

Ensuring Sustainable Business Development Using Strategic Planning as A TQM Tool: ABUAD Ventures, Nigeria as A Case Study

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Abstract

The Business environment in the 21st century has experienced a paradigm shift from what it used to be in the Stone Age. The wind of change that is evident in the Nigerian economy has risen exponentially and common sense behooves that the trend will continue. Hence, the business needs to be strategically planned and developed. There are many planning techniques, tools, and methods, models, frameworks, approaches, and methodologies, available to support strategic managers in decision making and to maintain better performance. This paper concentrates on strategic planning and three (3) basic strategic planning tools: SWOT analysis, PESTLE Analysis and Porter's 5 industrial Forces and their role in stimulating business development in Nigeria. The main objective of the study is to examine the impact of strategic planning tools on business development using Abuad Ventures as a case study. Having perused relevant literature, the study adopted a survey research design using a simple random sampling technique to select 120 respondents from Abuad Ventures located in Ado Ekiti Nigeria. Data were collected and analyzed from 106 returned questionnaires using multiple regression and correlation analysis. Findings show that strategic planning tools positively and significantly influence business development in Abuad ventures. The research, however, concluded that Strategic planning tools have a significant relationship with factors responsible for business development in Nigeria. The study, therefore, recommends that corporate organizations, government agencies, and business entrepreneurs should embrace and adopt Strategic Planning tools for effective decision making and to attain organizational goals.

Keywords: Strategic Planning, Strategic Planning Tools, and Business Development

1. Introduction

Sustainability is said to be a widely accepted term while referring to activities aimed at ensuring eco-friendliness. Brundtland[1] illustrated the concept of sustainable development as it was first explained in the year 1987, through a forum called World Commission on Environment and Development anchored by a past minister of Norwegian, called Brundtland. The concept of sustainable development describes the development as a process attained suitably, and capable of accommodating present needs and ensuring economic advancement, social justice as well as a friendly environment without affecting the chances of the upcoming generations in actualizing their own needs. Jeffrey[2] stated that the concept of sustainability is to provide answers to negativity in human being's actions to their economy. These actions which are detrimental to the country economic developments were said to be due to population growth. Adopting total quality management practices in any business or organization is a prerequisite for a well-functioning economy.

In Nigeria, small and medium-sized business ventures nowadays, are experiencing a huge competition pressure in terms of business owners competition among themselves, as a result of customers satisfaction requirements as well as the effect of industrialization globally. This development in the country has caused many small-medium business ventures to ensure the implementation of total quality management practices in their operations, both at the strategic and tactical levels. Ensuring quality in any business is a key factor that improves the financial output or productivity of such business. It is said to be a driver for financial output in business and also suitable for business productivity improvement. The business environment in the 21st century has experienced a paradigm shift from what it used to be in the Stone age. The wind of change that is evident in the business sector of the economy has risen exponentially and common sense behooves that the trend will continue. This is due to inventions and innovations that have enveloped business organizations, the unprecedented advancement in technology coupled with the unending effect of globalization which has left many business concerns gasping for survival while some ended in total extinction. The stiff competition being faced today in business has reduced the potentials of many organizations which eventually endangered the realization of their predetermined goals and objectives. Business ventures are an important factor in the developmental process of any nation, they play important roles in terms of the risk involved, business in any nation brings about innovations, it is also, the major determinant of the capital market, that is, the value of goods and services of any nation, and ensuring a huge improvement towards the nation's economy. The achievements emanating from the activities of businesses within the country is not restricted to ensuring the creation of wealth alone but also brings about unity between communities and fosters their relationship. It is assumed that Nigeria as a nation, must ensure there are sustainable business development practices to ascertain stable economic development.

Today Nigeria economy is in recession. This shows Nigerian leaders and business managers have been weak in taking and implementing strategic decisions which have made the running of business activity difficult. It is also important to know that for Nigeria business environment to stabilize and regain its lost fortune, it requires the intervention of a strategic planner. Strategic planners are responsible for planning and facilitating organization's strategy formulation or review session. Once the corporate strategy has been developed, the strategist then ensures that Strategic business units or divisions develop and implement strategic plans to align with organization strategy.

