

**THE PROCESS OF STRATEGIC MANAGEMENT AS ANTECEDENTS IN THE
PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN QUELIMANE
CITY IN ZAMBÉZIA PROVINCE (2010 - 2013)**

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Abstract

This research aims at analyzing the process of strategic management as antecedents in the performance of Small and Medium Enterprises in Quelimane City. The survey was conducted between the months of July to September in 2014 in 89 small and medium enterprises where companies were stratified by small and medium enterprises. The research method was quantitative in nature and used the questionnaire as a data collection instrument. Data were analyzed using the SPSS - Statistical Package for Social Sciences as well as Microsoft Excel operating program for reproducing graphics. The findings showed that 48.3% of SMEs in Quelimane city not performed well due to the non-application of the processes of strategic management. Also stresses that the application of strategic management processes positively influence the performance of Small and Medium Enterprises. The main limitation of this study is that considering that the environment is dynamic, the results presented here have temporary validity, allowing more spaces for further research. It also indicates important management recommendations. This is a groundbreaking study that promotes important implications for managers and researchers.

Keywords: management, strategy and performance.

Background of the Study

In the Mozambican economic scenario, much of what is produced is the responsibility of small and medium enterprises. In many ways, small and medium-sized enterprises stand out, especially by creating jobs, contributing to the Gross Domestic Product (GDP), by income generation and the ability to adapt to the market needs with speed and flexibility. Although they are better able to meet the market changes and to adjust the uncertainty of environments in other ways, these companies have behaviours that distinguish them from large organizations such as risk aversion and low capacity to raise funds that can meet the specific objectives.

Small and medium enterprises are the great engine of the Mozambican economy. They represent the country economic sustainability by its capacity to generate jobs, is the huge number of existing facilities around the country, scattered in their geographical extension.

The growth in the size of the organizations usually implies increased structural complexity. These elements combined with the accelerating pace of environmental change, arising from various factors such as technological advancement, market integration, national and international competition, and changes in demographics and consumer habits require organizations to constantly evaluate their strategies and means of implementation to achieve their goals. Today, there are organizations appearing and we just watch it happening and which surprisingly are astonished by what happened.

In recent years, concern for the formulation and implementation strategies points as competitive advantages, exactly the condition of adaptation that organizations should be able to perform, but in most cases, cannot do it at the speed and necessary pace. The Strategic Management process is undoubtedly a guiding decision for companies regardless of size or performance branch, boosting the capacity to compete in markets of operation of these organizations.

Statement of the problem

Small and medium-sized enterprises by their organizational structure and also by the way they are managed are very vulnerable to changes in the environment and therefore need to develop management tools that enable faster and better decision making. SMEs are slow to realize what plagues them and adopt effective management measures. Consequently, they lose competitiveness and end up being devoured by competitors.

In this context, through the statistics of the Provincial Directorate of Industry and Trade of Zambézia - DPICZ (2012), it can be seen that 49.4% of SMEs in Quelimane shut their doors within two years of existence. Therefore, it is considered as the main cause, the failure of strategic management processes.

Thus, there is the relevance and the need to reflect on the importance of the implementation of strategic management in small and medium-sized enterprises in the Mozambican scene in general and in Quelimane in particular, as well as the existence of gaps in this field of study. To what extent the strategic management processes influence the performance of small and medium enterprises in Quelimane?

Purpose of the study

Small and medium enterprises (SMEs) have undeniable socio-economic importance to the country, both in terms of production, employment and tax revenues, as compared to stimulating innovation and competitiveness. Moreover, SMEs are important as support for the activities of large companies, with regard to outsourcing and development of new technologies

The choice of this theme was due to the need to clarify the high mortality rate of small and medium enterprises in Quelimane, which has contributed to the increase in unemployment and informal activity

Hypotheses

Hypotheses or assumptions are based on two main issues:

- H0 1: Continuous application of strategic management processes influence positively on business performance.
- HA 1: Continuous application of strategic management processes does not influence positively the performance of small and medium enterprises.
- H0 2: There is a relationship between strategic management and performance of small and medium enterprises.
- HA 2: There is a relationship between strategic management and performance of small and medium enterprises.

For the verification of hypotheses, data were submitted to a quantitative evaluation using statistical methods and was turned into discussion and conclusion, the hypothesis that most stressed and demonstrated consistency between many.

Research Methodology

Research type

To achieve the objectives and purposes of this study, a quantitative research through collecting and analyzing data in order to answer the research questions and hypotheses established was conducted.

According to Chizzotti (2001), the case study is a type of research which data of a particular case is collected in order to organize and present a critical report of the situation and on this basis, make decisions and propose transformative actions.

Data Collection Methodology and Instrument

Adjacent secondary data obtained from reliable sources was analyzed carefully comparing it with other numerical and statistically data. After obtaining this data, simple tables were made in order to group information so that later relativities would be obtained for the data demonstration in graphics

The data collection was made by the inquiry (questionnaire self-fulfillment) and document analysis of companies. During data collection, entrepreneurs and business managers were sensitized on the importance of research, and what could represent in terms of creating solutions that benefit them in managing their businesses.

Population

According to Levin (1987), the population consists of a set of individuals who share at least one common feature, citizens of the same size organizations, ethnicity or workgroup.

