

STRATEGIC TOOLS:
AN EMPIRAL STUDY IN THE PORTUGUESE BUSINESS
ENVIRONMENT
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“The worst mistake—and the most common one—is not having a strategy at all. Most executives think they have a strategy when they really don’t.”

— Michael Porter, Interview with Joan Magretta, Understanding Michael Porter

Abstract

The aim of this dissertation is to study the strategic planning processes and tools used by companies in Portugal.

It is important that companies are able to understand their internal and external environment in order to prepare a strategy that guarantees growth and long-term profit. Nowadays, in a rapidly changing business environment, companies have to adapt to the new trends, otherwise, the days are counted.

To have an internal perspective from outside it is not an easy task. It is essential the cooperative spirit from companies and therefore we focus on the techniques and procedures, which are associated with the strategic planning activity. For each kind of analysis like strategic positioning or portfolio analysis, we gave a range of tools/techniques. Therefore, we have two perspectives: a general overview where we took into account small, medium and large companies and later we divided in clusters where the results are revealed by small and medium/large companies.

In terms of results, we found the majority of the companies do strategic planning once a year and time horizon established for the strategic plans is 1-3 years. This activity is performed by top/senior management and the CEO still has a preeminent role.

The most popular techniques among companies are: Brainstorming, Analysis of cost structures, BCG matrix, Competitor analysis and Mission statement.

Finally, some of the companies demonstrated to have their own tools and still exist the ones who expressly said the process is done “ad hoc”.

Keywords: Strategic Planning, Strategic Management, Strategy Tools, Strategic Control

JEL Classification System: M10, M19

Resumo

O principal objectivo desta dissertação é analisar os processos e técnicas inerentes ao planeamento estratégico nas empresas em Portugal. É fundamental que as empresas sejam capazes de interpretar os fenómenos que ocorrem tanto ao nível do ambiente interno como externo.

Obter uma perspectiva interna, estando fora das empresas não é tarefa fácil. Para tal, é necessário que as empresas estejam dispostas a colaborar. Mas como isso nem sempre acontece, tivemos de optar por direccionar o foco desta tese nos processos e técnicas relacionados com a actividade de planeamento estratégico. Assim, associámos a cada processo as várias possibilidades de técnicas que as empresas têm ao seu dispor, como é o caso da análise de portfólio ou do posicionamento estratégico.

Posto isto, encontram-se aqui duas perspectivas: a primeira trata-se de uma visão geral, onde consideramos todo o tipo de empresas (em termos de tamanho) -pequenas, médias e grandes empresas; posteriormente, dividimos a amostra em clusters onde passamos a ter pequenas e médias/grandes empresas.

Relativamente aos resultados, constatamos que a maioria das empresas executa o planeamento estratégico uma vez por ano, sendo a meta temporal estabelecida para os planos estratégicos de 1-3 anos. Esta atividade é realizada pela equipa de *Top Management/ Senior Management*.

As técnicas mais populares entre as empresas são: Brainstorming, Análise de estruturas de custo, Matriz BCG, Análise da concorrência e a Missão da organização.

Para concluir, algumas das empresas demonstraram ter criado as suas próprias técnicas, a juntar aquelas que revelaram que este é um processo feito "ad hoc".

Keywords: Planeamento Estratégico, Gestão Estratégica, Ferramentas Estratégicas, Controlo Estratégico

JEL Classification System: M10, M19

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List of Abbreviations

ASPBOK: Association for Strategic Planning Body of Knowledge

CEO: Chief Executive Officer

CFO: Chief Financial Officer

HRM: Human Resources Management

PEST(LE): Political, Economical, Social, Technological, Legal and Environmental

SPMS: Strategic Performance Measurement Systems

SWOT: Strengths, Weaknesses, Opportunities and Threats

TOWS: Threats, Opportunities, Weaknesses and Strengths

VRIO: Valuable, Rare, Costly to Imitate, Organized to capture value

Chapter 1 – Introduction

There is a vast international literature review on strategic planning regarding companies from different geographical areas. However, in Portugal still exist a large room to explore this topic.

According to previous investigations, we can find favorable and disfavorable perspectives concerning to positive performance results of strategies in the context of small and medium enterprises. On the one hand, strategic planning is seen as to generate new ideas, to broaden opportunities and to reduce uncertainty through better understanding of the corporate environment (Hodgetts and Kuratko, 2001 cited in Kraus and Schwarz et al., 2008).

While managers utilize an assortment of tools, they overwhelmingly keep on using those that are settled and concentrate on the management of internal and external resources, though techniques intended to encourage more dynamic, innovative, and ‘blue ocean’ strategies are not broadly connected in practice (Tassabehji, R., & Isherwood, A., 2014).

The strategic tools are important in helping align the strategic thinking. They can be used for the identification of a company’s goals (Christensen et al., 1982 cited in Kraus and Schwarz et al., 2008). Among the techniques/tools that might be able to be used in companies, there are diversified options that are well recognized internationally, such as: the Association for Strategic Planning (ASPBOK). We decided to follow this guide in terms of the best practices, which is object of analysis in our literature review.

Keeping in mind the end goal to better see how strategic tools are positioned to adapt to development and new markets, there is a need to order them as per their potential effect. There have been a few efforts in order to classify the strategic instruments (Clark, 1997).

As claimed by Gunn and Williams (2007) the professionals who have academic background in management demonstrated to have the required competencies to apply the strategic tools

(e.g., BCG matrix, five forces of Porter). Also, the application of these techniques are mainly associated with industry (e.g., SWOT analysis, balanced score card, core competence).

With this research, we present a couple of tools where the usage of them might be appropriate in particular contexts. The methodology selected for the investigation covers a qualitative and quantitative approach.

The analysis will be based on an online survey where we obtained a multi-industry sample of 88 companies from Portugal.

We believe this study will be helpful to those who disseminate strategic tools and those who use them.

Chapter 2 –Literature Review

2.1 Importance of Strategic Planning

The multiples challenges which organizations face in nowadays contribute for highly dynamic environments. All organizations, as well as, stakeholders need to understand their purpose, their destination and the course they are taking to get there.

Strategy is associated with the actions that it is necessary to take for moving the next step. A firm's strategy should provide informed direction to the firm and enable the firm to measure its progress against its objectives. As important as a strategy is to the growth and well being of a company and its employees, many firms struggle with creating a logical strategy, communicating that strategy to its stakeholders, and subsequently executing on it. There can be many pitfalls along the way and so, unfortunately, many large companies muddle along with no discernable strategy.

The aim of a strategic plan is to be a guide and touchstone, providing the means to judge the multitude of decisions that a company collectively must make everyday.

Several studies have been conducted and proved that *“CEOs or managing directors participate to a great extent or to a very great extent in the strategic planning process”* (Elbanna, 2010).

Strategic Planning as a concept has at least six decades of investigations and Batra et al., (2016) conducted a research about measuring the effectiveness of strategic planning in Small and Medium size companies by operationalizing strategic planning as a second-order multi-dimensional construct. They demonstrated the appropriateness of such operationalization for constructs in strategy research. From this analysis, they

concluded it is imperative to use constructs such that the richness of multiple sub-dimensions is not lost.

Researches have conducted until now, have been exploring the implications of strategic planning on firm performance has originated some different findings despite decades of research, the authors believe this operationalization can show the way forward and help in getting more conclusive answers.

On the other hand, Elbana et al., (2016) analyzed the purpose that formal strategic planning plays in achieving the goals regarding the execution of the strategy for more than 150 public organizations in Canada. A structured online survey of senior public administrators in Canadian was conducted during May–June 2012. Survey participants were identified from the ‘Governments of Canada’ and ‘Canadian Almanac and Directory’ online databases accessible through the ‘Canada’s Information Resource Centre’ data portal.

In some cases, participant information was confirmed or supplemented with information from other sources, for example, organizational websites. Targeted participants were senior public officials with responsibilities for strategic planning and priority setting in organizations.

The conclusion was: there are some implications for practicing public managers. First, although they are not directly involved in public policy decisions, they should know that their efforts to strategically plan for their organizations is neither a waste of time nor resources, but can, in fact, lead to successful strategy implementation. This is an indication that formal strategic planning is beneficial to public organizations. Second, the fact that strategic planning has a positive and significant impact on managerial involvement in strategic planning may mean that one of the outcomes of this involvement is the enhancement of managers’ commitment to and alignment with public policy and

organizational priorities, in addition to helping managers in acquiring the knowledge necessary for strategy implementation, which in turn increases the possibility of its success.

In other words, to get the full benefit of formal strategic planning, public managers should conduct it in a way that enhances the effective involvement of managers in its process.

For Nicolas Kachaner et al., (2016) there is no one-size-fits-all approach to strategic planning. Nonetheless, they found companies which are most successful in this process have demonstrated they have four practices in common: 1) They explore strategy at distinct time horizons; 2) They constantly reinvent and stimulate the strategic dialogue; 3) They engage the broad organization; 4) They invest in execution and monitoring.

Following this, invest in execution and monitoring stimulates the development of the strategic plan. On the other hand, managers face the challenge concerned to the translation of the strategy into results.

What tends to happen very often with many companies or organisations is the use of wrong processes which may arise on analyzing the current market and competitors, rather than searching for new entrants or business models.

In the strategic planning process, according to Porter there are two or three keys to successful the planning process. One is the requirement of bring together all the team responsible for a specific business, and they have to do the plan together. It is not possible to separate up the work and afterward attempt to staple it together toward the end. In addition, strategy is about the entire organization, rather than the individual parts. That is a foundational rule of good strategy. The threat with sending individuals off to do their own plans is that they may wind up with a progression of detached "best practices,"

instead of a well-articulate strategy. This is the reason for the existence of a strategic plan and therefore it should involve all the management team.

After that, it comes up the development of the implications for action. Concerning that, Porter sustains it is helpful to have a formal strategic planning process which should be revise one or two times per year in order to get quarterly reviews. Planning needs to reinforce thinking as opposed to let it out (Magretta, 2012)

Proponents: Porter, Andrew, Markides



Figure 1: Design School of Strategic Formulation (Thompson et al., 2016)

2.2 Strategy Process

The strategic procedures empower a firm to integrate, create and rearrange internal and external powers to meet quickly changing situations (Ndubisi, 2014 cited in Teece et al., 1997). They incorporate environmental scanning, organizational learning, market responsiveness, advancement, utilization of new advances, networking exercises and identify new opportunities in the market (Ndubisi, 2014 cited in Simon, 1996; Matlay and Fletcher, 2000; Nkongolo-Bakenda, 2004; Nkongolo-Bakenda et al., 2010). These procedures permit firms to distinguish and screen segments that are important to its strategy improvement and execution, adjust to environmental changes, develop new strategies to react to threats and opportunities, supplement their resources and maintain product and service advantage (Ndubisi, 2014 cited in Nkongolo-Bakenda et al., 2010).

In order to develop a strategy model, Friis et al.,(2016) decided to carry out an investigation which explains what organisations should focus on their strategy work. Also to know, how the strategy is implemented and it might influence the organisations' performance.

The strategy process is related to the internal aspects of an organization. Looking at this part, the authors of the study recognized two broad concepts: execution and organizational culture. The first one concerns how to implement the strategy.

Often, organisations with high execution skills focus on how different parties in the organisation are involved in the strategy process and in fulfilling the strategy through a high communication level. In other words, execution is about maintaining and developing the necessary management and employee competencies (Hrebiniak,2006; Joyceetal.,2003 via Friis et al.,2016).

For (Hrebiniak 2006 cited in Friis et al.,2016) there are five obstacles: (1) inability to oversee change adequately or to defeat internal resistance to change; (2) attempting to execute a strategy that contentions with the current power structure; (3) poor or lacking information sharing between individuals or specialty units in charge of strategy implementation; (4) unclear communication of responsibility; and/or (5) accountability for execution decisions or actions, poor or vague strategy.

On the other hand, organisational culture is concerned with how to ensure a committed and engaged organisation determined to obtain strategic results. The culture defines how key actors in the organisation interact with each other and how this impacts on the implementation of the strategy and, at the end of the day, the performance of the organisation (Barney, 1986 cited in Friis et al.,2016).

It is necessary that the professionals are able to identify the requests they have to follow and work in order to fulfill a strong connection between the objectives and the strategy . It

is essential that the main points and the technique are balanced consistently to fit with the changes faced in the business environment (Joyce et al., 2003 cited in Friis et al.,2016).

The organisational culture influences perceptions of productivity, the relationship with the customers and the ability to be innovative and strive for better performance (Morgan, 1993; Flamholz, 2001 cited in Friis et al.,2016).

Results from many research studies have demonstrated that there is a positive correlation between organisational culture and performance (Abu-Jarad et al., 2010 cited in Friis et al.,2016). Important cultural elements are, among others, how well the organisation is able to continuously adapt to the changing environment, the employees' level of responsibility and authority and how successful the organisation is in achieving the objectives set.

Nowadays, the current management practices are still based on a range of principles from a couple of years ago. The standards of specialization, institutionalization and divisional administration have served organizations well in a period of generally stable environments.

Nevertheless, this planning and control approach fails at different values. It is debatable that these standards have made a pathway of conventional management way of thinking which has contributed to a large number of situations that organizations are facing now.

According to a research developed by Brooke et al., 2016 most big companies are not well prepared to answer to the multi tasks in such a way they could bring innovation in order to support the bureaucracy (Brooke et al., 2016 cited in Dobni et al., 2015).

Taken this into consideration, we have to refer the existence of a tradeoff between strategic agility and the amount of control and risk an organization desires, the

researchers believe “that, although historically justified, such mind sets are becoming increasingly dangerous.” (Brooke et al., 2016)

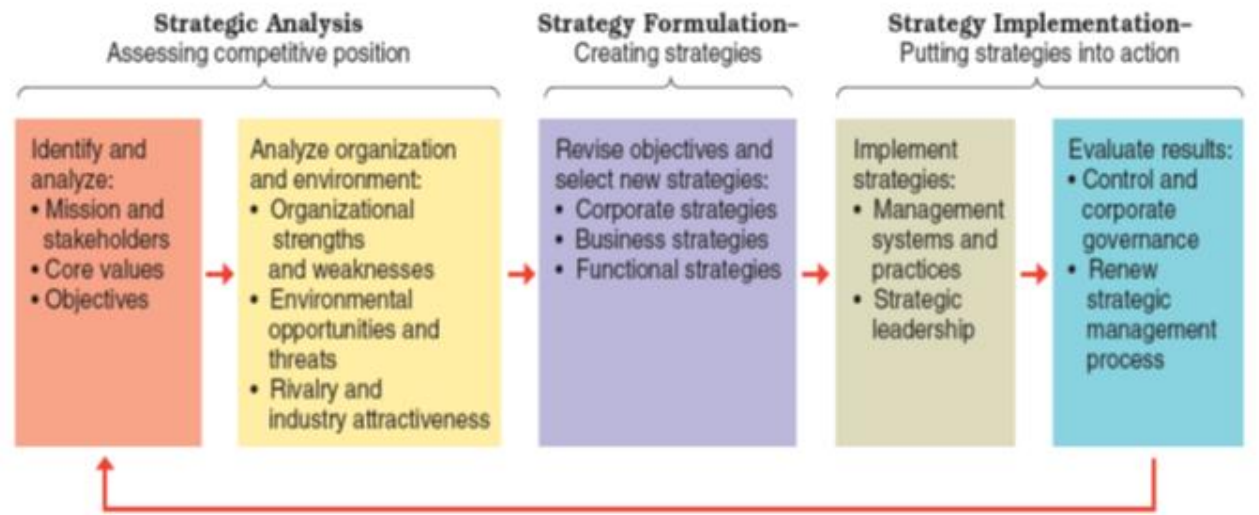


Figure 2: Strategy formulation and implementation in the strategic management process (Schermerhorn, J. R., Wright, B., & Guest, L. 2013)

2.3 Strategy Execution

When it comes to convert the strategy intentions into plans, actions and outputs, managers find themselves struggle with a concretization of a strategic plan. For this reason, Alex Lowy, professor at the Schulich Executive Education Centre and Strategy Execution, asserts that “*the chance of making it through a strategy implementation project without encountering any dilemma is roughly zero*”.

