



## CRITICAL FACTORS OF THE STRATEGIC PLANNING PROCESS IN JUNIOR FIRMS

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### Abstract

**Objective:** The research aims to identify which critical factors influence the strategic planning process, implementation and control in junior firms' strategic planning.

**Methodology/approach:** The study has a qualitative, descriptive approach, using multiple cases studies method, which examined seven junior firms. As a selection criterion, the accessibility and the snowball sampling technique were used. As data collection, it was applied semi-structured interviews. As a plan of analysis, it was considered Bardin's assumptions (2016). Lastly, to a greater reliability of the study it was performed the researchers triangulation in both process of data collecting and analysis.

**Main results:** The results point out 28 categories subdivided in difficulty and advantage of the planning process, implementation and control of strategic planning. However, only 11 were considered critical.

**Originality/Relevance:** as originality, the result discusses the strategic process performed by junior firms, that is considered here as organizational entities, which, according to Bervanger and Visentini (2016) it has not yet been researched.

**Theoretical contribution:** As a theoretical contribution to junior firms, this study progresses in understanding these institutions as organizational entities, especially if the business theory presented in different courses is put into practice.

**Social and management contributions:** The research has potential contributions to beginning junior firms that want to develop its practices in strategic planning, as well as connected institutions such as junior's movement and national association.

**Keywords:** Strategic planning. Junior firm. Critical factors.

### FATORES CRÍTICOS DO PROCESSO DE PLANEJAMENTO ESTRATÉGICO DE EMPRESAS JUNIORES

#### Resumo

**Objetivo:** A pesquisa busca identificar quais fatores críticos influenciam o processo de planejamento, implementação e controle do planejamento estratégico realizado por empresas juniores.

**Metodologia:** O estudo se caracteriza pela sua abordagem qualitativa, de cunho descritivo, e com utilização de métodos de estudo de casos múltiplos, em que se investigou sete empresas juniores. Como critérios de seleção das empresas utilizou-se a acessibilidade e técnica de "bola de neve". Como coleta de dados aplicou-se entrevistas semiestruturadas. Já como plano de análise seguiu-se os pressupostos de Bardin (2016). Por fim, para maior credibilidade do estudo realizou-se a triangulação de pesquisadores tanto no processo de coleta de dados quanto nas análises.

**Principais resultados:** Os resultados apontaram 28 categorias subdivididas em dificuldades e facilidades do processo de planejamento, implementação e controle do planejamento estratégico. Porém somente 11 deles foram considerados críticos.

**Originalidade:** como originalidade, o estudo aborda o processo estratégico realizado por empresas juniores, ao tratar dessas empresas como entidades

organizacionais, que segundo Bervanger e Visentini (2016) ainda não foram pesquisadas.

**Contribuições teóricas:** Como contribuição teórica às empresas juniores, esse estudo avança no entendimento dessas instituições como entidades organizacionais, sobretudo se a teoria de negócio vistos nos diferentes cursos são colocadas em prática.

**Contribuições sociais e gestão:** A pesquisa tem contribuição potencial às empresas juniores iniciantes que desejam desenvolver suas práticas de planejamento estratégico, bem como as instituições a qual essas empresas estão vinculadas como movimentos juniores e associação nacional.

**Palavras-Chave:** Planejamento estratégico. Empresa júnior. Fatores críticos.

### FACTORES CRÍTICOS DEL PROCESO DE PLANIFICACIÓN ESTRATÉGICA DE EMPRESAS JUNIOR

#### Resumen

**Objetivo:** Una búsqueda para identificar los criterios influye en el proceso de planificación, implementación y control de la planificación estratégica que realizan las empresas junior.

**Metodología:** El estudio destaca por su abordaje cualitativo, exploratorio-descriptivo, y por métodos de estudio de casos múltiples, en los que se investigaron siete empresas junior. Como criterio de selección de empresas se utilizó la accesibilidad y la técnica de bola de nieve. Como recolección de datos, se aplicaron cambios semiestructurados. En cuanto al plan de análisis, se siguieron los supuestos de Bardin (2016). Finalmente, para una mayor credibilidad del estudio, la triangulación de la investigación tanto en el proceso de recolección de datos como en los análisis.

**Principales resultados:** Los resultados arrojaron 28 categorías subdivididas en dificultades y facilidades en el proceso de planificación, implementación y control de la planificación estratégica. Sin embargo, solo 11 se consideraron importantes.

**Originalidad:** como originalidad, el estudio aborda el proceso estratégico que llevan a cabo las empresas junior, tratando a estas empresas como entidades organizativas, que según Bervanger y Visentini (2016) aún no ha sido investigado.

**Aporte teórico:** Como aporte teórico a las empresas junior, este estudio avanza en la comprensión de las instituciones como entidades organizativas, especialmente si se pone en práctica la teoría empresarial vista en los diferentes cursos.

**Contribuciones sociales y gestión:** La investigación tiene un potencial aporte para las empresas de nueva creación junior, que deseen desarrollar sus prácticas de planificación estratégica, así como las instituciones a las que estas empresas están vinculadas como movimientos junior y asociación nacional.

