
- David (2017:2) further explained that strategic planning is very compound it consists of many different and connected parts such as evaluating mission, objectives and strategies, analysing the environment, re-evaluating the mission and objectives, formulating strategies, implementation and monitoring and evaluating outcomes.

- Businesses which executes strategic planning, managers tend to invest more time but usually fail to inform the whole organisation of the long-term and short-term goals, strategic changes, objectives and success plans of employees (David, 2017:2). Therefore, mismanagement and non-circulation of information take place.

2.2.3 Strategic planning development by board of directors (BOD) and staff

The strategic planning leadership should think through of the organisational objective to be accomplished.

Developing a strategic plan should be designed to enlarge the feeling of ownership by the employees and their activities, build up partnership with other businesses or institutions, strengthening substantial public support and increasing a good relationship between staff and board of directors (Jim and Patty, 1999: 5).

Table 2.1 below provides the advantages and disadvantages of strategic planning that is developed by different level of organisation (Jim and Patty, 1999).

Strategic planning developed by:	Advantages	Disadvantages
Board of directors	<ul style="list-style-type: none"> • Possession by management • Top management become extra knowledgeable about activities and then programs. 	<ul style="list-style-type: none"> • Time might be limited and development may be challenging • May not achieve staff ownership.
Staff	<ul style="list-style-type: none"> • Clear on understanding of operations. • Time flexibility. 	<ul style="list-style-type: none"> • Limited board involvement and matter of ownership. • May deflect from other staff responsibility.
Committee	<ul style="list-style-type: none"> • Manageable size. • Can include a diversified perspective. 	<ul style="list-style-type: none"> • Board may not feel perceived ownership of plan details. • Board perspectives may be excluded.
Consultants	<ul style="list-style-type: none"> • Good understanding of planning process. • Producing timely and professional plan. 	<ul style="list-style-type: none"> • Top management and employee contribution can be imperfect. • Limited board leadership in development.

Table 2.1: Development of strategic planning with advantages and disadvantages (Jim and Patty, 1999:5)

Table 2.1 above indicates the advantages and disadvantages of strategic planning that is developed by the levels of organisation. The Board of directors (BOD) are the one who are responsible for allocating resources and approving the implementation of the planning. The board of directors (BOD) must be well informed throughout the planning process (Jim and Patty, 1999:5).

2.3 Strategic planning cycle process

The strategic planning cycle in Figure 2.1 below illustrates the flow of information and link activities (Stannard, 2019:2). A strategic planning cycle might start with the mission and end with a different one this simply depends on what the organisational findings are during the process.



**Figure 2.1: Strategic planning cycle
(Stannard, 2019:2)**

The strategic planning cycle in Figure 2.1 above makes it easy for organisations to structure work among employees and the strategic planning team. The strategic planning cycle makes it easy for an organisational information flow.

It inspects closely and thoroughly to scrutinize micro and macro –environments issues using PEST analysis, which combines strategies using SWOT analysis and strategy matrices. Strategic planning cycle bind together strategy back to implementation using mind maps, projects charts and flow charts (Stannard, 2019:2).

SMEs have diverse strategic plan procedures or steps to follow to achieve their organisational goals and objectives. Below are the steps that are followed by these SMEs.

2.3.1 Step 1 - Propose a mission

First step does not require a long period of time. This means development of mission into the strategic planning committee.

2.3.2 Step 2 - Propose goals

This step is based on the mission, which embraces from the product or service, its ease of use and its abilities.

2.3.3 Step 3 and 4 - Internal and external analysis

Figure 2.2 below there are two steps to arrange all the best areas on analysis map in order to move forward with this analysis. It requires collective data from specific areas to analyse the internal environment and external environment (Stannard, 2019:3).

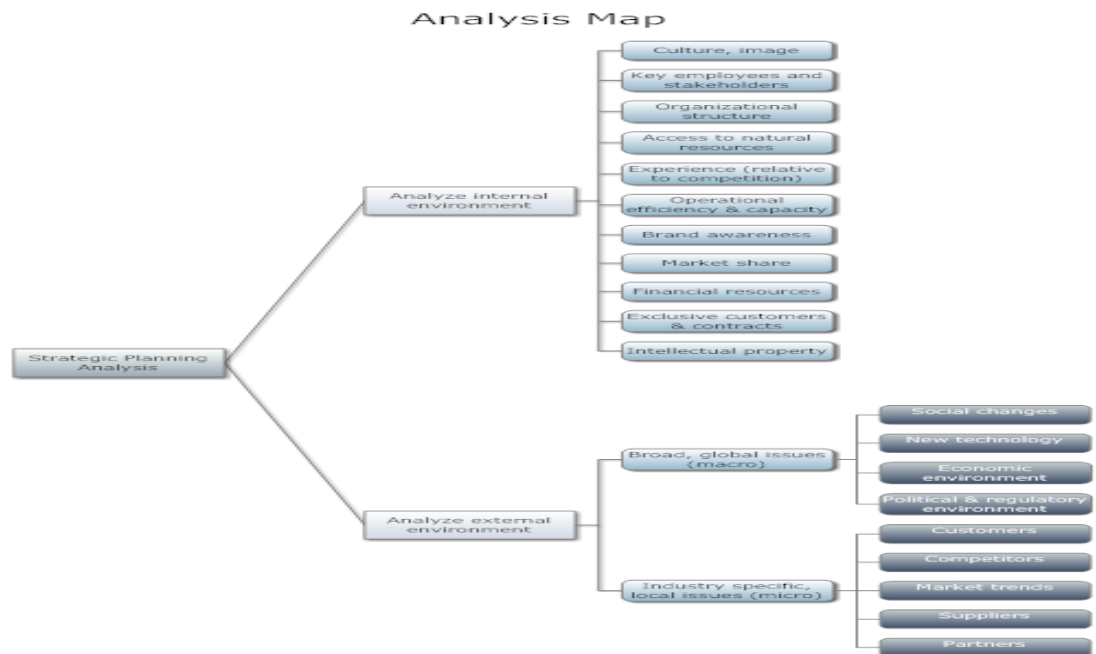


Figure 2.2: Analysis map
(Stannard, 2019:3)

Figure 2.2 above highlights that in order to continue with the analysis the specific data collection is needed for each specific area to decide the responsibility for the different organisational strategic planning team members and groups (Stannard, 2019:3).

2.3.5 Step 5 – Review outcomes to SWOT analysis

Figure 2.3 below illustrates the SWOT analysis and this step identifies and summarises the external and internal issues. The SWOT analysis is to identify serious matter, sub-matter and group them as internal strengths and weaknesses, external threats and opportunities (Stannard, 2019:3).



Figure 2.3: SWOT analysis map
(Stannard, 2019:3)

SWOT analysis in Figure 2.3 above represents strengths, weaknesses, opportunities and threats. At this stage the identification of external and internal environmental issues for the organisation occurs. These issues such as weak IT resources can be identified and grouped according to each category (strengths, weaknesses, opportunities and threats). This process of grouping assists the organisation to get a clear understanding of what all the negative issues are in each area.

2.3.6 Step 6 - Strategy creation and developing an effective plan

After SWOT analysis has been done, strategies are drawn from the discussion of findings from SWOT analysis which has been proved; strategy formulation and development of operational plan take place.

2.4 Global strategic planning

Global strategic planning is a process that is taken from the organisations that compete globally in order to develop functional global strategy. Global strategic planning is a process of executing micro and macro-environmental issues by worldwide companies and determination to achieve vision and mission objectives (Executive Consultancy Service, 2017:1).

Global strategic planning (GSP) differs from normal domestic planning, because companies review macro and micro-environments. A Macro-environment is critical to review when you are competing globally because domestic level is directive, but global competition should be

considered, therefore survival is unbearable at that level (Executive Consultancy Service, 2017:1).

2.4.1 International strategic planning process

This is a process of estimating the internal environment and external environment by multinational companies and take global decisions about how they achieve their vision and mission objectives.

2.4.1.1 Steps in international strategic planning process

A well designed and successfully maintained organisational strategic planning process will construct feasible organisational strategic planning process which will improve long term performance and motivation into the organisation. The step are listed below.

- (i) Examine organisational external environment
- (ii) Examine the organisational internal environment
- (iii) Explain the business with its mission
- (iv) Establish the business aims
- (v) Measure objectives
- (vi) Develop the strategies for the business
- (vii) Make strategic plans

2.4.1.2 International strategic planning approaches

- (i) Corporate headquarters role in global strategic planning

Corporations should decide on strategic design; the central planners should decide what duties each member should play over the long-term. This indicates that the group structure has been approved by corporate management team whatever actions of subsidiary businesses are entitled to execute the strategic structure (Executive Consultancy Service, 2017:1).

(ii) Top-down approach

This approach means from the executives to the workers. Global strategic planning should not exclude involvement of workers and sharing information, ideas that are helpful and wise. In reality global strategic planning is best for a group with multiple divisions. Therefore, it is important to start a corporate plan for a group with a group corporate strategic plan (Executive Consultancy Service, 2017:2).

A top-down approach in Figure 2.4 below is the beginning of the process for a group/team for the division approach. The top-down approach is the most powerful approach in functional strategic planning (Executive Consultancy Service, 2017:2).

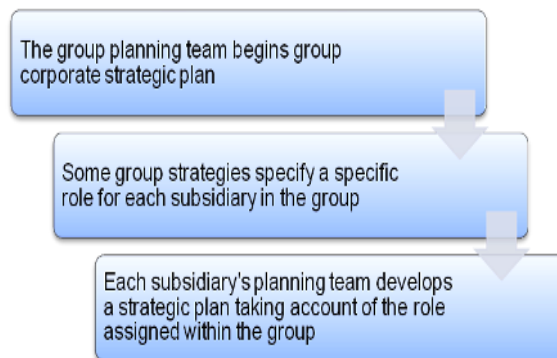


Figure 2.4: Group division approach
(Executive Consultancy Service, 2017:2)

The group division approach in Figure 2.4 above highlights how the organisation should structure their division approach. The first group deals with the corporate strategic plan. The second group deals with each member’s role and the third group develops a strategic plan.

2.5 Difference between international and domestic business strategic planning

Table: 2.2 below distinguish international and domestic strategic planning.

International strategic planning	Domestic strategic planning
<ul style="list-style-type: none"> • Focused on penetrating new markets in previously untapped countries. 	<ul style="list-style-type: none"> • Growth plans are more likely focused on creating new markets.
	<ul style="list-style-type: none"> • Increasing market share.
<ul style="list-style-type: none"> • Focused on penetrating the new regions of the world. 	<ul style="list-style-type: none"> • Companies can only grow their geographic reach to the edge of their home country's borders.

Table 2.2: Difference of International and domestic strategic planning
(David, 2009:4)

Table 2.2 above illustrates the difference between international and domestic strategic planning. International growth strategic plans are more complex and a lot of global research is needed. Domestic growth strategic plans are simpler because they focus on geographic areas to grow (David, 2009:4).

