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**STRATEGIC PLANNING
AS A COMPETITIVE
DIFFERENTIAL
TO MITIGATE THE
UNCERTAINTIES OF
COVID-19**

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Abstract: The elaboration of a Strategic Planning becomes one of the main requirements for any company that wishes to remain in the market, especially in times of economic instability arising from the coronavirus. The objective of this work is to identify the importance of strategic planning for the maintenance and development of a small family business. The research adopted a qualitative approach, with a bibliographic design. A case study was elaborated through a semi-structured interview in a family company that trades recyclables in the municipality of Montes Claros - MG. The semi-structured interview was elaborated with 17 questions. Strengths and opportunities for improvement were pointed out based on the interview questions. The results revealed that strategic planning is almost non-existent in the company. Dreams, wishes, desires prevail, but totally without formalization or connection between these and the strategies to be adopted, as well as indicators, goals and action plans. It is concluded that Strategic Planning is fundamental for the small family business that seeks to achieve the competitive advantage and maximize business results, since the organization can enter the crisis with an intelligent vision of the future, which mitigates risks while remaining optimistic.

Keywords: Covid-19; Strategic planning; Family business.

INTRODUCTION

The search for a competitive advantage among companies has never been as important as it is today, due to the economic instability arising from COVID-19. The exercise of determining how the organization operates during a crisis – whether it be closing, increasing its operations and operating expenses, or a combination of the two – will bring the organization to its natural decision-making point. Given the nature of this

pandemic and its lasting impact that remains unknown, it is essential that organizations maintain a high level of flexibility and agility, but strategically and with a competitive edge (WHO, 2020; SEBRAE, 2020).

To mitigate or avoid the impacts of setbacks and interference from the COVID-19 health crisis in the operations of the enterprise, strategic planning is of great importance. Which, among other benefits, will be able to provide, at a strategic level, qualified information and, therefore, better guidance for decision-making in order to expand identified opportunities or minimize the impact of potential threats that could compromise the organization's sustainability in times of the health crisis.

In view of the above, this research has as a research problem: how does the implementation of strategic planning contribute to the management and development of a family business of recyclable materials? Thus, the objective of this work is to understand how the implementation of strategic planning contributes to the management and development of a family business of recyclable materials. As specific objectives, we seek to analyze the concepts and characteristics of strategic planning in the business sphere; present strategic planning as a tool used for management diagnosis; analyze the importance of strategic planning in decision making and present the SWOT analysis (strengths, weaknesses, opportunities and threats) and its functionalities for the company.

The choice of this theme is justified by the performance of a consultancy work in this small family organization of recyclable products. It analyzes how strategic planning can improve organizational performance. It is inferred that this study may be able to contribute with a different perspective from the point of view of managers, referring to

the importance of strategic planning. It is considered that this research theme has a significant relevance for the maximization of business results and in the search for a competitive differential in the market.

In this context, the marketing justification refers to the fact that most companies in Montes Claros-MG need to have a plan so that they can prepare for market changes and become more competitive (SEBRAE-MG, 2020). Thus, according to Serra et al. (2004), because Strategic Planning is a guiding managerial process, which organizes and orders the plans that a company has for the future, defining the best way to achieve the desired results, this research will serve as a basis for the implementation of strategic planning by other entrepreneurs and to improve future studies of the results achieved in this study.

In the academic field, this work is justified, because, according to research carried out in the bank of theses and dissertations of the Coordination for the Improvement of Higher Education Personnel (CAPES), 92,294 works are found when the expression "Business Strategic Planning" is searched, from the year 1991 to December 2020. None of them presented this tool in a small family business of recyclable products. It is understood that the company of recyclable materials is an economic activity with many benefits for society. Since, with the manufacture of recycled products, there is the preservation of nature, reduction of pollution and soil contamination, in addition to energy savings. This way, the implementation of strategic planning contributes to the organizational success of recyclable material companies.

The article is structured in four topics, starting with the introduction highlighted in the theoretical foundation; in section two, the methodology employed; in topic three there are the results and discussions of the case

study. Subsequently, in topic five, the final considerations are presented.

MATERIALS AND METHODS

TYPE OF RESEARCH

Based on the objectives defined in this article, the type of research used was the descriptive one, whose fundamental objective is the description of the characteristics of a given population or phenomenon, or else, the establishment of relationships between variables. In the case of this study, its objective proposed to evaluate the Strategic Planning as a management process in the search for the competitive differential in the small family business of recyclable products (MARTINS; THEÓPHILO, 2016).