According to the data provided by DPICZ / INE and BAÚ, the Quelimane city has 115 registered companies, 101 small and 14 medium companies. Small and medium enterprises account for 87.83% and 12.17% of the sample population respectively. These companies were the target population of this research.

Sample and sampling Procedure

After identifying the target group, it was drawn up the population sample of 89 small and medium enterprises (Quelimane city) a sample population of 115, corresponding to 77.39% of total enterprises.

Sample Size Determination

The sample size was obtained through the Yamane formula. Below is the calculation for sample size according to Yamane formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- N – Population size
- n – Sample size
- e – Expected error

Sample size calculation on the Yamane theory

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{115}{1 + 115(0,05)^2}$$

$$n = 69,3$$

$$n = 69$$

With this probability sample and the margin of error of 5% associated with 95% confidence interval, obtained a good representation considering the size and population identified universe, according to the theory of Yamane (1967) to determine the sample size. So were surveyed 89 small and medium enterprises.

Findings

The 89 companies surveyed, 42.7% developed their strategic planning in an unstructured way and the remaining 22.5% did not work out its strategic planning.

Although it is important the development of strategic planning, only 34% confirmed that performs in a structured way, and the majority, 42.7% of companies consider working out some sort of planning, but no structure form, i.e. not considering the relationship between the organization and the internal and external environment as well as organizational objectives. Interestingly, despite the changing market, there are still a number of companies that considered not important for the business to analyze the environment in which they operate.

Note also that 19.1% of companies carry out their market research trends annually, which is great risk to these companies, as the market is dynamic and new trends emerge frequently. By the time the research was conducted it was noted that it becomes too late for the companies to know and monitor the consumer market and competitor, evaluate the results of marketing campaigns, identify and evaluate consumer satisfaction, test their products, analyze and monitor the competitive practices in order to meet, better than its competitors, needs and new desires of their consumers.

For Ans off and McDonnell (1993), the correct is to do a constant analysis of the company's prospects, identifying trends, threats and opportunities that may affect historical trends. Therefore, the marketing analysts have a responsibility to monitor and interpret the environment and how it can change the future.

It is further observed that 21.3% of 89 companies in the universe analyze its external environment annually. The analysis of external scenarios is such an important task that should be routine, in other words, it must be incorporated into the day-to-day business they intend to strategically manage their business. If companies continue to lengthen the time to review your external environment, you are running a great risk because of this inattention to discontinuities and changes that occur in the turbulent environment in which businesses operate.

Of the 89 companies surveyed, 87.6% have inflexibility in implementing organizational changes. This behavior shows that despite all the modern approaches of management defend the organizational flexibility. Many companies are still highly hierarchical and centralized.

It is observed by the result that in most companies, the guidelines for change comes from the top down, leaving employees only implement changes already agreed and formatted by top management.

It is noted by the data presented that 68.5% of the 89 companies involved in research does not make known to their staff and disclose, they do not efficiently so that they can know and understand what the mission, purpose, goal and vision of the company. This is due to the lack of organizational culture and strong centralization of decision-making

Note that 66.3% of the 89 companies surveyed just involve employees in the planning process and implementation of company strategies. This position of the companies can cause resistance to the official in the commitment and involvement in various organizational activities. It is important and beneficial for businesses when there is more involved employee (though limited) in business decisions. Companies should create conditions so that employees can participate in the planning, organizing, leading and controlling

Note that approximately 50% of the companies surveyed scored badly resulting from its operational and strategic activities. This performance can be combined with the low level of implementation and monitoring of strategies of companies in order to ensure that what you are doing is consistent with what she decided to do

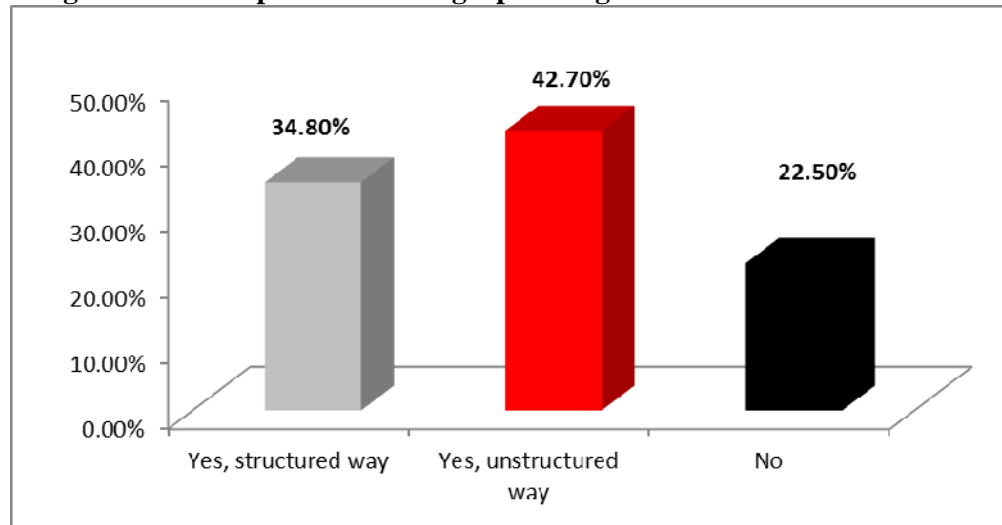
Discussion

Preparation of strategic planning

The figure below shows that of the 89 companies surveyed, 34.8% developed their strategic planning in a structured way, 42.7% developed in an unstructured way and the remaining 22.5% did not work out its strategic planning.