**Palabras clave:** Planificación estratégica. Empresa junior. Factores críticos.

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## Introduction

Technology transformed the world deeply and irreversibly, and has promoting changes in the business environment, demanding new management instruments (Motta, 1976; Pontes, 2001; Fadel & Moraes, 2005) to achieve more competitive firms (Braga, Lima & Felix, 2018; Desbessel, Both, Ruppenthal & Seibert, 2018). Consequently, the market has set differentiated and multiprofessional outlines for its employees. In higher education institutions, this new profile can be developed in different ways, mainly linking theory and practice, which is the role of junior firms (JF) (Gondim, 2002).

The JF are “non-profit associations, located in the university that enable students to perform in the labor market before graduating” (Bervanger & Visentini, 2016, p.198). It is like small service provider firms, which can be understood as consulting business, managed by the students themselves and focusing on supporting micro and small firms (Tolfo & Schmitz, 2005; Picchiali, 2008). Although these institutions are relevant to the student progress, it suffers with many restrictions, including lack of time and experience of students and obstacles related to any micro and small firm (Ziliotto & Berti, 2012). Therefore, JFs need encouraging instruments, procedures, method and techniques, especially when their aims are to spread knowledge to students, while trying to meet demands of the market. In this context, it is highlighted the strategic planning process, which, because it is performed by inexperienced employees/volunteers, needs investigation to understand which factors are critical to its performance.

As such, the following question arises: which factors influence the planning process, implementation and control of strategic planning in junior firms? As an assumption, it is proposed that the strategic planning, as an instrument to adjust to environmental changes that aim the permanency of organizations, is crucial to JFs, while promoting the alignment between theory and practice in the students’ education. In this way, this research aims to identify which critical factors influence the planning process, implementation and control of strategic planning performed by junior firms. This study is justified because it understands that there is little academic production on this subject, with the majority focused on the education process of the students, while there is little emphasis on this entities management process. (Bervanger & Visentini, 2016).

Finally, besides this introduction, this work is divided into six sections. Hence, the next section presents the theoretical background divided in strategic planning of small firms and junior firms. Subsequently, the method and procedures and the obtained results are presented. Finally, there are the discussions and conclusions.

## Strategic planning of small firms

Strategy started to be discussed as a research topic in works of Chandler, Ansoff and Katz and different approaches were developed in the last decades to study the strategic phenomenon into the

empirical field. (Scheffel, 2013). With the aim to improve this issue, the economic approach gained more visibility. It is highlighted, therefore, the works of: Porter (1996) in the industrial organization aspect, that presents concerns regarding the firm's strategic position in the market; Penrose (2002) and Barney (1991) argued on strategic resources as competitive advantage, through the Resource Based View (RBV); Coase (1937) and Williamson (1991) proposed the transaction cost theory and the relation between hierarchies and market; Noth (1990) highlighted the institutions' role; Teece, Pisano and Shuen (1997) discussed skills, competencies and knowledge; and, recently Dyer, Singh and Hersterly (2018) brought the theory of creation and appropriation of value through relationships. However, other approaches still have been emerging within this context.

Beyond the efforts to understand the strategy through the theoretical perspective, part of the literature has been trying to understand the strategic process inside the organizations. Therefore, movements have been made in order to develop instruments that promote the performance of strategic planning. In the meantime, strategic planning became the “management method that implements the strategic behavior” (Carvalho, 1995, p.30), through idealization of long-term goals and deliberation of the appropriate stages to be accomplished to strengthen the goals in an innovative and unique way (Oliveira, 2010). In this perspective, the literature has been approaching the strategic planning process composed of four macro stages: strategic diagnosis; preparation of mission, vision, values, goals and targets; implementation of strategic plan; and the results control (Kuyven, 2004). This administrative apparatus allows identifying and working on strengths and weaknesses of the organization, supporting to define the way to be followed while it takes advantage of the available sources (Lemos, Lima, Desconti & Ehlers, 2004; Terence & Escrivão Filho, 2007; Vinayavekhin & Phaal, 2018).

Strategic planning also allows considering the firm and its market features (Falsarella & Jannuzzi, 2017). Studies of Batra, Sharma, Dixit and Vohra (2018) and Gomera, Chinyamurindi and Mishi (2018) pointed out positive associations in micro and small businesses between its strategic planning process, its environment, innovation and its financial performance. On the other hand, this positive association allows concluding that the market dynamics can be considered as one of the performance influencers of this type of organization (Donkor, Donkor & Kwarteng, 2018).

Other studies on micro and small firms have been pointing out the difficulties in its strategic planning. The obstacles are related to: structuring of process, overload of operational tasks, little management expertise by the executives and lack of financial resources (Terence & Escrivão Filho, 2007). In addition, most small businesses distort the long-term vision of strategic planning, and use it as short-term actions, disturbing the delivery of good future results (Lemos et al., 2004).

### **Junior firms in Brazil**

The first JF created in the world was founded in 1967, by Pierre-Marie Thauvin, in the Paris School of Economic and Commercial Sciences (Federation of Junior Firms of the State of Minas

Gerais [Federação das Empresas Juniores do Estado de Minas Gerais - FEJEMG], 2019). The JF longed to set a business environment managed by its own students, so they could develop professional skills through provision of services. In Brazil, Daniel Alberto Bernard introduced the first JF in 1988. This JF was supported by students of University of São Paulo (USP) and Getúlio Vargas Foundation (Fundação Getúlio Vargas - FGV). Sited in FGV-USP, the JF became the first one of Latin America (FEJEMG, 2019).