STRAND

The strand selected for this study was qualitative research. In addition to its descriptive character, the research carried out also had a qualitative character. Qualitative research is based on data gathered through interpersonal interactions. In this type of analysis, the researcher participates, understands and interprets the information and situations resulting from the interviews. In this context, the methodology used in this work will be based on the theoretical-empirical approach, of a qualitative and descriptive nature (CHIZZOTTI, 2010). The chosen method is presented below.

METHOD

The method used was a case study, through a semi-structured interview in a small family business in the retail trade of recycling products, in the municipality of Montes Claros - MG. The case study is qualified by the intense and tiring study of one or a few elements, in order to acquire ample and detailed information about them (GIL, 2002).

Next, the data collection technique used for this study will be presented.

DATA COLLECTION TECHNIQUE

Initially, to carry out the study of the relationship between the proposed variables, a bibliographical research was carried out. The bibliographic research was adopted as a research developed based on material already elaborated, consisting essentially of books and scientific articles. This research aimed to review literary works that address Strategic Planning, with a theoretical basis (MARTINS; THEÓPHILO, 2016).

Subsequently, the case study was carried out through a visit to the company to carry out a semi-structured interview and apply the questionnaire to the owners and/or managers. The data collection technique applied was the questionnaire, which according to Martins and Theóphilo (2016) expose that this is the most used method to collect data, because it accurately measures what is desired. The applied questionnaire was divided into two parts, where the first one aims to obtain basic information about the visited enterprise, the second has 17 questions focused on the Strategic Planning of the studied company. Next, the unit of study will be presented.

UNIT OF STUDY

The unit of study of a research can be defined as the place, people, fact or phenomenon about which you want to know something. Defining the subset of the population of interest (MARTINS; THEÓPHILO, 2016). According to Beuren (2003, p.120) the “sample is a small part of the population or of the universe selected according to the rules”. When the investigation universe is geographically concentrated and few in number, it is convenient that all the elements be researched to “ensure the awareness and mobilization of the population around the proposed action

involved in the research” (GIL, 2002, p.145).

All employees were interviewed, totaling six interviews. The company is located in the municipality of Montes Claros-MG. The main activities carried out involve a set of processes related to the recycling of plastics, paper, wood and metals. With the intention of preserving the identity of the interviewees, they will be arranged by letters of the alphabet, from A to F, according to Table 1 below, which presents the profile of the interviewees.

Employee	Age	Position	Company time
A	30	Director	15 years
B	42	Production manager	3 years
C	26	Maintenance supervisor	4 years
D	38	Logistics Supervisor	2 years
E	21	Financial manager	6 years
F	46	Billing analyst	9 years

Table 1 – Table with the profile of the employees interviewed

Source: Own Elaboration (2021).

The application of data collection was done through semi-structured, individual interviews, where a guiding script was used with pertinent questions for the understanding of the study. The interviews took place at the company itself, in April 2021, in a room where only the interviewer and the interviewee were, characterizing an individual interview. These were carried out with the availability of each employee, after prior scheduling. All employees of the company were chosen, that is, the six employees by relevance, since according to Gil (2002, p.145) “when the research universe is geographically concentrated and few in number, it is convenient that all elements be researched.” Next, the technique used to analyze the collected data will be presented.

DATA ANALYSIS TECHNIQUE

The analysis and interpretation of the research data were done by content analysis. The process of analysis and interpretation is fundamentally iterative, as the researcher gradually elaborates a “logical explanation of the phenomenon or situation studied, examining the units of meaning, the interrelationships between these units and between the categories in which they are grouped” (GIL, 2002, p. 90). In the next topic, the analysis and discussion of the data will be presented.

PRESENTATION, ANALYSIS AND DISCUSSION OF DATA

PRESENTATION OF THE CASE STUDY

The interviewed company has been operating in the market for 25 years, with the objective of contributing to a more sustainable world, through complete solutions for the management and proper disposal of recyclable waste. As services, it provides treatment and final destination of recyclable products, recovery of recyclables, global waste management, demolitions, product de-characterization, machinery and equipment rental.

It offers solutions to implement and manage solid and liquid waste management systems, always aiming at reuse, recycling, and waste treatment. The next chapter analyzes the data obtained in the interviews.

DATA ANALYSIS AND DISCUSSION

CATEGORY I: STUDY ON STRATEGIC PLANNING IN THE BUSINESS CONTEXT

In the first category, the objective was to verify the understanding that the interviewees have about strategic planning. For this, they were asked about what they understand by this topic. In question 1, employees were asked about their understanding of Strategic Planning and its purpose. Most of the interviewees claimed to know the basic concept of planning and strategy, verifying their understanding of these definitions, which they associated with the terms: “objective” and “goal”.

