

## Strategic Planning Barriers in Small and Medium Enterprises (SME): Sri Lankan Experience

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### Abstract

This article clearly stipulates the Sri Lankan government's commitment to undertake important steps to strengthen the country's SME sector. Despite this, the Sri Lankan SMEs are yet to prove their sustainability. The purpose of this study is to investigate whether strategic planning is used by Sri Lankan SMEs and to identify the barriers to its implementation. One of the main objectives in strategic management research has been to find the answer to the questions of "why do some organizations succeed while others fail?" and "what are the processes that allow organizations to succeed in business?". Due to the exploratory nature of this study, the mixed methods research approach is used. Mixed methods combine both quantitative and qualitative research techniques with their associated methods, approaches, languages or concepts in a single study (Creswell et al. 2007). The primary data is collected from a sample of selected 150 SMES and eight case studies. The snowball sampling technique is used for the survey as there is no commonly available, complete and reliable SME sector database in Sri Lanka. The case studies are selected using purposive sampling method based on the survey findings. The respondents are the owners or senior managers responsible for long-term planning and decision making. Findings reveal that out of 150 participants only 32 are using formal strategic planning system. Both the survey and case study findings indicate that lack of time and expertise of the management are the major barriers to the implementation of strategic plans in Sri Lankan SMEs.

**Key words:** *Strategic Planning, Barriers.*

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