2.6 Pitfalls of strategic planning implementation

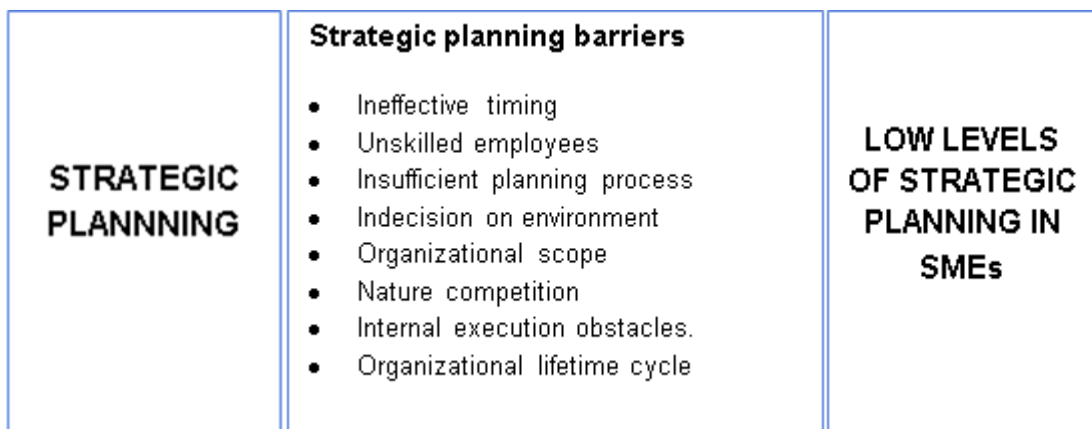
According to Kwamboka (2014:6) 90% of well-developed strategies become unsuccessful at implementation phase in that time 10% of well-developed strategies become successfully implemented. This failure comes from both external and internal environments, while Lin

(2017:2) mentions that failure also comes from ineffective pre-planning as it is not unusual to see top managers rush into the planning activity without enough arrangement for the strategic planning process to be productive and meaningful.

Lin (2017:2) also mentioned that lack of ownership and commitment of management has played a role in unsuccessful strategic planning implementation. Kwamboka (2014:6) revealed that these struggles in strategy implementation involve cost penetration, scarcity of resources, unclear definition of strategy, unstable organisational structure, lack of communication and uncertain employee responsibility.

Furthermore, Olsen (2011:1) indicated that companies fail strategic planning by discussing their strategy only at annual weekend retreats, owners and managers are stuck in the day-to-day operation issues and lose their vision of long-term goals. Bradford (2018:5) states that poorly defined objectives by owners and the fact that managers tend to spend little time on objectives-setting, make indefinite objectives to implement, result in not noticing the lack of the action required to complete the task. Well-managed objective settings are required for quality execution.

Figure 2.5 below shows the strategic planning that is obstructed by diverse barriers into strategic planning resulting in low levels of strategic planning by SME.



**Figure 2.5: Explaining low levels of strategic planning in SMEs
(Wang et al., 2011:4)**

Figure 2.5 above illustrates the interference of barriers in small businesses resulting in low levels of strategic planning. Organisations that accurately perceive and view these barriers are more likely to overcome them and grow on the overall's levels of strategic planning of the organisation (Wang et al., 2011:4-5).

2.7 Different levels of strategy development

Venter and Van Rensburg (2009:5) mentioned different levels of strategic development in a business. Below are the levels of strategy development in an organisation.

2.7.1 Corporate- level strategy

Figure 2.6 below highlights the corporate this level which it relates to decisions on the size and range of the business which this includes diversification, geographic scope and vertical integration (Kumar Ojha, 2012:5).

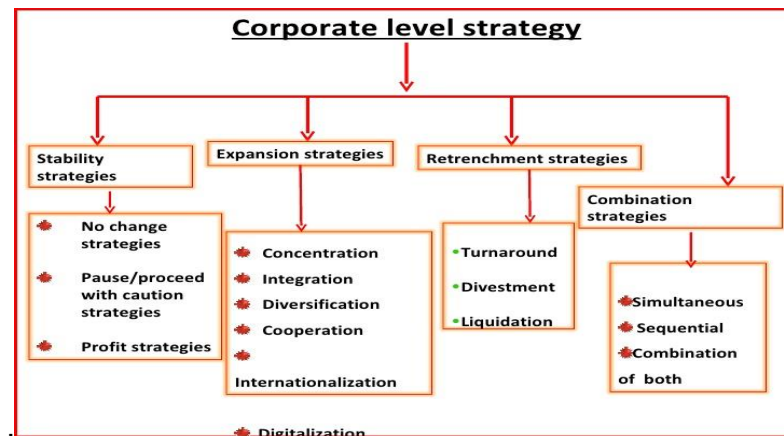


Figure 2.6: Corporate level strategy diagram
(Kumar Ojha, 2012:5)

Corporate level strategy in Figure 2.6 above describes the type of strategies the business should adapt and implement to success. These strategies are stability strategies, expansion strategies, retrenchment strategies and combination strategies. Each strategy has strategic aspects that should be followed or chosen for success. These strategic aspects determine the organisation competing in.

2.7.2 Business-level strategy

Figure 2.7 below is fixture between macro and micro which relationships which are the organisational strategies for a firm to be successful (Joy, 2015:4) Different companies use different strategies that suit its purposes, objectives, vision and mission of the organisation by giving detailed feedback to suppliers, consumers, competitors and social & economic environment which it competes in (Joy, 2015:4).

Business Level Strategies



Figure 2.7: Business level strategy
(Joy, 2015:4)

Figure 2.7 above illustrates that businesses concentrate on striving to gain competitive advantage in a certain industry. Strategic decisions for this level are accountable by business unit management. Matters must reflect on the firm's statements of their strategic purpose, such as mission statement.

2.7.3 Marketing strategy

Figure 2.8 below indicates the strategic marketing plan that describes organisation's segmentation, target market and positioning of the business unit (Venter and Van Rensburg, 2009:7).

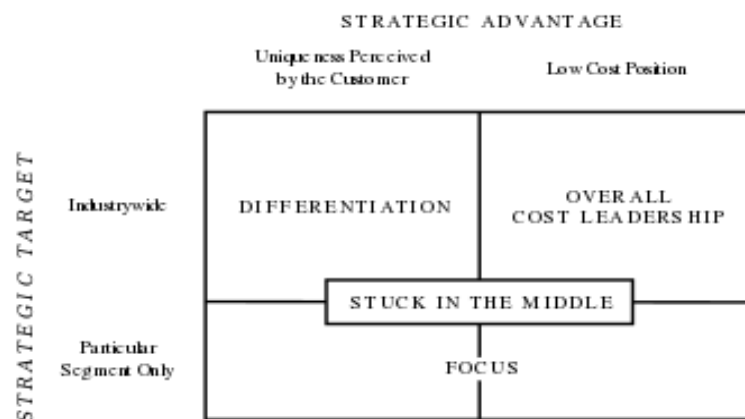


Figure 2.8: Porters generic strategies
(Venter and Van Rensburg, 2009:7)

Figure 2.8 above defines alternatives generic strategies which a business can go after. As seen in Figure 2.9, organisations with the same products or services targeting the same target market can vary in their strategies (Venter and Van Rensburg, 2009:7).

2.7.4 Tactical and operational marketing

Table 2.3 below shows the level of strategy and marketing that assists the marketing strategy in every part of marketing mix of five P's and marketing plans (Stanford, 2018:2). This leads to the implementation of a marketing strategy.

Positioning strategy	Exclusive	Tactic
Price	Highest in the market.	One competitor more expensive.
Product	Limited number.	Using the same material and production standards.
Promotion	Highly personalised.	New customers referred by current ones to maintain exclusive tags.
Place	Highly limited.	Only available in a specific branch.
People	Limited number of sales assistant.	Sales assistant team which is highly knowledgeable.

**Table 2.3: Tactical marketing mix
(Stanford, 2018:2)**

Table 2.3 above represents tactical and operational planning which highlights the contemporary functions of different parts of the firm. Managers and owners use tactical planning to define the different parts of the firm should do for the firm to be successful in one year or less in future events. The strategic planning team needs to connect strategic goals, vision and mission to tactical goals.

2.8 SMEs in South Africa

2.8.1 Description of SMEs

SMEs are those individualistic businesses which hire less than a usual sum of workers. The sum of these workers varies from country to country. The most common better maximum defining a small business is 250 workers, as in the European Union. However, some countries set the maximum number at 200 workers, while the United States considers SMEs to include firms with less than 500 employees (OECD, 2005:2).

Table 2.4 below is a definition of SMEs according to Falkena, et al. (2001:1). These definitions differ from country to country, which includes co-operative entities and non-government entities that are managed by one owner or more.

Firm size	No of employees	Annual turn –over (SA Rand)	Gross assets (excluding fixed property)
(Differ on the business competing to)			
Medium	Fewer than 100- 200	Less than R4m-R50m	Less than R2m to R18m
Small	Fewer than 50	Less than R2m – R25m	Less than R2m – R4.5m
Very small	Fewer than 10 – 20	Less than R200 000 – R500 000	Less than R150 000 – R500 000
Micro	Fewer than 5	Less than R150 000	Less than R100 000

**Table 2.4: Description of SMEs
(Falkena et al., 2001:1)**

Table 2.4 above illustrates the definition of SMEs which is mainly approved on in any sector or sub-sector of the economy stated in column 1. The definitions categorises them as medium, small, very small and micro entities.

2.8.2 Importance of strategic planning into SMEs

Strategic planning has played an important role in SMEs success. SMEs play a key important role in South Africa's economies employing most of the unemployed population in the first year of businesses. Strategic planning is thoroughly linked to organisational management (Schwarz, 2005:2).

From a business perspective, strategic plan is an approach to define corporate long- term goals. Strategic planning is very important to entrepreneurs because entrepreneurs are managers; they manage the entire organisation's "creation of new world". Failing and success is normal to any business process (Bezuidenhout et al., 2017:100).

2.8.2.1 Strategic planning can outline these aspects below to SMEs

- (i) Simplifying financial plans
- (ii) Planning based on forecast
- (iii) Entrepreneurs begin to think strategically (External planning)
- (iv) Active oriented planning for future
- (v) Act as systematic tool of strategic management.

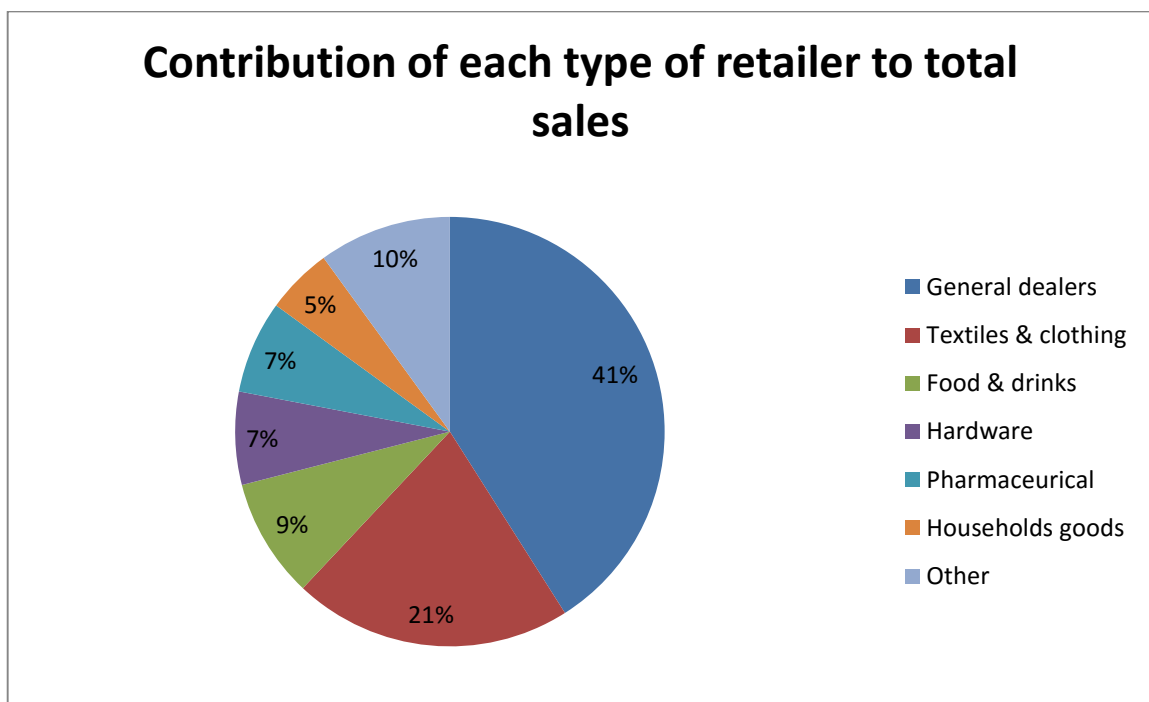
According to Bezuidenhout, et al. (2017:100) the above-mentioned aspects can assist on organisational achievement of goals, vision and mission, which can create staff performance improvement and simplifying operational activities.