Strategic planning is one of the total quality management tools and techniques used in the systematic process designs, through the most comprehensive nature leading to the realistic mapping out of long-term objectives, control, and operational plans. This depends on the proper determination of suitable idea to achieve profitability, return on capital employed, avoidance of losing and overall organizational productivity

In Nigeria today, the formulation of long-term business strategy has remained a misplaced priority coupled with inadequate planning skill among managers which has been of growing concern among companies. These fundamental problems undoubtedly are the factors that militate against or limit the growth and development of many organizations as well as making them not to achieve what they supposed to achieve in their organization. It is, therefore, of great concern to determine to what extent company appreciates the use of strategic planning tools in their investment and business decision towards achieving business development in general.

This paper seeks to determine the influence of strategic planning, as one of the TQM tool for business development using Afe Babalola University Ado Ekiti, Nigeria (ABUAD) venture as a case study

2. Literature Review

2.1. Strategic Planning

While trying to describe strategic planning, it is important to understand what strategy all is about in the business context. The strategy is said to be the major determinant of an organization's major long-term objectives as well as its goals. It is also the adopted way out in the distribution of the resources needed in

actualizing organizational goals and its set objectives. Such resources could be financial or human resources. Kenneth[3] described strategy as the way by which decisions that determine the organizational objectives and goals are taken. These decisions produce the principal policies as well as the ways of achieving the set goals. It also illustrates the ranges of businesses the organization is to partake in, address the future of the organization, in terms of the benefits the shareholders are to benefit, either through economic or noneconomic benefits.

Strategic Planning is said to be a noticeable set of activities an organization is set to perform or engaged in. several authors have given a different definition on what is referred to as strategic planning.

Few of the definition is illustrated below

- Creating and intermittently double checking the organization's task and its business strategy
- Ensuring strategic or business-level monetary and non-monetary goals and objectives
- Creating comprehensive plans of action essential to accomplish these goals and objectives
- Apportioning resources on a base of task accomplishment, with planned directions, goals, objectives, and handling the numerous lines of business as an asset "portfolio"
- positioning the mission and strategy, that is, pronouncing and communicating it, as well as creating action plans at junior levels that are supportive of those at the enterprise level

Strategic planning is analytical dignified actions to bring about the data and scrutinizes it as inputs used for strategic thinking, which produces the data resultant in the strategy. Strategic planning can also be tagged as the mechanisms used in implementing the strategy once it is achieved. We can, therefore, states that strategic planning occurs around the strategic thinking or strategy making activity

2.2 Strategic planning tools

Strategy tool is a broad name for any method, model, technique, tool, technology, framework, the methodology adopted in accomplishing a strategic task done[4]. Clark [5] and Frost[6] both authors stated in their findings, that, there are several tools, techniques, methods, the framework as well as methodology suitable and are readily available to enhance decision making within the strategic management.

In this study, three strategic planning tools are adopted, namely:

- I. SWOT analysis
- II. PESTLE analysis
- III. Porter's five Industrial forces

SWOT analysis

SWOT analysis refers to a study engaged by an organization or a firm to figure out the organization's internal strengths, weakness, and its perceived external opportunities as well as its threats. Harrison [7] illustrated SWOT analysis as an investigation of a firm's internal strengths and weaknesses, its prospects for growth and development, and the threats of its external environment that determines its existence. From the studies of Harrison, it is deduced that the main primary objective of strategic planning is to ensure the firm or organization are in accord with its external environment and to sustain the balance over time. Organizations achieve this equilibrium by appraising new programs and services with the intention of maximizing organizational performance. SWOT analysis is an opening decision-making instrument that provides an enabling environment for its actualization. Ommani[8] analyzed SWOT analysis as a tool that is useful for business managers in their operations, it helps to evaluate the business plans and also useful in forecasting of the business opportunities and threats. SWOT analysis is a model that predicts what a business can achieve and what it's not likely the business achieves over time. SWOT comprises of Strengths, Weaknesses, Opportunities, and Threats

PESTLES analysis

PESTLE is a corresponding tool to SWOT, it is a tool which is used to critically investigate the analysis of the external factors bu considering the most challenging issues or factors that always emanate while trying to implement organizational projects. The word PESTLE is illustrated as P: Political, E: Economic,

S: social, T: Technological, L: Legal, E: Environmental. The application of PESTLES in any analysis involves identifying the variable of it with the analysis.