Thus, the point is managing the dilemmas of strategy execution tends to be a five-step process: 1) Detection – find out symptoms of brewing issues. For this reason, it is important an effective communication between people in order to detect risky situations; 2) Acceptance is about to take advantage from all opportunities; 3) Diagnosis requires a deeper analysis like as the six 2x2 matrices which consists by placing a mark on the matrix that indicates your belief as to which quadrant best reflects on the current reality.

After that, it is possible to explore the problematic and subsequently find how to improve the situation; 4) Design – it consists of exploring and evaluating options for responding to the dilemma; 5) Action – At this step, it is essential the efficiency presence of the leader in order to be ready to respond to the challenges.

Competency modeling is a useful model which has been discussed in the literature for a couple of years. Through that is possible to find the behavior organizations consider essential and understand the reason for existing gaps in strategic thinking and move towards in terms of improvements (Goldman, 2016).

In a recent study Sabourin (2015) argued that regarding strategy execution, the most important set of obstacles are the ones which encompass commitment to getting things done from managers and employee's perspective. A part of that it is difficult to deal with translation of managers' objectives into concrete projects. However, in terms of management practices, many professionals attribute significant weight to the urge for action, instead of just how such an approach requires the compliance of organizational rules, or looking for engagement from employees.

The implementation or execution answers the question of how strategies will be realized taking into consideration available resources. Therefore, execution must include particular attention to several key areas.

First of all, allocation resources are required for completing tasks. Because recourses include funds, people, management talents, technological skills and equipment.

Regularly, implementation of projects is not treated as an integral part of the strategic management process. However, various objectives place conflicting demands on organizational resources. Secondly, execution requires a formal and informal procedures of organization that supplements and helps to execute strategy. Third, control mechanisms are important to guarantee methodologies are viably performed. Although the strategy execution process is not clear as strategy formulation. Albeit the four major

steps of strategic management have not been altered significantly over the years, global competition and rapid innovation require being highly adaptive to short-run changes while being consistent in the longer run. (Allio, 2005)

Managing the implementation of strategy is easily the most demanding and time-consuming part of the strategy management process. The important focus is the goals that an organization must reach to accomplish working excellence and to execute its strategy efficiently.

In the meantime, it is crucial keep in mind how well the present culture supports good strategy implementation. As an outcome, management's treatment of the strategy execution process can be viewed as effective if things go flowing enough that the organization meets or beats its financial and strategic performance targets.

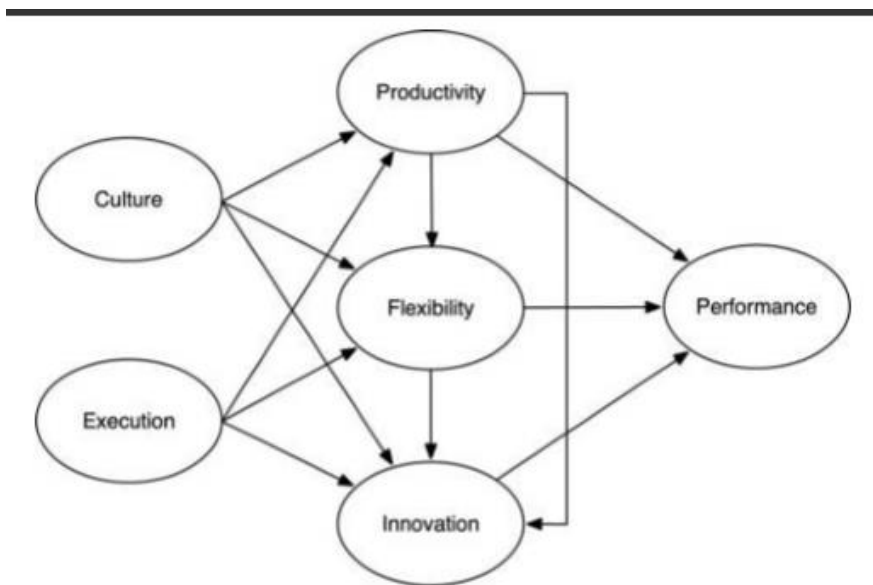


Figure 3: Correlations in the Strategy Model (Friis et.al.,2016)

2.4 Strategic Control

Strategic control systems are the most fundamental tools of management because of their ability to allow managers to monitor performance and redirect organizational action when necessary. Traditionally, control mechanisms have been used as tools which may help execute strategies as planned. In business situations, be that as it may, has made numerous reevaluate and develop this customary view.

Specifically, it has been recognized that even with the best available information, strategies have to be based in part on assumptions about external conditions such as request and competition and in addition internal variables, for example, the capacity to perform and coordinate different activities (Schreyogg and Steinmann, 1987 as cited in Muralidharan, 2004).

On the off chance that these assumptions are not right, then executing strategy as arranged will not prompt enhanced performance. In addition, regardless of the possibility of assumptions hidden a strategy are valid, environmental transformations can add new opportunities and threats that weaken strategy. Therefore, strategic controls have recently been perceived to have two purposes– helping in the execution and shape strategy content.

Strategic control systems that assume the two purposes have been named strategy implementation control and strategy content control individually. Regardless of developing acknowledgment of this expanded purpose, there is a disproportion in the consideration that the two purposes of strategic controls get.

In the vast literature, it is well recognized that managers generally do not use strategy methods as strict templates, or even usually perform formal analysis as a textbook (Knott, 2015 cited in Hodgkinson et al., 2006). Normally, strategists use only parts of tools, and adjust them according to their local needs (Knott, 2015 cited in Jarzabkowski and Wilson,

2006; Knott, 2008). This can bring about managers utilizing tools uniquely in contrast to their originators.

One of the tools which forms part of a firm's larger strategic scheme regarding business analysis framework is VRIO, an acronym used for the four question framework where managers ask about a resource or capability to regulate its competitive potential. Therefore, the “V” is value, the “R” means rarity, the “I” is imitability - difficulty to imitate, and “O” is concerned with organization in such a way, the ability to exploit the resource or capability.

Considering the practical application in examination, the VRIO technique (Knott, 2015 cited in Barney, 2002) has turned into the course book way to deal with evaluating the degree to which a firm's assets meet the criteria for supported competitive advantage.

Basically, it includes measuring characteristics of the firm for strategic value, uniqueness, difficulty to copy, or substitution, and level of exploitation by the firm. VRIO has been upheld as a tool for understanding which assets are significant to a firm also, how susceptible they are, and how the firm can manage them in a sustainable way and oversee them reasonably (Knott, 2015 cited in Barney and Hesterly, 2006)

For Knott is important to figure out how strongly tools such as VRIO influence the strategic praxis. On one hand, tools can both impact the result of a choice and shape mental models, outlines, and subjective classifications (Knott, 2015 cited in Stubbart, 1989; Mintzberg et al., 1998). The resulting mental models can highlight some elements of the strategic environment at the expense of others (Knott 2015 cited in Worren et al., 2002).

In case of managers use VRIO to edge or structure examination, there is possibly a threat that this will direct or oblige thinking in a way that changes the subsequent experiences and choices.

Biases introduced by a method such as VRIO may be interested in weakening through specialists' known inclination to draw on various tools (Knott, 2015 cited in Jarzabkowski and Wilson, 2006; Jarratt and Stiles, 2010; Wright et al., 2013). The subjective tying down impact will probably decrease this weakening: beginning stages in a cognitive procedure have an on-going impact that adjusts the result. Initial information even biases final responses when actors are fully aware of the lack of relevance of this information (Knott, 2015 cited in Wilson et al., 1996).

On the report of Knott (2015) who conducted a research with the aim to identify how companies are likely to use the VRIO, he states that managers and consultants who use this framework describes VRIO as a useful guidance. However, it was just a small percentage of the managers surveyed who are aware of this tool. In the opinion of the author more managers should use VRIO.

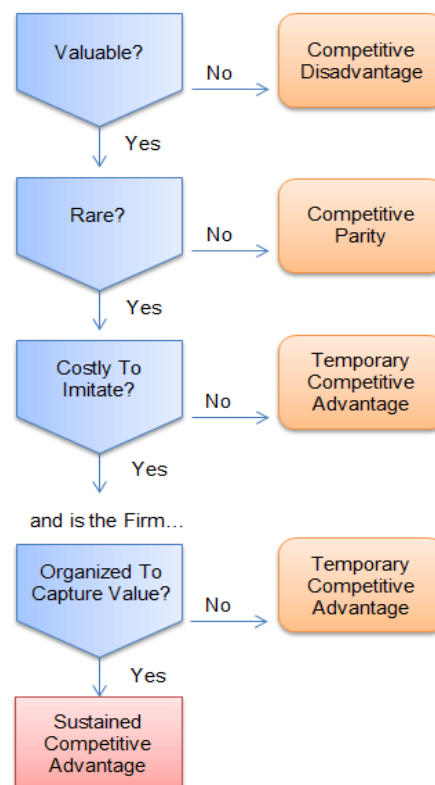


Figure 4: VRIO – business analysis framework adopted from Rothaermel's (2012) 'Strategic Management', p.91

Beside of that, there are four major types of strategic control. These four have been a consensus in the literature. Start with the Premise Control, where the business strategy depends on an accepted introduction of how things will happen later on. This allows managers to look at whether this suspicion still remains constant throughout actions.

Premises might be influenced by external variables like interest rates and social changes or by industry elements, for example, competitors, barriers to entry and suppliers. These controls will help perceive changes in the premise, in other words, it permits adapt the strategy to the current factors.

The second tool is Implementation Control. When the strategy is designed the following step is the implementation phase. Basically, the use of implementation controls helps to guarantee everything is taken without adjustments. For this reason, two essential sorts of usage controls are observing as vital steps. In the first one is where it is essential to find a way to gain market share and the other one conducts in assessing of the desired points related with the strategy.

Thirdly, there is a Special Alert Control. Through that, it is articulated mechanisms to determine the position level of the business. The main goal is to prevent from unexpected events, such as: market spikes or natural disasters. The alert controls will guide the business in order to know how to react. This must include all the procedures to be taken in a very clarify way.

The last one is the Strategic Surveillance Control: consists of scanning the external environment, as well as, internal. Looking for the factors that can arise from the industry and might have an impact in the business (Preble, 1992).

2.5 Strategic Performance Management

The atmosphere where business environments are playing nowadays, has suffered a continuous change that stimulates managers keep updating new information, creative energy, innovations and technologies. According to Zamecnik & Rajnoha (2015) firms might measure, monitor, and analyze their performance with the aim to reevaluate its competitive advantage.

For this reason, performance management systems are a key issue in terms of regulation and creation of dynamic solutions. These ones, call for considerable human and financial resources allocation, as well as, they support the decision making process by gathering, elaborating, and analyzing information (definition from Zamecnik & Rajnoba as cited in Vuksic, 2013). Strategic Performance Measurement Systems (SPMS) are being used in various organizations, once they support the processes of planning, measurement, and control.

On the report of the managerial control literature, the purposes for which the SMPS are designed might have a strong influence in their outcomes. SPMS are developed as a mechanism to provide managers with financial and nonfinancial measures covering different perspectives which, in combination, stipulate a way of translating strategy into a coherent set of performance measures (definition from Zamecnik & Rajnoha as cited in Chenhall and Mouritsen 2005).

Moreover, SPMS help managers analyse the path of a firm with both perspectives: past and future. Financial measures assess the short-term impact of managerial decisions in areas such as revenue growth, asset utilization, and cash flows (Kaplan, 2001; Rappaport, 2005), while nonfinancial measures can influence the future financial performance throughout customer service and quality products. Bento (2014) affirms “*SPMS are expected to help organizations achieve and maintain strategic alignment in their decisions, resource allocations and activities, so as to get results and increment*

shareholder value both in times of stability and amid times of progress in strategic direction”.

Kaplan and Norton (1992) were the first to propose one of the most known form of SPMS: the Balanced Scorecard. Following this, Kaplan and Norton (2008) provided evidence that breakdowns in the SPMS may contribute for bad company performance.

More recently, Bisbe and Malagueño (2012) found evidence that the effect of SPMS on organizational performance is reduced in situations where environmental dynamism is high.

Maybe the most difficult challenges that managers face nowadays are the ones where they have to stay more consistent than ever. Therefore, the current structures and procedures that together shape an association's working framework require an extra component to address the difficulties delivered by environmental changes.

In the opinion of Kotter (2012) it is fundamental to build up a second working framework which devoted to the concept of strategy execution, that uses an effective, network like structure and a different arrangement of procedures: the eight accelerators. For the specialist, these are the procedures that enable the strategy to work: 1) Make a feeling of criticalness around every opportunity to boost the organization's awareness that it needs recurrent strategic improvements and that they should match the goal in focus.

2) Build and maintain a guiding coalition which is made up of volunteers from throughout the organization. This approach consists in one represent member from each department inside a company and from different levels with a broad range of skills. It must be comprised of individuals whom the administration trusts, and should incorporate no less than a couple of remarkable professionals. This ensures the overseeing action can be rehearsed without having the various leveled reliance relation.

- 3) Formulate a strategic vision and create change activities will fill in as a vital genuine north for the double working framework. Taking favorable position from an open door ought to be the objective of an all around defined vision.
- 4) Communicate the vision in such a way it is easier to spread the message to everyone related to the business.
- 5) Accelerate development toward the vision and the open door by guaranteeing that the system expels boundaries, avoiding bureaucratic processes
- 6) Celebrate visible, significant short-term wins, achievements which makes recognize the power of a team.
- 7) Learn from all experiences. Do not declare victory too soon. It is important maintain the focus on the goals. And Last but not least, 8) Institutionalize strategic changes in the culture. It means all the actions counts for a success of an organization.

For Kotter (2016) *“People have been grumbling for years about the strategy consulting industry, whose reports fail to solve the problem of finding and implementing strategies to better fit a changing environment.”*

The relationship between strategy and performance has been analyzed in different studies, as well as, from the theoretical and empirical point of view.