Aaker (2001) states that the lack of a strategic planning including difficult financial decisions of the company, which may cause it to decide for ways and not in keeping with their potential markets. Not analyze the environment can leave the myopic company, which also makes it less competitive in the long run.

Figure 1 - Development of strategic planning



Source: Author (2014)

The motivations found that companies do not draw up their strategic planning were lack of visionary feature of the owner about the importance of strategic planning; unwillingness to set policies, strategies and objectives in the strategic planning, do not care about the periods of risks and uncertainties that undermine business and care only about short-term results, not observing the periods of medium and long term.

They highlight the importance of strategic planning for companies inserted in a dynamic environment, however, not all companies surveyed considered that knows your environment and monitor it is a relevant factor to your business. It is believed that this issue may be related to the lack of strategic knowledge of the owner and managers of SMEs.

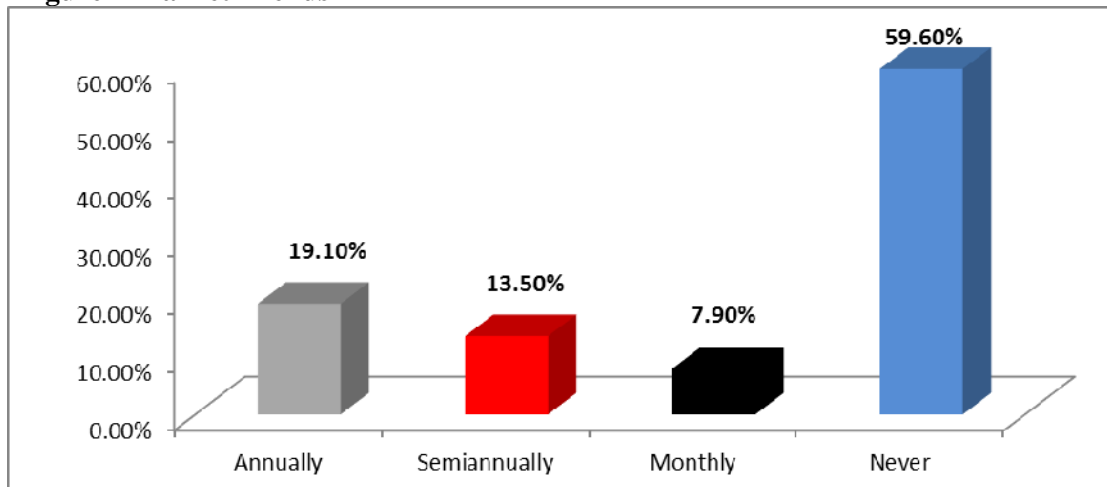
Note, therefore, that companies of this size have demonstrated difficulty in the preparation of strategic planning because despite considering its importance, there is still a percentage, 22.5% of companies in this segment that did not work out.

Market Trends

The market is very dynamic and new trends are constantly emerging. One of the factors contributing to this dynamism is the increased level of demand of consumers due to easier access to information. They become more aware of their rights and duties and therefore

much more demanding. The companies acting in a competitive market, we need to conduct research seeking to anticipate these trends in order to offer products that meet the needs and desires of its consumers.

Figure 2 Market Trends



Source: Author (2014)

The graph shows that of the 89 companies surveyed, 19.1% do their research about the market trend every year, 13.5% do every six months, 7.9% are monthly and the remaining 59.6% do trend research Marketplace.

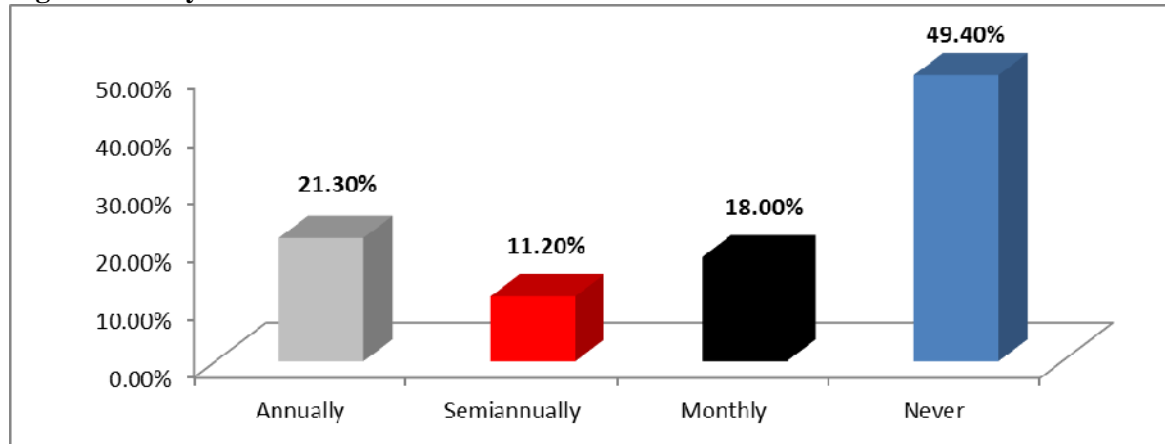
Agreements with the above data, notes that 59.6% of companies do not conduct market trend research. It appears that these companies are not anticipating these trends in order to understand and offer products and services that meet the needs and wants of their consumers. This will reduce the customer and consequently register a drastic reduction in sales. At the expense of higher cost that the company will resent, this could lead to shutting its doors. According to Kotler (2000), successful companies recognize unmet needs from the detected trends, and adopt measures to profit from them. Many business opportunities are discovered by companies by identifying trends, which are sequences of events that have certain impulses. A product or service will have more success if you agree with the trend and not against it.