According to Bizcommunity (2019:1) SMEs are identified as fruitful drivers of economic growth and development in Africa and around the world. It has been estimated that, in Africa, SMEs make up 91% of formalized businesses, giving employment to about 60% of the manpower and producing 34% gross domestic product (GDP) to the economy of the country while contributing to the economy.

SMEs foster diversification through their development of new and unsaturated sectors of the economy. Therefore, innovative and technology-based small and medium enterprises can provide a platform for local, regional and international growth, especially in Brazil, Russia, India, China, and South Africa (BRICS) economies (Bizcommunity, 2019).

2.8.2.2 Contribution per type of retail to total sales.

Figure 2.9 below shows the contribution of each type of retail into the total retail sales in South Africa. It provides full percentage of each retail type contribution (STATS SA, 2018:1).



**Figure 2.9: Contribution of type of retail into total sales
(STATS SA, 2018:1)**

Figure 2.9 above shows general dealers as the highest type of retail with (41%) followed by textiles and clothing (21%) as the second type contributor and the last as household with (5%) to the total sales of retail industry.

SMEs in South Africa face several challenges (SEARTEC, 2017:1). As a small business owner, there are risks and challenges encountered before establishing an entity. These small businesses in order to control these challenges need to recognise them and discover approach to overcome them.

According to SEARTEC, (2017:1) below are the challenges faced by small businesses.

i) Money management

This is the most important characteristic for a successful business. This needs to be managed.

Budgeting is the best way to resolve this challenge and knowing how to handle your cash flow. One employee, external, can do this and professionals like bookkeepers and accountants can address better cash flow.

ii) Lack of time

Planning is a vigorous part of this challenge. SMEs need to achieve goals and retain things smooth and functionally. SMEs need to come up with a program that is maintainable and flexible to address the organisation at most times. They need to make time that will be suitable for planning and this will lead to less challenges and more success.

iii) Lack of planning and research

Most of entrepreneurs tend to slip-up when it comes to this challenge. Research is the first step to be done on everything including market research, current trends, advertising and follow-up planning and competitors.

iv) Client base built-up

People are more excited when it comes to the new product, service or new business opening. Getting clients aware of product or service could be very hard. It also might be hard to maintain a cost-effective client base as consumers prefer what they are used to or know. The challenges mentioned above are more important for management of the organisation to take note of and overcome them to success and growth of the business. This depends on the industry one is in, the excellence of client service is the most valuable thing to do to build client base.

2.9 Summary

This chapter focused on the literature on the definition of strategic planning; steps on retail strategy planning, advantages and disadvantages of strategic planning, and strategic processes. This chapter also covered global strategic planning, pitfalls of strategic plan and implementation. Different levels of strategy development and importance of strategic planning within the SMEs, contribution of each sector into the GDP and provide challenges faced by SMEs in South Africa. The next chapter will discuss research design and methodology which supported this study.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter focuses on the research design and methodology used in the study. The main purpose of this chapter is to outline the research methodology and its approaches. In addition, it provides the research design used, sampling and population for the study, data analysis techniques, rigor and trustworthiness, data collection and instruments, and ethical consideration.

3.2 Research design

Research design is the plan, structure and strategy and investigation used to obtain the research question which is to investigate the strategic planning challenges faced by clothing retail SMEs within Cape Town (Akhtar, 2016:68-69).

This study adopted a descriptive design, content analysis and mixed method, therefore it covers an arrangement of interpretive techniques, which seek to describe, interpret and explain the problem statement. Being descriptive in nature the study which aims to identified and explained the unfolding of the SMEs strategic planning processes and procedures.

3.3 Methodology

According to Rajasekar, et al. (2013:5) the research methodology is an organised style of solving a phenomenon. The research methodology aims to guide the work plan of the investigation. Hernández, et al. (2016:3) mentioned that a research methodology is the most organised task that is used in the exploration of nature and matter, it deals respectively with the way in which facts and statistics are collected together for reference or analysis.

3.3.1 Types of research methodology

There are three types that a researcher may adapt on to understand quantitative, qualitative and mixed methods. .

3.3.1.1 Quantitative research

Quantitative research is organized scientific exploration used to determine and collect quantitative data of all things that are measurable (Hernández et al., 2016:22-23). Quantitative research also highlights longitudinal data, dynamics investigation and gives attention to strategic decisions and activity. Facts collected through interviews, structured questionnaires and surveys.

3.3.1.2 Qualitative research

Qualitative research is involving various localized central explorations aiming to obtain a thorough knowledge and understanding of behaviors, utilities, perspectives and motives through unstructured interviews, comments and recordings methods (Rajasekar et al., 2013:9).

3.3.1.3 Mixed method

A mixed method is used when collecting, analyzing and mixing of quantitative and qualitative data into one or more. The combination of quantitative and qualitative enhanced the research than using one approach (Creswell and Clark, 2007:3).

In this study, the researcher engaged in a mixed method approach, which consists of quantitative and qualitative combination. For quantitative, the researcher used a survey questionnaire as described by Roopa & Rani, (2012:273) as a sequence of questions that a researcher asks an individual to attain statistically valuable data about a specific problem or topic. In this survey questionnaire, open-ended questions were asked as shown in Appendix B to gather valuable and most related data of the problem. Open-ended questions also give a respondent a chance to reply in their own words without being controlled by set of fixed responses.

For qualitative, the researcher used discussion-question guide (semi-structured interview) as described by Welman, et al. (2005:166) as a list of matters and features that a person's way of standing on a specific subject and that the interviewer should raise during the interview. As seen in Appendix C this type of interview makes it easier for the researcher to get in-depth information which relates to the topic.

The other reasons for selecting the mixed method is that it includes use of interviews to explore how the respondent describes the phenomenon and utilizes the findings to develop quantitative data collection instrument.

3.4 Sampling and population

Sampling is the total collection of all units of analysis which the researcher wishes to make specific conclusion from the population of the study (Welman et al., 2005:56). Sampling is categorised to probability samples and non-probability samples. Probability sampling used in the population that every member has a chance of being selected. It is mainly used in quantitative research. If you want to produce results that are representative of the whole population, you need to use a probability sampling technique (Welman et al., 2005:56).

Non-probability is elements that have zero chance of being selected in the sample (Welman et al., 2005:56). Non-probability sample is a sampling technique where a sample is put together

in an exercise that does not allow every single person to participate in a research study was used (Welman et al., 2005:67). Thompson, et al. (2012:41) indicated that when choosing participants for qualitative research, it is important to select more appropriate individuals who are more related to the research topic than representatives.

A population is any group of individuals that have one or more characteristics in common that are of interest to the researcher (Singh and Nath, 2010). Population is the study objects which consist of individuals, groups and organisations (Welman et al., 2009:52).

The target population for this study was 56 clothing retail store owners or managers both female and male legally registered under legislation of the South African retail industry within the Western Cape. The research problem for this study relates to clothing retail owners and managers to the collection of data and analysis to make conclusion.

3.5 The research instrument

Researchers typically gather multiple forms of data, such as interviews, observations, and documents, rather than rely on a single data source. The researchers review all the data, make sense of it, and organize it into categories or themes that cut across all the data sources (Creswell, 2009:176). This study used both survey questionnaires and semi- structured interviews for collection of data.

Semi – structured interview is an interview which has no set of limitation (Welman, et al., 2005:166). This kind of interview is an open-ended question. It helps to initiate hypotheses for ongoing investigation. This was used to conduct, analyze and understand the phenomena. Survey questionnaires were used and completed by the participants in their stores or offices. According to Hancock, et al. (2009:391-394) the survey questionnaire allows topics to be covered in details. The survey questionnaire approach is best for the study of the strategic planning process to observe the owner's or manager's perceptions and experience (Majama and Magang, 2017:80-81).

Semi – structured interview questions were designed and structured to obtain the perception on challenges faced by the SMEs in the strategic planning and notes were taken for the analysis. It helps the researcher to get more in-depth information and develop the real sense from the phenomenon with a better understanding. This also gave the participant the opportunity to be more comfortable and feel the validity (McLeod, 2014:1).

3.6 Fieldwork

For this study, the researcher decided to collect data in the field of retail clothing industry in Cape Town. The researcher did not bring individuals into a laboratory nor do they typically send out instruments for individuals to complete.

3.7 Rigor and trustworthiness

Rigor is based on the quality of being exact, the quality of being thorough and accurate (Brigitte, 2017: 254). Rigor is the key strength of research design and the best way to answer research questions. Rigor and trustworthiness are basically concern for qualitative research. Based on the study rigor was used on measuring the reliability of the phenomenon on strategic planning challenges through the questionnaire of the study.

Brigitte (2017: 254) defined trustworthiness as the quality and truthfulness of the results/findings. Trustworthiness also relates to the point of trust, confidence and which readers have in results/findings. Based on the study the participants have shown the truthfulness of the phenomena on strategic planning based on the same experience.

3.8 Data analysis

Data analysis process involves the interpretation and representation of data. This involves organizing, preparing data for analysis while conducting different analysis upon understanding the data (Creswell, 2009:185). The process involves collecting open-ended data, based on asking general questions and developing an analysis from the information provided by participants (Creswell, 2009:185).

In this study, the researcher engaged in inductive data analysis and content analysis. According to Thomas (2006:238) inductive analysis is to permit research findings to be unfolded from the repeated data. Inductive analysis make the broad experience and diverse raw data into a brief, summary format; to establish a clear connection between the research objectives and the summary findings obtained from the raw data and to ensure that the data demonstrates to others and develop a theory about the underlying structure of experiences or processes that is apparent in the gathered data. According to Creswell (2009:183-187) the inductive process demonstrates working back and forth between the topics and the database until the researchers have begun dealing with all set of topics.

The researcher used inductive analysis and qualitative content analysis in the study, and the process has three phases: preparation, organisation and reporting of results. Preparation involves collecting appropriate data for content analysis, by making the data meaningful, and identifying unit analysis. In the organisation phase, the researcher creates categories and abstractions and in the reporting phase, the results are given in detail by content of categories explaining the problem using the selected approach (Elo et al., 2014:5).

According to Thomas (2006) content analysis is an organized analysis of the narrative. Elo, et al. (2014:1) described content analysis as currently accessible for analyzing data and

interpreting its significance. The content analysis in this study is used to analyse and interpret the owner's/manager's experience including knowledge of strategic planning in their retail stores.

This information collected through both quantitative and qualitative will be analyzed and interpreted in chapter 4 using Microsoft Excel 2010 computer software.

3.9 Summary

The chapter discussed the research methodology applied in this research where the mixed method of both qualitative and quantitative research and its purposes were further elaborated. The data analysis approach which used inductive and content analysis were described and explained. Data collection instruments of survey questionnaires and semi-structured interview questions were used to gather data for the study. This chapter also provided the field of work, rigor and trustworthiness, sampling and population methods for the study.