In the empirical works, the connection between strategy and performance is usually operationalized by measures and explicit ideas of causality fueled by advancements in strategy research. In this aspect, the distinctions in performance among feasible strategies are a direct result of the diverse way of performance measures and environments (Anwar et al.,2016).

In their research, the authors investigated the relationship of strategy and performance in a multi-industry setting of Pakistan. They identified pure and hybrid strategies through

scoring methodology and they checked the consistency of the firms' strategic orientation over the time.

The differences of performance among the strategic types can be seen in the context of uncertain and unstable environment and the type of performance measures used. The analysis of multi industries, their comparison, and the contingent effect of firm size and industry is an important aspect of the current study.

However, there are some limitations concerning to the methodology. They took into account only realized strategy of the firms based on past financial data. Also, the current and future (intended) strategic orientation of the firms is not considered. Therefore, the findings may not be in line with the present intentions of the management of these firms.

Moreover, only four proxies are used for measuring strategy which may not fully reflect the real picture of the strategic orientation of the firms in such a way that only objective measures are taken for investigation. It was more clear if the combination of both objective and subjective measures could be taken into account in one study.

2.6 Organizational Performance

As claimed by Ndubisi (2014), presently competitive global marketplace offers challenges to both national and international companies. Firms that are challenged by the aggressive competition may select to entering into new international markets and globalize its strategy, leadership, processes, organizational culture and structure to benefit from cost reductions, global customer demands (Ndubisi, 2014 cited in Zucchella et al., 2007), boosted customer preferences and amplified competitive power (Ndubisi, 2014 cited in Johansson and Yip, 1994).

By creating aggregate mindfulness in each and every unit, the firm can widen environmental scanning, predict potential threats and opportunities in the worldwide

market, perceive environmental cues and interpret them, constantly learn and reach beyond established routines, experiences and categories and generate a choice conduct that is more discriminating.

In addition, the firm can react quickly and adequately to conceivably assorted and changing arrangement of boosts; engage in a wide range of possible behaviors in an appropriate manner; and adjust its strategy, structure, processes, culture and leadership effectively and viably and suitably with the environmental circumstances.

A survey developed by (Hall, 2014 cited in Van De Voorde et al.,2012) scrutinized the relationship between employee well-being and HRM-organizational performance. The authors recognize operational execution results performance and financial outcomes.

The former incorporate measures for example productivity and quality and the last incorporate measures like returns on invested capital and shareholder return. They contend that financial measures are more distal and subject to more extra intervening factors than operational performance indicators, which are proximal and prone to be more influential.

On the report of Sabourin, 2015 who researched about performance drivers and its contributions for organizational performance noted that managers who are successful in the application of their set goals, use five drivers of performance: driver of rules, emotions, initiatives, immediate action and integrative drivers.

Among these five drivers, we take note that rules (formal arranging with objectives) set up just a single driver of performance. Only by the integration of five drivers of performance would be able to have an entire and fruitful execution of the strategies, and thus meet up with the objectives of the organization at large. It is the thing that we call an entire execution.

This entire execution of five drivers of the performance is one of an integral, i.e. a well-integrated execution strategy. It is beyond the conventional arbitrage between the

productivity of short term results and the concordant relations with the employees and customers (Sabourin, 2015 cited in Friedman and Sebenius, 2009). In this specific situation, the managers and the leaders set up entire strategies of execution for their organization (Sabourin, 2015 cited in Arthur and Strickland, 2003).

The achievement of these managers and leaders, depending on their ability to utilize the different drivers of execution, and to consolidate strategies of execution, leads to a successful integration (Sabourin, 2015 cited in Connolly, 2006).

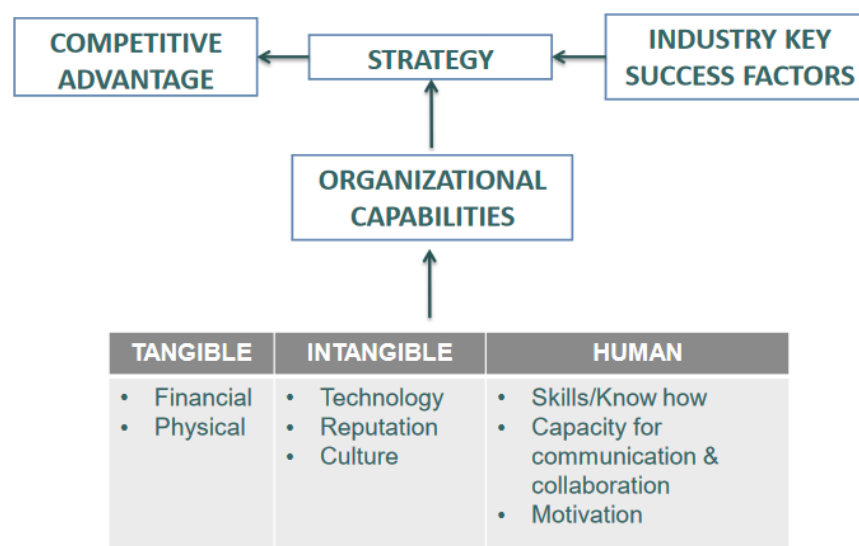


Figure 5: Link Between Resources, Capabilities & Competitive Advantage (Grant, 2013)

Competitive advantage, for Porter, is the result of specific choices managers made about value chain, choices that aim to shift relative price or relative cost in their favor. This is the source of sustainably superior performance.

2.7 Importance of Business Model

The term business model was initially showed up in the writing in the 1950s (Anders et al., 2015 cited in e.g. Bellman et al., 1957). Business Model as a concept was defined in a more conceptualized way in the mid-1990s when financial specialists needed to comprehend the operations, revenue models, and development chances of start-ups. Since then, the investigations on this particular topic has gained a great importance in academia (Anders et al., 2015 cited in Osterwalder and Pigneur, 2005; Zott et al., 2011).

There are various definitions available through literature for business model concept. For that reason, Anders et al., 2015 cited in Zott and Amit, 2007 define a business model as the structure and governance of transactions which generate value through business openings.

Business model innovation happens when organizations make some changes at the same time they roll out improvements in their offerings, as well as, in the capacities in order to create and convey them. This may evolve both the organization's offerings and its association exponentially builds the multifaceted nature and vulnerability of any new undertaking, which is the reason plan of action development.

For sure, CEOs emphasis the importance of a business model innovation, however they fail in to find time to dedicate to it. According with the same author (Hargadon, 2015 as cited in M. Chapman and G. Pohle, 2006) a survey conducted by the *Economist* Intelligence Unit found that more than 50 percent of executives interviewed believe *"business model innovation will become even more important for success than product or service innovation."*

Even another study found that only 10 percent of innovation investment by worldwide companies was centered around growing new business models.

This sort of innovation face two deterrents. To start with, team tasked with creating product advancement – typically new product improvement or research and development teams have control over the plan of the offering but rarely over the strategic changes needed in order to build new capabilities. This is particularly risky in large organizations since business model innovation requires including, or dropping current exercises, troublesome strides that regularly trigger considerable resistance.

As a second obstacle to defeat, any such changes require organization leaders to commit to building new capacities, whether inside the association or through outside organizations. However, such duties are troublesome when the general population – acclimated to their schedules, advancements and information that make up the organization's present capacities – are the same ones entrusted with perceiving new threats and opportunities and deciding what solutions are suitable.

Therefore, when client needs change, new improvements rise, and markets change, business model might be the piece of the puzzle of organization survival. (Hargadon, 2015)

Organizations who are agile in bring value, are the ones who tend to grow faster in a consistent way. If we look to the market, we can find some examples of success product innovation, these include: GoPro, a company that has developed a sport camera. From a technological perspective, there is nothing special about the camera, even if it has good quality, simple to use, bullet proof product.

The central point is GoPro created new value in an industry that had become muddled. The success comes from customer experience. This means, GoPro took a clever action, no nonsense approach that was not worried with the span of the contenders' accounting reports and the apparently impervious industry boundaries. It depended on the over-confidence of huge players to their advantage, anticipating that any response would be slow or non-existent. As claimed by Brooke et al., 2016: *“The question here is why did not Sony or Samsung get there first?”*.

2.8 The Strategic Management Framework – ASPBOK

There are five crucial parts that together make up the BOK Framework. These components are:

1) Lead-Think-Plan-Act (L-T-P-A)— ASP has received the Lead-Think-Plan-Act as its mantra and system for strategic planning and management. This then turns into our system for the Body of Knowledge Guide in this certification program since arranging in the twenty-first century is presently perceived for what it is: PLANNING FOR CHANGE.

2. Leadership—Planning and change are the essential employments of pioneers in all associations, including the arranging calling to which this confirmation is pointed. Hence, authority is required for good arranging/change experts. Staff pioneers do not lead associations. They give authority, bolster, honing, counsel, direction, help, coordinations, and staff useful mastery to the line administrators who lead the association.

3. Structure and Process—furthermore, in the field of frameworks speculation and association viability and change, we see that each circumstance in life has three segments happening in the meantime:

- The substance of the Lead-Think-Plan-Act exchanges
- The procedures that are continuing amid the Lead-Think-Plan-Act examinations
- The setting inside which the Lead-Think-Plan-Act happens

4. Business Acumen—Professional organizers should likewise have a high level of business astuteness and specialized/content learning about the business and segment in which their associations contend. Be that as it may, this business discernment is not a straightforward and widespread arrangement of models normal to each association and

part. Consequently, we have chosen NOT to endeavor to manufacture a typical arrangement of business insight benchmarks in our BOK but instead have the accreditation procedure evaluate the candidate's learning of this vital component by looking at their life and profession encounters.

5. Roles—A key dimension, regularly neglected yet critical to accomplishment as an expert, is in effect clear all alone part and those of others. There is perplexity in numerous associations between the parts of the top managerial staff, CEO, senior administration group, and line and division administration in connection to technique and vital administration. Inability to accomplish clarity of particular parts works in disappointment. Setting the parts unmistakably and appropriately builds accomplishment from the earliest starting point.

According to ASPBOK there are ways to assess the situations like critical aspects which must be considered in our analysis. We are going to explain in detail which kind of information should be valued during our assessment:

- Expectations: Looking for the goals and objectives that are defined as essential to achieve according to the person or team responsible for the strategic planning. This means, one part of our survey or interview was dedicated to listen from the person who is answering what were the actions and all the processes developed regarding those aspects. Strategy experts must listen and test to plainly recognize what these sought changes are and how they may contrast crosswise over different stakeholders.
- Critical Strategic Issues: Once again, the critical aspects can be identified through facilitated discussions, interviews with the managers or the sponsor for the strategic processes, or use of preliminary assessment surveys. It is always necessary to remember that the issues highlighted by the sponsor(s) may ultimately be determined to be symptoms rather than root issues. Cautious listening and examining are key to distinguishing basic key issues including the organizational culture, drivers and components which may conduct the processes carried out.

- The signals for the critical diagnosis should be picked up through substantial differences in perceptions among senior leadership. These could include a strike, a merger, an acquisition, loss of a key manager or technical resource, loss of a key customer, differences in perceptions between the board and management team, or loss of a key funding source.
- The Current Business/Organizational Model Assumptions and Measures of Performance: The main elements where we can focus on are: key strategic partners and their overall performance, primary resources being deployed, key customer relationships, channels of distribution, priority customer segments, cost structure, and revenue streams. Review of core planning documents, status reports, and outcome measures are helpful resources to review early on.

Another important element is the Business Model because it delivers value to customers, as well as, building competitive advantage. On the other hand, the profit formula, critical resources, and critical processes are some forms and tools for the analysis and innovation of business models. Aligning with this we might consider if the companies analyzed use these models, such as: Business Concept; The Business Model Canvas or Business Model Innovation.

- Strategic Planning/ Strategic Management Capabilities: This section directs for assessing potential issues - pains, hot buttons; Systemic problems; visible threats requiring response.

To pin point health indicators of the organization, we can go throughout tools: Balanced Scorecard (BSC); Key Strategic Measures/Key Performance Indicators (KSM/KPI).

- Project Management Capabilities: At this point is crucial to understand the ability of the managers in executing strategic projects. This means, to meet the all the requirements necessary for deadline accomplishments, including their ability to

define scope and manage time, cost, quality and risk. Furthermore, particular consideration ought to be set on evaluating the assessing of communications skills of the leadership team and key personnel.

- Portfolio Management Capabilities: At this level, leadership teams must assess the decisions the leadership team has generally confronted. The leadership team's capacity to deal with its portfolio of investments is vital to survey from the earliest starting point. This is a key issue to take into consideration when we pretend to evaluate the leadership success.
- Key Roles and Responsibilities for Strategy Execution: The chief things to look for include:
 - 1) The values, business principles, and ethical principles that administration lectures and practices (these are the way to an organization's way of life, however activities talk much louder than words here).
 - 2) The organization's way to deal with people management and the official arrangements, systems, and working practices that give rules to the conduct of organization staff.
 - 3) The atmosphere and spirit that pervades _the work climate – whether the workplace is competitive or cooperative, innovative or resistant to change.
 - 4) The way managers and employees interact and relate to one another (whether and to what extent good camaradise exists).
 - 5) the commitment in doing things in specific ways and according to expected standards.
 - 6) The way in which the organization manages with external stakeholders (whether it regards suppliers as business partners or inclines toward tough, arm's-length business

plans and whether its dedication to corporate citizenship and corporate social responsibility is solid and honest).

- A Documented Strategy Review Process: This is a very important indicator of an organization's strategic management capability is the extent to which the leadership team follows a documented strategy review process. While there is no single best approach to strategy review, it should include several base elements: Status on the organization's primary strategic initiatives should be reported regularly;

Key stakeholders should be briefed on the strategy and be given periodic opportunities to monitor execution; Performance indicators, including a balanced set of leading and lagging indicators, should be defined and tracked. Moreover, the strategy review process should be integrated with the annual budgeting process.(ASPBOOK,2015)

Chapter 3 - Methodology

3.1 Research Objective

Extending prior studies, which have largely focused on firm-level decision speed in small- and medium-sized organizations, the aim of this investigation is to explore the control mechanisms set by companies in Portugal.

In addition, we pretend to understand if there is a relationship between the strategic formulation and the control processes. Subsequently, if these control mechanisms are efficient.

The main objective that will guide this dissertation is to understand the level of strategic planning among companies in Portugal.

In this chapter, we describe the methodological options regarding our empirical investigation. The research strategy aims to clarify how we will respond to the research hypotheses and that the justification of the adopted strategy should be based on the objectives and hypotheses of investigation outlined (Saunders et al., 2003).

3.1.2 Research Contribution

Our principle goal in seeking his objective is to contribute for a better understanding of strategic planning and its tools to understand the importance of the use of control mechanisms in strategic management.

Once this topic has been exploring in other countries, however we recognized in Portugal there is a huge room for investigation in terms of comprehending how organizations in Portugal are using strategic planning and control mechanisms regarding their strategy.

Hence, we expect this research will provide useful information and data about strategic practices and tools in the Portuguese business environment.

3.1.3 Research Question

With the intent of achieving the main objective of this research, we formulated one main research question. We believe that obtaining information to answer this question will allow us to reach our purpose. Therefore, the research question of this dissertation is: How companies in Portugal perform the strategic planning activities?