We highlight the speech of the Director, employee A, who in his definition is “planning the future to achieve goals”, as well as the Production Manager, employee B, who says that “planning is the first step to achieve the objectives and think about the actions necessary to achieve them”. Their responses are in line with Certo et al. (2010), who consider planning as a way to obtain a broad view of where the company is and where it wants to go, providing tools to achieve its objectives.

In the second question, they were asked if there is a development of Strategic Planning in the company, both answered that there is no clear and defined way. However, the interviewees claimed to know this type of planning, in turn, demonstrated knowledge about administrative techniques, which raises the hypothesis that they use some of these techniques to perform actions in the enterprise. In the interview, the Director emphasized that he intends to use it, but has not yet had the opportunity.

In question 3, it was asked whether planning was recorded in any way. The answer was unanimous, there is no record. Despite being a document prepared by top management, the

Strategic Planning must be freely accessible to all employees, so that they know the direction the company must follow and work together to achieve the established goals (ORLICKAS, 2010). Therefore, at this specific point of use of the management process, the interviewed company has not used planning correctly.

Strategic Planning is a management process that is constantly changing. Therefore, when the document is prepared, it provides information on the moment it is being analyzed (OLIVEIRA, 2010). Therefore, it needs to be constantly updated and a digital file allows this to happen without generating waste, in a simple and fast way. What's more, a digital document can be emailed in a matter of seconds, while a printed file takes hours to days to reach its destination, depending on the distance.

When asked how long the company has been using Strategic Planning, respondents reported that they do not use this management tool. With regard to updating, respondents stated that there is no strategic planning. Para Certo et al. (2010), the frequency with which planning is updated is essential so that it does not become obsolete. Therefore, it is critical that organizations constantly review it. The second category of data discussion analysis is presented below.

CATEGORY II: THE IMPORTANCE OF STRATEGIC PLANNING AS DECISION-MAKING

The second category aims to verify the understanding that employees have about the importance of strategic planning. To this end, respondents were asked about their understanding of this topic.

Based on the interviews, it was questioned how the Strategic Planning influences when deciding in the organization, they answered that they know the importance of planning and recognize that it is not implemented in

the organization. When questioned about how Strategic Planning influences when deciding about the organization, respondents stated that it is a guiding process, which serves as a basis when making an important choice.

Barbosa (2004) states that Strategic Planning provides a parameter about the company's real situation and defines the objectives to be achieved. Based on these statements, it is understood that planning directs the company towards its objectives, in addition to providing up-to-date information about the current situation of each one of them.

It was questioned how employees identify what are the strengths and weaknesses of their company, which they cited as a strength: meeting customer needs, providing a continuous quality service and contributing to sustainable development; be licensed by the competent bodies; offers recycling services and helps the sustainability of the environment. And as a weakness, it does not have updated and implemented management documents, such as the lack of Strategic Planning.

Based on the answers presented, even if the interviewees were able to identify some strong or weak point at the time of the survey, only the Director assesses the positive and negative aspects of his enterprise. However, this assessment is done in a rudimentary way. For Serra (2004) the SWOT analysis is a very useful instrument in the organization of Strategic Planning. Through it, it is possible to methodically relate the strengths, weaknesses, opportunities and threats surrounding the company, helping to manage it to improve performance.

When asked about the level of interest in having a Strategic Plan for the company, everyone responded that they were very interested. When asked what the biggest fears are regarding the application of Strategic Planning in the organization, some responded

that they were afraid of not knowing how to follow the plan, some reported that they were afraid of bureaucratizing the process and the Director claimed to need professional help to prepare the business strategic planning.

Ferreira et al. (2005) describes that the investment in managerial development is the search by the directors for knowledge that will help them in the management of the company. Regular investment by managers in their managerial development and the application of acquired knowledge constitute a strong point of the company, contributing to the managerial development of managers and to the continuous improvement of the company's performance.

The interviewees were asked if they would like to implement a management process capable of providing them with the necessary information to better understand their business and the market in which it operates. Sharing information with employees means keeping them informed of company results and other important information (BICHO, 2006). When this sharing occurs regularly, but does not cover all employees, only part of the people is informed about the company and does not allow everyone to contribute to the achievement of objectives and goals.

Clemente (2004) points out that it is important to note that this sharing of information only for some employees can generate dissatisfaction for those employees who did not receive the information. As an opportunity for improvement, the company can share its results and other important information with all employees, developing a collective feeling of belonging to a group of people who pursue the same ideals and objectives.

