

The Status of Planning in Tanzania Manufacturing SMEs

GALINOMA LUBAWA,
JULIUS TARIMO,
STEPHEN FUIME

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P. O. Box 138, Dodoma, Tanzania

Tel: +255 26 2963037

Fax: +255 26 2963036

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Website: www.irdp.ac.tz

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ABSTRACT

This study aimed to investigate Manufacturing-Small and Medium Enterprises (Ma-SMEs) planning practices in the Dodoma Region of Tanzania and contribute to planning-related literature in developing countries. The study utilized a cross-sectional survey design with the primary data collected through a quantitative research approach and a cross-sectional survey questionnaire. The sample of this study was comprised of 167 registered Ma-SMEs, selected using a random sampling technique. The quantitative data were analyzed using descriptive statistics, chi-square, and correlation analysis. The study revealed that most Ma-SME owners have inadequate education levels, which hinders their ability to develop effective business plans. Therefore, it is suggested that many Ma-SME owners in Tanzania have limited planning knowledge. Short-range planning was more prevalent than medium-range or long-range planning, but long-range planning was still more commonly practised than medium-range planning. When establishing their plans, capital growth, business expansion, and sales planning were the most significant objectives for Ma-SMEs. The study found that Ma-SMEs often utilized income statements, cash flow analysis, and sales forecasting. Regarding hiring external consultants to develop plans, freelance individual consultants were preferred, followed by academic institutions. Private consulting firms were used less frequently, likely due to their high cost. Plant expansion was the most common technique to plan for growth or expansion. The study also found that planning activity evaluation practices were used by Ma-SMEs, albeit to a lesser extent. The study recommends that SME owners receive planning education to improve their planning practices, including succession planning for industrial continuity. The study also recommends that the company registration law be amended to reflect the presence of family and non-family businesses in Tanzanian private firms. The study acknowledges its limitations and suggests future research include additional locations and a larger sample size to cover a larger area of Tanzania. Future studies should also examine why Tanzanian Ma-SMEs do not emphasize succession planning. Finally, the study suggests that Ma-SME owners receive financial statement training in their mother tongue, Kiswahili, to help them comprehend reports prepared using IFRSs. Overall, the study provides insights into the planning practices of Ma-SMEs in the Dodoma Region of Tanzania and offers recommendations to improve planning education, regulatory frameworks, and research in this area.

Keywords: Manufacturing, Small and Medium Enterprise, Planning, Tanzania

IKISIRI

Lengo kuu la utafiti huu ni kuchunguza upangaji wa biashara kwa viwanda vidogo na vya kati (manufacturing SMEs) katika Mkoa wa Dodoma nchini Tanzania, ili kuchangia na kuongeza marejeo kuhusu upangaji wa biashara. Utafiti huu ulitumia muundo wa uchunguzi wa sehemu mbalimbali mara moja, ukitumia hojaji/dodoso kwa ajili ya kukusanya taarifa. Utafiti ulihusisha sampuli 167 za viwanda vidogo na vya kati vilivyo sajiliwa kwa kutumia mbinu ya kutafuta sampuli iliyo na mpango kazi au utaratibu maalumu wa kuendesha biashara. Uchanganuzi wa takwimu zinazoweza kupimwa ulifanyika kwa kutumia takwimu za maelezo na uchambuzi husianishi. Matokeo ya utafiti yanaonyesha kuwa wamiliki wengi wa viwanda vidogo na vya kati vya uzalishaji hawakuwa na elimu ya kutosha juu ya mpango-biashara, kitu kilichozuia uwezo wao wa kutengeneza mipango mizuri ya biashara. Hii inadokeza kuwa wamiliki wengi wa viwanda vidogo na vya kati vya uzalishaji nchini Tanzania bado wana ujuzi mdogo wa kuandaa na kutumia mipango ya biashara. Utafiti pia uligundua kuwa mbinu za tathmini ya shughuli za kupanga zilitumiwa na viwanda, ingawa kwa kiwango cha chini. Matokeo pia yalionesha kuwa mipango ya muda mfupi inatumika zaidi na wazalishaji wa viwanda vidogo na vya kati kuliko mipango ya muda wa kati au ya muda mrefu. Hata hivyo, mipango ya muda mrefu ilionekana kutofanyika zaidi kuliko mipango ya muda wa kati. Utafiti ulionesha pia kuwa ukuaji wa mitaji, upanuzi wa biashara, na mipango ya mauzo yalikuwa ndiyo malengo muhimu kwa wazalishaji wadogo na wa kati. Utafiti uligundua pia kuwa wazalishaji wadogo na wa kati walitumia zaidi taarifa za mapato, uchambuzi wa mapato halisi, na makadirio ya mauzo. Kwa upande wa kuajiri washauri elekezi wa nje ili kuandaa mpango wa biashara, utafiti uligundua kuwa washauri elekezi binafsi walitumika zaidi, wakifuatiwa na taasisi za kitaaluma kama vyuo vikuu au taasisi za elimu ya juu. Makampuni binafsi ya ushauri elekezi yalitumika mara chache zaidi, pengine ni kutokana na gharama kubwa za kuajiri washauri hao kufanya mipango yao ya biashara. Upanuzi wa viwanda ni moja ya mbinu kubwa na iliyotumika zaidi katika kupanga ili kukuza kibiashara. Utafiti unapendekeza kwamba wamiliki wa viwanda vidogo na vya kati wapatiwe elimu ya mpango kazi wa biashara, ili kuboresha utamaduni wa kupanga ikiwa ni pamoja na mipango ya urithishwaji kwa uendelezaji wa viwanda kwa vizazi vijavyo. Utafiti unashauri pia kuwa sheria ya usajili wa makampuni ifanyiwe marekebisho kuakisi uwepo wa biashara za kifamilia na zisizo za kifamilia katika makampuni binafsi nchini Tanzania. Utafiti huu unatambua uwepo wa vizuizi na unapendekeza tafiti zijazo ziongeze

ukubwa wa eneo na sampuli ili kupata eneo kubwa zaidi la Tanzania. Tafiti zijazo zitilie mkazo pia kwanini kampuni za Kitanzania hazitilii mkazo upangaji wa urithi. Na mwisho, utafiti unapendekeza kuwa viwanda vidogo na vya kati vipewe mafunzo kuhusu taarifa za kifedha kwa lugha ya Kiswahili ili kuwawezesha kutambua kwa urahisi taarifa zilizoandaliwa kwa kutumia kanuni za IFRSs. Kwa ujumla, utafiti unatoa mwanga kuhusu mazoea ya upangaji unaofanywa na viwanda vidogo na vya kati katika Mkoa wa Dodoma na kutoa mapendekezo kuboresha elimu ya upangaji, miongozo ya kanuni, na tafiti katika eneo hili.

ABBREVIATIONS

IFRS	International Financial Reporting Standards by Eligible Entities
IIDS	Integrated Industrial Development Strategy
IRDP	Institute of Rural Development Planning
Ma-SMEs	Manufacturing SMEs
MEI	Mipango Entrepreneurship and Innovation Centre
NEDF	National Entrepreneurship Development Fund
NSDS	National Skills Development Strategy
SIDO	Small Industries Development Organization
SIDP	Sustainable Industrial Development Policy
SMEs	Small and Medium Enterprises
TBS	Tanzania Bureau of Standards
TDV	Tanzania Development Vision
TMT	Top Management Team
TPB	Theory of Planned Behaviour
TRA	Tanzania Revenue Authority
UDEC	University of Dar es Salaam Entrepreneurship Centre
URT	United Republic of Tanzania

1.0 INTRODUCTION

Small and Medium Enterprises (SMEs) are widely recognized as crucial players in the business world, contributing significantly to entrepreneurship, job creation, innovation, and economic growth (OECD, 2018; Cernat *et al.*, 2014). SMEs constitute around 90% of all businesses in developed countries, providing 60-70% of employment and contributing 55% of the GDP (World Trade Organization). In emerging economies, SMEs can account for up to 45% of total employment and 33% of GDP (OECD, 2017), making them a vital source of self-employment and job opportunities for local communities (Lubawa, 2021; Quarley, 2017; Afande, 2015).

SMEs are widely acknowledged as significant sustainable economic development partners (Osotimehin *et al.*, 2012). In Tanzania, more than 90% of businesses are SMEs, with many being sole proprietorships or unregistered enterprises (Andreoni, 2017). The National Bureau of Statistics reports that out of the 2,462 establishments in Tanzania, 2,173 (88.3%) are SMEs, and these businesses make up 97.3% of the 49,243 industries sampled in the Census of Industrial Production (CIP) (URT, 2018). In the manufacturing sector alone, which employed 264,223 people in 201, 47.4% of the workforce was employed, while 52.6% worked in larger corporations (CIP). Given these figures, it is clear that the SME sector is crucial to the economic development of Tanzania, as recognized in the government's plans, such as the Tanzania Development Vision (TDV) 2025, which aims to make SMEs a key driver for the country's long-term development strategies. By 2025, the goal is to have SMEs contribute to developing a semi-industrialized country, with manufacturing accounting for a minimum of 40% of GDP in the national economy.