According to Brazil Junior website (2019), until 2019, the JFs were in expansion, being 22 thousand students members of the movement. In addition, data point out that these organizations have already performed more than 20 thousand projects in different areas, and are spread around 900 JFs in 150 universities in the country. The gross invoicing of these institutions together achieve more than R\$33 million, which reflects the importance of these businesses.

In order to regulate this type of business, in April 6, 2016, in Brazil, the law 13.267 was approved, which is the first law in the world to treat this subject. It rules the operation of JFs, considering it as entities connected to higher education institutions. In addition, it is set as project maker and service providers that aim to develop academic and professional skills in its members (Brazil, 2016). In other words, it contributes to the dependency between theory and practice, reproducing professional experiences of the market in the academic environment. This makes the students share knowledge and adapt themselves to real situations and, consequently, raise their confidence level in skills to enter the labour market (Augusto, 2016).

However, JFs are still an understudied learning space (Andrade, 2009; Bervanger & Visentini, 2016), mainly when considered these types of organizations are considered. Bervanger and Visentini (2016) show that the literature on this subject still see JFs from the perspective of a student training process; and, by considering it as organizational habitats, it still lacks studies that produce and reflect its management practices, especially because it consider aspects of their knowledge management, staff turnover and lack of management experience.

## **Method and procedures**

According to this research aim, this study is qualitative, descriptive, and of multiple cases, which, according to Yin (2005) allows the research to expand beyond an individual analysis of the cases. While individual analysis defines its own data, the analysis between cases allow identifying the models, providing bases to creating assumptions and theories (Eisenhardt, 1989).

Therefore, a research on JFs from Minas Gerais was performed, using data from FEJEMG to map this. In turn, 113 JFs were identified, which belong to 19 Brazilian education institutions. It was used the federation data because to join the FEJEMG it is necessary that JFs present minimum requirements of business structure, as strategic organization, financial, marketing, staff and of projects.

Therefore, development of a strategic planning process is a mandatory requirement to join the FEJEMG.

As a criterion to choose the JFs, it was considered that it should have a minimum of three years of activity. It was justified by understanding that the process of adjustment to the norms of FEJEMG demands time. To contact the firms, initially, it was used the criterion of accessibility. Therefore, one of the researchers keeps contact with one of the firms in research. These contacted JFs at first fit in the set criteria.

Later, during the data collecting, the snowball technique was performed, the respondents named other firms to the research. According to Vinuto (2014), the snowball technique allows the use of documents and key informant interviews, which are like seeds and has the function to help with localization of individuals with the needed profile to the research.

As an interruption criterion for the interviews and the snowball technique, the saturation point was verified. This saturation consists in the interruption of data collection when it is verified that new elements will not contribute to the subsidy or deepening of the desired theorization (Fontanella, Luchesi, Saidel, Ricas & Turato, 2011). This was observed when the four macro stages of the planning process did not show further depth. In addition, there was a saturation of answers in 96% of the questions. Table 01 presents the characteristics of the respondents.

**Table 1** – Characterization of respondents

Codification	Branch of activity	JFs Foundation Year	Year of development of 1st S.P.	S.P. Cycle.	Geographic location	Respondent
E1	Food	2005	2016	2nd	South of Minas	President
E2	Environment	2012	2016	2nd	South of Minas	President
E3	Forest	2013	2017	2nd	South of Minas	President
E4	Law	2014	2016	2nd	South of Minas	Former president*
E5	Computer	2009	2017	2nd	Southeast of Minas	President
E6	Automation	2012	2015	3rd	South of Minas	President

**Note:** \* the former president was interviewed, as the JF had changed the management and the current president had not been appointed yet.

**Source:** Made by the authors.

As a data collection technique, semi-structured interviews with presidents or former presidents of the JFs were used. The choice of these subjects is justified, as they were indicated by the members of the JFs as the main responsible for dealing with this strategic action. To conduct the interviews, three steps were taken. Firstly, the planning, an interview script was created with 23 open questions

subdivided into five blocks: introductory aspects, formation, formulation, implementation and control of strategic planning. In the second stage, the execution, the interviews were conducted by videoconference. Furthermore, the researchers explained the objectives of the research, answered any doubts and requested the recording of the interview. At the end of this stage, the indications of possible participants were requested. In the last stage, post-execution, full transcripts of the investigations were made.

As an analysis plan, thematic content analysis was performed, which tried to discover the meaning cores that compose a communication of the theme present in the respondents' discourse (Bardin, 2016). For its operation, three stages were carried out: pre-analysis, material exploration and treatment and interpretation of the obtained results.

Therefore, in the first stage, the preparation and organization, reading and coding of the material was carried out. Later, in the exploration and treatment stage, the most relevant parts of the narratives were located considering the mixed grid. In other words, initially, the dimensions of motivation, training, planning, implementation and control of strategic planning in JFs were delimited. Subsequently, the categories that emerged empirically were selected according to its contributions, that is, positive or negative. In the end, the categories and parts of the narrative selected were analyzed in the face of the literature.