PESTLE analysis offers a framework for exploring and analyzing the outward environment of an organization. The framework recognizes 6 key areas that must be well-thought-out when endeavoring to identify the bases of change.

3. Methodology

3.1 Historical background of the case study

ABUAD Ventures

Afe Babalola University was established with a grand master-plan with adequate provisions made for it to lead in three principal areas of teaching, research and community service. In the area of community service, the University is not only designed to be self-sustaining but also to provide adequate services and products for the benefit of the larger society and contribute to Nigeria's export, especially in the area of agriculture. The University is fully residential for both staff and students. The needs of this fast-growing community are adequately provided for by the ABUAD Ventures.

ABUAD Ventures is a business arm of the University consisting of different business units which are located within the University premises. These include:

ABUAD Bakery, ABUAD Printing Press, ABUAD Laundry, ABUAD Guest House, ABUAD Water Bottling Company, ABUAD Catering Services, ABUAD Farms

3.2 SAMPLE SIZE AND SAMPLING TECHNIQUE

The study adopts a simple random sampling technique to select 120 respondents from ABUAD Ventures located in Ado Ekiti, the Southwestern part of Nigeria. 120 copies of the structured questionnaire were administered to the respondents out of which 106 returned copies were subjected to thorough data analysis after copies of the invalid questionnaire have been determined.

The study is concerned with the determination first, of the degree to which identified independent variables such as strategic planning tools, SWOT Analysis, PESTLE Analysis, Porter's Five industrial forces, and other factors affect business development in ABUAD Ventures. The technique is aimed at finding out the relationship that existed among the selected variables as predictors of business growth and development capable of ensuring economic recovery.

However, the study adopted 20% Gay and Airasian (2003), and Krueger and Casey (2009), sample size determination for the study. Hence, the study intends to use the 120 valid copies of the questionnaire.

3.3. RESEARCH INSTRUMENT

Given the nature of this study and the pattern of the research design, the study adopted the use of questionnaire administration, interviews, and observation for purposes of data collection. The questionnaire designed for data collection was divided into two sections. Section A was designed to elicit data from the respondents on demographic data such as age, sex, religion, educational qualification, etc.

Section B was purely for both the management and members of ABUAD Ventures and focused on the impact of strategic planning tools on business development especially in a Nigeria's period of recession. It consists of a question that was meticulously drawn and capable of eliciting the required information from the respondents. The experimental variables examined in this study are strategic planning tools and business development. The questions were tailored along a five-point Likert scale. The responses were coded and mapped into numeric values; for example, pondering the existent of use of strategic planning tools in the business organization. The following mapping exists; strongly agreed= 1 point, agreed 2 points, disagreed = 3 points, strongly disagreed = 4 points and uncertain/undecided = 5 points (Asika, 1991).

The study made use of primary data to elicit information from the respondents. It was obtained using structured questionnaires attached in appendix 1 of this work.

4. Findings and discussions

Findings related to the respondent's gender and marital status as shown on the table below reveals that the number of Female respondents is 46.3%, Male respondents are 53.8%, among them, 70.9% are single while 29.2% were married.

Table 1: Gender and Marital Status of the Respondents

Gender		Marital Status	
Female	46.2%	Single	70.8%
Male	53.8%	Married	29.2%

The above analysis indicated the highest numbers of the respondents are male, the difference between the male respondents and the female respondents is 4.6%. Also, it was also deduced that out of the respondents, 70.8% were single while 29.2% were married. This analysis implies that nearly all the respondents sampled from the business environment of the case study are maritally uncommitted.