SMEs are the driving force of Tanzania's manufacturing industry, with 95% of establishments falling under this category (Andreoni, 2017). The industry is mainly focused on food processing (24%), textiles (10%), chemicals (8.5%), and other products such as drinks, leather and leather goods, paper and paper products, publishing, printing, and plastics. The manufacturing sector contributes 8.5% to Tanzania's GDP (URT, Bank of Tanzania Annual Report 2020/2021). These Ma-SMEs are typically family-owned and operated, with the owners or family members providing most of the capital (Lubawa, 2021). Financial institutions also support the sector, with commercial banks lending to SMEs and promoting their growth (URT, Bank of Tanzania Annual Report 2020/2021).

Business plans are increasingly being used by SMEs in Tanzania, contributing to their success and credibility with lenders. While some SMEs only use a business plan when seeking bank loans or as required by investors, educators, or advisors, it is an effective management tool for SMEs (Lubawa, 2021; Honig and Karlsson, 2004). Empirical studies have shown that planning improves a business's chances of survival by enhancing product creation processes and the organization of new enterprises (Delmar and Shane, 2003). The 2003 SME policy in Tanzania aimed to promote SME growth through modern business practices, including using a business plan. While lending to SMEs in Africa is still considered risky, the evidence of SMEs using business plans to access loans from commercial banks is a positive indication of the improving management of SMEs in Tanzania (Quartley *et al.*, 2017).

In Tanzania, SMEs demonstrate self-sufficiency by employing planning techniques and seeking guidance from consultants to achieve their goals (Lubawa, 2021). Additionally, many of these businesses prepare succession plans to ensure a smooth transfer of ownership if the founders pass (Kiwia *et al.*, 2019). However, selecting competent successors can be challenging due to a lack of confidence, wisdom, and communication skills (Magasi *et al.*, 2020). SMEs also rely on financial reports to make informed decisions, suggesting they use prior setting plans based on their financial capacity (Lubawa & Van Auken, 2019). For instance, financial forecasts based on asset and liability assessments can guide decisions (Bull & Crompton, 2006).

Overall, SMEs in Tanzania implement business activities using human and financial resources, similar to large-scale enterprises. Developing business strategies and alignment techniques have positively impacted SMEs' growth, success, and profitability (Sugiarto, 2019; Lubawa, 2021; Ryans, 1997). However, it is important to note that running businesses without a complete plan may hinder SMEs from obtaining financial support, slowing down their growth and sustainability (Kesale, 2017).

Despite the success stories of SMEs implementing business plans, there is still a paucity of research on how they employ planning techniques to run their businesses. Managing a business is a complex process involving many actions. The Ma-SMEs have developed a habit of planning their business activities, whether formal or informal (Lubawa, 2021). Although formal planning is beneficial for SME performance (Mitchelmore and Rowley,

2013; Gică and Ioana, 2012), many SMEs suggest a lack of appropriate formal planning techniques (Lubawa, 2021; Omboga and Okibo, 2016; Van Tonder, 2010). Yet, nine out of ten small businesses did not have basic planning documents, which limits them from accessing financial support and hinders their growth and sustainability (Kesale, 2017; Finscope Survey, 2012). This highlights the importance of examining the planning status of SMEs.

The key to good business practices for Ma-SMEs is applying common sense in specific scenarios. According to a study, scenario planning can help managers manage uncertainty and risk and aid organizations in understanding the dynamics of the business environment, identifying opportunities, evaluating strategic options, and making long-term decisions. It is important to note that scenarios should not be treated as predictions; they are tools for understanding what drives the future (Kourdi, 2009). Ma-SMEs develop revenue-generating strategies, attract clients, and daily engage in various agreements, such as credit agreements. The decision-making process in these situations is influenced by attitudes, norms, and perceived behavioural control (Smith *et al.*, 2007). To gain a better understanding of the planning status of Ma-SMEs and provide relevant recommendations to support government intervention programs for the sector, Lubawa (2021) suggests conducting studies to determine their planning status. These studies should focus on how intervention programs influence Ma-SMEs' behavioural intention and planning behaviour.

It is worth noting that the existing literature lacks empirical work that examines the planning techniques, tools, and approaches developed and utilized by Ma-SMEs. Understanding the types of planning techniques and making recommendations for improvement can help the Ma-SMEs sector in Tanzania remain competitive against other East African countries. Therefore, this study evaluates the planning status of Tanzania's manufacturing SMEs.

The research results can potentially assist investors and creditors in making informed decisions about their investments and lending activities in Ma-SMEs. Additionally, it provides valuable information to governmental and business organizations that can help enhance their capabilities. The outcomes obtained from Tanzania can serve as a beneficial lesson for other Ma-SMEs operating in developing economies. The Theory of Planned Behavior (TPB) and Institutional theory supported the study. The TPB was used to clarify

the intentions of Ma-SME owners to engage in planning behaviour, whether formal or informal, to achieve their business objectives (Ajzen, 1991). The TPB has been identified as a useful approach for explaining the planning behaviours of manufacturing companies (Lubawa, 2021). Furthermore, the institutional theory supported the study, which considers all the factors that contribute to the success of SMEs (Meyer & Rowan, 1977).

1.1 Problem Statement and Justification

The significance of Manufacturing SMEs in boosting a country's economy is widely recognized. In Tanzania, the government has developed various policy frameworks and strategies to encourage the growth of the manufacturing sector and tackle the challenges faced by Ma-SMEs, demonstrating their understanding of the importance of SMEs. Some of these strategies include the SME Development Policy 2003, National Entrepreneurship Development Fund (NEDF), Blueprint for Regulatory Reforms to Improve Tanzania's Business Environment (2018), National Skills Development Strategy (NSDS) 2016–2021, Integrated Industrial Development Strategy (IIDS) 2011–2025, The Second Five Year Development Plan 2016/17–2020/21 (FYDP II), and the Sustainable Industrial Development Policy 1996-2020 (SIDP).

In addition to these policy frameworks, other interventions have been aimed at supporting the growth of SMEs in Tanzania. These include the establishment of an SME credit guarantee scheme by the Bank of Tanzania in 2005, the establishment of the Small Industries Development Organization (SIDO) in 1973, the establishment of the Vocational Education Training Authority in 1994, the establishment of the University of Dar es Salaam entrepreneurship centre (UDEEC) in 2001, and the establishment of the Mipango Entrepreneurship and Innovation (MEI) Centre of the Institute of Rural Development Planning in 2019, among others. These interventions and policy frameworks reflect the government's commitment to fostering the growth and development of Manufacturing SMEs in Tanzania, recognizing their crucial role in the country's economy.

Despite the Tanzanian government's substantial efforts to facilitate the success of SMEs, limited literature is available on the planning status of manufacturing SMEs in the country. Government interventions alone may not be sufficient. It is crucial to understand the planning techniques employed by SMEs to identify areas where improvements can be made. This study emphasizes the importance of modern planning techniques for Ma-SMEs

to transform into larger companies. Research has shown that effective planning can bring tangible benefits to new businesses, including increased earnings and competitive advantages, contributing to their long-term viability (Lubawa, 2021; Bracker, Keats & Pearson, 1998). Supporting the growth of SMEs into larger firms is vital for enhancing Tanzania's industrial competitiveness on a global scale.

However, it is worth noting that SMEs have encountered failures primarily due to management issues such as a lack of strategic thinking and long-term planning (Analoui and Karami, 2003). Effective planning is crucial to a firm's success, growth, and profitability (Ryans, 1997; Aram and Cowen, 1990; Hillidge, 1990). By understanding the planning techniques and promoting effective planning practices among manufacturing SMEs, Tanzania can foster their growth and enhance their overall performance in the business landscape.

Insufficient literature on planning practices in Ma-SMEs could hinder their growth and potentially impact various aspects of Tanzania's economy. It could affect the country's industrialization progress, employment rates, government revenue, and even the agricultural sector, as the manufacturing industry relies heavily on agricultural production (Bushe, 2019). The absence of information on the planning status of Ma-SMEs could also have implications for their relationship with financial institutions that provide credit, as it may limit their ability to demonstrate their creditworthiness (Badi & Ishengoma, 2021).