The last question in this category asked if the organization has a defined mission and vision, all employees know these definitions, reporting that the mission is: "offer compatible

and sustainable solutions for the management and proper disposal of recyclable waste"; and as a vision: "to be a leader in the recyclables and waste market". Para Certo et al. (2010) the Mission of a company shows why it exists and guides employees in carrying out their work, helping everyone to know, share and pursue the same ideals and to enhance the contribution of each employee. It was verified that the company's Vision is defined and is known by the collaborators. Medeiros et al. (2010) defines that the company's vision shows what managers expect in the future and guides strategic actions.

It must be noted that the mission and vision are two of the main direction indicators that, according to Alday (2000), define the strategic guidelines. The guidelines, in turn, are a fundamental component of Strategic Planning and are defined by Lima et al. (2005) as guiding elements that support the elaboration of policies, programs and projects for the realization of the business strategy. This way, the mission and vision guide the organization, directing resources, efforts and reducing waste. The third category of data discussion analysis is presented below.

CATEGORY III: STRATEGIC PLANNING AS A TOOL FOR COMPETITIVE ADVANTAGE IN THE COMPANY

The third category aims to verify the understanding that employees have about strategic planning as a tool for competitive advantage in the company. To this end, the employees were asked if they believe that the company has something that differentiates it from other companies in the same field of activity, both believe so.

Employee A's response is highlighted: ethics, since they act with moral behavior, generating good and pleasure; respect for people, treat people with dignity, respecting individual

and cultural differences, recognizing their potential and accomplishments; transparency, courage to expose yourself and practice sincerity; honesty, feeling of self-worth that leads to deserving general consideration; and commitment, willingness to exert an effort for the benefit of the organization. Belief in and acceptance of the organization's values and goals and a strong desire to remain a member of the organization.

Differentiation is defined by Porter (1989) as a type of generic strategy where an organization tries to become unique in the market in which it operates, selecting some attributes that consumers consider important and positioning itself in a unique way, in order to satisfy these needs. In the last question, he asked the main reason why customers look for the company, the answers were: service quality, low price, differentiated product, company point and loyal customer.

Therefore, it is said that the company is looking for differentiation strategies. Medeiros and Soares (2012) mention that strategies are paths chosen by the company to fulfill its Mission, achieve the Vision established by the leaders and ensure its competitiveness and continuity in the long term. The company, when planning about its strategic direction going forward, certainly needs to consider the pandemic and its impact on future efforts. Below are the fine considerations of this study.

FINAL CONSIDERATIONS

The data raised in the Case Study, as well as the knowledge acquired through the review of literary works, provided the necessary information to carry out the diagnosis of the strategic planning in the company of recyclable materials in Montes Claros - MG. The survey results indicate that strategic planning is not only possible for a small family business, but is also necessary for its success, especially in times of economic uncertainty arising from

the COVID-19 pandemic.

It is noticed that strategic planning is almost non-existent in the company. Dreams, wishes, desires prevail, but totally without formalization or connection between these and the strategies to be adopted, as well as indicators, goals and action plans. The company's mission is clear and the manager showed no difficulty in understanding the topic. There are cases in which the lack of strategic planning could make business and the company's permanence in the market unfeasible.

Management based on strategic planning is deficient due to the lack of indicators to be analyzed, partly due to the underuse of existing management software, reaching the point of not knowing the available resources. There is also a lack of knowledge in strategic planning to carry out more technical and careful analyses. Relationships with customers are informal, there is no record of satisfaction or dissatisfaction from them and entrepreneurs demand knowledge to formalize this information and use it for the continuous improvement of the company's main processes.

This way, the objectives proposed in this work were achieved with the identification of the concepts and characteristics of strategic planning in the business scope; presentation of Strategic Planning as a tool used for management diagnosis; analyze the importance of Strategic Planning in decision making and SWOT analysis (strengths, weaknesses, opportunities and threats) and its functionalities for the company.

The research presents the importance of strategic planning for the maintenance and development of a small family business. Regarding the elaboration of the work, it is important to point out that it was limited to studying only the entrepreneur's actions in relation to the Strategic Planning. However,

its limitation can be interpreted as an opportunity for the elaboration of another research, focusing on the customer and the main reasons that lead them to buy in a certain store.

It is also important to emphasize that the objective of this study is not to exhaust the subject or provide a final opinion on it, but seeks to contribute, presenting current information on Strategic Planning in a

small family business in the municipality of Montes Claros - MG. Therefore, based on the information presented and within the proposed objective, it is concluded that Strategic Planning is fundamental for enterprises that seek to achieve a competitive advantage and maximize business results. This way, the organization can enter the crisis with an intelligent vision of the future that mitigates risks while remaining optimistic.

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