Following this, we designed three broad questions; serve as useful headings, when organizing the research we are going to conduct:

- How is the structure of strategic planning in companies based in Portugal?
- Which tools are used to support the strategic planning?
- How is the strategic planning scenario from the perspective of a cluster analysis?

3.2 Mixed Method Methodology

To accomplish the goals of this research and to answer the research questions that guide this study, we employed a mixed method methodology.

From our perspective, through a mixed method, we can develop a research that provide us the best picture of the level of strategic planning in the Portuguese business environment.

Mixed method research employs both methodologies iteratively or at the same time to generate an investigation more powerful than either method individually. Put quantitative and qualitative methods together empower more complex aspects and relations of the human and social world.

Some of these connections and viewpoints might be investigate quantitatively and qualitatively.

Ambiguity is not a matter of qualitative method versus quantitative method, yet whether the underlying and revealed concepts are legitimate representations of the phenomenon.

Selto, 2011 cited in Salomon 1991 claims that the matter is not quantitative versus qualitative methods at all, but whether one is taking an “*analytic*” approach to understanding a few controlled variables, or a “*systemic*” approach to understanding the interaction of variables in a complex environment. Selto, 2011 cited in Firestone 1987 argues that quantitative studies assure the reader through de-emphasizing individual judgment and stressing the use of established procedures, leading to outcomes that are generalizable to populations.

Nevertheless, qualitative research persuades through rich description and strategic comparison crosswise cases, thereby overcoming the “*abstraction inherent in quantitative studies*” and permitting generalization to theory (Selto, 2011 cited in Yin, 2004).

Qualitative research commonly answers explore questions that address “*how*” and “*why*” though quantitative research regularly addresses “*how frequently*” and “*how many*”.

The above reflections offer motivation to propose that a mix of quantitative and qualitative methods can be productive for acquiring significantly new outcomes. As quantitative methods require legitimate theoretical establishing, qualitative methods are presumably dependably a need to comprehend social phenomena.

To summarize, we employed a mixed method to provide both of situations: a general picture of strategic planning and the tools utilized as control mechanisms of strategy process.

3.3 Data Collection

To develop a well-grounded set of strategic planning: formulation, execution and control, we conducted an online questionnaire to deeply understand how these processes are following and the accuracy of strategic planning (Lechner et al., 2012 cited in Yauch & Steudel, 2003).

The most widely used form of online survey is the web-based questionnaire survey. Its popularity stems from the availability of computer programs specifically signed for creating and distributing online questionnaires, and the fact that social researchers can gain access to this for little or no cost through online survey companies or computing facilities within their own organization.

The process of building an online questionnaire involves three distinct processes: (1) design of the questionnaire: (2) distribution of the questionnaire; and (3) retrieval of the data.

At the Design's stage includes compiling the questions. The attraction for online surveys is that they can include a number of useful features that cannot be incorporated into paper questionnaires. They can also include images and background designs that make them visually attractive, and online survey companies usually provide templates and examples that help with the design of a good questionnaire.

Online questionnaires have many advantages over paper-based forms including cost effectiveness and productive dataset era (Gosling, Vazire, Srivastava, and John, 2004 cited in Lucy Handscomb et al., 2016). Online questionnaires contributes for the easy approach to get information specifically into PCs and fundamentally diminishes the danger of getting information with errors (Alessi and Martin, 2010 cited in Lucy Handscomb et al., 2016).

In addition, online surveys respondents are less inclined to submit incomplete answers instead of when they are required to send paper-based surveys by mail (De Rada and Domínguez, 2015 cited in Lucy Handscomb et al., 2016).

In terms of Delivery, once the questionnaire has been designed the next stage is to start the survey by distributing. They are the best option, when a list of emails is available for the research population because this allows the researcher to target relevant people (and allows more systematic sampling techniques).

Retrieving the Data is the process where the answers from each questionnaire are automatically transferred into a data file and with that it is possible to see all the answers for each question (Denscombe, 2014).

Password protect	Only people who have been given the password can access the questionnaire
Prevent multiple responses	Prevents the accidental duplication of responses from one person or the malicious 'ballot-box stuffing' from anyone determined to fix the results of the survey
Hyperlink	Unique web address for the web location of the questionnaire
Link to social media	Put links to the questionnaire in Facebook pages, etc.
Email	Send the questionnaire to people on an email list

Figure 6: Delivery Options for online surveys (self-constructed table)

3.4 Questionnaire Building Procedures

In the beginning of the questionnaire, we started to present the purpose of the study: the strategic planning processes used by companies in Portugal. We also explained to respondents that the results of this questionnaire are subject to data privacy and will be treated in the strictest confidence. They will be used exclusively in a critical qualitative analysis for the research purpose of my master thesis. For this reason, all the questions were written in a way, which is not possible to identify the person who answered them.

Moreover, this is a simple and short questionnaire because our primary concern is to guarantee we formulated our questions with clearness and conciseness. On the other hand, a short questionnaire with objective questions is a way to get the attention of respondents.

In general, we tried to avoid long descriptions and ensure the questionnaire is addressed and answered by the people knowledgeable and aware of the subject in order to provide a reliable answer. We believe, professionals with a background in management are capable to answer them. Additionally, we took into consideration provide a logical sequence in regards to questions order, ideally starting from soft questions and progressively increase the complexity and scope. Last but not least, an easy and attractive design.

As we have been explaining, the target of the research is all the companies based in Portugal. We did not make any distinction in the size of the companies because we want to understand the level of strategic planning in different kind of companies, in terms of business sector, and regarding the size (small; medium and large companies), as well.

This research questionnaire focuses at structure and process of strategic planning within companies based in Portugal. A particular attention is given to its organization, utilized instruments, and perspectives for strategic planning activities.

The research survey is partitioned into 3 sections. The first section has 6 questions which was outlined with the mean to comprehend the company's profile. The second section (from question 1.1 to 1.4) concentrate on the company's structure regarding its strategic planning. The third and last section means to examine strategies and methods/techniques utilized by organizations through the different stages of strategic. Altogether, the survey incorporates 16 questions.

3.4.1 Questionnaire Validation Procedures

I have done a pre-test to a group of 4 people of the same sample target (1 Director and 3 managers).

In order to collect the feedback in a timely manner, I sent the questionnaire by email for all of them and then they gave me the feedback by phone or email. All the questions, inquiries or proposals got were taken in thought giving me the chance to enhance the detailing of a few inquiries and give more options of answers in the various options alternatives.

The final version of survey used is presented in Appendix I.

3.4.2) Questionnaire Questions Explanation

The first part of the questionnaire that we designated by first section was designed with the aim to know better the respondent and the organization he/she belongs.

Thus, we started by “*I identify my gender as...*” in order to compare the number of women and men in terms of organization’s positions. Following by age, once the target of respondents are the middle and top management, it is interesting to identify the average of ages by organization’s positions because we consider with this information we can have a big picture of this scenario for companies in Portugal.

Then, we intended to access to educational background (to know the level of education matching with the position level in the company). Therefore, we asked for the position of the respondent in the organization. Additionally, we asked “*what type of activity that best describes your organization?*”.

Section 2

1.1) How satisfied are you with the strategic planning in your organization?

We made this simple question just to have an idea about the level of satisfaction with the processes and methods/tools of strategic planning.

1.2) Please classify the frequency for strategic planning activities of your Organization.

The purpose of this question is to measure the frequency how the strategic planning occurs inside the Organization and the perception of the respondent regarding that. Because the next question is related with this one. Through these, we want to know if there is any kind of relation between the frequency of the process of strategic planning and the duration of the plans.

According to Dana Baldwin, 2012: *“We suggest you revisit your plan and the assumptions you made while developing the strategic plan at least once a quarter, as well as revisiting the entire plan annually. Why, you ask? Very simply, your strategic plan is based on your knowledge of your business, your business conditions, or environment, and the assumptions you and your team have made about what will happen in that operating environment.”*

1.3) Which time horizon does your organization consider within strategic planning?

Following the previous question, we thought it was interesting to access the time horizon that Organizations consider be reasonable for that.

1.4) Please describe your organizational structure for the strategic planning process.

The aim of this question is very specific. We would like to determine if the process of strategic planning is done at a local level or if it has a high level of dependency from the international headquarter. In other words, it is essential to see the hierarchy of the strategic planning process.

Section 3

2.1) From the list below, indicate the techniques or methods used by your Organization.

Yet we needed to transmit to our respondents the possibility of an open idea, we additionally wanted to cutoff it with a specific end goal in order to avoid confusion.

We gave respondents the option to select 12 different strategic techniques and the option “*Other*” in the case of the respondent wants to mention a different one. It seems pertinent to explain why we chose 12 techniques and what criteria led to the selection of those tools. Hence, we provided a diversified list of strategy tools in order to indicate the openness of the concept.

Nonetheless, being aware that there are lists in the literature that provide a various range of tools, we obviously needed some criteria to reduce and present the most popular ones.

With this in mind, we select each technique or method according to the Guide to the Strategic Planning and Strategic Management Body of Knowledge – 2nd Edition.

2.2) Tools and methods primarily for analysis of external market forces including changes and trends in the corporate environment.

As we mentioned before, the methods we selected as options for the respondent to identify which of them are used by its Organization were disposed according with the

Guide to the Strategic Planning and Strategic Management Body of Knowledge – 2nd Edition. Therefore, we consider they are the best known in the strategic planning field.

2.3) Tools and methods primarily for portfolio analysis and aggregation of results.

In this question, our intention is to recognize what are the portfolio planning tools that allow companies to pinpoint the main significant factors that make an industry attractive. Through these methods, they can access to the competitive strength of a business unit.

This is an important step because the advantage of utilizing such models is to get a thought of the profile of solid or weak products or services in marketing mix. Moreover, it can give experiences into numerous strategic circumstances. For example, one object is to take a gander at exercises inside companies with respect to each other, so that vital issues can be noticed within company on time.

The second purpose is to make the investigation more future arranged by the following two impacts. The one is to take a gander at the probable positive or potentially negative developments over the portfolio. The second is the effect of the activities, which organization or rivals can encourage through strategic planning.

To accomplish these objectives, the portfolio analysis requires an approach that produces a profound comprehension of the components which truly affect business achievement, and which can be identified with different analytical approaches.

2.4) Tools and methods primarily for strategic positioning.

In our understanding, there are a number of tools and techniques that organizations can follow to understand their strategic position. This is a crucial process when companies take into consideration the three aspects: external environment, the organisation's strategic capability in terms of its resources and competences and the corporative culture. They have a powerful influence on the organization's strategy.

2.5) Tools and methods primarily for strategic planning process / strategy development / evaluation of strategic options.

For this question, we offered a broader range of options because the list of tools for the strategic planning process is huge. Consequently, the aim of the question is to have a clear idea of what are the most used methods by companies in Portugal. We listed nine alternatives and gave the possibility for respondents to add other options.

3) Evaluate the control process for the implementation of the strategy defined by your Organization.

The last question has the goal to measure the level of satisfaction in terms of strategy's implementation, at the same time, we analyze the perspective of the respondent. For this reason, we believe in a linear scale as the most appropriate format answer for this question when the intention is to measure a level of satisfaction.

Chapter 4 – Questionnaire Results

In this section, we present the results obtained through data analysis collected from the surveys. The collected sample provides insightful and valuable information enabling to answer the proposed research questions on this master thesis.

4.1 General Considerations

We sent 300 questionnaires and they were collected between January and February 2017. The majority of them were sent by e-mail, which we had been collected from AICEP (*Agência para o Investimento e Comércio Externo de Portugal*) database of companies set in Portugal. Moreover, we used other channels, such as social networks: by enrolling in LinkedIn groups discussions where the aim is related with strategy and other business topics.

At the beginning, we faced a low level of responses. After this, we contacted the career services of ISCTE Business School, in order to help us disseminate the questionnaire to companies. As a result, we got 88 answers, which corresponds a response rate of 29%.

Nevertheless, it is essential to have an overview how is the response level concerned the aim of this research. Thus, we looked for another investigations carried out in recent years in order to see how we position our study among others.

A structured online questionnaire was conducted to collect data from all three major levels of Canadian Governments. The aim of the study was strategic planning, as well. Out of 1739 invitations to potential respondents (Pollanen et al., 2016) got 222 valid answers which means a 12% response rate.

In Portugal (Oliveira, 2008) developed a research in the same field of strategic planning, where he got a response rate of 22% with 218 valid responses out of 993 forms sent.

Malagueno et al.,2012 did a first round of questionnaires and got back 251 completed answers. After a second round, they count in total 349, representing a response rate of 17%. The paper examined how strategic performance measurement systems (SPMS) influence organizational performance.

According with the goals we proposed to achieve in this present investigation, we believe that out sample is valid.

4.2 Research Findings

Section 1

4.2.1 Respondent/Organization profile

I identify my gender as:

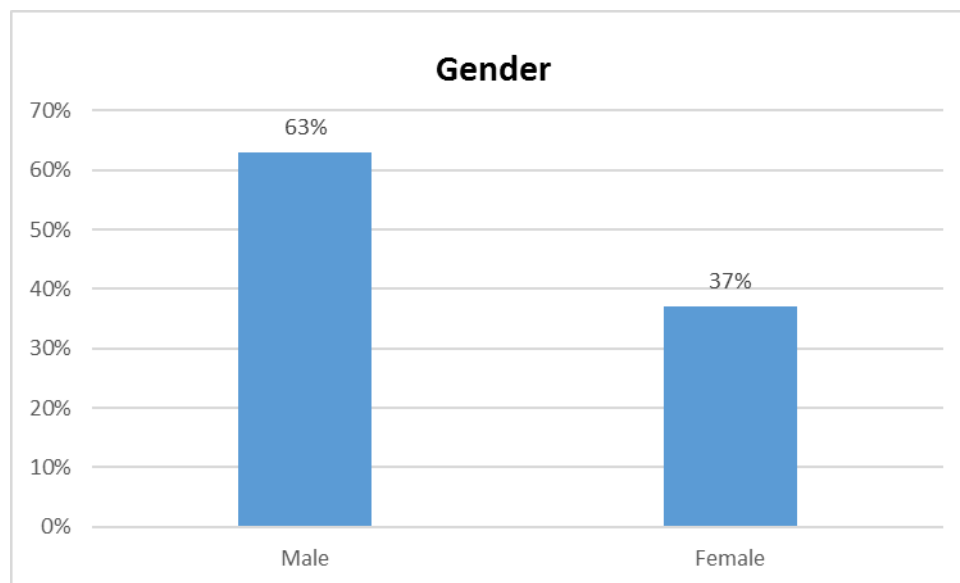


Figure 7: Gender (Self-constructed graph)

The first question is about the gender of respondents. According with the information available in the above graphic, 63% of the respondents are male and 37% are female.

We can conclude that men still have a strong presence in corporate jobs, mainly when we are looking for middle and top management.