Furthermore, established entrepreneurship centres like the University of Dar es Salaam Entrepreneurship Center (UDEC) and the Mipango Entrepreneurship and Innovation (MEI) Centre may face challenges in developing effective support mechanisms and training programs without accurate information on SME planning. The availability of precise planning data is essential for these centres to assist owners and managers in acquiring essential planning skills, which ultimately contribute to the optimal performance and growth of Ma-SMEs.

To address this knowledge gap, the study mentioned proposes a quantitative research approach with a cross-sectional survey design to evaluate the planning levels of Tanzanian Ma-SMEs. This research aims to fill the gap in the existing literature and provide valuable insights into the planning practices of Ma-SMEs in Tanzania.

1.2 Research Objectives

The study aimed to investigate the planning status of Ma-SMEs in Tanzania and provide fresh evidence on their planning practices within the sub-sector. To achieve this, a survey was conducted involving 167 Ma-SMEs located in the Dodoma region. The specific objectives of the study were as follows:

- (i) To determine the extent of Ma-SMEs' engagement in planning activities.
 - (ii) To identify the types of planning objectives used by Ma-SMEs.
 - (iii) To identify the types of financial statements adopted by Ma-SMEs.
 - (iv) To assess the utilization of outside consultants in Ma-SMEs' planning process.
 - (v) To evaluate the strategies employed by Ma-SMEs to achieve their growth and expansion goals.
 - (vi) To examine the frequency of periodic performance reviews conducted by Ma-SMEs.
- These objectives were designed to provide a comprehensive understanding of the planning status of Ma-SMEs and shed light on various aspects of their planning practices.

1.3 Research Questions

- (i) Do Ma-SMEs engage in short, medium or long-planning activities?
- (ii) What are the types of objectives being used by Tanzania Ma-SMEs?
- (iii) What types of financial statements are prepared by Ma-SMEs to support planning?
- (iv) Do outside consultants use to assist in the long-range planning process in Ma-SMEs?
- (v) How do Ma-SMEs plan to achieve growth and expansion goals?
- (vi) How frequently overall performance is periodically reviewed?

2.0 LITERATURE REVIEW

2.1 Empirical Literature Review

This study's literature is grounded in planning and learning, drawing from the works of Wiltbank *et al.* (2006) and Brews and Hunt (1999). Planning is widely recognized as beneficial for enhancing efficiency and achieving goals, as Ansoff (1991) highlighted. Advocates of planning argue that it plays a crucial role in dynamic and uncertain environments by reducing uncertainty, facilitating decision-making, minimizing risk perception, increasing the likelihood of success, and supporting firm performance, as evidenced by the research of Alonso-Vazquez, Pastor-Pérez & Alonso-Castañón (2018) and Sarason and Tegarden (2003). Several studies, including those conducted by Lubawa (2021), Mazzor *et al.* (2009), Gruber (2007), Shane & Delmar (2004), and Delmar and Shane (2003), confirm the positive impact of planning practices on SMEs.

The learning school perspective aligns with the restructuring approach to strategy development, emphasizing the importance of informal strategies that enable swift responses, particularly in turbulent and uncertain situations. Scholars such as Mosakowski (1997) and Mintzberg and Waters (1985) have acknowledged the value of informal strategies in facilitating prompt reactions. Rather than attempting to predict the future, management is advised to allocate resources and acquire new ones in the present, as proposed by Honig (2004). This literature review synthesizes the existing literature on planning practices in the Ma-SMEs sub-sector, drawing from these two approaches.

2.2 Characteristics of Ma-SMEs

Ma-SMEs (Micro, Small, and Medium Enterprises) have gained substantial importance in Tanzania since implementing the SME policy in 2003. These enterprises are acknowledged as key drivers of national economic growth, as highlighted by Lubawa (2021). Ma-SMEs hold significant potential for self-employment and job creation, substantially impacting the national, regional, and local economies. They play a vital role in discouraging migration to economically inactive areas and hold international significance.

In Tanzania, 2.75 million Ma-SME owners are estimated to manage 3.16 million Ma-SMEs, contributing approximately TZS 6.9 trillion, or nearly 27% of the country's GDP (URT, National Bureau of Statistics, 2016; URT, 2012). This sector contributes

approximately one-third of the country's GDP, employs 20% of the workforce, and offers significant employment potential, as emphasized by the United Republic of Tanzania (URT) in 2003. Given the limited availability of public service job opportunities, the employment opportunities provided by Ma-SMEs are crucial for the overall economy.

In addition to the significance of Ma-SMEs in Tanzania's economy, the Tanzania Development Vision (TDV) 2025 acknowledges the SME sector as a crucial factor in the country's long-term development strategies. The TDV's objective is to establish a robust and competitive economy by fostering an entrepreneurial mind-set, encouraging creative and innovative hard work, and promoting societal learning to enhance the capabilities of individuals and organizations in responding to challenges and seizing opportunities for wealth creation (United Republic of Tanzania [URT], 1999). The TDV aims to create an enabling environment for the growth and development of SMEs, recognizing their potential for job creation, economic diversification, and poverty reduction. By fostering an entrepreneurial culture and promoting innovation, TDV seeks to empower individuals and organizations to contribute to the country's economic growth and development. The recognition of the SME sector in the TDV underscores the government's commitment to supporting and nurturing the growth of small and medium-sized enterprises in Tanzania.

Recognizing the significant role of the SME sector in driving economic growth, the Tanzanian government has actively engaged in its development through various policy measures. The SMEs Development Policy, established in 2003, serves as a strategic framework to promote SMEs' dynamic and sustainable growth, thereby accelerating and diversifying the economic growth base. The policy's key objectives include strengthening the growth of SMEs, addressing their limitations, unleashing their full potential, fostering the establishment of new SMEs, and enhancing the performance and competitiveness of existing ones (United Republic of Tanzania [URT], 2003).

In Tanzania, SMEs operate across diverse sectors, such as manufacturing, mining, commerce, and services. They engage in various activities such as food processing, textiles, edible oil production, woodworking enterprises, retail shops, and other businesses. The classification of SMEs in this study aligns with Tanzania's 2003 SME policy, which categorizes SMEs based on the number of employees and capital size, as outlined in Table 1. Given the critical importance of the SME sector in Tanzania's economy, it is imperative

for the government to actively support its development to ensure sustainable economic growth and prosperity.

Table 1: Tanzanian Government Business Size Categories

Type of Business	Employees	Capital Investment (TZS)	Turnover (TZS)
Micro-Businesses	1 – 4	Up to 5 Million	12,000,000
Small Businesses	5 – 49	5,000,000-200,000,000	150,000,000
Medium-sized Businesses	50 – 99	200,000,001-800,000,000	300,000,000
Large Businesses	100+	>800,000,000	300,000,000

The Ma-SMEs sector in Tanzania is commonly characterized by the production of simplistic consumer products, low productivity levels, and a lack of innovation and creativity, as highlighted by various studies (Lubawa, 2021; Msami and Wangwe, 2016; Nandonde *et al.*, 2015). Moreover, there is a prevailing absence of an entrepreneurial culture within this sector (Mashenene & Rumanyika, 2014). To address these challenges, it is crucial to emphasize the effective use of planning techniques, tools, and procedures.

Research suggests that planning plays a significant role in various aspects of business performance, including infrastructure investment, employee numbers, new product development, and annual sales success (Mitchelmore & Rowley, 2013). By incorporating robust planning practices, Ma-SMEs in Tanzania can overcome their limitations and enhance their overall performance and competitiveness.

2.3 Concept of Planning

According to Delmar and Shane (2003), planning involves carefully allocating resources between demand and supply, translating goals into operational processes, and defining expected outcomes. Fry (2003) defines planning as a systematic and intentional activity that helps organizations prioritize valuable objectives to achieve their vision and goals. As described by Mintzberg, strategic thinking provides a loosely defined direction for achieving these objectives. Planning involves adjusting relationships between organizational facets such as structure, objectives, production, marketing, technology, finance, and organizational management. It is a tool that assists Ma-SMEs in navigating

uncertain outcomes and utilizing available resources to transition from their current state to their desired future state.

Planning is particularly crucial for Ma-SMEs operating in an environment of uncertainty with limited record-keeping practices. It significantly contributes to strategic decision-making, resource allocation, and long-term organizational success (Duncan, 1990; Lombardi, 1994). By balancing resources, transforming goals into actionable steps, and formulating expected outcomes, planning enables Ma-SMEs to navigate their challenges (Delmar & Shane, 2003).