Analysis of external environment

The external environment, which are all elements outside of a relevant organization for their operation are undergoing rapid and continuous change, demanding more attention from managers in the external analysis strategies, by analyzing the external environment to

identify opportunities and current and future risks. For this reason, learning to cope with external elements can be the difference to the success of a company.

Figure 3 Analysis of the external environment



Source: Author (2014)

The figure above shows that of the 89 companies surveyed, 21.3% analyse their external environment annually, 11.2% analyse every six months, 18% monthly review and the remaining 49.4% do not analyse their external environment.

According to data presented, it is observed that 49.4% of companies do not analyse their external environment, therefore, are susceptible to failure. This may be combined with not developing the strategic planning or preparation of this unstructured form. These companies can hardly identify your opportunities, threats and strategic issues that may drive them to success. Once the external environmental forces not identified, will adversely affect the performance of companies as a whole, making very difficult the task of minimizing the impact and direct efforts to achieve good results.

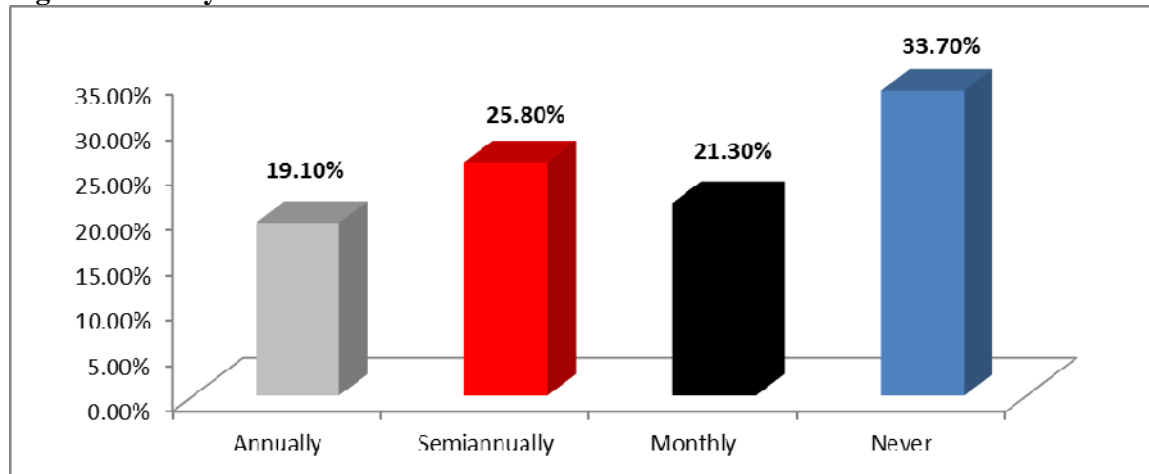
Kotler (2000) states that environmental forces become uncontrollable when they are not provided with some further advance. Therefore, it must live with the turmoil, knowing how to neutralize their impact. A company should not oppose the impact of a counterforce; instead should seek to absorb as naturally as possible. This means in business terms that turn problems into business opportunities. An attentive company can predict events and anticipate them, enjoying them strategically.

Robbins (1990) argues that organizations have to make constant adjustments in response to environmental changes, since when the turbulence, uncertainty and instability "come", "come" quickly and drastically, which means that without continual adjustments the disaster is much higher.

Analysis of the internal environment

The diagnosis of the internal environment corresponds to an analysis of how the company is, with regard to their strengths and weaknesses, their abilities and skills and how is prepared to meet the challenges and seize the opportunities that naturally arise in clashes with competitors.

Figure 4 - Analysis of the internal environment



Source: Author (2014)

As can be seen in Figure 4, the 89 companies surveyed, 19.1% analyse its internal environment annually, 25.8% analyse every six months, 21.3% monthly review and the remaining 33.7% did not analyse its internal environment.

If companies continue lengthen the time to review their external environment, they are running a great risk because of this inattention to discontinuities and changes que Occur in the turbulent environment in which businesses operate.