4.2.2 Age:

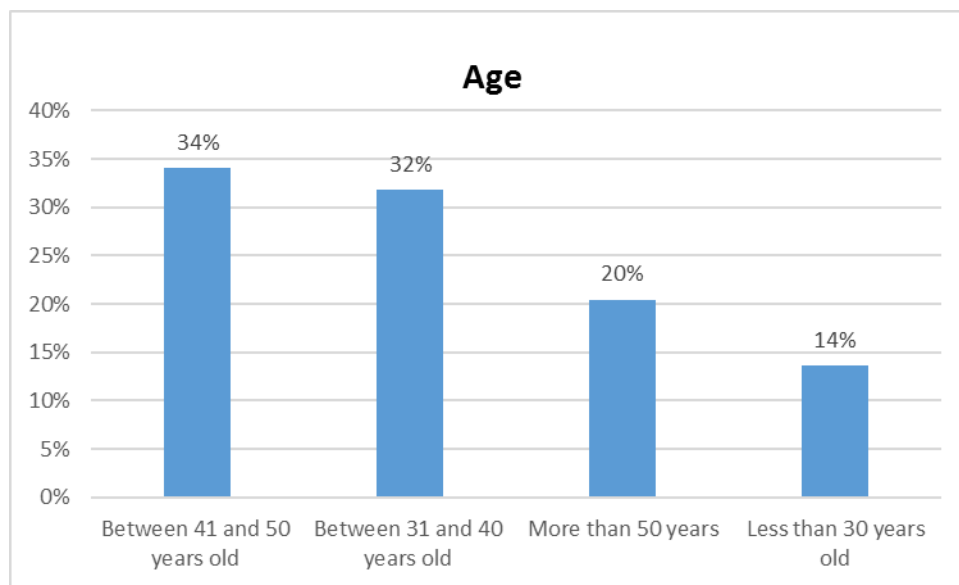


Figure 8: Age of respondents (Self-constructed graph)

In terms of age, 34% of respondents are between 41 and 50 years old. Secondly, 32% of respondents are between 31 and 40 years old. In addition, there is a very small percentage (2%) of difference between the 2 leader segments. This means, the majority of people who answered this question are middle-aged.

4.2.3 Level of Education:

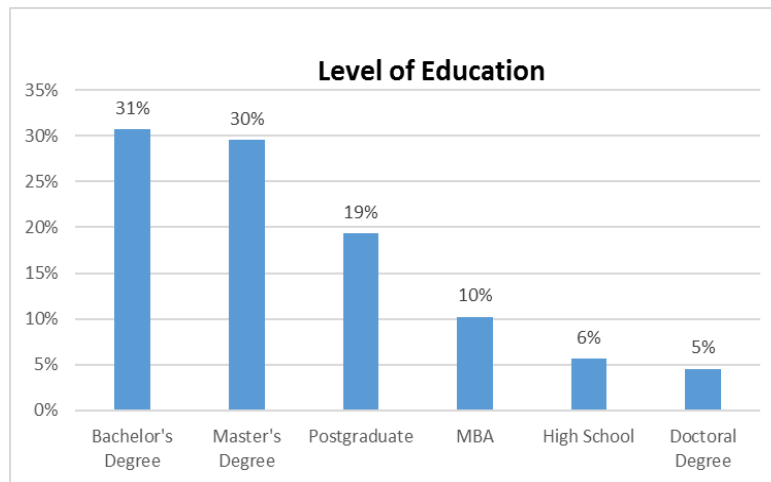


Figure 9: Level of Education (Self-constructed graph)

The given graphical illustration gives data on level of education. From the biggest to the lowest percentage: 31% of the respondents have Bachelor's Degree, following by 30% who hold a Master Degree. Then, 19% are Postgraduate and 10% said they have an MBA. Even so, 6% of respondents have only high school and 5% have a Doctoral Degree.

4.2.4 Current Position in your Organization:



Figure 10: Current Position in your Organization (Self-constructed graph)

The bars chart represents the current position of the respondents in their Organization. As is given in the illustration, 47% of the respondents were CEO's and 50% were managers.

On the other hand, just 3% of answers were registered for CFO. It is evident that the majority of our sample corresponds to middle and top management.

Therefore, we consider that more than 50% of respondents are people who are knowledgeable and able to answer our questions, particularly the questions that focus on methods and techniques regarding strategic planning.

4.2.5 Please, select the industry that best represents the activity of your Organization.

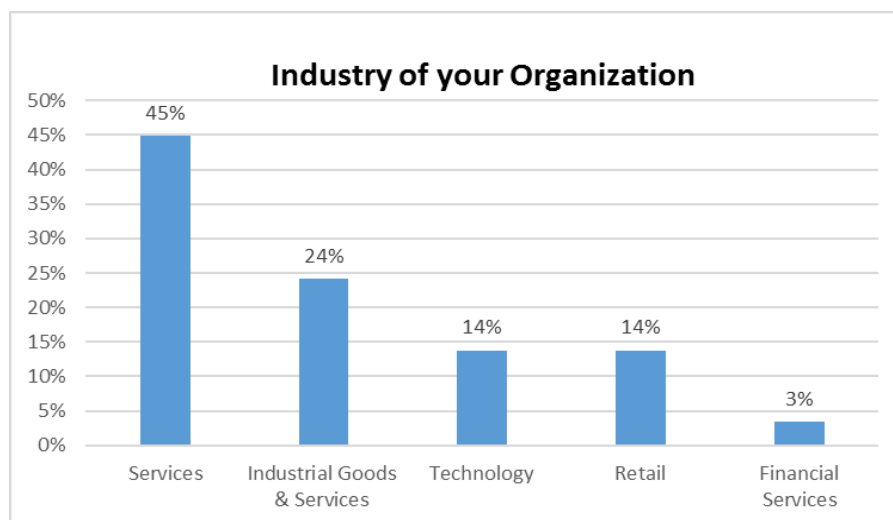


Figure 11:Industry of your Organization (Self-constructed graph)

In this question, we gave 6 options for the respondents to answer regarding the type of industry that best fits their organizations.

The most significant point in this chart is 45% that corresponds services industry. After that, it comes industrial goods & services with 24% and 14% is the valid percentage for technology.

However, 14% of organizations we analyzed are in retail industry while 3% referred they are in financial services.

This indicates we have a strong predominance of services industry in our sample.

4.2.6 Total number of employees:

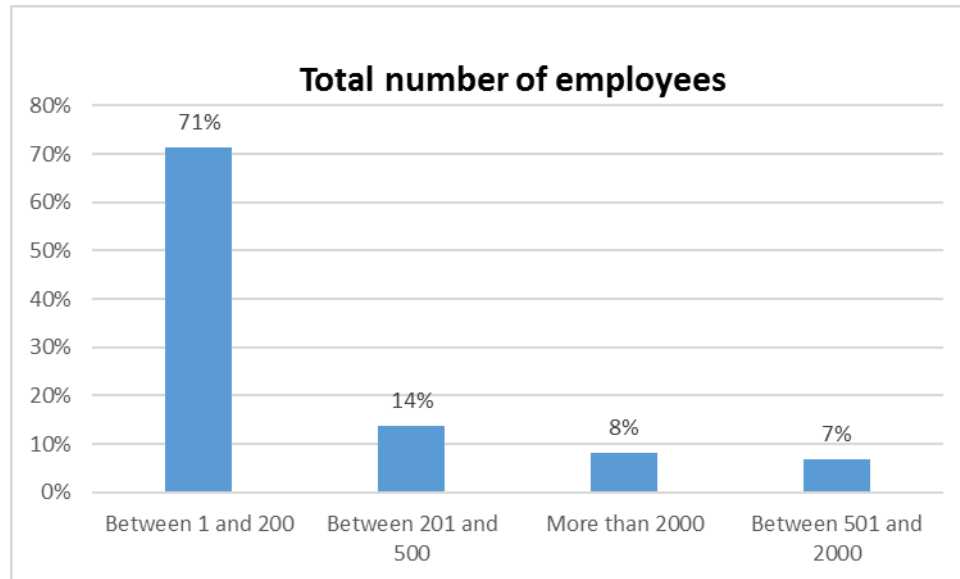


Figure 12: Total number of employees (Self-constructed graph)

The graph shows the total number of employees regarding organizations in analysis.

At first glance, it is crystal clear that the biggest bar of the chart is for companies which the total number of employees is between 1 and 200. In other words, 71% of the respondents work for companies with less than 200 employees. Nevertheless, it is vivid that 14% of the organizations have more than 201 and less than 500. Between 501 and 2000 there is 7% of organizations and only 8% of the people demonstrated work for a company with more than 2000 employees.

Section 2

Structure of Strategic Planning in your Organization

4.2.7 How satisfied are you with the strategic planning in your organization?



Figure 13:The level of strategic planning in Organizations (Self-constructed graph)

The goal of this question is to have a broader idea about the respondent's level of satisfaction in terms of strategic planning in its organization.

It can be seen that there is a scale between 1 and 5 where 1 is Not at all satisfied and 5 is Very satisfied. In this case, 40% of respondents said they are satisfied with the process of strategic planning developed by its organization, which corresponds a level of satisfaction of 4.

As you can see, 24% of respondents evaluated their satisfaction with level 3. In this sense, only 18% said they are completely satisfied, this corresponds to level 5. 13 % of our sample classified the satisfaction with level 2.

Nevertheless, 3% of respondents said they are not at all satisfied which we believe it is not a significant trend.

1% of the respondents preferred do not answer this question.

Based on the graph we interpret the respondents considered there is always opportunity to improve something, once 40% are satisfied following by a level of satisfaction of 3 which means they are in the middle.

4.2.8 Please classify the frequency for strategic planning activities of your Organization.

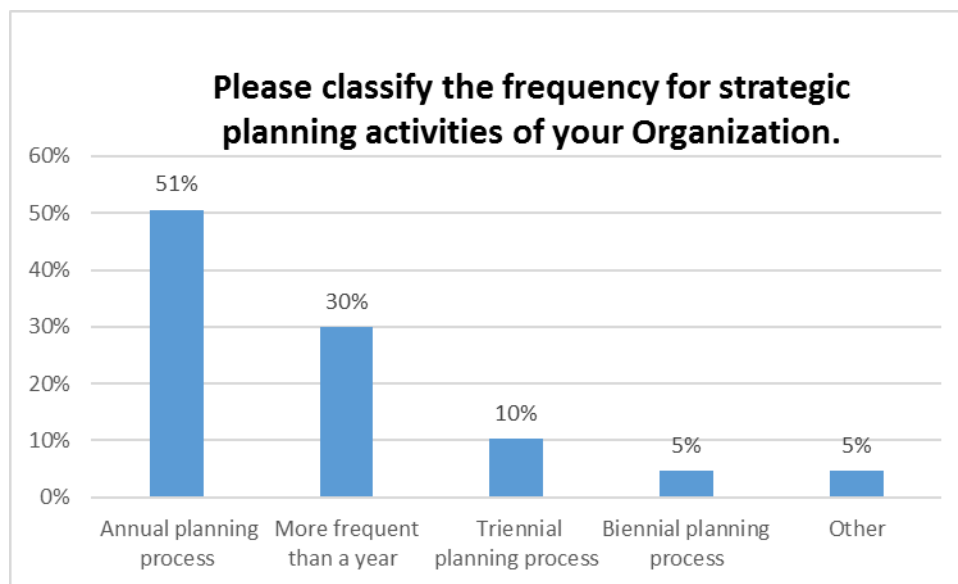


Figure 14: Classification of frequency for strategic planning activities in Organizations (Self-constructed graph)

As is presented in the graph, half of respondents (51%) answered the strategic planning process is done once a year. Followed by 30% who mentioned more frequent than a year. The difference between these 2 frequencies is huge. We can conclude: in our sample, it is strongly notable that the majority of organizations only do strategic planning once a year. Although, strategic planning is not seen as an activity which may be adapted or changed during time. Alternatively, we can say, the respondents consider this is just a formal activity and for this reason, it does not occur more frequently.

The 5% of respondents who answered in a different way were not aware of the frequency or in very specific cases they said it was irrelevant.

4.2.9 Which time horizon does your organization consider within strategic planning?



Figure 15: Time horizon considered by Organizations in terms of strategic planning (Self-constructed graph)

The chart gives information on time horizon for strategic planning activities. At the onset, it is clear that 79% consider the period of 1 to 3 years and 18% recognize 3-5 years. Generally speaking, 1-3 years is the reasonable period reflected by a significant majority of respondents.

4.2.9.1 Please describe your organizational structure for the strategic planning process.



Figure 16: Organizational structure for the strategic planning process (Self-constructed graph)

The shown bar graph outlines data on organization structure regarding how strategic planning occurs.

A glance at the graph reveals 33% of the answers say Top Management/ Senior Management are the responsible for this process. Even so, 19% consider this is a task performed by the CEO, as well as, an activity performed at International Headquarter (19%). Moreover, 14% corresponds respondents who said this activity occurs at National Headquarter.

It is important refer we gave the possibility to choose more than one option. This means, it is highly likely to have people who answered two or more options at the same time. To illustrate the point, we have one respondent who said: the strategic planning process is done by Top Management/Senior Management and International Headquarter. Therefore,

the focus of this question is the people/ department where this activity takes place. And we clearly denoted that in our sample the strategic planning activity is realized by Top Management/ Senior Management and the CEO.

Section 3

Tools/ Methods

4.2.9.2 From the list below, indicate the techniques or methods used by your Organization .

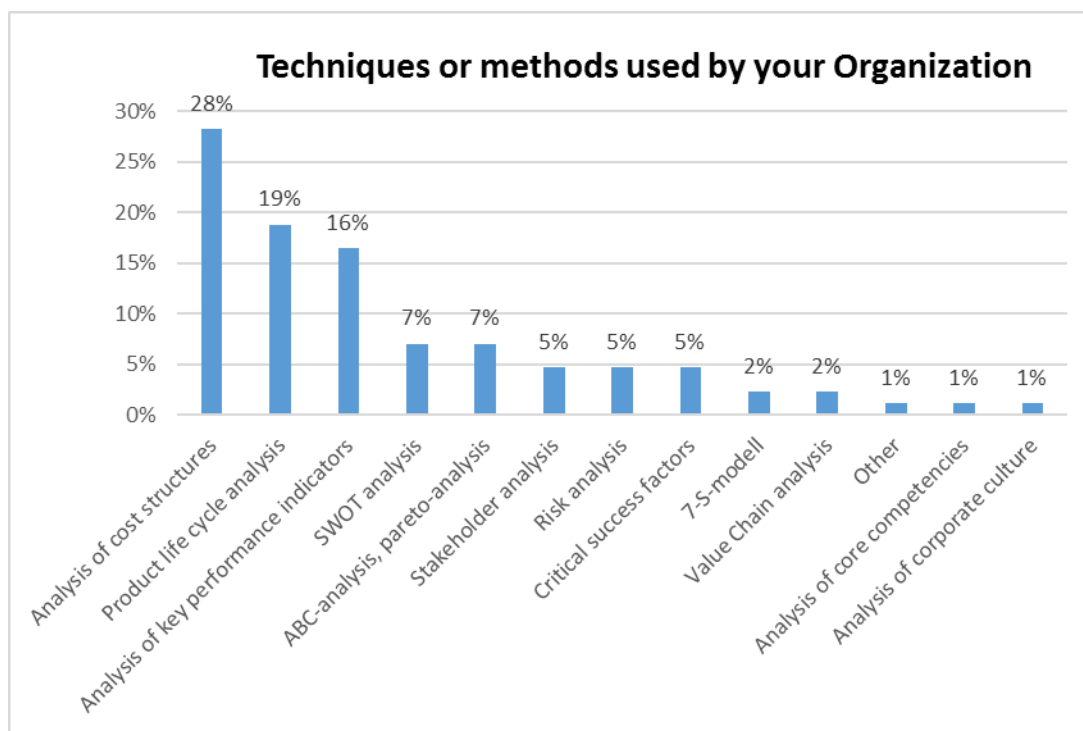


Figure 17: Techniques/methods used by Organizations (Self-constructed graph)

According to the graph, there are innumerable methods/techniques available for the strategic planning process.