Effective management is also vital for Ma-SMEs as it facilitates proper planning, control, organization, and staffing with skilled and competent employees. Good management practices allow Ma-SMEs to adapt to changes in the business environment and plan for appropriate technological development. Research by Brinckmann *et al.* (2010) and Liao and Gartner (2006) demonstrates that planning improves decision-making and resource management, and increases the likelihood of capital investment. However, it is important to note that some studies caution that planning practices can lead to production reductions, time delays, and increased costs (Liao & Gartner, 2006). This study acknowledges that Ma-SMEs employ various planning techniques depending on their specific circumstances, enabling them to achieve their goals.

2.4 Written Plans

In Swahili, there is a proverb that emphasizes the importance of keeping organized records and writing plans for businesses: "*Mali bila daftari hupotea bila habari*," which can be translated to mean "Possessions without a [account] book is lost without notice." This proverb highlights the significance of maintaining detailed records and plans to ensure proper management and decision-making in business operations. The proverb itself reflects a widely recognized principle in business management. By keeping organized records, businesses can accurately track their transactions, monitor their financial situation, and make informed decisions based on reliable information.

Furthermore, research has shown that having a written plan can increase the likelihood of a firm's survival. Studies conducted by Gruber (2007) and Shane & Delmar (2004) have demonstrated the positive impact of having a formal written business plan on business success and longevity. These studies found that firms with written plans had higher survival rates compared to those without. Additionally, Mazzor *et al.* (2009) found that companies with formal written business plans were more likely to establish network partnerships, implement formal quality assurance processes, and demonstrate the ability to lead change among employees. Moreover, they observed a correlation between the owner's or manager's vision and the company's average annual sales.

This literature collectively reinforces the importance of having a written plan and maintaining organized records in the business. Doing so helps companies identify the right course of action, enhances their survival chances, fosters partnerships, ensures quality control, and drives growth. By following the advice of the proverb and prioritizing organized record-keeping and planning, businesses can position themselves for success and effectively navigate the challenges of running their operations.

The nature of planning in industrialized countries differs from that in developing countries such as Tanzania. In developed countries, planning tends to be more formal and structured, often taking the form of written plans developed by a small group of individuals on an ad hoc basis (Brinkmann, 2002). On the other hand, planning in Tanzania and other developing countries may be less formal and take various forms. Plans may be recorded in a small notebook or exist solely in the owner's mind as intuitive or unstructured plans (Lubawa, 2021).

Bracker and Pearson (1986) distinguish between strategic plans, which are long-range plans, and operational plans, which are short-range plans. These plans are considered structured plans that help guide the activities of businesses. Robinson and Pearce (1984) found that planning had a greater impact on large corporations' financial performance than SMEs. However, contrary to prior and conflicting empirical evidence, this study argues that planning focused on SMEs can contribute to their growth, profitability, and sustainability.

While the specific empirical evidence supporting this argument is not provided in the search results, it is vital to consider SMEs' unique context and characteristics in developing countries like Tanzania. SMEs play a crucial role in driving economic growth and development in these countries, and effective planning can help them overcome challenges and seize opportunities. By implementing tailored planning strategies that align with SMEs' specific needs and circumstances, it is possible to enhance their growth, profitability, and long-term sustainability.

According to research by Neely *et al.* (1995), in a highly competitive and globalized economy, manufacturing companies must prioritize customer and advertiser satisfaction to maintain excellent performance. Performance measurement plays a crucial role in obtaining the necessary data for planning, control, and action, as highlighted by Singh *et al.* (2010). Therefore, having written plans is essential for gathering reliable data.

2.5 Types of Objectives among SMEs

To achieve their goals, SMEs have been focusing on a range of objectives, including budgeting, marketing, management, sales and earnings, cash flow, expenditures, new products, human resources recruitment, return on investment, infrastructure investment, capital growth, strategic plans, entry into new markets, financial planning, and business expansion (Lubawa, 2021; Ariyo *et al.*, 2020; Mitchelmore & Rowley, 2013; Gică and Ioana, 2012; Ibrahim, Angelidis & Parsa, 2004). Although SMEs may have different plans compared to larger corporations, scholars agree that having clear objectives is critical for SMEs to move forward strategically and assess their progress effectively (Lubawa, 2021; Richards, 1986).

2.6 Financial Planning

According to Mohd *et al.* (2010), financial planning is a crucial component of a company's financial management strategy to achieve its financial and overall performance goals. This involves aligning departmental projections and expenses with the company's operations and revenues to maintain a stable financial position. Financial planning also enables the company to prepare its annual financial statements (Sivakumar, 2015), assess its current financial status, determine its financial resource needs, and explore alternative financing options for predicting and forecasting future growth prospects (Pandey, 2005).

Moreover, Ariyo *et al.* (2020) found that financial planning positively correlates with risk management, cash budgeting, cash control, and financial performance for small-scale business firms. Mitchellmore and Rowley (2013) further observed that planning practices in SMEs are linked to their annual sales, cash flow, new product development, and expenditure. However, due to the inherent risks and uncertainties in the business environment, businesses often mishandle routine financial tasks, leading to a need for financial planning (Sivakumar, 2015). This is particularly crucial for SMEs, which are critical drivers of economic growth but can fail due to inadequate financial planning (Omboga and Okibo, 2016; Van Tonder, 2010; Analoui and Karami, 2003). Therefore, understanding the financial planning status of Ma-SMEs and recommending ways to improve it is essential.

2.7 Ma-SMEs and External Consultants

Ma-SMEs have faced various challenges while operating, such as a lack of core expertise and knowledge, poor resources, reluctance to share business information, and inadequate information to make informed decisions. Research by Bennett (2008) and Chrisman and McMullan (2004) highlights that owner-managers of small businesses often face inaccurate information, limiting their understanding of external support. Additionally, Gică and Ioana (2012) suggest that the lack of financial resources and the reluctance to share business information hinder SMEs from seeking external advice from professionals.

To address these deficiencies, Ma-SMEs must collaborate with external partners, such as experts, to compensate for these flaws, as stated by Carey and Tanewski (2016) and Carey (2015). External consultants can assist Ma-SMEs with growth plans, management innovations, and organizational change, as Wright *et al.* (2012) and Damanpour and Aravind (2012) reported. Researchers have also shown that external sources of advice can improve strategic knowledge, leading to competitive advantages and improved business potential (Teece *et al.*, 1997). Srinivasan (2014) defines external assistance as all types of services offered by actors outside the firm that the company cannot obtain through its internal resources, such as knowledge sharing and expertise. Wright *et al.* (2012) also note that consultants can act as "regulators or controllers" as well as advisors and facilitators. This study defines external support providers as all public or private actors that can deliver knowledge not available internally and is offered as a commercial service (Curran, 2000; Gibb, 2000).

Taking advice is subject to various factors, including an individual's confidence in their ability to engage with advisers and the guidance itself, as highlighted by Anyadike-Danes *et al.* (2011) and Scott and Irwin (2009). Additionally, the trustworthiness of the consultant by owner-trust managers, as noted by Kautonen *et al.* (2010) and Johnson *et al.* (2007), plays a significant role in seeking and considering advice. However, small and medium-sized enterprises (SMEs) often avoid hiring external consultants due to their high costs. Lubawa (2021) suggests that the fees charged for hiring a consultant to design a plan could instead be used for more immediate firm initiatives, as planning expenses represent "opportunity costs." Furthermore, Chwolka and Raith (2012) state that the time spent creating a business plan is partly lost to the company.

This study argues that the engagement of external consultants in a formal or informal capacity can aid Ma-SMEs in attaining long-term growth, competitiveness, and performance. Informal assistance can come from free guidance from acquaintances, family assistants and business advice networks. Meanwhile, formal support comprises paid industry consultants, professional groups, and government-sponsored business support organizations, as per Heyden *et al.* (2013) and Vissa and Chacar (2009).

2.8 Evaluation of Plans

The evaluation stage is the final step in the planning process, which a management model may employ to ensure that everything is progressing according to plan. Evaluating long-term planning is essential to monitor progress and ensure that management is well-informed about the company's performance as per the plan. As Wheelen and Hunger (2012) noted, a company's performance evaluation process ensures it accomplishes its objectives. It compares actual performance to projected results, provides valuable feedback to management, and enables them to analyze the findings and take corrective measures, if necessary. The planning function involves evaluating the company's position within its environment, as highlighted by Linstead (2009). This evaluation can occur during operations and aims to identify internal and external factors that can facilitate or impede an entrepreneur in achieving their venture's objectives. According to Gică and Ioana (2012), Ibrahim, Angelidis, and Parsa (2004), and Rue & Ibrahim (1996), SME plans are evaluated on a weekly, monthly, quarterly, semi-annual, and annual basis.