The next chapter will discuss the research results for the study.

CHAPTER 4 RESULTS OF THE STUDY

4.1 Introduction

This chapter provides a presentation of the analyzed data and interpretation of data captured, which answer the research question in chapter one of the study. The data analysis of this study contains two phases which is quantitative analysis and qualitative analysis. Quantitative analysis involves survey questionnaires and qualitative analysis involves a discussion-guide (semi-structured interview questions) and this information was captured and processed into Microsoft Excel 2010 Computer Software for presentation.

Descriptive analysis and content analysis were used. The results were analyzed and interpreted.

4.2 Realized sample

4.2.1 Sampling frame

According to Welman, et al. (2005:57) a sampling frame is a finalized list of individuals or groups which will be part of the sample from the population. These individuals or groups are the representatives of the sample. Before researchers select a sample of population for analysis, they should acquire clarity of the population or unit's analysis this requires collating a sampling frame. This research was based on 56 clothing retail store managers in Cape Town.

Questionnaires and discussion guides were issued to managers and owners of the stores, 7 questionnaires out of ten were completed returned and semi-structured interviews were done and notes were taken during the face-to face interview.

4.3 Research results of phase 1 - Quantitative research

As stated earlier, the data presented in this section was obtained from survey questionnaires that were issued to the 56 clothing retail store managers in Cape Town. The questionnaire had three sections: rights of participants, information about the participants; and company information. These sections were designed specially to answer the research questions in Chapter one.

4.3.1 This section contains demographic information and company information of the respondents as shown in Appendix B (Survey Questionnaire) of the study.

Table 4.1 Gender of the respondents

Table 4.1 below illustrates gender of the owners and managers according to the survey questionnaire, and it is important to demonstrate such information in this research.

Gender	Frequency	Valid Percentage	Cumulative Percentage
Male	20	35.7	35.71428571
Female	36	64.3	64.28571429
Total	56	100	100

Table 4.1 above shows that most of the respondents were female with (64.3%), while males represent (35.7%) in total. The results point out that there is inequality between genders. This information indicates that there are more females than males in the management positions according to this study.

4.3.2 Race

Table 4.2 Race of the respondents

Table 4.2 below represents race of the respondents according to the responses from the survey questionnaire.

Race	Frequency	Valid Percentage	Cumulative Percentage
African	49	87.5	87.5
White	0	0	0
Coloured	7	12.5	12.5
Indian	0	0	0
Other	0	0	0
Total	56	100	100

Table 4.2 above indicates that (87.5%) are Africans, while there are no White respondents (0%), Coloured has (12.5%), Indians had (0%) and others with (0%) as well. These outcomes specify that Africans are the most dominating race in management positions according to this study.

4.3.3 Age

Table 4.3 Age group of the respondents

The Table 4.3 below illustrates the age group of the managers who participated in this study.

Age	Frequency	Valid Percentage	Cumulative Percentage
20-30	50	89.3	89.285714
30-40	6	10.71	10.71535714
40 and more	0	0	0
Total	56	100.01	100.0010711

Table 4.3 below reveals that the age group of 20-30 years is most common age with (89.3%) of the respondents, while 30-40 is the second highest with (10.7%) and 40 more is the last with (0%) according to the respondents of the study. This shows that owners and managers start at a younger age to manage or start a business and grow, while Wang, et al. (2011:10) argues that it should be admitted that many owners or managers of SMEs do not want to grow. This should not be taken as a negative observation but it should be born in mind that some of these businesses are not entrepreneurial and will never engage in active growth activities including strategic planning.

4.3.4 Education

Table 4.4 Level of education of the respondents

Table 4.4 illustrates the respondents' educational level which is represented in table 4.4 below according to this study.

Education obtained	Frequency	Valid Percentage	Cumulative Percentage
Matric	51	89.3	91.07142857
University Qualification	5	10.71	8.929464286
Other	0	0	0
Total	56	100.01	100.0008929

Table 4.4 below indicates that (89.3%) of the respondents completed their Matric, while (10.71%) completed their University studies and (0%) do not have any other qualification.

The results show that almost (90%) of them completed their Matric, and 10% completed their higher education which will increase the knowledge, skills and managerial understanding to sustain and develop the business.

4.3.5 Experience

Table 4.5 Years of experience in strategic planning

Table 4.5 below indicates the level of the respondent's years of experience in strategic planning within their organisations.

Experience in Strategic Planning	Frequency	Valid Percentage	Cumulative Percentage
Years			
3.-5	40	71.4	71.42857143
5.-7	10	17.8	17.85714286
7. and more	6	10.8	10.71428571
Total	56	100	100

The results above in Table 4.5 reveal that respondents that have 3-5 years in strategic planning (71.4%) make up the highest percentage, while 5-7 with (17.8%) are second and 7 and more years have (10.8%) as the smallest.

A remarkable great number of respondents had the same opinion about every manager or owner that they should have strategic planning skills and knowledge in order to drive the organisation to success and encourage employees to the future.

4.3.6 Number of employees

Table 4.6 Number of employees in an organisation

Table 4.6 below represents the number of employees that are employed by an organisation in order to qualify for this study.

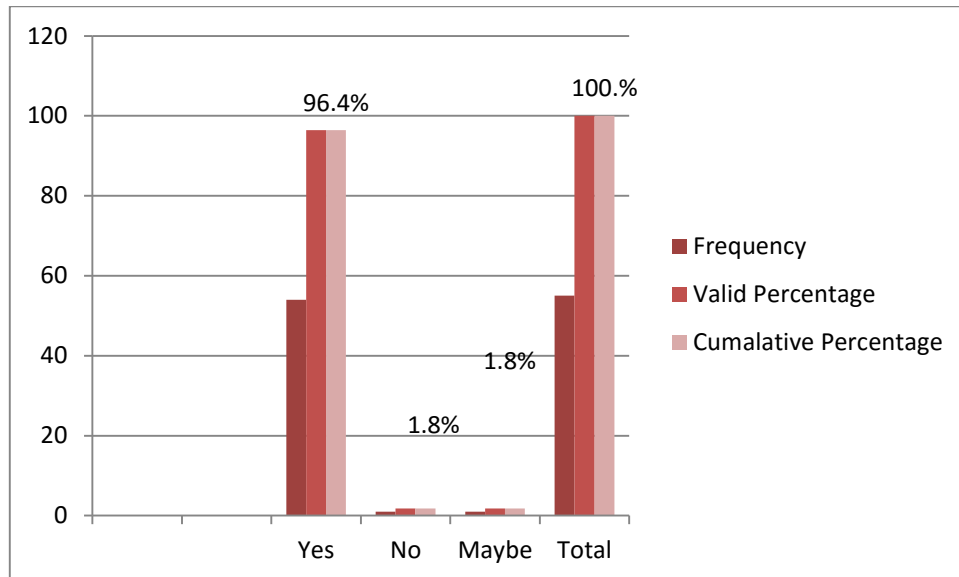
Number of employees	Frequency	Valid Percentage	Cumulative Percentage
10.-15	0	0	0
15.-20	55	98.2	98.21428571
20 and more	1	1.8	1.785714286
Total	56	100	100

Table 4.6 above indicates that organisations with 15-20 employees are the most common with (98.2%) of employees and those with 10-15 employees has (0%) and 20 and more are at (1.8%). This indicates the organisations with 98.2% were the suitable ones for the study.

4.3.7 Knowledge of strategic planning

Figure 4.1 Understanding of strategic planning by owner or manager

Figure 4.1 below shows the percentage and frequency of the number of respondents and how they understand strategic planning. The data representation in figure 4.2 below indicates how the managers have seen strategic planning as a tool for future.



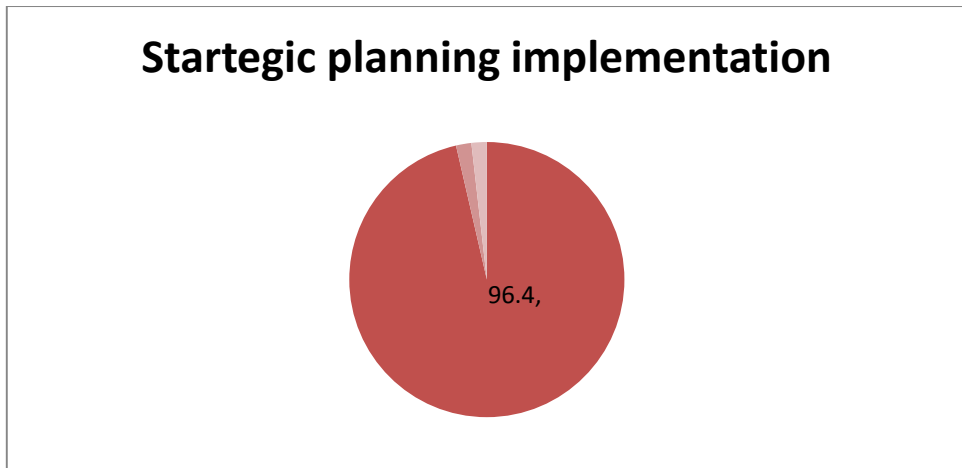
The results shown in Figure 4.1 above indicate that 54 managers said “yes” they understand strategic planning with (96.4%), while 1 said no with (1.8%) and with 1 saying “maybe” resulting in (1.8%). This question was aimed at investigating how they know and understand strategic planning since authors have different understanding of strategic planning.

This question emphasizes how they see strategic planning and use it for future planning. SMEs are reacting too unpredictably on developing effective strategies that build their competitive strengths (Turkey, 2004:5). Business management specialists argue that even with the availability of such resources, some SMEs still fail due to lack of strategic planning (Majama and Magang, 2017:74). By neglecting strategic planning, the organisation will find it difficult and will struggle to improve performance which will result in their eventual fail or fall (Urban and Naidoo 2012:146-163).

4.3.7 Implementation of strategic planning

Figure 4.2 Organisations implementing strategic planning

The data shown in Figure 4.2 below represent the number of organisation implementing strategic planning from the respondents of the study.



The data above in Figure 4.2 indicates that (96.4%) of the 54 respondents implement strategic planning, while (3.6%) 2 respondents implement strategic planning sometimes and (0%) said no. This information shows that 96.4% of the organisation according to the study has implemented strategic planning for the future and good purposes.

4.3.8 Implementation personnel

Table 4.7 Personnel in charge of implementing the strategic plan

Strategic planning is developed and implemented depending on an organisation’s hierarchal structure, Table 4.7 below shows who is implementing strategic plan according to the respondents of the study.

Person in charge in implementation	Frequency	Valid Percentage	Cumulative Percentage
Personnel			
Store manager	20	36	35.71428571
Store Supervisor	1	1.8	1.785714286
Store Owners	35	62.2	62.5
Total	56	100	100

According to the information in Table 4.7 above managers are the most common personnel who implement strategic planning in an organisation according to the study with (62.2%), while supervisors are at (1.8%) and store managers are at (20%). Strategy implementation should involve managers, middle and top managers together with other employees. This will benefit the organisation in communicating the strategy within the firm and ensuring that employees feel as if they belong.

In strategy implementation, the manager should have good knowledge of strategy and understanding the strategy for future purposes. The value of strategic planning should be considered and the organisational goals (Kithinj, 2012:3).

4.3.9 Process being used in strategic planning

Table 4.8 Strategic planning process company has been using

Table 4.8 below shows the organisational strategic process that organisations have been using. The strategic planning process is intended to be suitable to the specified needs of the firm.