The most famous technique among organizations is Analysis of cost structures, which represents 28% of the answers. Product life cycle analysis was recognized by 19% of the respondents and Analysis of Key Performance Indicators is the third one among popularity with 16%.

As the graph suggests, the Value Chain Analysis; 7-S-modell; Analysis of core competencies and Analysis of corporate culture were the options less selected by respondents.

4.2.9.3 Tools and methods primarily for analysis of external market forces including changes and trends in the corporate environment.

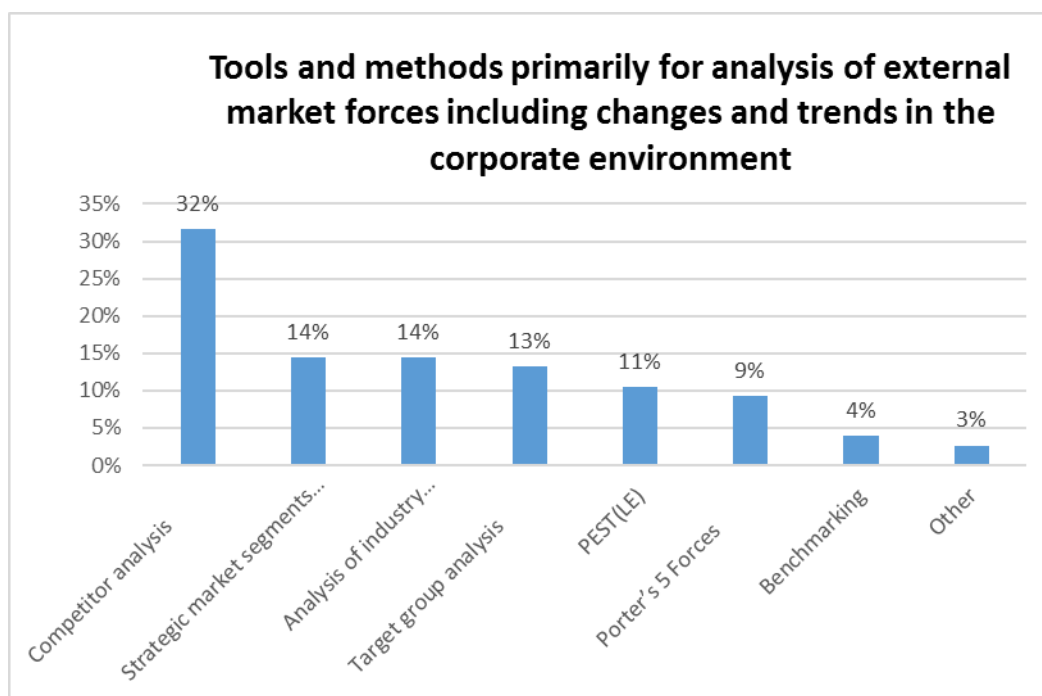


Figure 18: Tools/methods for analysis of external market forces and trends in the corporate environment
(Self-constructed graph)

The supplied bar graph shows the most preferable tools among organizations related to Analysis of external market forces.

As an overall trend, competitor analysis appears in the graph with 32%. After that, Strategic market segments or customer segmentation is the second preference, as well as, Analysis of industry structures including formation of strategic groups with 14%. Nonetheless, PEST(LE) appears with 11% followed by Porter's 5 forces with 9%.

A small minority of the respondents (3%) answered ad hoc which is represented in the Other(s) category.

4.2.9.4 Tools and methods primarily for portfolio analysis and aggregation of results.

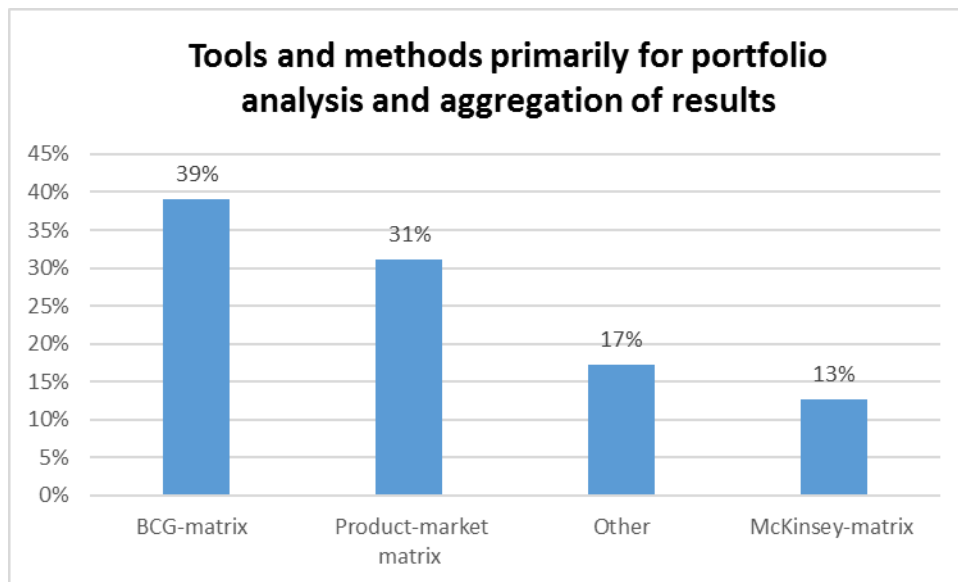


Figure 19: Tools/methods for portfolio analysis and aggregation of results (Self-constructed graph)

Here we find the results for the portfolio analysis and aggregation of results.

Without having a majority, BCG-matrix is a leader's tool with 39%. Then, Product-market matrix with 31%.

McKinsey-matrix only has 13% and MAGA matrix did not register any answer.

However, there is a percentage of 17% for people who said they use other methods, mainly templates created by them. We must mention, we gave the option for respondents who selected other to refer the name of the technique used by them. Moreover, even if 17% is not a strong predominance, we consider there is a trend for companies to design their own tools which we do not know what are the criteria or the standards they might follow in order to develop and perform them.

4.2.9.5 Tools and methods primarily for strategic positioning.

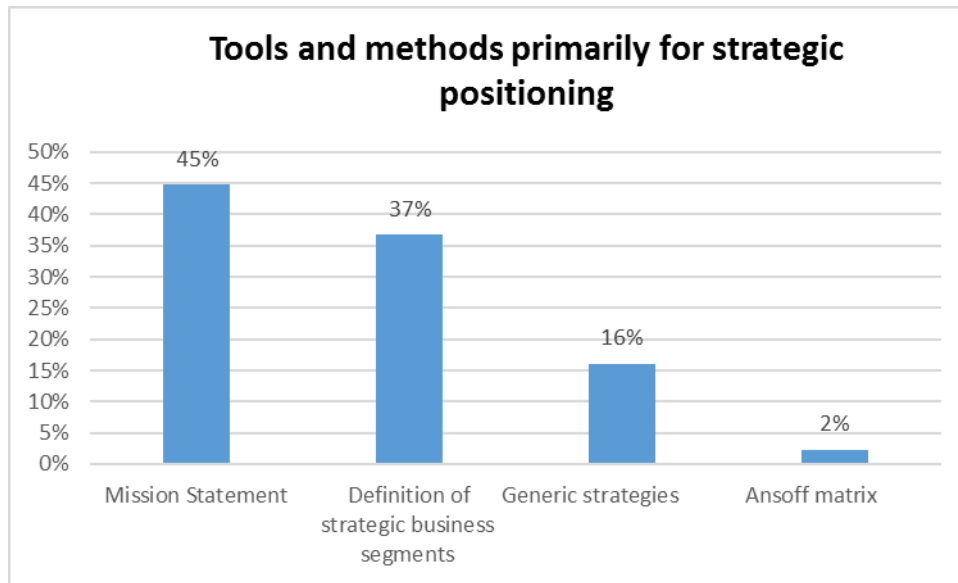


Figure 20: Tools/methods for strategic positioning (Self-constructed graph)

The bar graphs enumerates the tools and methods used for strategic positioning in companies based in Portugal.

First, it is clearly notorious that Mission statement is the most preferable tool with 45%.

Secondly, Definition of strategic business segments was selected by 37% of respondents and Generic strategies has 16%.

We think the predominance of Mission Statement among others is due to the familiarity with the concept and it is presented in almost organization's websites. In addition, the organization 'leaders have the role to spread the current mission statement to employees, which clarifies the purpose and primary measurable objectives of the organization. Thus, directly or indirectly strategic plans may involve changing the mission statement to reflect a new direction of the organization.

4.2.9.6 Tools and methods primarily for strategic planning process / strategy development / evaluation of strategic options.

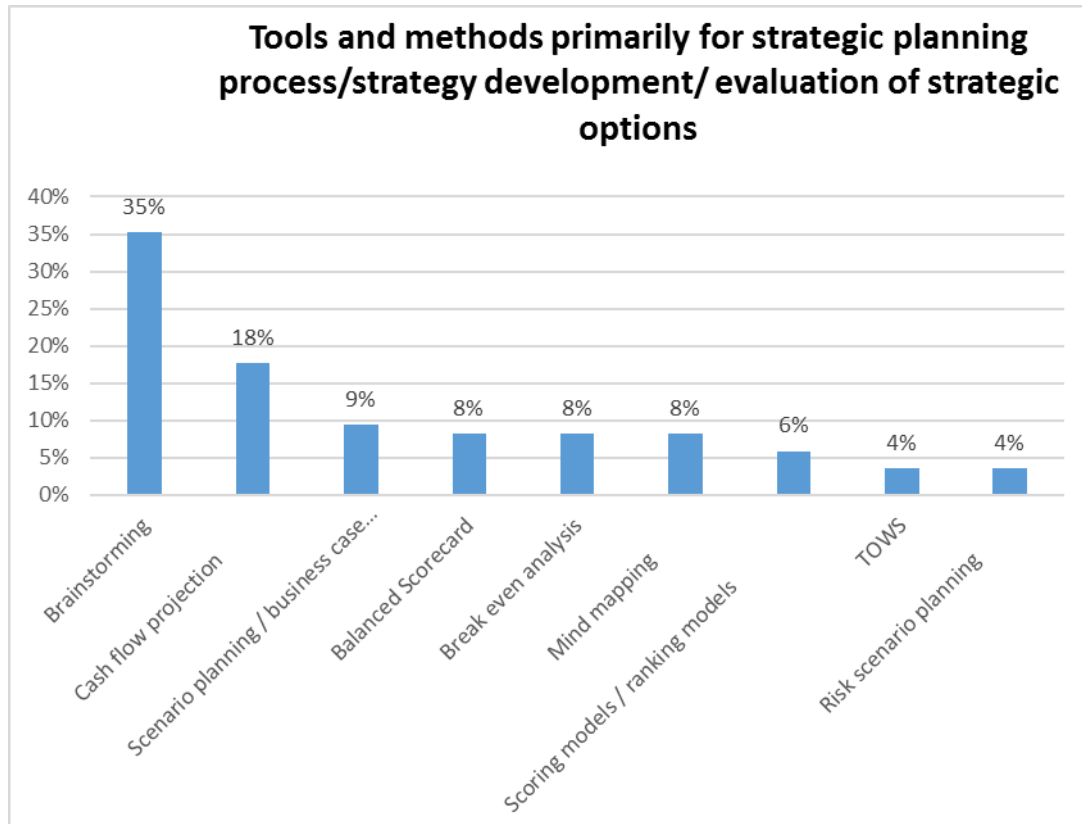


Figure 21: Tools/methods for strategic planning/ strategic development/evaluation of strategic options

(Self-constructed graph)

The supplied bar graph depicts data on tools used by organizations for strategic planning process/ strategy development or evaluation of strategic options.

It is significantly evident that 35% of organizations use Brainstorming; 18% preferred Cash flow projection, followed by Scenario planning/business case simulations with 9% and Break even analysis with 8%.

We observed there were some tools that were not select, the reason why they do not appear in the graph.

From this scenario, the results are not consistent in showing that companies have rigorous methods for developing and evaluating their strategy. Because Brainstorming is a very

generic, approach which do not represent a specific scientific method for strategic planning. We seriously have doubts regarding the methodology taken by companies who are represented on our sample.

Nevertheless, we expected the popularity of Cash flow projection because is a common tool used for managerial and financial purposes but the strategic planning activity has to be performed beyond the financial goals.

4.2.9.7 Evaluate the control process for the implementation of the strategy defined by your Organization.

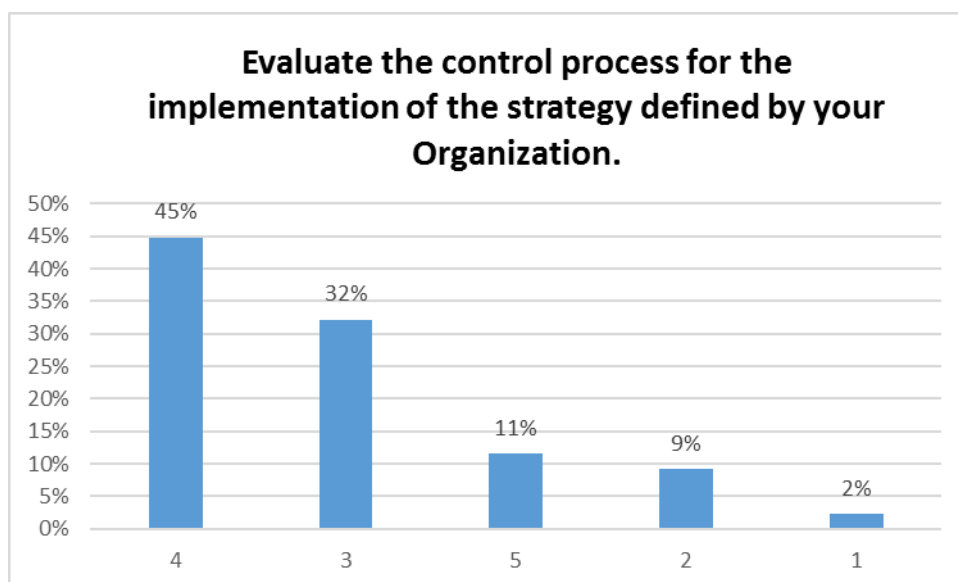


Figure 22: Evaluation of the control process for the implementation of the strategy (Self-constructed graph)

The last graph represented here shows the level of agreement of the respondents with the control process for the implementation of the strategy.