Lubawa's (2021) study demonstrated that Ma-SMEs in Tanzania's food processing industry have employed external consultants to perform monitoring and evaluation (M&E) of their business plans. The study revealed that factory owners and other external experts conduct M&E activities to identify implementation weaknesses in their business plans. The primary objective was to ensure the successful implementation of their business plans by proactively identifying and resolving any implementation flaws. Consequently, a paid external consultant regularly visits food manufacturing companies to offer guidance. The staff is responsible for communicating any implementation flaws to the external consultant so that any issues or problems that arise during the planned activities can be addressed promptly.

This study operates on the premise that all Ma-SMEs engage in some form of business strategy evaluation, be it formal or informal. Small and medium-sized enterprises may recognize sales drops or equipment wear-and-tear, leading them to make decisions like cutting costs or reducing their workforce. As Rue and Ibrahim (1998) described, strategic planning entails long-term perspectives, written strategies, evaluation, and monitoring. With this in mind, the study examines how Ma-SMEs evaluate their strategies regularly, whether daily, weekly, monthly, quarterly, semi-annually, or annually.

2.9 Theoretical Review

The notion of planning can be associated with a range of theories. This study integrates multiple theories to enable Ma-SME planning from both perspectives.

2.9.1 Theory of Planned Behaviour and SMEs

The study was guided by the Planned Behaviour Theory (PBT) developed by Ajzen (1985, 1991), an extension of the Theory of Reasoned Action (TRA). PBT posits that a person's willingness to carry out a specific action, such as business planning, reflects their readiness and creates a commitment to turn that action into a habit (Ajzen, 2011). The theory assumes that intention is a critical predictor of behaviour and that it is the product of behavioural beliefs that link specific behaviours to specific outcomes. Ajzen (2011) states that intention is "a person's willingness to engage in a specific behaviour." This means that intention refers to a person's conscious plan to exert effort to perform a particular behaviour. From an entrepreneurial perspective, intention is defined by Thompson (2009)

as "a person's stated conviction that they intend to launch a new business venture and intentionally plan to do so in the future."

The Theory of Planned Behavior (TPB) has been employed in some corporate planning research (Lubawa, 2021) to illustrate how individual planning judgments can translate into firm decisions. In the business world, TPB explains why people plan and manage businesses (Rueda *et al.*, 2015). TPB's predictive validity in the context of firm start-ups is broadly consistent with results from other domains, including medium-term plans that require significant effort to achieve, such as health-related goals (Sheeran, 2002; Armitage and Conner, 2001). The likelihood of a behaviour occurring is determined by the individual willingness to engage in such behaviour (Ajzen & Fishbein, 1980; Ajzen, 1987), while individual views determine the attitude (Krueger & Carsrud, 1993). Therefore, it is expected that the owners of private companies, such as Ma-SMEs, will design and monitor the implementation of plans. According to Lubawa (2021), regardless of whether plans are documented or not, private business owners usually plan and manage all plans. As a result, owners have developed a planning habit that employees have inherited during execution. A positive outcome may increase if guidelines are provided to direct where and when planning activities should be performed (Orbell *et al.*, 1997). The TPB summarizes the model formulated by Ajzen (1991), as presented in Figure 1.

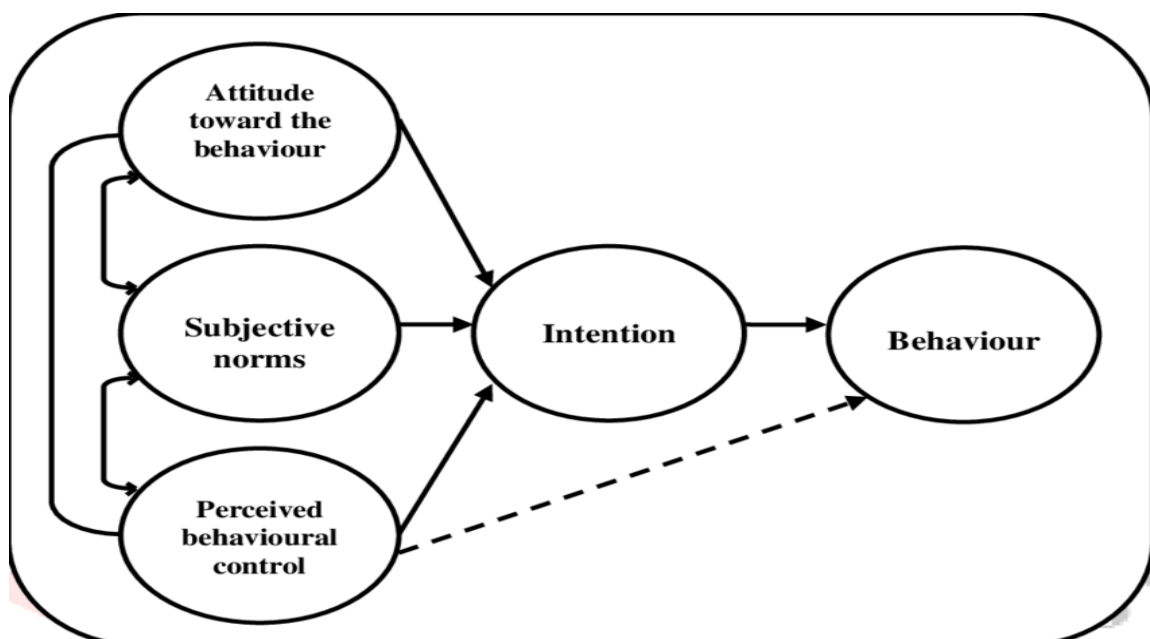


Figure 1: Theory of planned behaviour Source: Ajzen (1991):

2.9.2 The Institutional Theory

Before starting a business, it is considered best practice for entrepreneurs to create a business plan. However, some studies have shown that not all entrepreneurs follow this advice (Karlsson and Honig, 2009; Perry, 2001). Institutional forces shape the business environment and influence business operations (Honig and Karlsson, 2004; Karnoe, 1995). According to institutional theory, institutionalization is a social process whereby established structures, policies, and programs are widely accepted (Meyer & Rowan, 1977). This study adopts an institutional perspective and argues that Ma-SMEs must produce a business plan to gain legitimacy from external stakeholders (i.e., Institutional sources) (see Figure 2). Examples of these institutions in Tanzania include banking institutions (such as NMB Plc and CRDP Plc), educational institutions (e.g., Mzumbe University, University of Dar-es-Salaam, and the Institute of Rural Development Planning in Dodoma), consultancies, venture capitalists, and government agencies (e.g., SIDO, TRA, TBS). These stakeholders are promoting using business plans by Ma-SMEs to help them gain legitimacy and succeed in the business world.

Although there is no legal requirement for writing business plans when starting a business in Tanzania, small and medium-sized enterprise (Ma-SME) owners often create such intentions to show their commitment to achieving legitimacy and gaining acceptance from various institutional forces. However, after these plans are established and stakeholders are consulted, they are frequently left unmodified, resulting in discrepancies between objectives and actual results (Lubawa, 2021). While larger corporations may have an advantage in navigating institutional forces, it can be difficult for small businesses. Nevertheless, this study proposes that institutional pressures will also impact planning in Ma-SMEs because they operate in the same environment as larger corporations.

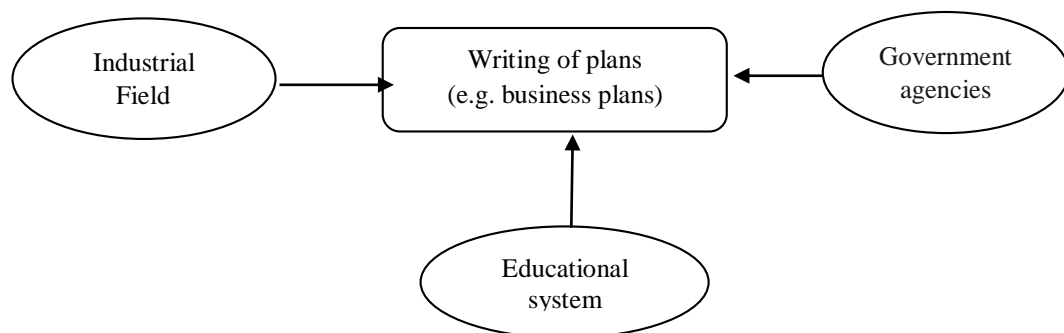


Figure 2: Institutional sources and planning behaviour.