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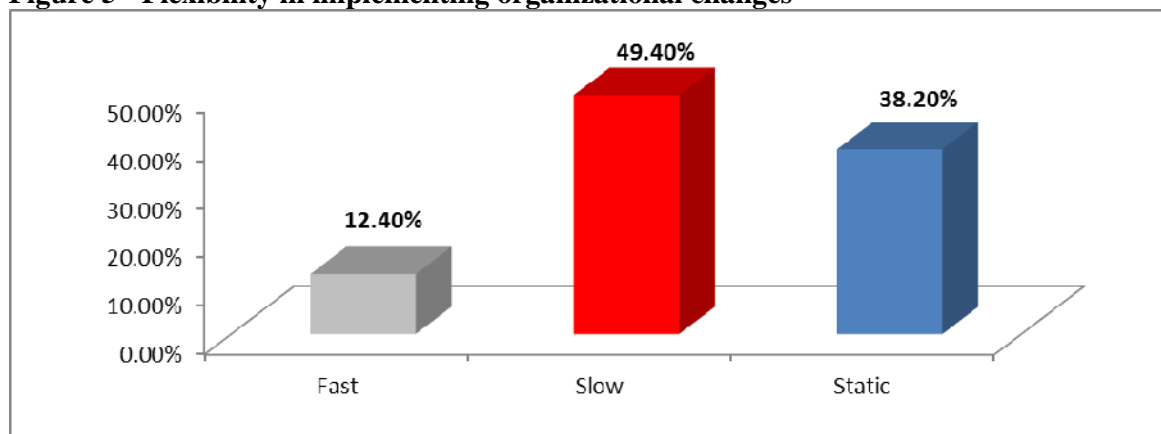
Robbins (1990) Argues that organizations have to make constant adjustments in response to environmental changes, since when the turbulence, uncertainty and instability "arrive" and "come" quickly and drastically, which means without continual adjustments the disaster is much higher.

Flexibility in the implementation of organizational changes

Faced with a significant in changing environment, it is risky organizations insist on the regular operation of its processes. The company may lose its ability to adapt and therefore see their threatened survival.

Legge (1995) states that the organization's ability to implement, consolidate and sustain change has often been related to the degree of organizational flexibility. Organizations adopting more flexible management practices are more likely to respond adequately and in a timely manner, the pressures and demands of the external environment.

Figure 5 - Flexibility in implementing organizational changes



Source: Author (2014)

As can be seen in figure above, the 89 companies surveyed, 12.4% are flexible in implementing changes, 49.4% have slowness in implementing change and the remaining 38.2% are static and the implementation of changes.

This is harmful to employee commitment to these processes as they do not feel part of the preparation, planning and implementation of these transformations, thus developing a culture not conducive to change.

To Bertero (1976) organizational change can be regarded as the result of changing the organizational structure, making it more flexible and suitable for the performance of tasks, and behavioural change that new management styles are incorporated into the organization.

Already Wood (1995) addresses the organizational change as the effort to change the existing forms of cognition and action, in order to enable the organization to implement expeditiously the strategies it's developed.

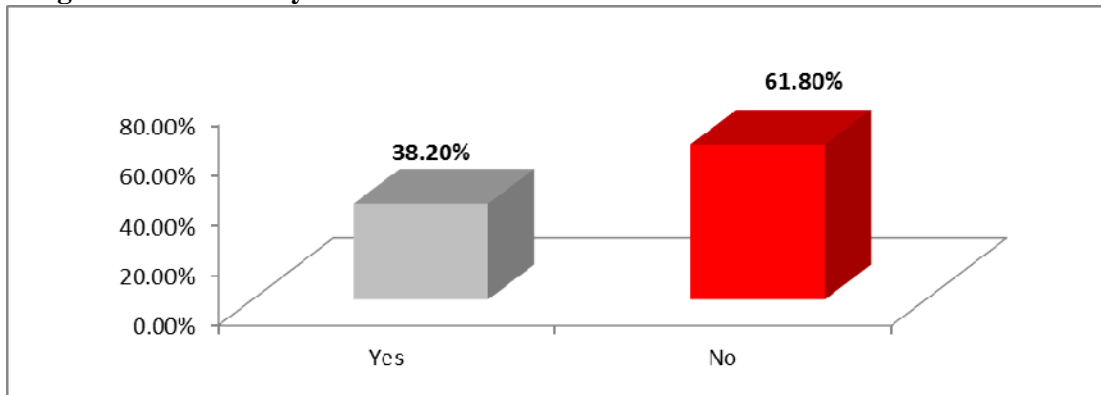
The business world is changing, and to survive the company needs to break barriers by easing the organizational changes in order to ensure continuity of your business in the market which tends to be increasingly competitive.

Financial Resources

The availability of resources has a fundamental importance for the survival of enterprises, the maintenance of its activities and the improvement of managerial capacity.

The financial resources on the other hand, are an important factor to enable the growth strategies of companies. For this reason, it is assumed that financial markets, in particular credit markets play an important role by helping to enable socially desirable investments and to increase the efficiency of these investments, thus enabling further growth of the economy.

Figure 6- Availability of Financial Resources



Source: Author (2014)

The figure shows that of the 89 companies surveyed, 38.2% have the financial resources to bring end up the company's activities and the remaining 61.8% did not have the financial resources thus resort financial institutions in order to have access the bank loan.

The 61.8% of the surveyed companies showed great difficulties in raising funds for working capital and investments, to develop or expand their activities. To meet these difficulties, many are obliged to apply for third-party loans, and financial institutions, which charge high interest rates, in this case, running a serious risk of breaking, and often give as guarantees personal property. This factor contributes to hinder the access of these companies to credit markets, restricting their growth and even jeopardizing their survival.