There is no majority, but it is satisfactory the percentage of answers who said they agree with the process realized by its organization. This means, 45% of respondents classified with level 4, followed by 32% who demonstrated they are in the middle with level 3.

In terms of Very satisfied, 11% said they are at this level.

It is interesting to see the evaluation of the control process appears in the same order compared with the previous question we asked about the level of satisfaction of the strategic planning process.

4.3 Cluster Analysis

After a careful analysis of the results of the questionnaire, we decided to do a cluster analysis in order to get a deep knowledge about the data. For this reason, we divided our sample in small and medium/large companies. The criterion we used for doing that was the number of employees because it was the only data we had available for developing this analysis. Thus, we considered as small companies the firms who have between 1 and 200 employees and for medium/ large companies the ones who have more than 201 employees. The reason for chosen these 2 clusters is related with the sample's size. Once our sample is characterized by 88 companies where 71% are small companies, which is not big enough to represent the medium/large companies.

The goal is to understand if there is similarities or not regarding methods/techniques for the strategic planning process.

4.3.1 Methods/Techniques used by companies

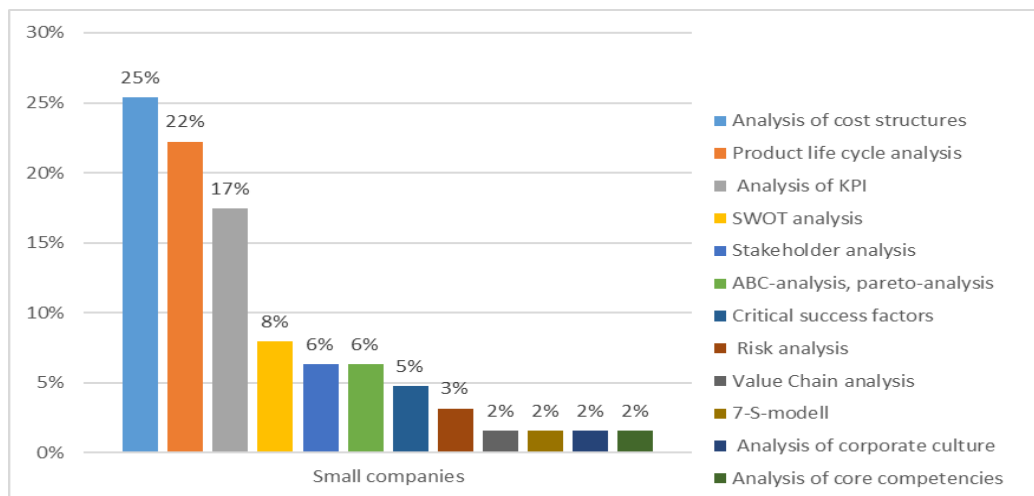


Figure 23: Methods/Techniques used by small companies (Self-constructed graph)

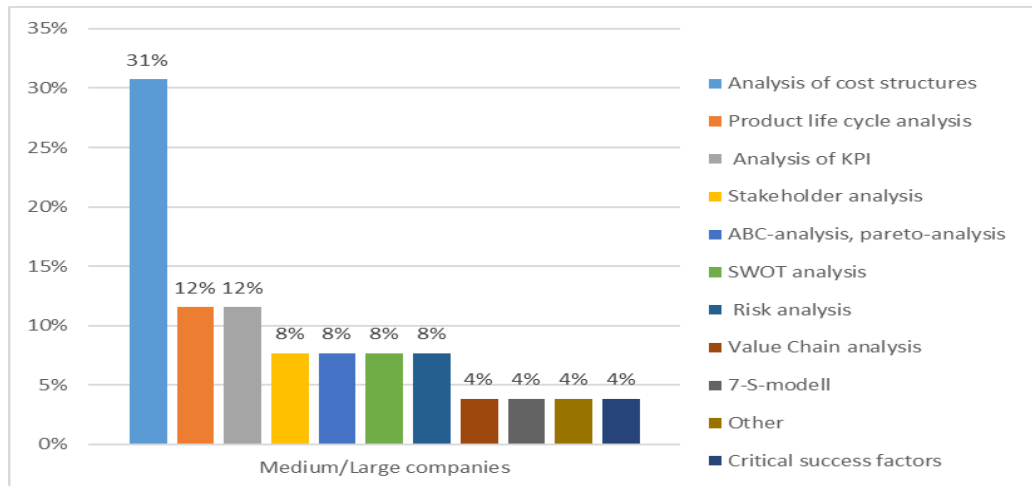


Figure 24: Methods/Techniques used by medium/large companies (Self-constructed graph)

So in terms of the most predominant techniques are the same for both clusters: 1) Analysis of cost structures; 2) Product life cycle analysis; 3) Analysis of Key Performance Indicators.

In this particular case, both clusters are very similar.

4.3.2 Tools and methods primarily for analysis of external market forces including changes and trends in the corporate environment

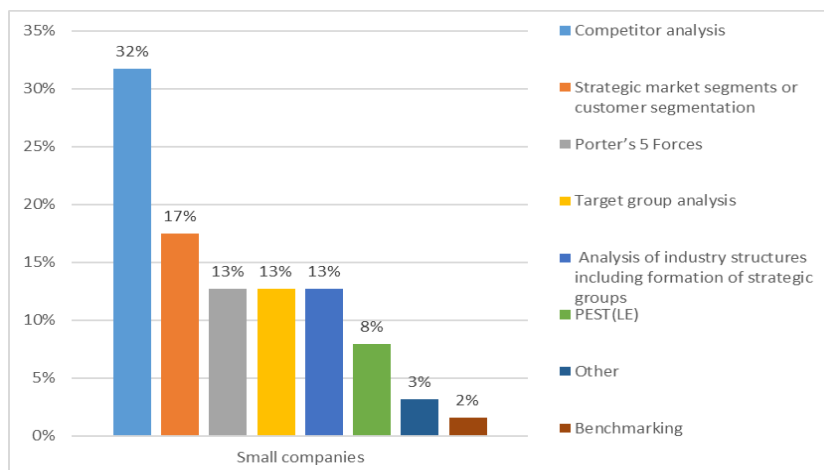


Figure 25: Tools/methods for analysis of external markets forces and trends in the corporate environment in small companies (Self-constructed graph)

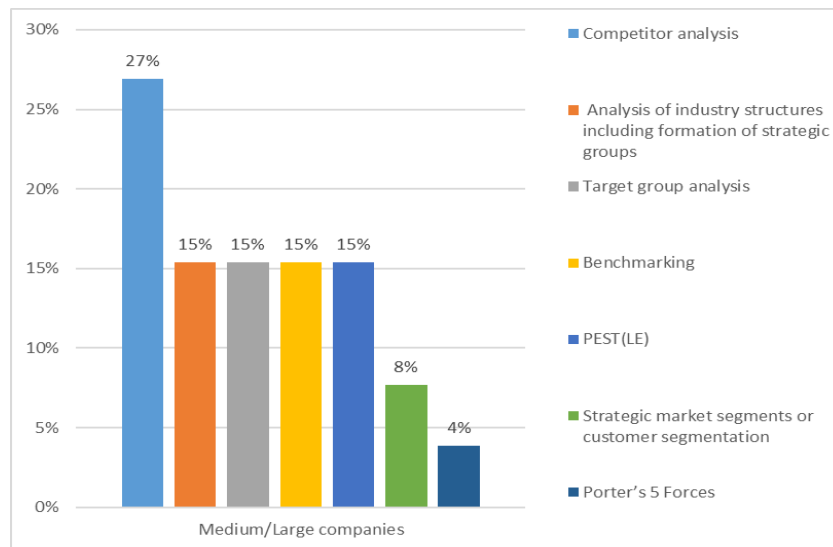


Figure 26: Tools/methods for analysis of external markets forces and trends in the corporate environment in medium/large companies (Self-constructed graph)

Compared the two clusters, we can identify some differences between them. The competitor analysis represents the most preferable method for both cases, however for the small companies' cluster the second place is for strategic market segments or customer segmentation and third for the Porter's 5 forces.

In medium/large companies the second position is for Analysis of industry structures including formation of strategic groups following by Target Group analysis. In comparison with the first cluster, Porter's 5 forces appears in the last position.

4.3.3 Tools and methods primarily for portfolio analysis and aggregation of results

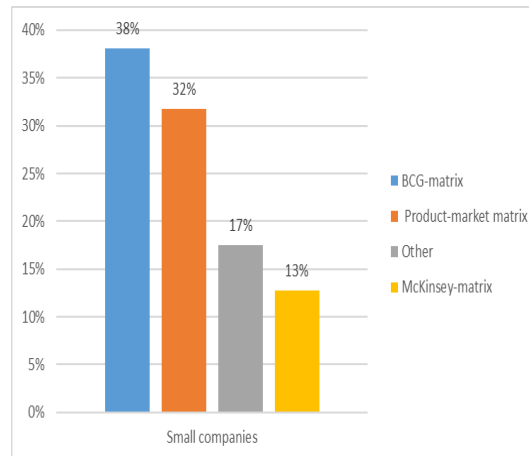


Figure 27: Tools/methods for portfolio analysis and aggregation of results in small companies

(Self-constructed graph)

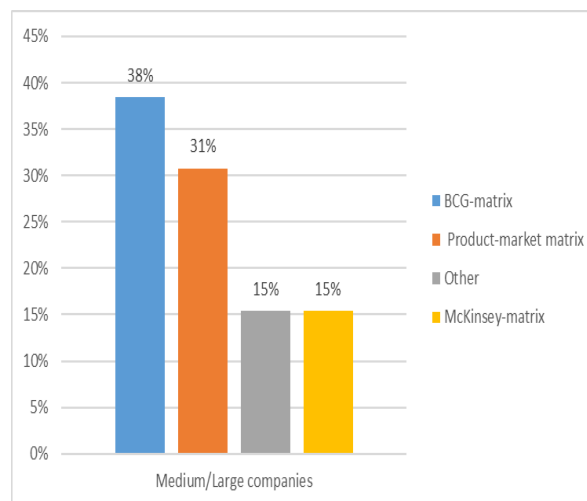


Figure 28: Tools/methods for portfolio analysis and aggregation of results in medium/large companies

(Self-constructed graph)

These two clusters demonstrate very similar scenarios where the significant methods are BCG matrix and Product-market matrix.

As a result, we would like to mention some important factors regarding BCG matrix, once it is so popular among firms. First, it is a technique easy to use and it can be a good starting point for the analysis. Nonetheless, it has been criticized for its oversimplification and lack of useful application.

Even though, 17% of small companies and 15% of medium/large companies mentioned the option other but they did not reveal which one it is. It would be interesting to know more about these other techniques, which were not included in the options we gave.

Surprisingly, McKinney matrix is not a predominant technique in both clusters.

4.3.4 Tools and methods primarily for strategic positioning

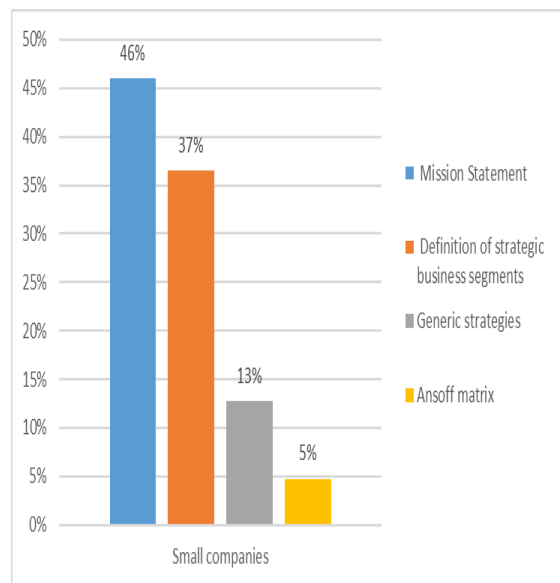


Figure 29: Tools/methods for strategic positioning in small companies (Self-constructed graph)

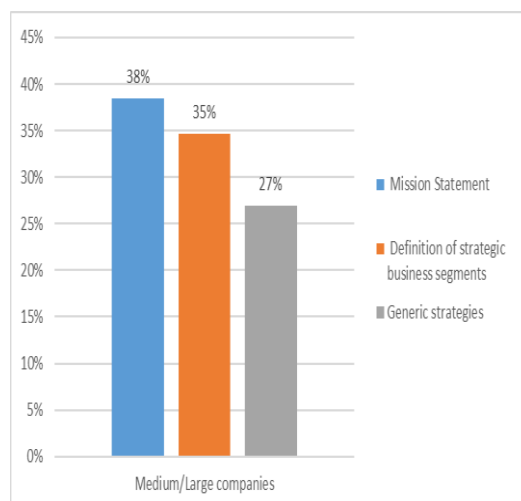


Figure 30: Tools/methods for strategic positioning in medium/large companies (Self-constructed graph)

The Mission Statement and the Definition of strategic business segments are very popular for both clusters.

In terms of Generic strategies, it is more notorious in Medium/Large companies. And in the case of Ansoff matrix, there was no recognition in Medium/Large companies and few small companies said they use this tool.

4.3.5 Tools and methods primarily for strategic planning process/strategy development/ evaluation of strategic options

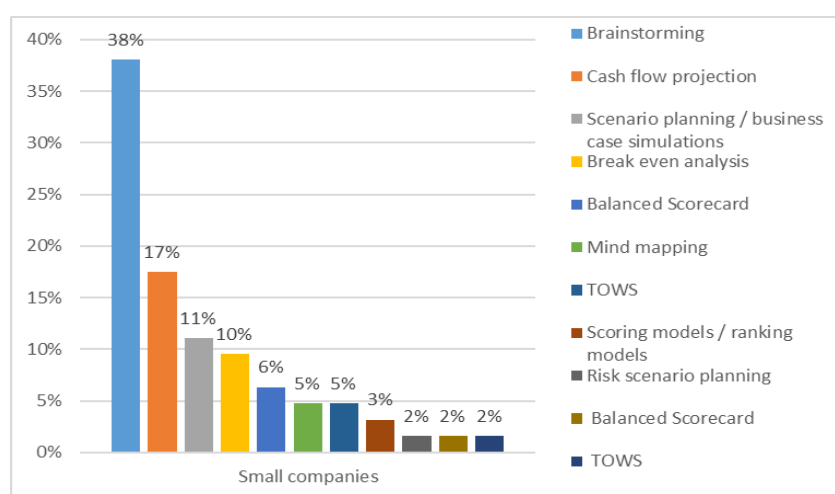


Figure 31: Tools and methods for strategic planning process/strategy development/ evaluation of strategic options in small companies (Self-constructed graph)

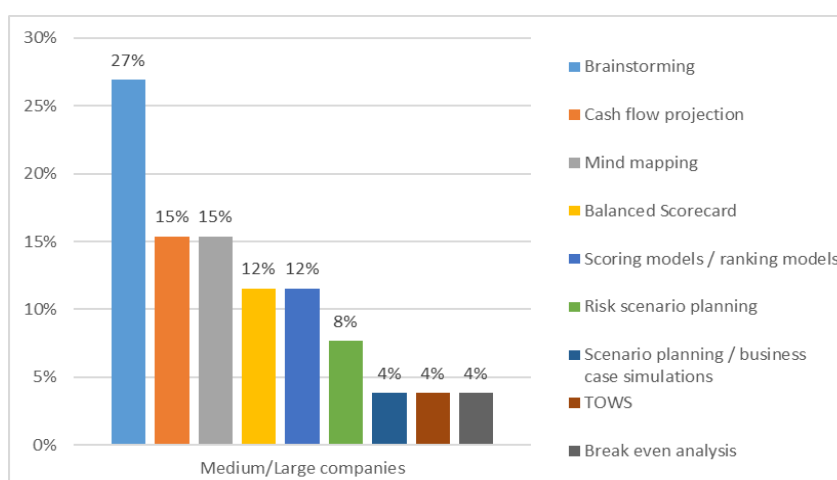


Figure 32: Tools and methods for strategic planning process/strategy development/ evaluation of strategic options in medium/large companies (Self-constructed graph)

Our study shows that the most commonly used tools are Brainstorming and Cash Flow Projection in both scenarios. However, in the case of small companies, 11% of the respondents said they use Scenario planning/business case simulations following by break even analysis. Conversely, only 4% of Medium/Large companies said they use Break even analysis for their strategic planning process.