Finally, it is highlighted that, for the credibility of the research, researchers both in the process of data collection and in the process of analysis performed a triangulation strategy. This type of strategy is indicated by Lincoln and Guba (1986) for qualitative research, and refers to the use of different researchers in the investigation of the same phenomenon, in an attempt to detect or minimize possible biases caused by the researcher's subjectivity (Vergara, 2015). The results found are presented below.

## Results analysis

For the development of the results analysis, this topic was divided into five dimensions that reflect the stages from the creation to the current application of strategic planning (motivation, training - which refer to the first strategic planning - formulation, application and conduction - which refer to current strategic planning). Table 02 presents the results of the categories obtained within each dimension. The following subtopics discuss in detail each of the categories observed in the interviews.

**Table 2** – Categories obtained from the interviews

Dimensions	Difficult/Easy	Number of Categories	Categories
Motivation	-	4	Internal Organization of the Firm, Efficiency Federation of the Junior Firm and Focus on Business.
Training	Difficulty	3	Lack of Knowledge on Strategic Planning, Adequacy of Strategic Planning to the Federation and Application and Conduction of Strategic Planning.
	Advantage	1	Knowledge on the junior firm business
Formulation	Difficulty	5	Organization of Strategic Planning, Staff Turnover, Alignment of Strategic Planning with Representative agencies, Analysis of the External Environment and decision making.
	Advantage	3	Assistance from Partners, Control of Internal Variables and Team.
Application	Difficulty	4	Problems of the Planning Stage, Management Commitment, Member Encouragement and Implementation operation.
	Advantage	4	Member Engagement, Organizational Structure, Assistance from partners, and Well-Designed Planning.
Conduction	Difficulty	3	Goals monitoring, Members Commitment and Lack of Information.
	Advantage	5	Simplification of Indicators, Monitoring Method and Techniques, Well Designed Planning, Recognition Policy and Member Engagement.

**Source:** Made by the authors.

It is worth highlighting that, because the majority of JFs are still managing the second cycle of strategic planning (conduction stage) when the interviews took place, the evaluation stage had not been carried out by the respondents and this is why it was not examined in the research.

*Motivation: why is the development of a strategic plan needed?*

This dimension presents four categories that inform the reasons why firms develop the strategic planning. As the first category, the need for **Internal Organization of the Firm** was found. This factor is directly related to the macro processes organization of the JF in developing projects, as well as to the culture dissemination focused on results and collaboration. As an example of this aspect, the E4 report is presented below:

“(..) we saw how disorganized we were, and how much we were lacking defined goals.” [E4].

Another motivating category was the **Efficiency** that is related to the need of improving the firm's performance to avoid previous management mistakes, to develop actions focused on more

tangible results and professional management. Therefore, here is an excerpt from E1 that exemplifies this category.

“(…) We saw that it was necessary to create some strategic planning to (…) be able to improve our performance through strategic planning” [E1].

The **Junior Firm Federation**, on the other hand, is the category arising from the need to implement strategic planning in order to fulfill the prerequisites to achieve the association with FEJEMG. This aspect is observed in E1's narrative.

“So, the first strategic planning was due to the federation's need (…)” [E1].

Finally, the last category was **Focus on Business**. In this factor are found the motivations that address the commitment to establish a greater focus on achieving long-term goals. Then follows the illustrative fragment of E6 for this category.

“So, strategic planning basically emerged from the firm's need to find a goal and focus” [E6].

The difficulties and advantages that the JFs faced during the process of idealization, implementation and control of the first strategic planning are presented below.

#### *Formation: what were the difficulties and advantages on the creation of the strategic planning?*

In this dimension, four categories were also found. However, the first three reflect the difficulties obtained on the first time the strategic planning was prepared, while the last category reflect an advantage of this process.

Thus, the first complicating category was **Lack of knowledge on Strategic Planning**. This factor includes aspects such as: (i) lack of knowledge on the strategic planning process itself, such as its size and formalization; (ii) contents, especially on how, who and when to develop the strategic identity (vision, mission, goals, targets and indicators); and (iii) tools more appropriate for each stage of the process. Next, an illustrative fragment of E6 in this category was extracted.

“(…) the lack of knowledge on how to build strategic planning was our greatest difficulty” [E6].

The second complicating category was the **Adequacy of Strategic Planning to the Federation**. In this topic, there are reports that pointed out the challenge to align the company's own goals with the federation's goals and requirements, as exemplified by E4.

“(…) the second difficulty (…) was to understand what we had to do in strategic planning; which should be in accordance with the other FEJEMG strategic planning (…) then it was difficult (…)” [E4].



The last complicating category was the **Application and Conduction of Strategic Planning**. Difficulties arising from the implementation and control stage were found, in which some aspects were observed such as the complexity of these processes, lack of discipline from members and lack of support from supervisors, attribution of responsibilities and change of the previous mentality to the new context. On this regard, E1 section was extracted.

“(…). The first strategic planning was done without much knowledge and it turned out not to be applied. There was some strategic planning, but it was not strictly followed to achieve the results, it did not have the firm's support and it ended up never being implemented (…)” [E1].

Finally, the only facilitating category in this dimension was the **Knowledge on the Junior Firm Business**. Therefore, it was identified in the topic that members had more ease in defining the firm's own business, as well as observing the improvement that should be done. As an illustration, the fragment of E6 is pointed out.