According to Stiglitz (2004), the credit is the most important phenomenon in modern society as the exchanges that take place between persons and / or companies without there being releasing money, demonstrates the existence of credit. When suppliers extend credit to their

customers and buyers to suppliers, in order to finance the production, identifies the relevance of credit, but there is an intrinsic factor in this relationship which is information.

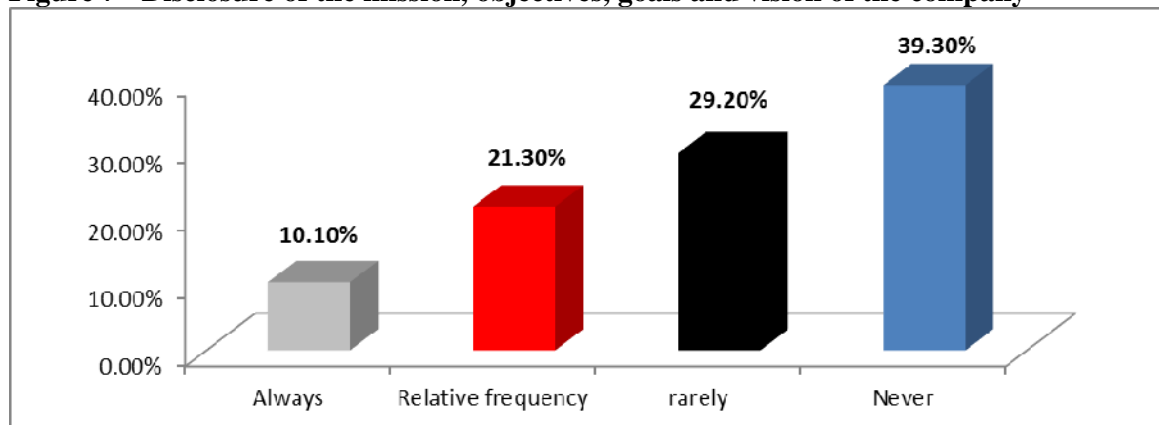
SMEs had difficulties in obtaining credit both the perspective of demand, which has features like macroeconomic stability, high cost of credit, lack of trust of banks, financial intermediaries and bureaucratic excess collateral.

For Stiglitz (2004), the banks engaged in the intermediation function between the makers and resource providers. We need that for every borrower, to decide on how much to borrow, at what conditions, warranties and what restrictions will be imposed. Problems of contract enforcement, as the default, make banks being risk averse.

Organizational identity

Employees are the organization that represent to the public with which it maintains relationship is therefore necessary that all carry with them the mission, vision, values and policies of the organization.

Figure 7 - Disclosure of the mission, objectives, goals and vision of the company



Source: Author (2014)

The figure shows that of the 89 companies surveyed, 10.1% always make known to their staff the mission, purpose, goal and vision of the company, 21.3% make known with relative frequency, 29.2% rarely make known to its employees and the remaining 39.3% did not make known to your employees about organizational identity.

It is important to strengthen internal communication of the organization, as companies need to ensure they are taking the same message to everyone in the organization, and still consider that not everyone has the same understanding, that is, the same information is perceived differently by different people.

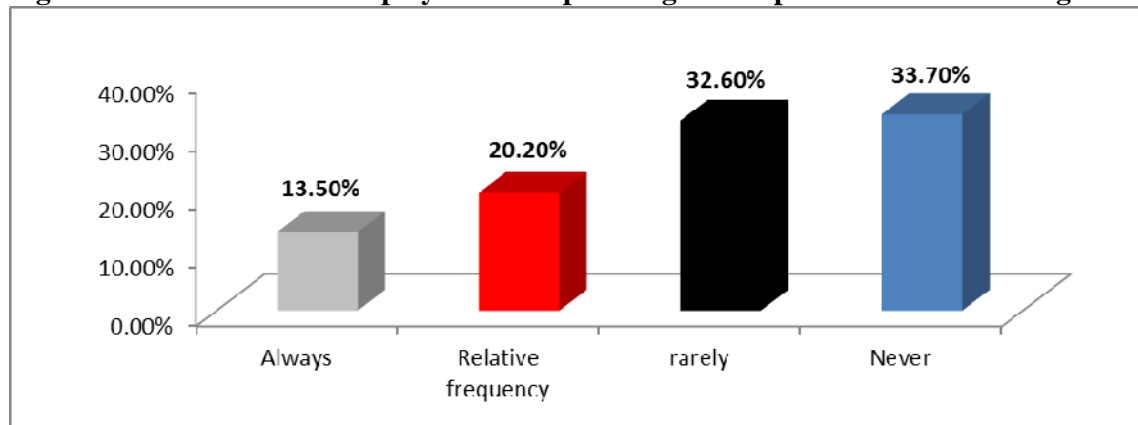
Do not just simply put pictures with the mission, vision, values and policies throughout the enterprise, but it is necessary, through an administrative practice, ensures that employees understand the message and give a positive feedback. Thus, the company will make for greater employee commitment in various organizational activities.

Fill and Markwicks (1997) states that individuals also have an identity, this also happens in organizations. It is important that employees know the organizational identity because this refers to the way the company presents itself and is distinguished from other companies, making it unique in the business environment and this related to the question "Who are we as an organization.