3.0 METHODOLOGY

3.1 Study Area

The study was conducted from September to December 2019, covering several districts in Dodoma Region, Tanzania, including Chamwino, Chemba, Dodoma City, Kondoa Town, Kongwa, and Mpwapwa (Figure 3). This region is located in the heart of Tanzania's Eastern-Central region, around 300 miles (480 kilometres) from the coast of the Indian Ocean. The region spans an area of 41,311 square kilometres, lying south of the equator between latitudes $6^{\circ} 57'$ and $3^{\circ} 82'$ and longitudes $36^{\circ} 26'$ and $35^{\circ} 26'$ East of Greenwich. The region's economy is primarily driven by small and Medium-Sized Enterprises (SMEs) engaged in small-scale commerce and production, such as metal and woodworking, winemaking, sunflower oil processing, and maize flour milling. The region was selected for the study because its development plan includes initiatives to establish it as a new business hub and growth pole for the East and Central African Economic Region (URT, 2019).



Figure 3: A map showing the study area location

3.2 Research Design and Sample Size Determination

This study employed a cross-sectional survey to quickly gather a large amount of data (Creswell & Creswell, 2017). To ensure objectivity and minimize the possibility of planning information modification by Ma-SMEs, a one-stop visit was made to Ma-SME

167. The study population was based on the 4,364 SMEs in Tanzania according to the 2012 census, which includes the Ma-SMEs (URT, 2012). The questionnaire for primary data collection was completed by selected Ma-SME owners or managers with experience organizing organizational operations and planning decisions (Lubawa, 2021). The study sample size was determined using the Morris and Guenther (1973), Green (1982), and Krejcie & Morgan (1970) formula for the finite population.

$$n = \frac{Nz^2pq}{(E^2(N-1)+z^2pq)} \dots\dots\dots(1)$$

To determine the minimum sample size (n), the following formula for the finite population was used: $n = (N * z^2 * p * q) / [(E^2 * (N-1)) + (z^2 * p * q)]$. In this case, N is the population size (4,364), z is the confidence interval (1.96) for a 95% confidence interval (CI), and p is one minus q, with q and p set to 0.5 to yield the most conservative outcome possible. E is the accuracy of the sample proportion, preferably plus or minus 5%.

Therefore, the sample size from the study population was calculated as $n = (4,364) (1.962) (0.5) (0.5) / [(0.052) (4,364-1) + (1.962) (0.5) (0.5)] = 167$ Ma-SMEs. Descriptive statistics and IBM SPSS version 20 for Pearson Chi-Square were used to analyze the collected quantitative data, while content analysis was used for the qualitative data (Tundui, 2012). The study adhered to all ethical requirements outlined by the Institute of Rural Development Planning (IRDP). The Government approved it through a letter from the Dodoma Regional Commissioner's office and consent from Ma-SME owners.

3.3 Units of Analysis and Sampling

The owners of Ma-SMEs were the units of analysis in this study. Ma-SMEs were identified from a list of licensed firms provided by each district council's trade department for 2019. The list included the firm's location and the owner's contact information. The owners were contacted via their mobile phone numbers to schedule a meeting and obtain approval for data collection.

3.3 Data Collection Methods and Tool

Data was obtained through self-administered structured questionnaires, which have the advantage of being conducted face-to-face or over the phone. Additionally, documentation analysis, such as reviewing written plans, was utilized to ensure consistency with the

owners' reports. Using multiple data-gathering instruments adds credibility and strengthens the study, providing a comprehensive view of the subject being investigated, according to Patton (2002). The questionnaire was pre-tested among Ma-SMEs in the municipality to enhance the instrument's quality before the primary fieldwork. All necessary changes to the questionnaire were made following the pre-testing stage before the data collection process began.

3.4 Data Analysis Methods

Quantitative data were analyzed using descriptive statistics, chi-square, and correlation analysis. In the initial phase, the data were collected and inputted into SPSS (IBM v.20) for data preparation, including verifying and managing missing data. Descriptive analysis was also conducted to generate demographic characteristics of the respondents, compute frequencies, sort the firm's financial performance based on its size, and calculate means and standard deviations for each variable in the sample. Inferential statistics, such as chi-square, were also employed in the analysis. The SPSS (IBM v.20) is a widely-used tool for data analysis by researchers, as noted by Seema (2020) and Razzak & Jassem (2019).

3.5 Ethical Considerations

The researcher adhered to all of the procedural ethical standards set by the IRDP. An introduction letter from the IRDP was obtained, which allowed the researchers to be introduced to the Dodoma Regional Commissioner's Office and enabled them to collect data from the Dodoma Districts. Informed consent from the subjects is a crucial component of conducting ethical research, and the researchers obtained permission from the owners of Ma-SMEs to conduct interviews and use the collected information for publication. The owners were assured that their data would be kept confidential, and they were also requested to respect the privacy of other interview participants.

3.6 Limitations

There are some limitations to this research. Specifically, the study only examined Ma-SMEs from one geographic location. To increase confidence in the findings, future studies should encompass a broader range of localities and a larger sample size, thus expanding the coverage to include more areas in Tanzania. Additionally, forthcoming research should concentrate on the SME sector to gain a more comprehensive understanding of planning practices in Tanzania and to develop more effective policy recommendations.

4.0 RESULTS AND DISCUSSION

4.1 Respondents' Demographic Characteristics

The study had a sample size of 167 industry owners, and all 167 questionnaires (100%) were distributed, completed, and returned. The respondents' demographic information included their job titles and education status. Table 2 presents the positions of the survey participants. The survey aimed to identify whether the respondents were Top Management Team (TMT) members by inquiring about their current job titles. The findings indicate that the respondents are senior executives in their respective firms, with 125 (74.9%) holding the position of Managing Director, 36 (21.6%) as Senior Managers, 4 (2.4%) as Managers, and only 2 (1.2%) as Director/Executive. Given their roles as senior executives, they are assumed to possess relevant and clear information on planning practices, which can be shared in this study.

The study found that a significant proportion of Ma-SMEs have a low level of education. Specifically, 31% of the respondents have completed only primary schooling, while 29% have completed secondary schooling (Table 2). In other words, 60% of the respondents do not possess a college or university degree, suggesting they may have less specialized skills and knowledge than those with higher education. Surprisingly, the study also found that approximately 38% of the respondents have obtained a college or university degree. This finding challenges the previous assumption that individuals with formal education would seek employment rather than engage in small-scale manufacturing. Storey (1994) asserts that higher education instils more confidence in dealing with business issues, including financial planning and engaging with commercial banks.

The study suggests that managers with higher education are better equipped to navigate the business environment than those with lower education levels. This aligns with the research conducted by Timothy (2022) on SME managers in Tanzania, which demonstrates that higher education correlates with higher productivity. Moreover, Timothy's research indicates that marketing innovation partially moderates this link, further emphasizing the importance of education in SME management.

It is worth noting that the Ma-SMEs sector comprises managers with varying levels of education. This finding aligns with the research conducted by Lubawa and Van Auken (2019), which suggests that both highly educated and poorly educated individuals participate in this sub-sector of small-scale manufacturing.

Overall, the study's findings highlight the educational diversity within the Ma-SMEs sector. While a significant proportion of managers have limited formal education, a notable portion holds college or university degrees. These results contribute to understanding the educational background of Ma-SME managers and its implications for their performance and ability to navigate the business landscape.

Table 2: Respondents' Demographic Characteristics

Job title	Frequency	Valid Percent
Director/Owners	125	74.9
CEOs	2	1.2
Directors	36	21.6
Managers	4	2.4
Total	167	100.0
Category	Frequency	Percentage
No formal education	3	2
Primary education	52	31
Secondary education	49	29
College/University	63	38
Total	167	100

4.2 Ma-SMEs Profile

4.2.1 Ownership Status

The study's findings shed light on the ownership structure and planning practices of Ma-SMEs in the study area. According to the survey, single-family businesses constitute a significant majority of Ma-SMEs, accounting for 94% of the total. In contrast, Ma-SMEs owned by a combination of members through friendship associations represent a smaller proportion, comprising only 6% (Table 3).

One notable observation is that a large majority of Ma-SMEs (85%) lack long-term written plans that serve as a primary guide for their future trajectory. Instead, these enterprises predominantly rely on short-term or temporary plans, adapting to the current circumstances as they arise. Thus, it implies that long-term strategic planning is not as prevalent among the Ma-SMEs in the study area.

According to Lubawa (2021), the planning process in family businesses, which comprise the majority of Ma-SMEs, is often managed by the owner or family members rather than employees. Thus, it highlights the significant role of the owner or family members in guiding the planning decisions and strategies of the business. In family firms, the involvement of family members in management and decision-making positions, as defined by Gallo and Sveen (1991), further emphasizes the influence of familial relationships in shaping the planning approach.

On the other hand, in non-family Ma-SMEs, there is a collective approach to planning that is not tied to individual families. In these firms, employees collectively discuss and contribute to the planning process, keeping track of decision implementation and identifying areas of improvement or shortcomings. This collaborative planning approach reflects a more inclusive and participatory decision-making process within non-family Ma-SMEs.