“(…). Everyone knew that we needed to be recognized within the firm, improve the business experience (…)

[E6].

In the next topic, the current conception of the strategic planning formulation process will be presented, also discussing its advantages and difficulties.

*Formulation: what are the difficulties and advantages of the current strategic planning process?*

Unlike the previous dimensions, this topic has eight categories, five of which point out the difficulties in the strategic planning process of the current strategic plan and three of them refer to its advantages.

The **Organization of Strategic Planning** was identified as the first complicating category. Regarding this factor is the expenditure of time and resources both for the elaboration of this stage and for the members' awareness on the importance of this moment. E1 reports:

“The difficulty we have is to (…)

use strategic planning as a manual for us to achieve our results (…)” [E1]

The second category is directly related to the previous category, as the **Staff Turnover** affects the use of time and resources. Thus, the challenges of managing the high entry and exit of members of the JFs were observed, since the moments of graduation, personal problems, lack of commitment and other disturbing aspects directly affected the firms' activities. As an example, the illustrative fragment of E4 was extracted.

“(…) at the end of last year, we reviewed our strategic planning. Goals review, as the firm has this characteristic of a very large staff turnover and changing very quickly in a short time” [E4].

Another complicating category was the **Alignment of Strategic Planning with Representative Agencies**. As in the formation stage of the first strategic planning, the alignment between the firm's goals with Brazil Junior and FEJEMG are imperatives that cause inconvenience to firms, as argued by E2:

“(...) this year Brazil Junior is also reformulating its strategic planning, so (...) we have to review ours to continue in line with them (...)” [E2].

In the fourth category is the **External Environment Analysis**. Here, there are the challenges that members have to know and analyze the market, competitors and even their own brands. In this aspect, E3 mentioned:

“(...) The biggest difficulty, I think, both in the first and in the second planning, was to identify the external factors, some opportunities and threats (...)” [E3].

The last complicating category was **Decision Making**, in which there are difficulties in deciding both on the content of the goals and targets (risky or conservative) and which ones should be prioritized. In this sense, E2 said:

“(...) are we going to be 'down to earth' and not increase our sales by so much per cent (...) or are we going in the comfort zone? (...)” [E2].

In contrast, the first facilitating category was **Assistance from Partners**. Under this class, training and support offered by other JFs and FEJEMG are presented. Regarding this, E4's speech points out:

“(...) we had the help of FEJEMG. At the time, with the training they had online on strategy, project-oriented strategies, results-oriented and everything else” [E4].

The second facilitating category is related to the **Control of Internal Variables**, that is, the advantage of reviewing the strategic identity. Therefore, the analysis of the internal environment is included, that is, the strengths and weaknesses. As an illustration of this aspect, below is an illustrative fragment of E4:

“At the time, the partner junior firm met with us. They presented their strategic planning for us to better understand, which was really well structured (...)” [E4].

Finally, the last facilitating category is the **Team** itself. In this aspect, it was identified that the members' proactivity, team work and group synergy encouraged them to perform the strategic planning. As an example of this category, the E6 speech was identified.

“(…) We have a very in sync team (…)” [E6].

The difficulties and advantages of the strategic planning implementation process are presented below.

*Application: what are the difficulties and advantages of the current strategic planning implementation process?*

This dimension also had eight categories. However, half of them refer to the difficulties of the implementation process and the other half are related to its advantages.

The first complicating category is related to the **Planning Stage Problems**. Therefore, it refers to the dilemmas of lack of decision on which business areas will be responsible for each goal, which indicators should be formulated and implemented and the measurement of risks involved in the implementation of goals and targets. On this aspect, E5 points out:

“(…). The actions we try to follow as closely as possible, but usually something happens that will make us have to improvise. This is all the time (…)” [E5].

In the second complicating category, **Management Commitment** was identified. In this aspect, it was reported that the strategic summit does not attach importance to the implementation of strategic planning and they end up being put aside, especially because of the competitiveness with FEJEMG's goals. Regarding this, the narrative of E3 below was extracted.

“(…) So we followed the FEJEMG action plan and the strategic planning was pretty much left aside (…)” [E3].

The third category is the **Members Stimuli**, in which volunteers are not motivated to develop the strategic planning implementation, which resulted in a lack of commitment. Furthermore, high staff turnover is an impacting factor. E2's narrative exemplifies this category.

“The difficulties? I think it's the lack, sometimes, of interest from the members. (...) So I think the biggest difficulty is trying to show the members, in a more tangible way, the importance of this strategic planning.” [E2].

The last complicating category was the **Operation of Implementation**. As content of this category, it was observed the challenges in how to implement the strategic planning actions, especially due to lack of knowledge on this process. Then, E4 narrates:

“(…) So we had a lot of difficulty in the implementation, the lack of knowledge by the executive board to know how much we could really generate valid plans (…)” [E4].

However, the first facilitating category was **Member Engagement**, and it contemplates the proactive posture of some members towards implementation. Regarding this, E6 reports:

“(...) entering this part of the staff (...) comes the part of proactivity. Many members learn by being self-taught. We count on people's proactivity. (...)” [E6].

The second facilitating category was the **Organizational Structure**, since the lean size of the organizational architecture resulted in benefits such as greater ease of internal communication. This communication served to sensitize members regarding this process. As an illustration, the speech of E6 is pointed out.