Strategic Planning process	Frequency	Valid Percentage	Cumulative Percentage
Customer Satisfaction	45	80.4	80.35714286
Organisational Goals	6	10.7	10.71428571
Performance	5	8.9	8.928571429
Total	56	100	100

Table 4.8 above illustrates that customer satisfaction is the highest process with (80.4%) secondly organisational goals are at (10.7%) and performance with (8.9%). This shows knowledge of strategy process and narrates the procedure and measures to attain objectives.

The purpose of customer satisfaction is to help the organisation understand what customers think about their products or services, brands and customers support services (Kithinj, 2012:14).

4.3.10 Strategic planning plan

Table 4.9 Strategic planning planned according to organisational goals or objectives

Table 4.9 below shows the strategic planning through organisational goals or objectives. Some companies undertake strategic planning through their different organisational aspects.

Strategic Planning according to goals or objectives	Frequency	Valid Percentage	Cumulative Percentage
Yes	45	80.4	80.35714286
No	6	10.7	10.71428571
Maybe	5	8.9	8.928571429
Total	56	100	100

Table 4.9 above indicates that most businesses plan their strategic plan through their organisational goals or objectives at (80.4%), while (10.7%) of these stores do not plan through their objectives or goals.

The goal of the organisation is the vision. This needs a lot of hard work and commitment, as this is the target goal for the business. Strategic goals and objectives are the direct way of stating strategic matters. Each strategic goal must point to the results of strategic issues, which relate directly to the business mission. Strategic objectives outline the tasks and activities which must be tackled to reach a strategic goal. Fairly general goals and objectives are always quantifiable (Jim and Patty, 1999:12).

4.3.11 Strategic planning development

Table 4.10 Development of strategic planning

The data below in Table 4.10 represent how the strategic planning has been developed.

Strategic Planning development	Frequency	Valid Percentage	Cumulative Percentage
By			
A vision statement	30	53.1	53.57142857
Departmental own initiative	20	36	35.71428571
Mission statement	5	9.1	8.928571429
Other	1	1.8	1.785714286
Total	56	100	100

Table 4.10 above indicates that a vision statement is the most common basis of developing a strategic plan with (53.1%) while departments own initiative is second with (36%) and a mission statement with (9.1%) and other with (1.8%).

Vision statement can guide the establishment of a blueprint to set out tasks in more detail. The outcomes should be attaining a strategic goal. Completed tasks should be developed by staff and evaluated by the board (Jim and Patty, 1999:12). The vision statement gives an indication as to which key decisions should be taken into account in terms of business and the level for evaluating the success of the plan of action and activities should be protected.

4.3.12 Strategic planning implementation challenges

Table 4.11 Challenges faced by organisations in implementing the strategic plan.

Organisations are facing challenges in implementing strategic plans as shown in Table 4.1 below.

Challenges in implementation of strategic planning	Valid Frequency	Valid Percentage	Cumulative Percentage
By			
A poor strategy	25	44	44.64285714
Lack of resources	10	18.1	17.85714286
Lack of follow - up	1	1.8	1.785714286
Lack of communication	20	36.1	35.71428571
Total	56	100	100

Table 4.11 above indicates that a poor strategy is one of the most common challenges encountered in implementing strategic plans with (44%) secondly lack of communication with (36.1%), thirdly a lack of resources with (18.1%) and lastly lack of follow up with (1.8%). SMEs faced many challenges in terms of growth of good strategy (Thompson et al., 2012).

Table 4.11 above also shows that more than half (57.14%) retail SMEs still lack behind in improving strategic planning in their organisations due to a poor strategy and lack of communication. Wang, et al. (2011:1) mentioned that strategic plan is not well understood by management due to inexperience and negligence. Strategic planning may have small usefulness (value) to owners and managers operated by initial force (motivators). The owner and manager aspiration can be essential whether or not strategically valued. Strategic planning can be costly due to staff time, transportation, venue, cost of materials and facilitation. Sometimes not every company is ready for strategic planning due to size and operations (Wang et al., 2011:2).

4.3.13 Number of years an organization has been operating

Figure: 4.3 Years the organisation has been operating.

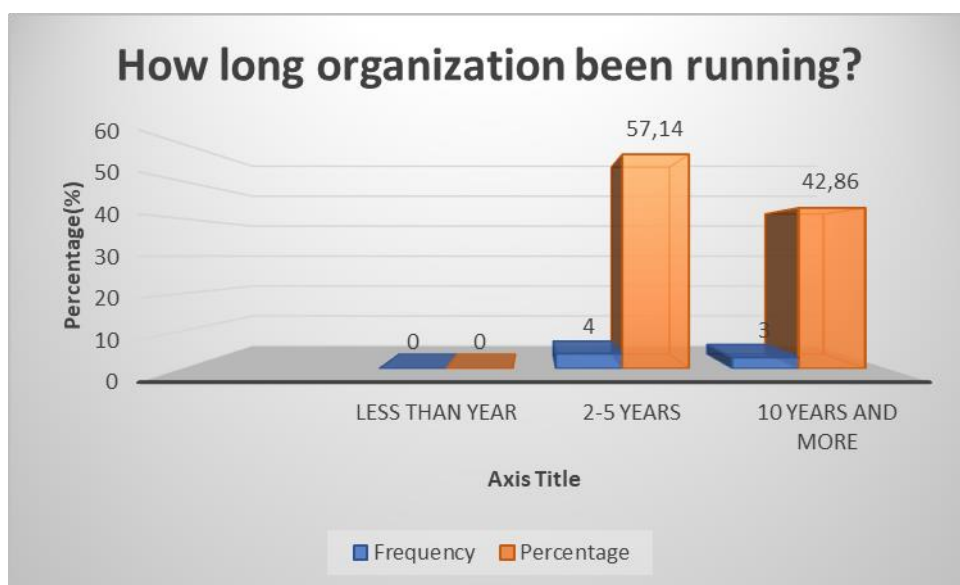


Figure 4.3 above indicates that most organisations have been operating for 2-5 years with (57.14%) as the highest, those operating for 10 years and more with (42.86%) secondly and lastly less than a year's (0%) according to the respondents in the study.

The way strategic planning is perceived and applied is determined by the sector the organisation competes in. Time or life span of the organisation should be noted (Maleka, 2014:16). An effective strategic plan communicates not only where the company is going and the actions required to make developments, but it must highlight how it will know its success.

Senior management is the drivers of strategic planning with important roles set out in the organisational vision. This includes regulating strategies needed, resource development decisions of success on selected strategies and building position to the vision and strategic management throughout the whole organisation by its levels (Maleka, 2014:16).

4.3.14 Threats facing the organisation

Table 4.12 Current threats facing the organisation externally

Table 4.12 below set out current threats faced by the organisation externally. To achieve organisational goals, an organisation needs to analyse the environment and trends in the market which are social, physical, economic and political surroundings that may consume positive or negative influence in an organisation's capability of attaining its vision and convey its mission (Jim and Patty, 1999:9).

Current organisational threats	Valid Frequency	Valid Percentage	Cumulative Percentage
By			
Lack of market explore	1	1.7	1.785714286
Insufficient of cash flow	1	1.7	1.785714286
Rules and regulations	10	18	17.85714286
Competition	44	78.6	78.57142857
Total	56	100	100

Table 4.12 above indicates that competition is the highest threat that is facing the retail organisations with (78.6%) while rules and regulations is the second with (18%), followed by insufficient cash flow (1.7%) and lack of market explore also with (1.7%) as well. After the data collection from the threats have been gathered and considered, the board of directors should organize the full evaluation of the outcomes. Founded on the recognized external threats, the board should ascertain which environments have the extreme influence on its aptitude to achieve the vision of the company and which chances must be taken advantage of upon directly to accomplish organisational vision (Jim and Patty, 1999:9-11).

Internal threats should also be reviewed (Jim and Patty, 1999:11). The general objective of the SWOT analysis is to find factors or environments to which the firm can shape strategic answers or outcomes (Jim and Patty, 1999:9-11).

4.3.14 Growth, competitive advantage and monitoring of strategic planning

Figure 4.4 Growth, competitive advantage and monitoring of strategic plan barriers

Figure 4.4 below represents the barriers that an organisation has met in terms of growth and competitive advantages in the past two years and how it monitors its strategic plan.

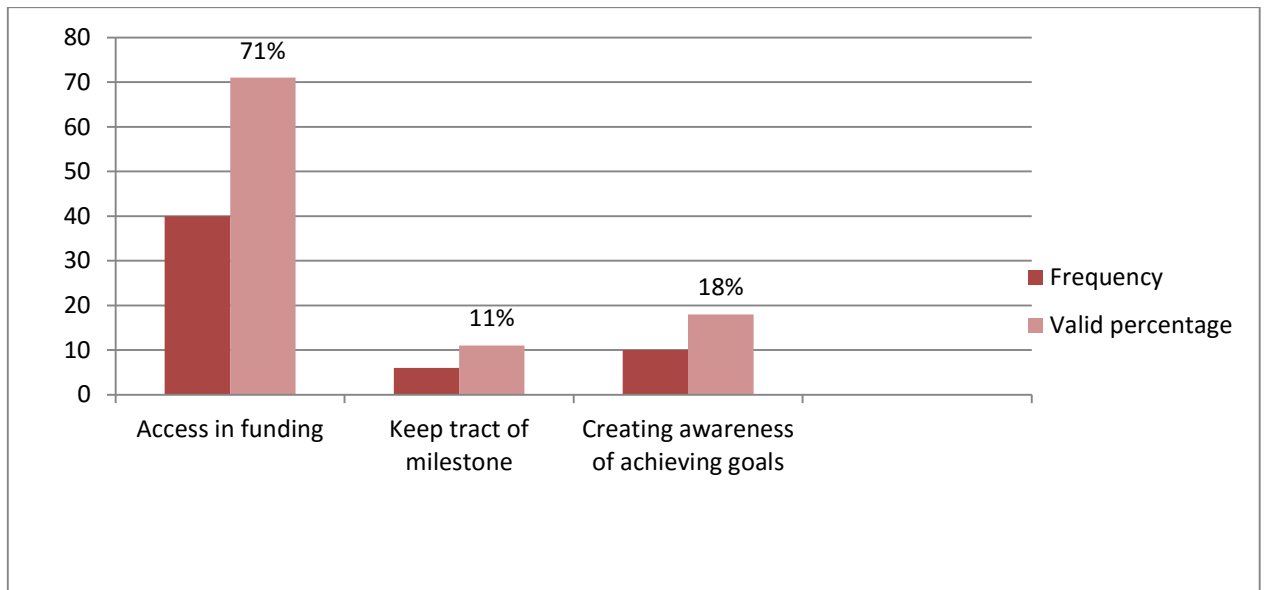


Figure 4.4 illustrates that access to funding is the most common barrier with (71%), while creating awareness of achieving goals is the second with (18%) and keeping track of milestones is the last with (11%) in achieving growth and competitive advantage, and monitoring of strategic plans.

The planning of the strategy is established with no application of guidelines. Planning is established in portions, while it is unfunded (Maleka, 2014:15). According to Sandaba & Pooe (2014:660) organisations should embark on strategic planning because their surroundings are progressively difficult and unbalanced. This indicates that strategic planning performance would therefore benefit small and medium enterprises owners and managers to see where they are, whether they are successful or not.

Sandaba & Pooe (2014:660) furthermore explained that strategic planning produces a feasible relation between an organisation's vision, mission, goals, alternative strategies, resources and objectives. Strategic planning allows firms to recognize the reasons and resolutions to a problem, while realizing the operating barrier, describing the drive of the firm, and simplifying the motivations, resources, barriers and values of the firm. The extra the firm performs strategic planning, the more it forms stability in an energetic environment.