Table 2: Respondents Age and Working Experience

Age	(%)	Working Experience	(%)
20-29	65.1%	1-5 years	58.5%
30-39	23.6%	6-15 years	37.7%
40-49	8.5%	16-25 years	2.8%
50-59	2.8%	More than 26 years	9.0%

The survey on the respondents working experience as illustrated in table 2, revealed that 58.5% of the respondents were made of 1-5 years working experience, while 37.7% of the respondents sampled represented 6-15 years working experience, 16-25years working experience 2.8% and 9.0% of the respondents are more 26 years of working experience. Looking at the distribution of the respondent's years of working experience, table 2 shows that 58.5% respondents which represent the largest number of respondents have less than 5 years working experience, while only a respondent has more than 25 years working experience. The remaining respondents have between 6-15 and 16-25 years working experience, indicating that the majority of the respondents are a youth in the business world.

Also, 65.1% of the respondents fall between the age 20-29 years, 23.6% of the respondents are within the age bracket 30-39 years, 8.5% are in the age range of between 40-49 years and lastly 2.8% of the respondents fall in the range of age 50-59 years. From the analysis of the respondents above, it appeared that the respondents within the age bracket of 20-29 years participated more than others. The respondents within the age of 20-29 years have the lowest working experience, which is in the range of 1-5 years. This implies that the selected respondents tend not to have the appropriate information as well as adequate awareness about how a strategic tool can enhance business development.

Table 3: Respondents Job Categories

Ranking	(%)	Frequency
Junior	45.3%	48
Senior	43.4%	46
Management	11.3%	12

From table 3, about 48 of the respondents which is 45.3% is in the junior cadre, 46 of the respondents, which is 43.3% respondents are in the senior level, while only 12 respondents, 11.3% are in the top management cadre. By implication, the respondents were specifically drawn from those who have just started their careers in the business world.

To determine whether strategic planning as a TQM tool influences business development, especially in Nigeria's situation where the country is experiencing an economic recession, we adopted a regression model capable of determining the effect of a change in the variable on other applicable variables. This was done using the OLS method, known as Ordinary Least Square.

The result generated is presented in table 4 below:

Table 4.: OLS Results of the Impact of Strategic Planning Tools on Business Development

Business Development Index	Coefficient	Robust Std. Err	T-Statistics	P> t	[95% Conf. Interval]
SWOT Index	0.268742	0.081077	3.31	0.001	0.107926 0.429558
PESTLE Index	0.017134	0.083872	0.2	0.839	-0.14923 0.183493
PORTER Five Forces Index	0.035293	0.063082	0.56	0.577	-0.08983 0.160415
Constant	2.678715	0.374223	7.16	0	1.936446 3.420985
No of Observations	106				
F-Statistics	5.36				
F Statistics (Prob)	0.0018				
R Squared	0.1679				
Root MSE	0.0946				

Source: Field Survey, (2018)

The table 4 above illustrated the impact of the basic strategic planning tools being measured by the index of SWOT, PESTLE and PORTER forces on the business development captured by business development index that was computed from the composite score. Heteroscedasticity and potential autocorrelation were corrected for the statistical results by using robust standard errors. The reliability of the regression model was tested using the f statistics, while the consequence of the descriptive variables was identified from the t statistics. The F-statistics 5.36 and the probability value 0.0018 shows that the regression equation is

well formulated and explains that all the self-determining variables jointly describe variation in the nonreliant variable. The individual significance of the variable shows that SWOT exhibits a positive and significant relationship with business development. Specifically, a unit change in SWOT index increases business development index by 0.269 at 1% level of significance. This analysis indicates that an increase in the application of SWOT analysis in the business atmosphere has a positive impact on the business development, especially during the recession period. Although other strategic planning tools positively influence business development, they were not statistically significant

5.0 Conclusion

Strategic planning tools have a significant relationship with factors responsible for business development in Nigeria. They are grouped under internal and external factors.

Examples of internal factors also known as controllable factors include organizational structure, staffing, business reputation etc.

Examples of external factors also known as non-controllable factors include government policies, interest rate, taxation etc. In determining the relationship between Strategic planning tools and Business Development in Nigerian, consideration must be given to SWOT analysis as a panacea to Business Development since the process helps an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

The study revealed how instrumental the use of strategic planning tools would enhance business development in Nigeria. Hence, Strategic Planning tools should be embraced and adopted by the corporate organization, government, and business entrepreneurs.

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