“(...) The more horizontal format of our organization chart allows everyone to healthily charge each other the achievement of our goals. In addition, our relationship between members is much less bureaucratic, we can say.” [E6].

As in the planning dimension, **Assistance from Partners** was verified as an advantage. The performance of other junior firms was identified as a source of knowledge on how to better implement strategic planning. E3 addresses:

“(...) we have to look for other resources, that is, other firms to be mirrored, to get tips on how to work.” [E3].

Finally, in the last facilitating category is **Well Designed Planning**. Thus, the definition of clear goals and the correct and reliable development of the planning stage provided viable means for implementation. An example E5 say:

“(...) strategic planning makes implementation much easier (...) because, as you planned before, you can define your actions. (...)” [E5]

The following topic also discusses the difficulties and advantages of the strategic planning control process.

*Conduction: what are the difficulties and advantages in the control stage of the current strategic planning?*

The strategic planning control process presented eight categories, three of which are related to the difficulties of this process and the other five are related to its advantages.

Therefore, the first complicating category was the **Monitoring of Goals and Targets**. In this factor, barriers were found to constantly monitor strategic plans due to lack of knowledge on how to conduct it, frequency of planning verification and available time to perform the control. In this sense, E2 reports:

"(...) Strategic planning was put aside. At the end of the year, when we were going to discuss it, we saw that we didn't know what to say (...)" [E2].

Another complicating category was the **Commitment of Members**, which was directly related to the complicating category "member's stimuli" of the previous dimension. Therefore, the lack of commitment reflects in the members' attitude in not performing control of the strategic planning and absent themselves from the feedback meetings. Regarding this aspect, E2 points out that:

"Sometimes, we couldn't schedule meetings because of some directors (...) they left many delayed activities, which, in the end, disturbed our strategic planning (...)" [E2].

The last complicating category was the **Lack of Information**, which is linked to the absence of data in the control instruments. It was also identified that the lack of information was due to knowledge on which indicators to monitor and how to measure it. E5 presents an illustrative excerpt on these aspects.

"There was difficulty when something went wrong, when a member failed to deliver an indicator (...)" [E5].

The first facilitating category was the **Simplification of Indicators**. In this aspect, it was identified that the use of the same indicator, more complex, but usable for more than one sector, allowed a better control of goals and reduced and emphasized command activities. Regarding this, E1 says that:

"Before, we worked with many indicators, which was not so viable. We currently reduced the number of indicators to those that really have an effect on our firm. (...)" [E1].

In conjunction with the previous category, the category of **Monitoring Method and Techniques** was observed. In this aspect, the use of spreadsheets and tools such as gamification contributed to the control performance. Therefore, the report of E5 was extracted:

"(...) When you have indicators and use gamification, it works. If you can define simple and concise indicators, it is possible to have a very good view of what is happening in the firm" [E5].

Another repeated category was **Well-Designed Planning**. According to the previous dimension, the definition of clear goals and the correct and reliable development of the planning stage provided this stage's development. The illustrative fragment of E6 was extracted, which points out:

"(...) In terms of procedure, strategic planning is very well structured, and this makes us keep up (...)" [E6].

As the penultimate facilitating category, it was identified that the **Recognition Policy** contributed to the control process by encouraging members to continue their activities, as E6 asks:

"(...) When the member reaches a percentage of his goals, we recognize him in front of the entire team, congratulating, rewarding them." [E6].

**Members Engagement** became the last facilitating category. The posture of some members was fundamental for the control process to be developed. As an illustration of this category, the fragment of E6 was extracted.

"Despite having a lot of interference from the human factor, we have a very honest team. So, for example, the person did not reach the goal, they make it clear that they did not reach it, and we were able to draw an action plan based on that (...)" [E6].

The next section presents the discussions regarding the results presented here.