Involvement of employees in the planning and implementation of strategies

The official, from the operational level up to the top, should be aware of the goals of his office and have a broader view of the organization's business and the importance of their work for the company succeeds. Greater involvement with the organization, the greater their commitment, that is, employees will feel responsible for the strategy and the overall result of the company.

Figure 8 - Involvement of employees in the planning and implementation of strategies



Source: Author (2014)

The figure shows that of the 89 companies surveyed, 13.5% showed that their employees are always involved in the planning and implementation of company strategies, 20.2% showed relatively involvement of their workers, 32.6% They showed that rarely involve their employees and the remaining 33.7% hardly involve their employees in the planning process and implementation of company strategies.

For Zander (1950), change imposed by force generates resistance of the people, because nobody likes to be forced to do something. The changes imposed on a personal basis,

establishes a climate of unrest, as employees feel excluded from the process. It is better to involve all employees so that they feel part of the process.

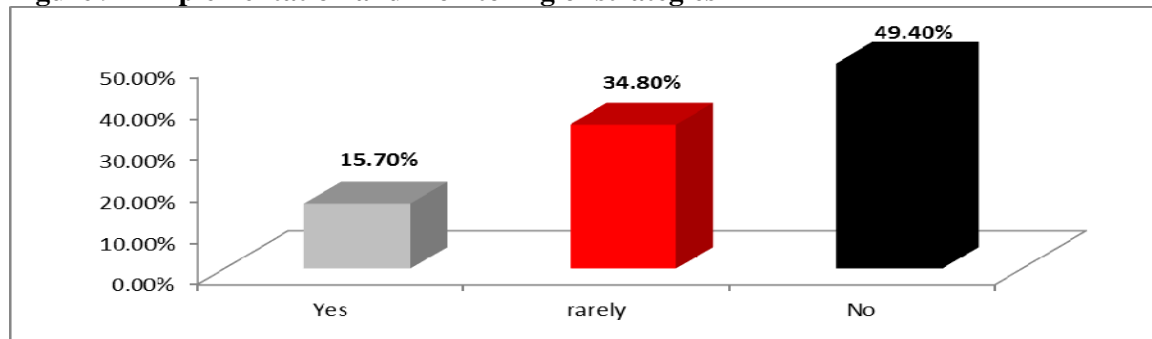
Kotter (1996) confirms the importance of participation when stressing that, to increase the acceptance of change, managers need to listen to employee suggestions and heed their advice. According to him, the participation neutralizes resistance and leads to commitment.

In addition, employees who are committed to the organization are more likely to interpret and discuss the changes announced in a favourable way. Unlike workers who are located in poor information environments, they receive less information about the change and may present feelings of hostility to change, since they may feel taken by surprise. It must create participatory spaces, for greater employee engagement with the organization, the higher your commitment.

Implementation and monitoring strategy

With changes occurring increasingly, rapidly and sharply, companies are required to face numerous challenges. Among these are given the time that the strategies will be put into practice, since the company must prepare to efficiently manage their resources, and still be attentive to the events around them so that opportunities are taken advantage of and help in improving the positioning the company with respect to competitors.

Figure 9 - Implementation and monitoring of strategies



Source: Author (2014)

As shown in Figure, the 89 companies surveyed, 15.7% show that implement and are monitoring their pre-defined business strategies, 34.8% rarely do implement and monitor their pre-defined business strategies and remaining 49.4% do not implement and do not monitor their pre-defined business strategies.

To note that 84.2% of the universe of 89 companies involved in the research showed a low level of implementation and monitoring of their strategies. This is partly observing Figure 1 that many of the companies have not worked out their strategic plans and the elaborate, do so

in unstructured form. It is observed in Figure 2 that 59.6% of companies do not conduct market trend research, which hinders the understanding of the products and services that meet the needs and wants of their consumers.

The figure 3 and 4 show that a considerable number of companies surveyed do not analyze their internal and external environment, therefore, is susceptible to failure. These companies can hardly identify their opportunities, threats, their strengths and weaknesses and strategic issues that may drive them to success.

In Figure 6 shows that over 60% of companies surveyed have difficulties in raising funds and many are forced to request loans from third parties, and often give as guarantees personal property, in many cases, no guarantee and sufficient information to support the requested loans.

Note also in figure 8 that most of the little companies involve their employees in the planning process and implementation of company strategies, causing resistance and employee fear their involvement in various organizational activities.

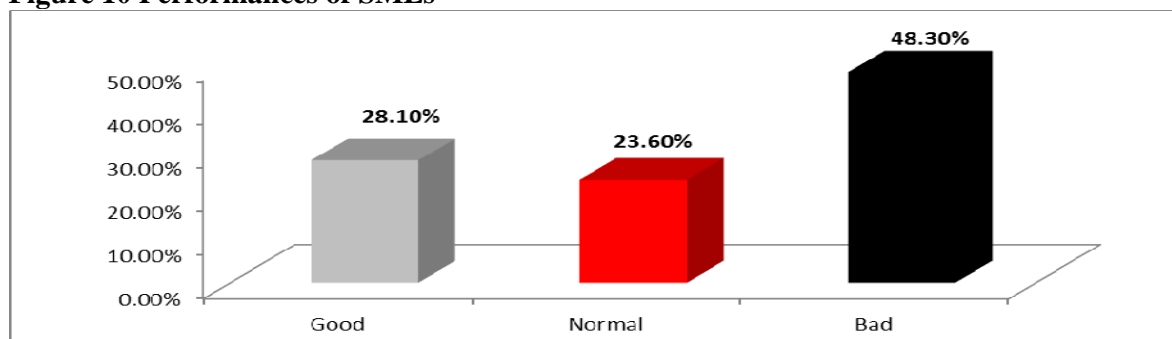
All these elements referenced above bring the low level of implementation and monitoring of strategies of companies. The key to the implementation of the strategy is the understanding of the objectives and goals of the company, alignment of resources, continuous testing of the strategy implementation process and adapt in real time.