Strategic planning helps the organisation's owners and managers to know direction towards goals. It also allows the employees to be able to work with better competence and with greater distribution of resources; each employee is allocated a detailed duty aimed at attaining a greater objective (Maleka, 2014:15). Strategic planning is disadvantaged by different barriers such as lack of funding and low levels of strategic plan perceived in most of SMEs around South Africa. The effect is that by identifying and knowing their barriers this will allow cautious and precise encouragement to other organisations on how barriers can be overwhelmed (Wang et al., 2007:4).

4.3.15 Strategic planning and budget process relationship

Table 4.13 Relationship between strategic plan and budget process

Table 4.13 below represents the relationship between strategic planning and the budget process.

Relationship between strategic plan and budget	Valid Frequency	Valid Percentage	Cumulative Percentage
The strategic plan drives budget decisions	2	3.6	3.571428571
The budget drives strategic plan	4	7.1	7.142857143
Each influence the other	50	89.3	89.28571429
Total	56	100	100

Table 4.13 above indicates that the fact that strategic plan and budget influence each other is the highest with (89.3%), while the fact that the budget drives strategic plans is second with (7.1%) and the fact that strategic plan driving budget decisions with (3.6%) according to the respondents of the study.

The majority of the respondents 50 out of 56 indicated that each (strategic plan) influence budget decisions, this indicates that over (50%) of the respondents agreed that planning is linked to finance. Activities such as cash-flow, revenue growth and cash-outflow connect the planning according to products and firm structure (Thompson et al., 2012:44). Planning and budgeting activities are focusing on cash-flow and money in the bank. Cash-flow resolute the capability to place orders, which eventually places attention on planning of the budget of the firm.

Owners and managers of the SMEs are more concerned with the budget of the organisation than planning and not spending much time on planning and forecasting, they put their use of preparations and predictions strictly to strategic use to deliberately use the data to plan courses of action for the firm.

4.3.16 Identification of specific performance measures

Figure 4.5 Strategic planning identifies specific performance measures for success.

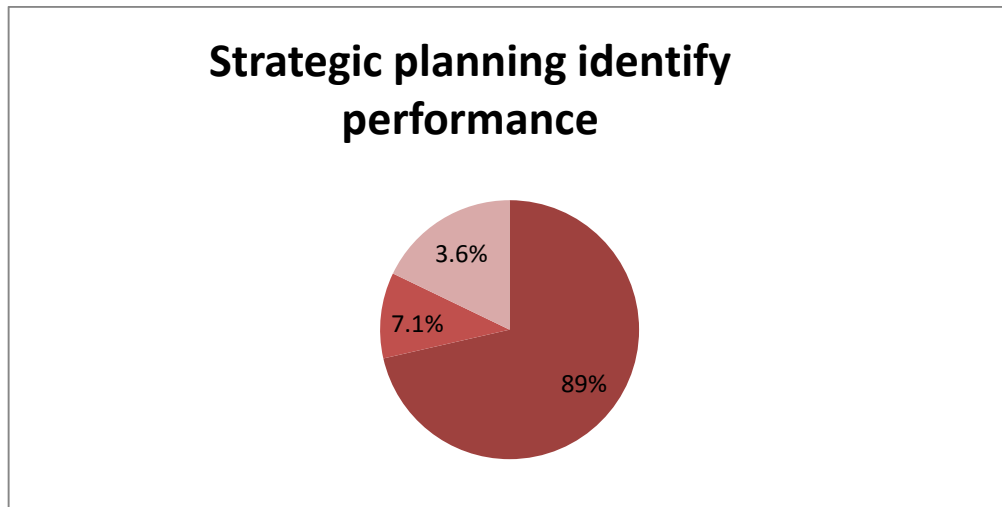


Figure 4.5 above revealed that fifty (50) out of fifty-six (56) respondents (89%) agreed that strategic planning identified specific performance measures for success in achieving organisational goals and objectives, while four (4) out of fifty six (56) respondents (7.1%) did not agree and two (2) of the respondents, 3.6 % said maybe.

Gomera, et al. (2018) noted that there is a constructive relationship between strategic planning and firm performance. He also mentioned that success and decent performance by firm is balanced on how implementation, control and evaluation of strategic planning process are performed. Organisations that allow an excellent strategy operation process have much opportunity of improved firm performance than with poor strategy implementation (Gomera et al., 2018).

Sandaba & Pooe (2014:661-665) supported the statement by Gomera, et al. (2018) that there is a positive relationship between strategic planning and organisational performance that should inspire organisations to hold the exercise of strategic planning. By implementing strategic planning organisations can improve their performances, increase growth probabilities and therefore toughen competitive advantage and grow in the economy.

4.3.17 Strategic planning usefulness

Table 4.14 Usefulness of strategic planning in an organisation

Table 4.14 below indicates the usefulness of strategic planning in an organisation.

How's Strategic planning has been in an organisation	Frequency	Valid Percentage	Cumulative Percentage
Very useful	6	10.8	10.71428571
Extremely useful	49	87.5	87.5
Not useful	0	0	0
Somewhat useful	1	1.7	1.785714286
Total	56	100	100

Table 4.14 reveals that the majority of respondents stated that strategic planning is extremely useful with (87.5%), secondly very useful with (10.8%), somewhat useful (1.7%) and lastly not useful (0%).

This study reveals that more than (50%) of the respondents have agreed that strategic planning is extremely important to an organisation.

4.3.18 Strategic planning success

Table 4.15 Successfulness of strategic planning in an organisation

Table 4.15 below shows the successfulness of strategic planning in the organisation.

Strategic planning has been successful in years of operation	Frequency	Valid percentage	Cumulative percentage
Agree	50	89.3	89.28571429
Disagree	2	3.7	3.571428571
Neutral	4	7	7.142857143
Total	56	100	100

Table 4.15 above reveals that (89.3%) of the fifty-six (56) respondents agreed that strategic planning has been successful in their organisation for many years, while (3.7%) disagree and four (4) of the respondents were neutral (7%).

4.3.19 Organisation pitfall identification

Table 4.16 Strategic planning identifies organisational pitfalls

Table 4.16 below represents the pitfalls that strategic planning identifies in an organisation.

Strategic planning identifies pitfalls	Frequency	Valid percentage	Cumulative percentage
Agree	53	94.6	94.64285714
Disagree	1	1.8	1.785714286
Neutral	2	3.6	3.571428571
Total	56	100	100

Table 4.16 above indicates that (94.6%) of the respondents agreed that strategic planning identifies the pitfalls in the organisation, while (1.8%) disagreed and (3.6%) were neutral. The

data above illustrates that an organisation without a strategic plan will most likely not notice or find the pitfall that can drive an organisation to low performance or close doors.

Although strategic planning is important for success of the business, it directly needs business leadership that will explain and sustain mission and values of the business and describe its role in the community. Through a productive strategic planning process, an organisation's leadership will clarify and affirm the mission and values of the organisation and outline its role in the public or community. The board of directors must support the decision to embark in the process of the business, which is their responsibility to drive the organisation in order to achieve their organisational goals and objective (Jim and Patty, 1999:2-3).

4.3.20 Performing strategic planning effectively

Table 4.17 Lessons learned about performing strategic planning more effectively

Table 4.17 below indicates the lessons learnt by the organisation in performing strategic planning more effectively.

Strategic planning performed more effectively	Frequency	Valid percentage	Cumulative percentage
Business can be highly profitable	40	71	71.42857143
Organisational goals achieved	10	18	17.85714286
Drives business to success	6	11	10.71428571
Total	56	100	100

The data above in Table 4.17 shows that businesses that performed strategic planning were more effectively likely to be highly profitable with (71%), organisational goals (18%) while drive business to success were (11%). Strategic planning concentrates on creating business directions, set importance, finding difficulties and chances that may assist on conveying organisational mission statement (Jim and Patty, 1999:2).

4.3.21 Aspects affecting strategic planning process

Table 4.18 Aspects that affects the strategic planning process

In Table 4.18 below shows the factors that affect the strategic planning process in an organisation.

What affects Strategic planning in process	Frequency	Valid percentage	Cumulative percentage
Operation/service planning	6	11	10.71428571
Budgeting	15	27	26.78571429
Performance measurements	35	62	62.5
Total	56	100	100

Table 4.18 above indicates that performance measurements with (62%) is the highest factor that affect strategic planning process, secondly budgeting (27%) and lastly operation/service planning with (11%). According to Gomera, et al. (2018) achievement and measuring performance strain the owners and managers in implementing and evaluating the strategic planning process that was led and adapted.

4.4 Research results of phase 2 - Qualitative research

As stated earlier in the chapter, this study adapted mixed method. Qualitative method was used and designed to understand the phenomenon. Open-ended questions were designed in the same nature in a questionnaire to investigate deeper on experience, what they think and act on challenges faced by their organisations in strategic planning as seen in Appendix C (In-depth discussion guide).

4.4.1 Main significance of strategic planning by the respondents

As stated by the respondents, many of these retail clothing stores in Cape Town have been using strategic planning for many years. They define strategic planning as a tool and process to forecast future achievements, setting up organisational goals, objectives and how to implement these processes to achieve organisational goals.

4.4.2 Implementation of strategic planning

As mentioned by respondents implementing strategic plan will help the organisation to identify and overcome the pitfalls. Respondents also mentioned that by implementing the strategic planning the organisation analyses the barriers and environmental factors. Implementation has also helped retail stores in improving performance and increasing the effectiveness of the organisation.

4.4.3 Measuring performance

According to the respondents measuring the performance of the organisation has assisted organisations to identify and analyze key success factors to achieve organisational goals. Owners and managers need to allocate tasks to their employees and brief them on “how important organisational performance is?” and the employees need to sign performance agreements.

Organisations who effectively embark on strategic planning improve organisational performance and employee confidence. They can easily identify the challenges and opportunities that appear in planning which will guide decision making and allocation of resources.

Although other retail stores do not perform well through the competition it is important to measure performance for the future improvement. According to Kithinji (2012: 1) management should make sure that they hire and position qualified and proficient person in planning.

4.4.4 Procedure and protocols of strategic planning

Respondents mentioned that companies need to set up instructions and specifications of tasks forms and paper documents to be used. The procedure must specify what must be done in an identified situation and explain the limitation of professional judgment.

Protocols need to be set and explain operative procedures that define techniques of doing specified tasks. Respondents highlighted that making decisions on sharing information, providing service planning, recognizing desired results, protocols and information line should be implemented in strategic planning development phase. Receiving feedback continuously from the partners helped the organisation to improve their plans.

4.4.5 Differentiation of strategic planning from each department of the business

A strategic plan gives a wide range of a long-term idea. In order to begin strategic plans, executive management utilizes financial reports, future events and forecast on external environments. The development of each department is influenced by strategic planning.

4.4.6 Tools used in evaluating strategic planning success

Some retailers use the SWOT analysis tool which stands for strength, weaknesses, opportunities and threats to evaluate their success on strategic planning. It helps businesses to point out each of these components linked to their business. This strategic planning tool gives an opportunity to decide new opportunities and which sector of the firm requires new developments. It also helps the organisation to identify factors that negatively impacts the firm.

Some retailers according to the respondent's uses the PESTLE analysis tool which stand for political, economic, social, technology, legal and environmental to evaluate their strategic planning success. This tool helps the organisation to develop a strategy for accomplishment of the goals of the organisation each of the components gives an opportunity for the business to take note of the environment they are operating in.

4.4.7 Impacts of the strategic plan process on organisational goals, vision and mission

Wadhwa (2016:165) mentioned that vision and mission generate the start of the firm and the end outcomes are the general performance. Vision and mission is seen as something that provides a way forward to a business and increase business success.