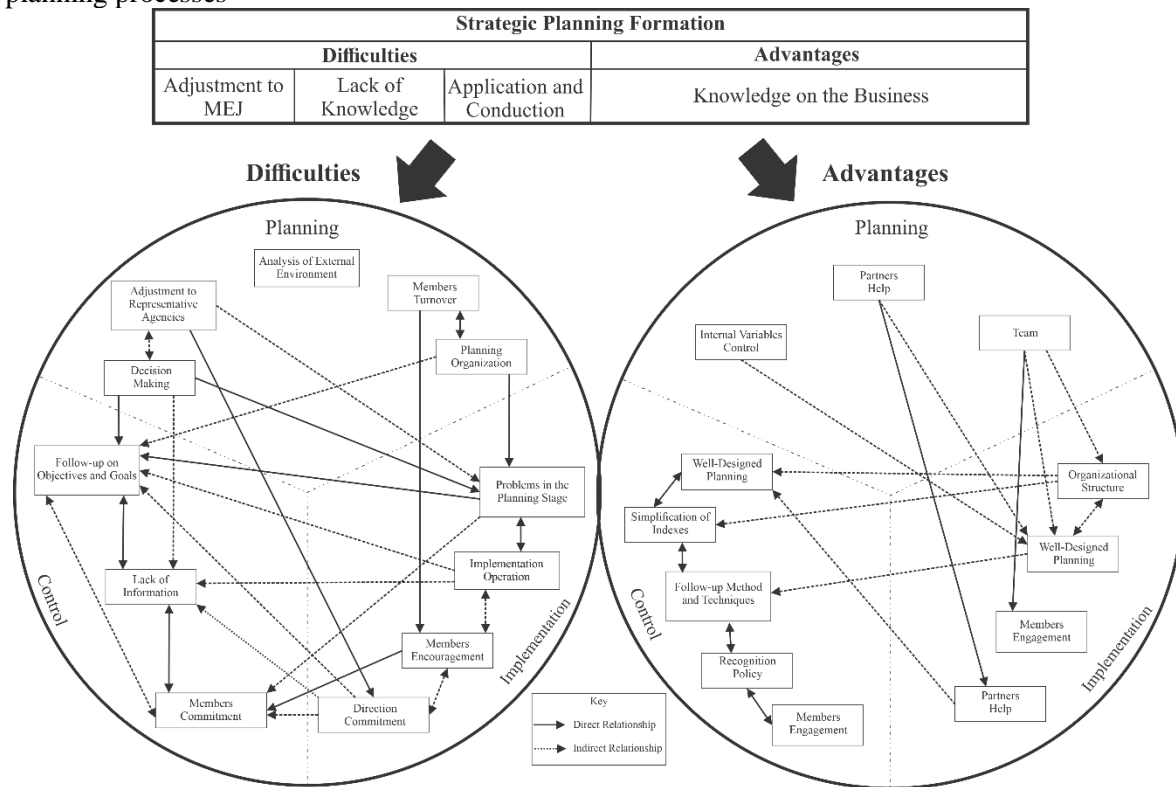
### **Discussions: seeking critical factors of planning, implementation and control of strategic planning**

After the presentation of the categories, it is important to discuss and establish the associations between the results, especially when considering the data's chronology. Thus, Figure 01 was established. However, it should be emphasized that such interlacing should be observed with caution, since these do not address cause-and-effect relationships.

As shown in Figure 01, the categories of planning, implementation and control of strategic planning were divided according to the difficulties and advantages obtained in this process. It was observed that within these divisions the categories were associated directly or indirectly, affecting or being impacted by each other, sometimes resulting in greater difficulties, sometimes in advantages in the following steps

Thus, the difficulties and advantages of the strategic planning formation process still affect the current routine. In other words, the training categories related to difficulties, such as adaptation to the Junior Firms Movement (Movimento das Empresas Júnior - MEJ), lack of knowledge; application and conduction of strategic planning influence directly the current planning, implementation and control of strategic planning. In further detail, it was found that: (i) the category adequacy to the MEJ, associate the difficulty of aligning to the Organs representative agencies of planning; (ii) the category of lack of information still occurs in the categories of analysis of the external environment, decision making, planning organization, operation of implementation and monitoring of goals and target; and (iii) the adequacy and conduction category is still equivalent to all the categories of the implementation and control dimensions of the current strategic planning. Based on these observations, it is possible to conclude that the lack of information and experience of members in this process can lead to consequences beyond the moment of strategic planning development. In addition, the easiness of knowledge on the business, of formation, is verified in the categories of control of internal variables, organizational structure and simplification of indicators, of the current planning, implementation and control process, respectively.

**Figure 1** – Relationships between categories in the planning, implementation and control of strategic planning processes



**Source:** Made by the authors.

However, when analyzing only the difficulties of the current planning, implementation and control of strategic planning, it was observed that the first stage becomes more problematic than the following ones. In other words, the classes of decision-making and alignment with representative agencies of planning are considered more critical here, since they are directly associated with other categories of implementation and conduction, such as: bad decision-making leads to problems in the planning stage (implementation), in the search for information and in the monitoring of goals and targets (control). In addition, the lack of cohesion between the goals of the representative agencies with the JF itself also offer poor development of strategic planning (implementation), mainly due to erroneous decisions and conflicts of priorities. In this sense, Yuliansyah and Jermias (2018) point out that the lack of strategic alignment has a negative effect on the generation of knowledge and the strategic results of a firm.

The implementation dimension, on the other hand, had six direct or indirect relationships that influence the control of strategic planning. However, only the categories of problems in the planning and operation stage of the implementation were considered critical, since (i) the problems in the planning stage extend to the difficulties in monitoring goals and targets and to the commitment of directors (control); and (ii) the operation of the implementation brings obstacles both in the category of monitoring goals and targets and in the lack of information (control). At these points, it is worth noting that, first, both critical factors (problems in the planning and operation stage of implementation)

influence each other; and second, the class of problems in the planning stage can be backed by the planning process of the strategic plan itself. Finally, the control dimension did not present any category that would influence any other stage.

From a different perspective, the planning stage also showed that the categories that made it difficult to align with representative agencies, decision-making, staff turnover and planning organization were the most influenced, in which each one of them presented a single direct or indirect relationship within the stage itself. In the implementation process, however, the category of problems in the planning stage was more influenced, with four direct or indirect relationships, especially that three of them came from the planning stage and only one from the same dimension. This validates the assumption that, in fact, the poor development of the previous stage, planning, leads to implementation problems. Finally, in the control stage, it was found that only the category of monitoring goals and targets is more influenced, both by implementation and by planning. Thus, of the seven direct or indirect relationships in the control category, two of them were related to planning, three to implementation and another two related to its own dimension. It is important to mention that, from implementation, the category of problems in the planning stage directly affects the monitoring goals and targets. This reinforces the assumption that poorly developed planning impacts control. Thus, the correct application of strategic planning contributes to the advancement of organizational performance, especially in small and medium-sized firms (Donkor, Donkor & Kwarteng, 2018), and “Inappropriate strategies can lead to unwanted organizational results, risking the excellence of results” (Carvalho, 1995, p. 77).