It is important to recognize the implications of these ownership and planning practices on the overall management and operations of Ma-SMEs. The dominance of single-family businesses suggests that family dynamics and decision-making processes heavily influence the strategic direction of these enterprises. On the other hand, Ma-SMEs with a collective ownership structure may benefit from a more inclusive and collaborative approach to planning, harnessing the diverse perspectives and expertise of the employees.

Table 3: Ownership Status (n=167)

Ownership	Frequency	Per cent
Non-family	10	6.0
Family	157	94.0
Total	167	100.0

4.2.2 Registration Status

The study's findings reveal the distribution of registration among the surveyed firms, highlighting the different regulatory bodies they are registered with. According to the data presented in Table 4, 4% of the firms surveyed were registered with BRELA (Business Registrations and Licensing Agency), 53% with SIDO (Small Industries Development Organization), and 43% with the Local Government Authority-LGA (District/City Councils). This registration indicates that these Ma-SMEs have taken the necessary steps to formalize their businesses and comply with legal requirements, including paying taxes and other levies. These firms' formal and legal status reflects their commitment to conducting business by established regulations. Thus, it can foster a business environment that promotes accountability, transparency, and compliance with governmental policies.

Given that these Ma-SMEs operate formally, the government and other stakeholders have an opportunity to develop mechanisms that can support their planning education and capacity. By enhancing their planning capabilities, Ma-SMEs can better adapt to global changes, seize growth opportunities, and potentially evolve into larger firms. Effective planning education and capacity-building initiatives can equip Ma-SMEs with the necessary skills, knowledge, and strategies to navigate dynamic market conditions and pursue sustainable growth.

Table 4: Registration Status (n=167)

Registering Authority	Frequency	Valid Percent
BRELA	7	4.2
SIDO	88	52.7
LGA	72	43.1
Total	167	100.0

4.2.3 Company Age

Table 5 provides insights into the age distribution of Ma-SMEs since their inception, highlighting the potential impact of operating duration on the experience and knowledge of employees. It is widely recognized that as a business operates for extended periods, its employees gain more experience and expertise, which can positively contribute to the company's growth and development (Welmilla *et al.*, 2011).

The findings reveal that the majority of Ma-SMEs in the sample have been in operation for 1 to 5 years, accounting for 53% of the total sample. Following this, Ma-SMEs operating for 6 to 10 years comprise 41% of the sample, while those operating for more than ten years represent 6%. These statistics indicate that there is a significant number of relatively young Ma-SMEs in the study, suggesting that Tanzania's SME policy, which was implemented in 2003 to transition the country's planned economy to a market economy and promote greater participation by the SME sector, has been successful in fostering the establishment of new Ma-SMEs.

Despite the varying ages of Ma-SMEs, it is important to note that they are likely to engage in planning practices and address planning challenges related to long-term planning. Thus, it implies that companies can plan activities regardless of age.

Table 5: Age of the Ma-SMEs (n=167)

Category	Frequency	Percentage
1 – 5 years	88	53
6 – 10 years	68	41
More than 10 years	13	6
Total	167	100

4.2.4 Listed Status of Ma-SMEs

The study findings indicate that none of the 167 Ma-SMEs (Micro and Small Enterprises) sampled were registered with the Dar es Salaam Stock Exchange (DSE). Despite the government's efforts to support SMEs through programs like the Enterprise Growth Market (EGM) since 2013, which aims to assist SMEs in meeting listing requirements, the study suggests that more work is needed to achieve significant results regarding Ma-SMEs listing on the DSE.

One possible explanation for the lack of listing on the DSE could be the prevalence of family-owned businesses among the sampled Ma-SMEs. In family-owned firms, management decisions often rely on family members' vision, culture, abilities, and capacities. The fear of relinquishing control to external investors may discourage them from pursuing listing opportunities.

In Tanzania, SMEs' reluctance to list on the DSE has been attributed to various factors, including concerns about losing control, lack of familiarity with stock management, inadequate management skills, and the costs associated with the listing. It is important to recognize that family firms often have economic and non-economic objectives, and their definition of success may differ from purely financial metrics. Non-economic goals, sometimes kept within the family, may influence their decision to remain unlisted.

The study also highlights the potential risks associated with family-owned businesses, particularly in succession and family disputes. Solely family-owned companies may be more susceptible to conflicts and rifts within the family, which can have long-term implications spanning multiple generations. Listing a firm on the stock market subjects it to market regulations and corporate governance requirements, which can help mitigate the influence of family dynamics on business operations. Young et al. (2008) note that publicly listed companies typically have management practices to minimize conflicts between managers and shareholders, thereby enhancing corporate governance.

4.3 The Ma-SMEs Engagement in Planning Activities

The study examined the engagement of Ma-SMEs in short-range planning (SR_PLAN) and mid-range planning (MR_PLAN) using a five-point scale, ranging from "Never" (1) to "Always" (5). The mean value for SR_PLAN was found to be higher (M=3.91, SD=0.924) compared to MR_PLAN (M=2.67, SD=0.978). To determine the statistical significance of this difference, a paired t-test was conducted using SPSS, revealing a significant difference in means (difference = 1.24) with $t(166) = 11.907, p = .000$. These results suggest that Ma-SMEs engage in short-range planning more frequently than mid-range planning.

Additionally, the study conducted further analysis on two other planning variables: short-range planning (SR_PLAN) and long-range planning (LR_PLAN) among a sample size of 167. The mean value for SR_PLAN was higher (M=3.91, SD=0.924) compared to LR_PLAN (M=3.66, SD=1.117). A paired t-test using SPSS indicated that the difference in means (difference = 0.25) was statistically insignificant, $t(166) = 2.094, p > 0.05$. These findings suggest no significant difference in the frequency of short-range and long-range planning among Ma-SMEs. Therefore, it can be concluded that short-term and long-term planning practices are similar among Ma-SMEs.

Table 6: Paired Samples Test results for Planning schedule(n=167)

Paired Samples	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1								
Short-range planning (SR_PLAN) - Mid-range planning (MR_PLAN)	1.240	1.345	.104	1.034	1.445	11.907	166	.000
Pair 2								
Short range planning (SR_PLAN) - Long-range planning (LR_PLAN)	.246	1.515	.117	.014	.477	2.094	166	.038
Pair 3								
Mid-range Planning (MR_PLAN) - Long-range planning (LR_PLAN)	-.994	1.570	.121	-1.234	-.754	-8.184	166	.000

After further analysis, the study compared the mean values of two planning variables, mid-range planning (MR_PLAN) and long-range planning (LR_PLAN), with a sample size 167. The mean value for LR_PLAN (M=3.66, SD=1.117) was higher than the mean value for MR_PLAN (M=2.67, SD=0.978). However, a paired t-test using SPSS indicated that the difference in means (difference = 0.99) was statistically insignificant, $t(166) = -8.184$, $p=0.05$. Thus, it suggests no significant difference in the mid-and long-range planning practices for Ma-SMEs. Nevertheless, the study found that Ma-SMEs more frequently practised long-range planning than medium-range planning.

To sum up, the study revealed significant variations in the planning time frame among Ma-SMEs, with short-term planning being the most commonly utilized approach. This finding aligns with the reliance of SMEs on short-term financing strategies, specifically Working Capital Management (WCM), to sustain their operations. WCM involves evaluating a company's short-term financial position by assessing the daily balance of short-term assets and liabilities. Its objective is to determine the optimal level of short-term assets (e.g., inventory, receivables, cash) and short-term commitments (e.g., accounts payables) to maximize profits. Consequently, many small businesses lack long-term planning, which poses a threat to the survival of Tanzanian Ma-SMEs. As a result, Ma-SMEs primarily focus on their current existence without considering prospects.

4.4 Planning Objectives Practised by Ma-SMEs

The study employed a 5-point Likert scale to assess the frequency of planning for seven objectives practised by Ma-SMEs over the past five years. The scale ranged from 1 (never planned) to 5 (often planned). The mean values for the frequency of planning for each objective are presented in Table 7, with higher mean values indicating more frequent planning. The results revealed that the most commonly planned objectives among Ma-SMEs were sales planning (Mean=3.96), business expansion (Mean=3.93), and capital growth (Mean=3.77). The table also lists the mean values for the remaining objectives. These findings suggest that Ma-SMEs plan for multiple objectives, which aligns with previous research on SMEs across various industries (Gică and Ioana, 2012; Ibrahim et al., 2004; Rue & Ibrahim, 1996).