The respondents highlighted that the impact on the strategic process and business goals, vision and mission has been influenced by the firms' performance. Respondents also mentioned that the strategic process must not just be seen on development of vision and mission but also on its content, implementation, communication and combining altogether equally is also important.

4.4.8 Risks on implementation of strategic planning

Organisations draw up yearly strategic plans that provide actions the organisation plans to do to increase income and profits. Some of the risks encountered and associated with strategic planning are the fact that the economy is unreliable, competitive components, delays on project completion, government regulations and higher implementation costs than forecast.

4.4.9 The reality of planning to implementation phase

When an organisation's mission, strategies and vision are explained and put it is the first stage of strategic planning management. According to respondents many firms fail the first stage because of lack of skills to develop strategies that will take the firm to success. To formulate excellent and good strategies a firm needs to consult some businesses that are able to formulate strategies. Some firms still have difficulty and in the end they close down.

Lack of certainty because of poor planning and poor implementation results in firms close doors or running a loss. Strategy implementation is about how the tasks will be moved out, who will perform these tasks, when and how frequently they will be performed and where these tasks will be managed.

4.4.10 Usage of strategic planning consultants, external professionals or other

Respondents mentioned that consulting strategy services has helped the organisations to develop a clear strategy. These consulting support services help the firm to set strategic goals, operate in world class level of performance, improving customer satisfaction and improvement on operational efficiency.

The respondents are using strategic planning consultants, while other is using their own executive management for their own strategic development. They also use strategy development support to create comprehensive strategic planning.

4.5 Summary of the research findings

4.5.1 Research finding of phase 1 – Quantitative research

Below is the summary of the findings outlined within the quantitative analysis questionnaire.

4.5.1.1 In this study it shows that females are the dominating gender in positions than males according to the study, with 36 females in the age group of 20-30 years.

4.5.1.2 Most respondents did not possess a university level qualification, while most have completed their matric, and are more experienced in running day to day business and in strategic planning.

4.5.1.3 Retail stores have been implementing strategic planning for years running, while store managers are the ones who are involved in the strategic planning process.

4.5.1.4 The respondents plan according to organisational goals and develop their strategy into a vision statement, while facing challenges in implementation which can be summarized as weak strategy, lack of communication and lack of resources.

4.5.1.5 They also face threats externally and internally such as high competition, government rules and regulations, but they tend to monitor their strategic planning barriers such as access to funding in order to grow and gain competitive advantage.

4.5.1.6 The relationship between strategic plan, organisational performance and budgeting has played an important role in identify pitfalls to overcome.

4.5.2 Research findings of phase 2 – Qualitative research

The result summary below is based on the data acquired from respondents through the in-depth discussion guide refer to Appendix C of the study.

As mentioned earlier in this chapter in-depth open ended questions were issued to the respondents to investigate more deeply in the challenges faced by retail clothing stores through strategic planning.

Below are the summarized qualitative results.

4.5.2.1 The respondents stated that by understanding strategic planning it is much easy on their jobs and driving the business to success but when implementing strategic planning they face lot of challenges that they need to identify and overcome during planning period. They need to analyze the barriers and environmental factors that affect their businesses negatively.

4.5.2.2 Using procedures and protocols has played an important part in setting up instructions, responsibilities, and forms that will be used. Making good decisions, sharing information, providing service planning and desired results are the purpose of procedure and protocols that should be established in the strategic planning development phase.

4.5.2.3 Development of each department goals to be achieved has played an important part in attaining organisational goals by shaping up activities to be achieved in the short-term within a year or less period. Each department goals explains how they can achieve their goals and who is involved in implementation.

4.5.2.4 Using such tools as SWOT analysis and PESTLE analysis to evaluate the strategic planning success assist the firm to develop strategy and give new opportunity for the business.

4.5.2.5 Risks have to be taken to implement strategic planning such as operating in an unreliable economy, competitive components, delay on projects, government regulations and higher implementation costs than forecast.

4.5.2.6 Using consulting strategy services and own strategy development service has helped the organisations to set strategic goals, improve on performance and customer satisfaction.

4.6 List of main findings

Based on the above results, the data recorded and examined the main finding can be outlined as follows.

4.6.1 Strategic planning has played a very important role in the retail clothing stores due to development and day to day running of the business.

4.6.2 Most of these retail stores have been engaged in strategic planning and have had improved and succeeded. According to the respondents it shows that managers are the personnel who are mostly involved in strategic planning and they see strategic planning as their tool for growth. As part of the findings in findings business management specialists still argue that businesses still fail by neglecting strategic planning, lack of management skills, lack of communication, which may make it difficult and struggle to improve performance.

- 4.6.3 According to the results (71.43%) are the females who run these retail stores, while (85.71%) are store managers who implement strategic planning in their stores. This means females are dominating these retail stores according to the study. Females are more therefore involved in the strategic planning than males.
- 4.6.4 These retail stores develop strategic planning to achieve organisational goals, objectives, vision and mission. They faced challenges in implementing the strategic plan such as weak strategy, lack of communication by the top management to the employees, lack of resources and there are risks that they need to considered such as government regulations, environmental factors, competition and economic instability
- 4.6.5 For the sustainability of the organisation, these retail stores need to identify and monitor the barriers that they need to overcome such as access to funding, expensive rent, type of industry competition, lack of time and inadequate knowledge of the planning process in order to gain competitive advantage.
- 4.6.6 Strategic planning has played an important role in these retail stores in such a way of identifying pitfalls and measuring organisational performance to improve effectiveness.
- 4.6.7 By using procedures and protocols these retails stores have improved on decision making, sharing of information and recognizing results. They have developed each department goal to achieve short-term goals and employee involvement.
- 4.6.8 Some of these retail stores used SWOT analysis tool to evaluate their strategic planning success, while others used PESTLE analysis tool to evaluate their strategic planning success. These tools have played an important role in identifying new opportunities, development of clear a strategy to achieve goals and identifying factors affecting the businesses negatively.
- 4.6.9 These retail stores are using consulting strategy services which assisting the organisation in developing a clear strategy, set of strategic goals, world class performance and improvement on customer satisfaction. Some of these retail store used strategy development support to deal with comprehensive strategic planning.

4.7 Conclusion

According to the information recorded and analyzed above in this chapter, the results above for both quantitative and qualitative indicates that most of these retail stores are using strategic planning as a tool for growth and running of day to day of the business. This also shows that executive management such as CEO's, CFO's and COO's are not permanently involved in

strategic planning them just give approval to the middle management. The Lack of management skills and communication as a key to improve the business and employee involvement has been neglected.

These retail stores are not prioritizing strategic planning to survive and achieve their organisational goals. They take risks that are not easy to overcome and cannot be controlled. They prefer using strategy consultation services to develop their strategic planning to compete and improve effectiveness. In the results stated above there is no room for improvement from these retail stores such as compulsory staff and management training programs whether take place every month or quarterly to strengthening skills, improvement of employee performance and employee feeling of belonging.

Competition in clothing retail industry is very high, while they are facing certain challenges for growth such as high rent and high implementation costs not associated with planning. This can drive these retail stores to operate in a loss or liquidation or closing of business or earning small margin of return.

The next chapter, chapter five provides the conclusion and recommendations of the study.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The previous chapter provided the feedback of the analyzed, interpreted and presented data from the respondents of the study.

Chapter one,

The study was introduced and the background provided linked to the problem statement and research problem. The challenges faced by SMEs in strategic planning within the clothing retail industry were briefly discussed.

The research aim, research questions, research objectives, significance of the study and the demarcation of the study were provided. The research design and methodology were briefly outlined.

Chapter Two

This chapter focused on the relevant literature. It outlined strategic planning definition in into detail, steps of retail strategy planning, advantages and disadvantages of strategic planning and the strategic process.

This chapter also covered global strategic planning, pitfalls of strategic planning and implementation. Different levels of strategy development and importance of strategic planning within the SMEs, contribution of each sector into the GDP and provide challenges faced by SMEs in South Africa was outlined.

Chapter Three

The chapter discussed the research methodology applied in this research which were the mixed method of both qualitative and quantitative as well as the process. The data analysis approach which used inductive and content analysis was described and explained. Data collection instruments of survey questionnaires and semi-structured interview questions to gather data for the study.

This chapter also provided research design, sampling and population methods for the study.

Chapter Four

Chapter four has provided the sampling frame, Research results of phase 1 - Qualitative research and Quantitative, the demographic information with company information, Summary of the research findings, conclusion and recommendations.

5. 2 Main Findings

South African SMEs are the vital drivers of the economy and growth and yet they have been lacking a strategic planning. Okeke, et al. (2016:10) indicated that it is possible to make the most use of many strategies and policies in order to improve organisational growth and production.

5.2.1 Research questions

5.2.1.1 Challenges faced by clothing retail SMEs in strategic planning specified CBD

- Findings from chapter two have specified that SMEs in South Africa especially retailers have not been prioritizing strategic planning and they have been neglecting it.
- SMEs are not doing well in creating the successful strategic planning that will make them to gain competitive edge.
- These clothing retail stores has been lacking in communicating strategic planning with their employees by not involving all the employees in strategic planning process.
- Employee involvement and feeling of belonging has been neglected by the top management as indicated participants.
- According to the information attained from the participants a weak strategy and threats such as government regulations and competition makes it difficult to develop a good strategy for the business.

5.2.1.2 What determines the strategic planning process within SMEs clothing retail stores in the Cape Town?

- These clothing retail stores build strategic planning by building a successful strategic plan involving store managers, executive management.
- Improvement and communication of a clear, concise and determinate strategic plan.
- Communicating strategy with accuracy and clarity within the managers and executive management.
- Strategic planning which consists of the long-term strategic vision, priorities and an implementation plan, which focuses on key strategic success through the retail store's vision.

5.2.1.3 What detects the value in strategic planning within SME clothing retail stores in the Cape Town?

- These retail owners and managers point out the value of strategic planning by following organisational procedures and protocols through strategic planning which assist them to improve their decision-making process and sharing of information.
- Some of these retail stores have evaluated their strategic planning success and are identifying new opportunities, development clear strategies to achieve organisational goals and objectives.

5.2.1.4 What determines strategic planning success in SMEs clothing retail stores in the Cape Town?

- Strategic planning has played a very important role in the retail clothing stores due to development and day to day running of the business and improvement on sales.
- The sustainability of the organisation, these retail stores need to identify and monitor the barriers that they need to overcome such as access to funding, expensive rent, type of industry they are competing in, lack of time and inadequate knowledge of the planning process in order to gain competitive advantage that lead to strategic planning success.
- Strategic planning has played a very successful role in these retail stores in such a way of identifying pitfalls and measuring organisational performance to improved effectiveness.
- The procedures and protocols of these retails stores have improve on decision making, sharing of information and recognize the results.

5.3 Research objectives

5.2.2.1 To investigate the strategic planning process with in SMEs clothing retail stores in the Cape Town.

- These retail stores use SWOT analysis tool and the PESTLE analysis tool to evaluate their strategic planning process success. These two tools have played an important role to identify new opportunities, development of clear strategy to achieve goals and in identifying factors affecting the businesses negatively.
- These clothing retail stores are using consulting strategy services which assisting the organisation in developing a clear strategy, set of strategic goals, world class

performance and improvement on customer satisfaction. Some of these retail store used strategy development support to deal with comprehensive strategic planning.

5.2.2.2 To observe the value of strategic planning within SME clothing retail stores in the Cape Town.

- These retail stores have seen the value of strategic planning through identifying pitfalls and performance measurement.
- Using of consulting strategy services and strategy development support has played an important role in the success of these retail stores to deal with comprehensive strategic planning.
- A strategic planning process is the best vital tool through strategic planning in terms of measuring objectives, setting priorities, and driving the organisation to the right direction, which also helps into exchanging useful ideas within the staff and management to reach similar goals.