Regarding the advantages, it was also observed that planning is an important step, with six direct or indirect relationships, as it influences the other advantages. The team category was the biggest influencer at the time of implementation, with three relationships. Employees are fundamental elements in the process, as their involvement and training will directly affect the results (Ribeiro & Andrade, 2012). The implementation process, on the other hand, presented four relationships with control, which both the organizational structure and the well-prepared planning brought benefits to the next stage. Therefore, it is argued that a planning development and an organizational structure consistent with strategies allow for greater success for strategic planning as a whole. For strategic planning to be implemented effectively, it must be aligned with the culture and integrated with the organizational structure (Kich & Pereira, 2012). Finally, as well as the difficulties, the control did not influence the other stages.

In relation to the capacity of the facilitating categories to be influenced, the planning process did not present any category in this aspect. In the implementation, it was observed that only well-prepared planning is influenced by all the categories that facilitate the planning (control of internal variables, assistance from partners and employees), besides being influenced by the organizational structure category of its dimension.



The categories of well-designed planning control, simplification of indicators, and monitoring method and techniques are influenced by their own size and by the categories of organizational structure, well-designed planning and partner assistance, at the implementation stage. It is worth emphasizing the inverse relationship found between good and bad planning in strategic planning.

In summary, Table 03 is presented. This table describes the main critical factors in the planning, implementation and control of the strategic planning in junior firms, as well as the authors that support the evidence. The term 'critical factors' is justified by considering that the most relevant categories of the strategic planning process are those that influence its own process, both in terms of difficulty and advantage. Therefore, all categories of strategic planning formation were found as critical factors (the first time it occurred) and the other categories such as: decision-making, alignment with representative agencies, problems in the planning stage, operation of implementation, team, structure organizational and well-designed planning.

**Table 3** – Critical factors of the strategic planning process

Dimensions		Categories	Authors	E1	E2	E3	E4	E5	E6
Formation	Diff.	Application and conduction	Terence and Escrivão Filho (2007)	x			x	x	
		Lack of knowledge	Terence and Escrivão Filho (2007); Teixeira and Alonso (2014)	x	x	x	x		x
	Adv.	Adjustment to MEJ	-	x				x	
Formation	Diff.	Knowledge on the business	Yuliansyah and Jermias (2018);						x
		Alignment to representative agencies	-		x			x	
	Adv.	Decision making	Lemos et al. (2004)		x		x		x
Planning	Diff.	Team	Ribeiro and Andrade (2012)	x				x	x
		Problems in the planning stage	Carvalho (1995)	x		x	x	x	
	Adv.	Implementation operation	Terence and Escrivão Filho (2007); Teixeira and Alonso (2014)	x		x	x		
Implementation	Diff.	Organizational structure	Kich and Pereira (2012).						x
		Well-designed planning	Kich and Pereira (2012); Donkor, Donkor and Kwarteng (2018)			x		x	

Source: Made by authors.

Finally, it is observed that none of the categories above indicate the classes of the control stage, since (i) this dimension did not present any influencing factor, but rather influenced; and (ii) it is considered that this dimension is still in the execution stage, not allowing the executors of the executive

planning to point out in their interviews the relations between the control of the old strategic planning and the planning of its new cycle.

### Final considerations

The objective of the research was to identify the critical factors in the process of planning, implementation and control the strategic planning in junior firms and, as a result, it was obtained the categories of decision-making, alignment with representative agencies and employees, of the planning stage; problems of the planning stage, operation of the implementation and organizational structure, from the moment of implementation; and no control categories.

As the main theoretical contribution, it is argued that the present study advances in the understanding of junior firms as organizational entities, crossing the chain that analyzes these objects through an exclusively academic bias, that is, as a generator of knowledge and academic training. The theoretical contribution that advances the literature on strategic planning is in the association of critical factors, which allows establishing the first steps for deeper analyses, such as those of cause and effect. As originality, the study of junior firms as singular organizational entities is revealed, which has not yet been addressed in this research.

Last, but not least, this study also contributes to the pedagogical vision of JFs. In other words, the study highlights the need for more information and knowledge on managerial practice, which should be reflected in higher education courses, especially those courses with a more marketing bias. As managerial contributions, the study enables members of these firms to prepare for the strategic planning process. Finally, social contribution is related to movements and other agencies related to this audience, as they can encourage, in a more timely and effective way, actions and training programs for JFs.

As a limitation of the research, there is a lack of information on the analysis stage. In addition, access to subjects was challenging, as they had many academic and business activities. As a guide to future research, the need to statistically validate the critical factors shown here is highlighted. In addition, applying a method that establishes cause-and-effect relationships are welcome. Finally, the longitudinal analysis, which considers planning in more established junior firms and with several strategic planning cycles, is also interesting, especially considering the learning within the process.

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