

# **The effectiveness of SMES strategic planning process in tanzania**

## **Case of ilala municipality**

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The main objective of the study was to assess the effectiveness of the strategic planning process of the SMEs in Tanzania Ilala Municipality in Dar es Salaam Region was used as a case of the study. More specifically, the study intended to probe into the formulation, adherence to, implementation, monitoring and evaluation of strategic plans of SMEs. The study explored the extent to which formulations of plans were effective. Data collection was undertaken through a structured questionnaire, and documentary reviews. The study was conducted qualitatively, and data was collected from 50 SMEs through self-administered questionnaires, which was complimented with the empirical review. The study established that there is a big problem of poor SMEs strategic formulation, lack of implementation and evaluations of SMEs strategies, hence, poor performance. In fact, it was established that there was no growth in many of the businesses surveyed. They are managed either by owners or relatives. Also there was poor internal control measures coupled with poor record keeping in these SMEs. As many SMEs were not registered, they found it difficult, to get bank services such as accounts and loans. The findings also revealed that, there is no effective strategic planning process in SMEs located in Ilala, Dar es Salaam. Thus, there is an urgent need to offer the effective training to these SMEs to enhance the entrepreneurial skills, and enable the growth of SMEs sector. Moreover, rules, regulations, procedures and guidelines on SMEs in Tanzania, should be amended and simplified to enable them to access education and trainings on strategic plans, access to credit facilities, and other business requirements. In short, the study concluded that, there is a need for the government to intervene and create more enabling environment to revamp SMEs and help them with finances and education on strategic planning