5.2.2.3 To determine the development of strategic planning success within the clothing retail stores in the Cape Town.

- The participants have mentioned that economic instability and high competition makes it difficult for the sustainability of the business and the development of strategy.
- Communication has affected strategic planning development by not communicating from bottom up and top down. It begins with communication with all levels of the staff giving information or advising them that strategic planning process will begin and the senior management communicating the strategic planning to the employees for their input and involving them.
- Management negligence has led to poor strategic plan development and implementation. Managers want their group and teams to run the strategic planning effectively through their thoughts and inputs, not listening to their employee efforts and inputs. This may conflict with strategic goals of the organisation and employees worth.
- Government regulatory policies affect implementation of strategic planning negatively as they are described as very complex and unfavorable to these clothing retail stores.
- High cost of strategy implementation has affected these clothing retail stores negatively. A strategy without tactics is an unperceptive way to success. An effective

strategic planning and development must be well planned through strategy and tactics. Many of these retail stores use global strategy consulting organisations and they have implemented their strategy successfully at high costs.

5.3 Recommendations

The recommendations mentioned in the section below focuses on strategic planning and its implementation and how it can assist the organisation to obtain the organisation's goals, objectives, vision and mission not only in the retail industry but in other industries. There is a great extent of investigation needed to be made by the researchers concerning strategic planning not only in retail but in many industries or areas.

5.3.1 Recommendations from findings

5.3.1.1 Managers and owners have been confusing strategic plan and strategy implementation. This confusion can develop to complicate strategic planning.

5.3.1.2 Managers want their group and teams to run their strategic plan effectively through their thoughts and inputs, but not listening to their employee efforts and inputs. This may conflict with strategic goals of the organisation and employees worth. Managers and owners need to involve all the employees in strategic planning.

5.3.1.3 Communicating the strategic plan is the best weapon to achieve organisational goals and objectives.

5.3.1.4 Following protocols and procedures effectively creates the best strategic planning and save costs.

5.4 Future research

5.4.1 Differentiation between strategic planning and strategy implementation

Many managers and owners have been confusing strategic plan and strategy implementation, this could lead to organisational failure to achieve goals and objectives. Strategy implementation involves implementation or execution of a strategic plan. This comes up with obstacles that the team should overcome without compromising objectives of the strategic plan.

5.4.2 Strategic planning as a tool for organisational success

The development of future vision and objectives for the organisation is the first step in a successful strategic planning process. In this fast changing environment, the prediction for the future can be difficult.

An effective strategic plan process gives a structure to make and take valued decisions to assign firm's resources, taking advantage opportunities that come along and identifying challenges. Effective strategic planning outlines the process of growing the firm's strategic plan, from construction to implementation.

Through a fruitful strategic plan process, the firm's leadership will refine and declare the vision, mission and values of the firm and describe its tasks in the community. This exercise can help to identify external and internal challenges, and opportunities that may arise.

5.4.3 Planning an effective strategic planning and communicating it with employees

Retail or any industry owners should make use of planning of effective strategic planning that has focused on their target market. However, the significance of a strategic plan is giving an understanding and better control into overcoming strategic planning barriers.

When engaging employees in the strategic plan process it becomes more important to them and they become part of the family with the feeling of belonging, building confidence. Employees should be allowed to voice up their opinions, ideas and communicate at every stage of the strategic plan process. Achievable and measurable strategy and activity plans should be aligned to the vision, core values and mission statement of the organisation so that the workers understand their contribution throughout the planning process and the success of the organisation.

5.5 Conclusion

In conclusion successful organisations should have a strategic plan ahead and understanding their future plans for the organisation. Strategic planning plays an important role in the future of the SMEs which helps to define its vision, objectives and mission. Strategic plan also helps the organisation to improve the performance in the organisation and to achieve their objectives.

In particular retail sales industry grew up to 14% in November 2019 with the contribution of the clothing sector of 21% (STATS SA, 2019:1). SMEs are the key drivers of the countries economy. Keeping strategic planning as key tool for SMEs success and communicate it with the employees, employers and stakeholders they all play an important role in the strategic planning process of the business's success.

SMEs use generic business-level strategies that executives select to keep their firms competitive. Executives must select their firm's source of competitive advantage by choosing to compete based on low-cost versus more expensive features that differentiate their firm from competitors. In addition, SMEs using effective strategic planning helps an organisation to identify the pitfalls which can be overcome by using different tools.

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APPENDICES

Appendix A: Ethics approval



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za
Symphony Road Bellville 7535


Office of the Chairperson Research Ethics Committee	Faculty: BUSINESS AND MANAGEMENT SCIENCES
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At a meeting of the Faculty's Research Ethics Committee on 11 June 2019, Ethics Approval was granted to Xolela Sobende (212098314) for research activities of M Tech: Business Administration at Cape Peninsula University of Technology.

Title of dissertation/thesis/project:	STRATEGIC PLANNING CHALLENGES FACED BY SMALL AND MEDIUM ENTERPRISES WITHIN THE CLOTHING RETAIL INDUSTRY IN CAPE TOWN CBD, WESTERN CAPE. Lead Researcher/Supervisor: Prof F J Herbst
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Comments:

Decision: Approved

	22 July 2019
Signed: Chairperson: Research Ethics Committee	Date

Clearance Certificate No | 2019FOBREC686

Appendix B: Survey questionnaire



Faculty of Business and Management Sciences
Graduate Centre for Management
Ethical considerations survey questionnaire
Cape Peninsula University of Technology

Survey Questionnaire

Company Information

Name of company.....

Contact details.....

Date:

- Title of the research: *Strategic planning challenges faced by small and medium enterprises within the clothing retail industry in Cape Town cbd, Western Cape.*
- Please tick in the shaded box provided and give a comment where necessary.

THIS SURVEY QUESTIONNAIRE ONLY TAKES 20 -40 MINUTES

PARTICIPANTS HAVE RIGHT

- To not disclose any confidential company information.

ABOUT THE PARTICIPANT: (MANAGER OR OWNER)

Q.1 What gender are you?

Male Female

Q.2 What race are you?

African

White

Coloured

Indian

Other _____

Q.3 What age group you in?

20- 30

30- 40

40 more

Q.4 What level of education you obtained?

Matric University

Other _____

Q. 5 How many years of experience in the strategic planning?

3-5

5-7

7 more

ABOUT THE COMPANY:

QUESTIONS

Q.1 How many employees do you have in your organisation?

10-15		15-20	
-------	--	-------	--

Q.2 What is your understanding of strategic planning?

Q.3 Does your organisation implement strategic planning? Yes or No Please specify

Q.4 If Yes who is in charge of implementation?

Manager Supervisor Owner

--	--	--

Q.5 What strategic process has your company been using?

Q.6 Do you plan your strategic planning according to organizational goals or objectives?

Yes

No

Maybe

Comment:

Q.7 How does your strategic plan has been developed?

A vision statement

Department's own initiative

Mission statement

Please add comment

_Comment

Q.8 What are the challenges faced on implementing strategic plan?

Weak Strategy. The point of a strategy is a new vision
Ineffective training

Lack of resources

Lack of communication

Lack of follow through

Any additional _____

Q.9 How long has the retail store company been running?

Less than year

2 – 5 years

10 years and more

Q.10 What are the current threats facing organisation externally?

Lack of market explore Insufficiency of cash flow

Rules and regulations

Competition

Any additional _____

Q.11 What barriers in terms of growth and competitive advantage does the organisation met in the past 2 years and how does the organisation monitor strategic plan?

- Access in funding Keeping track of milestone

Creating awareness of achieving goals

Any additional _____

Q.12 In general, how do you describe the relationship between strategic plan and the budget process?

- The strategic plan drives budget decisions
- The budget drives strategic planning
- Each influence the other

Other explain _____

Q.13 Does the strategic planning identify specific performance measures for success in achieving organisational goals and objectives?

- Yes No

Any comment _____

Q.14 How useful do you think strategic planning has been in your organisation?

- Very useful Extremely useful Not useful at all Somewhat useful

What is the basis for this opinion _____

Q.15 Strategic planning in the organisation has been successful for many years.

- Agree Disagree Neutral

Q.16 Strategic planning has identified organisation's pitfall

- Agree
- Disagree

Neutral

Q.17 What other lessons have you learned about performing strategic planning more effectively?

Q.18 What affects the strategic planning process?

Operation/Service planning Budgeting Performance measurement

If other explain _____

THANK YOU FOR YOUR PARTICIPATION "MAY GOD BLESS YOU"

"Strategic planning is a tool that is useful for guiding day-to-day decisions" (*Henry, 1994*)

Appendix C: Interview guide



Faculty of Business and Management Sciences
Graduate Centre for Management
Ethical considerations for a questionnaire
Cape Peninsula University of Technology

In-Depth Interview Guide

Company Information

Name of company.....

Number of employees.....

Contact details.....

Date:

Title of the research: STRATEGIC PLANNING CHALLENGES FACED BY SMALL AND MEDIUM ENTERPRISES WITHIN THE CLOTHING RETAIL INDUSTRY IN CAPE TOWN CBD, WESTERN CAPE.

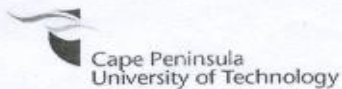
QUESTIONS

- Q.1_What is meant by strategic planning, which processes company using?
- Q.2 Does your organisation implement strategic planning? Yes, or No Please specify
- Q.3 How do you measure your strategic planning success?
- Q.4 What procedure and protocol do you use in strategic planning?
- Q.5 How do you differ your strategic planning from each department?
- Q.6 Which tool do you use to evaluate your strategic plan success?
- Q.7 What have been some of the significant impacts that the strategic planning process has had on your organizations goals, vision and mission? Specify.
- Q.8 What risks did you take on implementing strategic planning?
- Q.9 How do you move from planning to implementation? What happens to ensure that the plan is executed it becomes reality.
- Q.10 Do you use strategic planning consultants, external professionals or other to monitor your planning?

THANK YOU FOR YOUR PARTICIPATION "MAY GOD BLESS YOU"

"Strategic planning is a tool that is useful for guiding day-to-day decisions" (Henry, 1994)

Appendix D: Introductory letter



Postgraduate studies and research
Graduate School of Business Management
Business & Management Sciences Faculty
Keizersgracht and Tennant Street
Zonnebloem | 8000 | Cape Town

To whom it may concern

Re: Introductory letter for the collection of research data

Xolela Sobende is registered for the MTech: Business Administration degree at CPUT with student number **212098314**. The thesis is titled "**Strategic planning challenges faced by small and medium enterprises within the retail industry in the Western Cape.**", and aims to investigate the challenges faced by SME's in strategic planning and factors affecting strategic planning in the retail industry within the Western Cape.. The main supervisor is **Prof Frederick Herbst**.

In order to meet the requirements of the University's Higher Degrees Committee (HDC) the student must get consent to collect data from organizations which they have identified as potential sources of data. In this case the student will issue a questionnaire to gather relevant data.

If you agree to this, you are requested to complete the attached form (an electronic version will be made available to you if you so desire) and print it on your organisation's letterhead.

For further clarification on this matter please contact either the supervisor(s) identified above, or the Departmental Research Committee Secretary at 021 460 3833.

Regards

A handwritten signature in black ink, appearing to read 'Michael Twum-Darko'.

Dr. Michael Twum-Darko

Postgraduate Studies and Research
Graduate Centre for Management
Faculty of Business and Management Sciences

Date: 10 May 2019