Performance of SMEs in Quelimane

Benchmarking a company should result in a clear process about how the organization creates value for its stakeholders.

According to Aaker (2001), performance (performance) is a set of characteristics or behavior and performance capabilities of an organization affected in particular compared to targets previously defined requirements or expectations.

Figure 10 Performances of SMEs



Source: Author (2014)

The figure shows that, of the 89 companies surveyed, 28.1% had a good performance of its activities, 23.6% obtained a pretty normal performance and the remaining 48.3% said their performance was bad.

.It was evident that the owners and managers in SMEs surveyed proved to be unsafe because they cannot clearly identify the factors of its success, nor can recognize alternative ways to continue the growth of their companies and feel also the need to make changes in both the operational level and in their own style of doing business, however, often do not know what the real problem, or what actions should be taken.

It was evident that the failure to draw up strategic planning, lack of respect market information on customers and competitors, lack of financial resources, concern operational activities and not strategic made it impossible to apply the strategic management process, therefore, influenced to obtain the poor performance of SMEs in Quelimane. This also happens because these SMEs predominant family businesses founded with intuitive methods and dissociated of modern competitive management principles.

Conclusion

After analyzing the data obtained from the small and medium enterprises, it is concluded that despite the 77.5% of respondents consider fundamental to the growth of your business the development of strategic planning, the practice is still far from ideal in small and medium enterprises. The 42.7% of respondents considered that the companies to work out, but in an unstructured way. This situation endangers and hinders specific vision of the future of the companies, regarding the performance market, competitors, products and services, the value to be offered to the customer, the advantages of long-term and its profitability.

Because of the strategic actions identified in the companies surveyed, it was noted that most of these do not analyse the market trend, its organizational environment and very little involve employees in the planning, implementation and monitoring of their strategies. According to the results, it notes that 42.7% of SMEs in Quelimane have not yet developed a continuous structured strategic planning and, as Dornelas (2008) says, this is a fault that impairs the development of this type of company being one of the factors favour the high mortality of this size companies. The author said that these companies do not systematically and intuitively target more strategic operational actions of that.

The second null hypothesis confirms for the sample, i.e. 84.2% of the sample showed a low level of implementation of its strategies, it is concluded that there is a direct

correlation between strategic management and business performance, as, the strategic management process allows you to establish and monitor the direction to be followed by the organization, aimed at greater interaction with the functional strategies and functional objectives. It also implies outline a set of actions to achieve a clear objective and defined, providing the environment in which the actions occur and ensuring a form of control to ensure a successful outcome to be achieved. Strategic planning is an essential tool for the success of organizations.

Recommendation

Entrepreneurs and managers should design coherent strategy and formalize in a plan. It is essential to have knowledge of the preparation of the strategic planning therefore directs the company so that you can achieve your objectives with respect to increased efficiency and effectiveness, and particularly the increase in competitiveness that will aggregate to face the dynamic market.

It is necessary that the private sector, managers and owners are attentive to the dynamism and new trends are constantly emerging in the market. Therefore, it is recommended that companies analyse their regular organizational environment so that they can support this change and stand out in the market by offering products and services that meet the needs of its customers more thoroughly and effectively than its competitors.

Entrepreneurs and managers should establish an organizational culture in order to promote self-esteem of employees and trust of those in the managers or owners and vice versa, as this attitude creates and maintains a cooperative work environment and decision-making more within reach of employees. If managers or owners of SMEs expect employees to modify the process in which they work make them active within the company, we need to give them room in order to take actions that help the company to gain a competitive advantage to more consistent performance.

The private sector should look closer to the big companies of the business sectors in order to get more customers, gain performance experience in the market and business management, thereby creating opportunity for training their staff which constitutes one of the largest constraints for SMEs.

SMEs should have a decentralized organizational structure, not concentrating responsibility in decision-making only in the partner/owner giving space to other members of the organization depending on the decision level.

Companies should seek to identify and analyse the needs of its customers and resolve their complaints, because a satisfied customer recommends on average to three other customers about the company's products and services and contributes to competitive advantage increase.

For strategic management to be viable and functional, managers and owners should inform the parts involved in its operation, i.e. the workers. These can be described by informal conversation owners with their staff in order to still in these the sense of mission and commitment to the objectives of the company.

It is necessary that managers and owners of SMEs become leaders, hear and give due weight to suggestions, criticism and analysis of its employees. Value what the clerk says is essential to be able to meet the client exceeding their expectations. One should not forget that worker satisfaction is reflected in customer satisfaction and service.

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