In this sense, we can conclude for small companies the most famous tools are: Brainstorming; Cash flow projection; scenario planning/business case simulations and Break even analysis. The leaders tools for medium/large companies are: Brainstorming; Cash flow projection; Mind mapping and Balanced Scorecard.

4.3.6 Evaluate the control process for the implementation of the strategy defined by your Organization

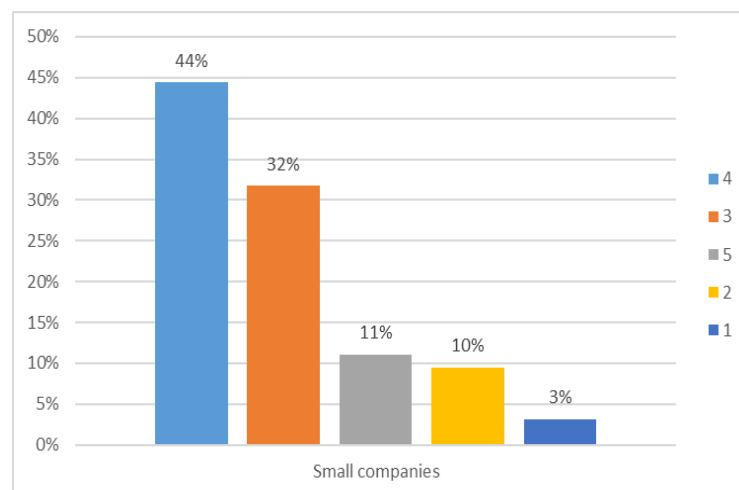


Figure 33: Evaluation of the control process for the implementation of the strategy in small companies (Self-constructed graph)

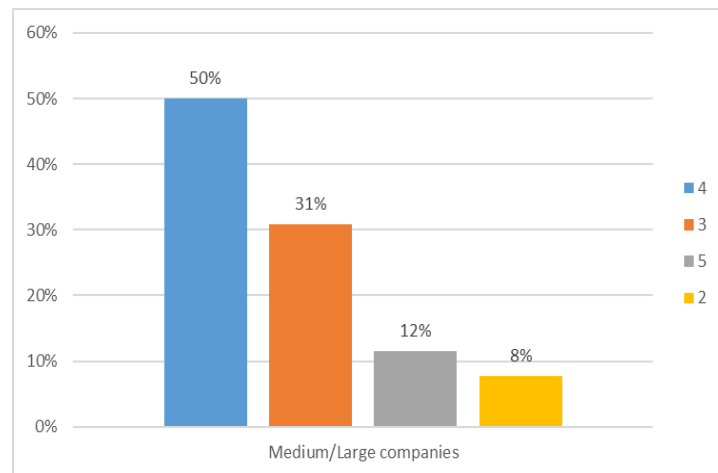


Figure 34: Evaluation of the control process for the implementation of the strategy in medium/large companies (Self-constructed graph)

The last component of the strategic planning process that has been investigated is the evaluation of the respondents regarding the control process for the implementation of their company's strategy.

The scenarios which are here represented are very similar, which means, 44% of small companies are satisfied with the control process (level 4) following by 32% who said they classified with level 3. In medium/large companies we have the same order of preference levels with the only exception of there was not answers for level 1. But, once again, the reason for this inexistence values may be related with the disproportion of answers we got from small companies and medium/large companies.

Chapter 5 - Conclusions

In the present dissertation, the issue under scrutiny is the common practices of strategic planning used by companies in Portugal. The body of work covers research in to the most popular tools to support the strategy process. The document introduces the key themes relevant to the research and explains why it is important to conduct research in to the subject area.

During this research, we purposed to understand how is the level of strategic planning developed by companies, in other words, what is the relevance of the topic for companies and how they act according with what we consider to be the best practices.

Therefore, we first started to investigate about the most important literature regarding strategic management. For this reason, we have been examining the main important tools/ techniques in order to have a broader view about the characteristics and the utility of them. With that, we gained the necessary deeply knowledge about the processes associated with the tools and subsequently it will help in decision-making process.

Importantly, we admit and disclose the limitations of the research and make several recommendations that can be concluded for further study and investigation. Finally, we discussed about the main findings and they are presented as an answer to the initial research questions:

5.1 How is the structure of strategic planning in companies based in Portugal?

The first insight we got from the research we carried out is that strategic planning is seen as a formal procedure which companies have to follow, in other words, 51% of the companies we analyzed they said the strategic planning is an activity that occurs once a year.

Throughout of the investigation we have emphasized the importance of having fluid and open processes of planning and implementation to ensure that organizations can learn

more effectively and respond to changes in the environment when implementing strategic plans.

In terms of time horizon defined for strategic plans, we found 79% of companies establish a period of 1-3 years. It can be assumed that to handle the paradox of long-term planning in rapid changeable environment is associated with the need to manage the changes in the long-term perspective (time horizon). As a result, short, medium or long-term perspectives need to be reconsidered taking into account the particularities presented by each sector.

The main goal is to identify the right moment when it is time to act, in other words, to hear the voice of the market. For instance, an industry like mining, a ten-year time horizon for the long term could be reasonable. However, in a constantly changeable environment such as tech industry, five years could be too long for the long-term.

Referring to those responsible for the strategic planning activities, 33% of respondents said to be Top Management/ Senior Management. Like this, strategic planning is seen as a task performed by people who have a high-level position inside the company, as well as, more power to enroll the decision-making process.

5.2 Which tools are used to support the strategic planning?

First, we purposed to ask a general question concerning the tools in order to assess the most popular techniques among companies. Therefore, we presented 12 techniques with the possibility of them to refer a different one. The result demonstrates 28% use Analysis of cost structures; 19% Product life cycle analysis and 16% Analysis of key performance indicators.

By asking more specific questions which is the case of to know what are the tools used for Analysis of external market forces, 32% of the respondents do Competitor analysis followed by 14% who said Strategic market segments, as well as, Analysis of industry

structures including formation of strategic groups. In this situation, we presented 7 techniques with option Other, too.

For portfolio analysis and aggregation of results, we gave 4 options and as a consequence 39% of companies prefer BCG-matrix and 31% Product-market matrix.

Related to strategic positioning, we assessed 45% of companies consider the Mission Statement and 37% the Definition of strategic business segments. For this question we had available 4 options.

Considering the fact there are a large number of techniques for the strategic planning process, with particularity for the strategy development and the evaluation of strategic options, we gave 13 options. We believe the broader is the range of possibilities, the easiest is for the respondents to identify the most familiar techniques. Accordingly, 35% corresponds to Brainstorming; 18% is for who said Cash flow projection and 9% Scenario planning/ business case simulations.

Taking into consideration there were 13 options, the results are not significant in terms of percentages. In addition, some companies said “ad hoc”, which means they do not have a scientific approach.

5.3 How is the strategic planning scenario from the perspective of a cluster analysis?

We decided to develop a cluster analysis in order to compare the results between small and medium/large companies, with the purpose to identify the differences between the two analyses. Nevertheless, we have to mention that we found a strong predominance of small companies (71%) in our sample, which disclose the results are not significant.

Thus, the differences we identified when analyzing the results from the two perspectives are:

- In the analysis of external market forces, the cluster that corresponds to medium/large companies shows 27% use Competitor analysis followed by 15%

which is Analysis of industry structures including formation of strategic groups. Also with 15% are Target group analysis; Benchmarking and PEST(LE).

- For the techniques regarding strategy development and the evaluation of strategic options, specifically in the medium/large companies, the result appears with the following order: 27% is Brainstorming; 15% for Cash flow projection and also 15% for Mind mapping. The difference is in this last technique.

5.4 Research Limitations

The first limitation is related with the size of the sample we considered for the research purpose. We could have a bigger and more diversified sample, since 71% of the respondents were from small companies. Although, we may consider the Portuguese business reality characterized for a strong predominance of small and medium companies. Because we know from the statistics point of view, the best sample is the one, which represents better the population.

Moreover, companies still demonstrate do not like to collaborate in this kind of researches where they have to share information about processes and ways to act in terms of internal behavior. Even, when we made a huge effort to ask very directly and specific questions and also to keep the information in such a way we are not allow to match with each of them.

The third one it is obvious, we could have asked more questions which may be relevant and help this investigation, but due to the principle we mentioned before, we tried to be very specific when designing the questions and always looking for the easy and efficient way to get attention from companies.

5.5 Future Research

The strategic planning activities that are associated with the strategic management area is very interesting topic to study since we are able to match the theoretical knowledge with the praxis.

In addition, as we have mentioned, this is a continuous process from the beginning where it starts with the formulation, goes to implementation followed by the control process. At the end of the day, it always counts the business performance, in other words, where the strategic performance management plays a key role.

Thus, there is a huge room for future research in this pertinent topic.

We suggest to analyze a company from an inside perspective, assessing the different phases of formulation, implementation and monitoring control.

It will be also interesting to research about the strategic tools created by companies. Additionally, for example in the case of a multinational company compare the strategic planning process between two countries, where are the differences/ the particularities that justify them.

We believe, in relation to the choice of the techniques by companies, it is applicable to further research what are the reason for chosen them.

Consequently, we think the outcomes got are a beginning stage to trigger future research.

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Appendix

Questionnaire (translated from the original Portuguese version)

Strategic Planning approaches used by companies in Portugal

Dear participant,

The present research is one of the components of the master's thesis in Business Administration of the ISCTE Business School. As the central focus is the strategic planning of companies in Portugal, it is intended to identify the instruments, models or tools used by companies in their activity with the goal of better understanding organizational strategy

The set of techniques mentioned below are proposed by the Association for Strategic Planning, through the manual: Guide to the Strategic Planning and Strategic Management Body of Knowledge - 2nd Edition and the website: <http://www.strategyassociation.org/>

Please select the option that best fits your organization's situation.

Thank you for your cooperation!

Data privacy

I would like to inform you that the results obtained from this investigation will be kept anonymous. Therefore, the name of the Organization in question or any element that may be associated with it will not be disclosed. The information collected will be solely and exclusively used for the investigation of this dissertation.

Section 1

Respondent/Organization profile

I Identify my gender as:

- ☐ Female
- ☐ Male

Age:

- ☐ Less than 30 years old
- ☐ Between 31 and 40 years old
- ☐ Between 41 and 50 years old
- ☐ More than 50 years old

Level of Education:

- ☐ High School
- ☐ Bachelor's Degree
- ☐ Postgraduate
- ☐ Master's Degree
- ☐ MBA
- ☐ Doctoral Degree

Current Position in your Organization:

- ☐ CEO
- ☐ Manager
- ☐ CFO
- ☐ Other

Please, select the industry that best represents the activity of your Organization.

- ☐ Services
- ☐ Industrial Goods & Services
- ☐ Technology
- ☐ Financial Services
- ☐ Retail
- ☐ Other

Total number of employees:

- ☐ Between 1 and 200
- ☐ Between 201 and 500
- ☐ Between 501 and 2000
- ☐ More than 2000

Section 2

1) Structure of Strategic Planning in your Organization

1.1) How satisfied are you with the strategic planning in your organization?

- ☐ **1 - Not at all satisfied**
- ☐ **2**
- ☐ **3**
- ☐ **4**
- ☐ **5 – Very satisfied**

1.2) Please classify the frequency for strategic planning activities of your Organization.

- ☐ More frequent than a year
- ☐ Annual planning process
- ☐ Biennial planning process
- ☐ Triennial planning process
- ☐ Other planning cycles

1.3) Which time horizon does your organization consider within strategic planning?

- ☐ 1-3 years
- ☐ 3-5 years
- ☐ 5-8 years
- ☐ More than 8 years

1.4) Please describe your organizational structure for the strategic planning process.

- ☐ International Headquarter
- ☐ National Headquarter
- ☐ Specialized planning department
- ☐ CEO
- ☐ CFO
- ☐ Top Management Team/Senior Management
- ☐ External consultants
- ☐ Other departments

Section 3

2)Tools/ Methods

2.1) From the list below, indicate the techniques or methods used by your Organization .

- ☐ Product life cycle analysis
- ☐ ABC-analysis, pareto-analysis
- ☐ Analysis of cost structures
- ☐ Analysis of key performance indicators
- ☐ Risk analysis
- ☐ Analysis of corporate culture
- ☐ Analysis of core competencies
- ☐ Critical success factors
- ☐ 7-S-modell

- Value Chain analysis
- SWOT analysis
- Stakeholder analysis
- Other(s)

2.2) Tools and methods primarily for analysis of external market forces including changes and trends in the corporate environment.

- PEST(LE)
- Analysis of industry structures including formation of strategic groups
- Competitor analysis
- Strategic market segments or customer segmentation
- Target group analysis
- Benchmarking
- Porter's 5 Forces
- Other(s)

2.3) Tools and methods primarily for portfolio analysis and aggregation of results.

- BCG-matrix (market growth and market share matrix)
- McKinsey-matrix (relative business strength and industry attractiveness)
- MAGA matrix (relative market attractiveness and relative business attractiveness)
- Product-market matrix

2.4) Tools and methods primarily for strategic positioning.

- Mission Statement
- Ansoff matrix
- Generic strategies
- Definition of strategic business segments

2.5) Tools and methods primarily for strategic planning process / strategy development / evaluation of strategic options.

- Brainstorming
- Mind mapping
- Innovation management
- TOWS
- Portfolio based norm strategies
- Scoring models / ranking models
- Scenario planning / business case simulations
- Risk scenario planning

- Economic Value Added
- Cash flow projection
- Balanced Scorecard
- Strategy maps
- Break even analysis
- Other(s)

3) Evaluate the control process for the implementation of the strategy defined by your Organization.

- 1 – Completely disagree
- 2
- 3
- 4
- 5 – Completely agree