Furthermore, the study emphasizes the importance of formally and professionally documenting these objectives, even though many are informally documented. Formal documentation provides a framework for managerial commitment to achieving desired outcomes and measures progress and performance. Without proper planning, effective management strategies for Ma-SMEs may become fragmented. Therefore, the study recommends implementing formal planning practices to enhance the overall management of Ma-SMEs (Lubawa, 2021; Thompson and Strickland, 2003).

Table 7: Planning Objectives stipulated by Ma-SMEs (n=167)

Objective	Mean	Std. Deviation
Sales	3.96	.525
Purchases	2.84	.671
Earnings	3.34	.673
Return on Investment	3.68	.670
Capital Growth	3.77	.537
Market Share	3.32	.704
Business Expansion	3.93	.555

4.5 Types of Financial Statements Prepared by Ma-SMEs to Support Planning

The study utilized a 5-point Likert scale, ranging from 1 (Never use) to 5 (Frequency use), to assess the usage of financial reports by Ma-SMEs in Tanzania for financial planning,

which supports their planning objectives. Four financial statements were considered, and the mean values for their frequency of use are presented in Table 8. The analysis revealed that Ma-SMEs commonly use sales forecasting (Mean=3.67), cash flow analysis (Mean=3.62), and the statement of income (Mean=3.50) for financial planning. These findings indicate that Ma-SMEs in Tanzania have recognized the importance of preparing and utilizing financial reports for planning purposes. These results are consistent with prior research conducted by Lubawa and Van Auken (2019), Lubawa & Louangrath (2016), and Lubawa and Chalu (2015).

Effective financial planning is crucial for the success of any business, and Ma-SMEs need to understand how to prepare financial reports and utilize them for financial planning. By leveraging financial planning, Ma-SMEs can effectively plan their production costs, expenditures, cash flow, and sales forecasting. Accurate and timely financial data enables informed decision-making and promotes consistency and reliability in predicting the outcomes of changing circumstances (Van Auken, 2005).

Table 8: Financial statements prepared by Ma-SMEs to support planning (n=167)

Financial Statement	Mean	Std. Deviation
Sales forecasting	3.67	.681
Statement of Financial Position	2.53	.943
Statement of Income	3.50	.657
Cash flow Analysis	3.62	.599

The subsequent discussion focused on key indicators that assist Ma-SMEs in planning and executing their financial strategies with the aid of financial statements. The study found that Ma-SMEs scored an average of 1.20 for the three metrics (listed in Table 9) that are significant to this sector. This score indicates substantial strategic planning and control inadequacies within Ma-SMEs (Francés, 2001). Manufacturers must have a reliable financial control function to achieve profitability, growth, and survival in a dynamic business environment (Ibrahim & Mustapha, 2019). However, one of the most significant challenges for Ma-SMEs is predicting sales using other economic factors such as inflation. Therefore, financial statements play a critical role in fulfilling Ma-SMEs' objectives.

Table 9: Financial Planning and Other Dimensions (n=167)

Dimensions	Score
Functional analysis of the production planning	1.35
Presence of strategic planning	1.24
The existence of a financial control mechanism	1.05
Average score	1.20

Source: Computed by the authors based on the questionnaire applied

4.6 Consultants' Assistance in the Planning of Ma-SMEs

The study also investigated whether Ma-SMEs hired consultants to assist with their planning. A 5-point Likert scale ranging from 1 (Never hire) to 5 (Frequently hire) was used to assess the importance of three types of consultants in the selection process. The results, presented in Table 10, were sorted in ascending order of importance weights, with the highest-weighted consulting service being the most desired. The mid-point of the importance weight, 0.3333, was used as a threshold to identify the most important criteria for choosing a consulting service.

The study found that freelance individual consultants (Weighted Mean = 0.5058) were the preferred choice, followed by academic institutions (e.g., universities or higher learning institutions, Weighted Mean = 0.2784). Private consulting firms were hired less frequently (Weighted Mean = 0.2157). It should be noted that consultants, whether individuals, firms, or universities, can only assist with good planning. The plan's ultimate responsibility and implementation lies with the business owners (Bracker and Pearson, 1985; Lubawa, 2021).

The findings suggest that Tanzanian Ma-SMEs rely on external consultants to ensure long-term viability. These results are consistent with those of Lubawa (2021), which showed that SMEs in Tanzania hire professionals to develop business plans.

Table 10: Use of consultants in the planning process (n=167)

Source of Consultancy	Mean	Weighted Mean	Source of Consultancy	Ranking	Reasons
Consulting private Firms	1.480	0.2157	Free Lance Individual	1	Less expensive and flexible
Consulting Academic Institution	1.910	0.2784	Consulting Academic Institution	2	Expensive, though negotiable
Free Lance Individual	3.470	0.5058	Consulting private Firms	3	Very expensive and hard to negotiate
Mean average	2.287	0.3333			
Total weight	6.860				

4.7 How Ma-SMEs Plan for Their Expansion and Growth Goals

To determine the methods or strategies utilized by Ma-SMEs in achieving their growth and expansion objectives, the study's respondents were presented with seven multiple-response items (practices) to assess their plans for accomplishing these goals within the study's region. A five-point Likert scale ranged from 1 (strong agreement) to 5 (strong disagreement). The results of this variable were analyzed and arranged to determine which methods were more frequently employed by the participating Ma-SMEs. The weighted mean score was used to present the analysis of the findings, which are summarized in Table 11.

Plant expansion (T1), which involves expanding a firm's facilities to increase production and earnings, received the highest ranking with a weighted average score of 5.50. Thus, it is followed by personal family income (T3) and succession planning (T5) as the second and third most commonly used techniques. Table 11 also presents the findings for other methods with lower weights, such as the hiring and training of key management personnel (T2), new product development (T4), and advertising (T6).

4.7.1 Plant expansion (T1)

While Ma-SMEs have expressed that plant expansion is perceived as the most effective means of achieving growth by increasing output and sales, this study views these statements as aspirations rather than confirmed strategies. Although the study did not specifically investigate the financial capacity of Ma-SMEs to acquire resources such as machinery, existing literature suggests that they face challenges in accessing capital

(Nkwabi and Mboya, 2019; Mashenene *et al.*, 2014). The economic crisis has raised concerns about Ma-SMEs' ability to expand by investing in plants and machinery.

4.7.2 Personal Family Income (T3)

It is not uncommon for personal family income (T3) to be utilized for the growth and advancement of the firm, especially considering that many Ma-SMEs operate based on family values and emotions rather than a formal organizational structure. The family's strong commitment to maintaining their reputation and preserving the business drives them to take all possible measures to ensure its survival, facilitated by their control over the company. With family control, they can directly oversee the firm's management and pursue their interests through the family enterprise (Berrone *et al.*, 2010; Gomez-Mejia *et al.*, 2007). Family capital, which refers to the collective ownership resources of the family, contributes to and sustains the family's short- and long-term productivity (Danes *et al.*, 2009). Therefore, a family may utilize family resources to rescue the family business in challenging circumstances.

4.7.3 Succession Plan (T5)

Succession plans among SMEs in Tanzania are evident, as supported by previous studies (Kiwia *et al.*, 2019; 2016). Many family-owned firms strive to establish a succession plan (T5) to ensure the long-term sustainability of their businesses. This report defines a succession plan as a strategy to maintain family business ownership across successive generations. Adopting succession planning practices indicates that Ma-SME owners in Tanzania are actively working towards promoting their enterprises for the benefit of future generations. However, the fact that succession planning ranks third suggests that it is not a top priority for most Ma-SMEs. This finding aligns with the observations of Mori (2014), who identifies inadequate succession planning as a key contributing factor to the lack of continuity and growth among SMEs in Tanzania.

Succession planning is a crucial strategy for ensuring the long-term viability of a family business. According to Lubawa (2021), family businesses are characterized by being managed and controlled by successive generations of a family. Unfortunately, in African culture, preparing a child to continue the family business is not prioritized, and young adults are expected to live and work independently after reaching 18 years of age. Family members are often hesitant to work in the family firm due to lower wages and the

complexities associated with estate planning and inheritance, which can lead to conflicts within the family. As a result, Magasi (2016) suggests that SME owners do not plan for business succession during their lifetimes. Studies conducted by Mori (2014) and Akinyele (2007) have revealed that a lack of relevant skills, knowledge, and experience is a reason for business owners' failure to plan for succession. Therefore, there is a need for increased education on the importance of succession planning and adequate preparation for it in Ma-SMEs.

Table 11: How Ma-SMEs plan for their expansion and growth goals (n=167)

Techniques	Weighted mean score (WMS)	Rank
Plant expansion (T1)	5.50	1
Hiring and training of key management personnel (T2)	3.26	4
Personal family income (T3)	5.28	2
New product development (T4)	3.19	5
Succession plan (T5)	3.66	3
Advertising (T6)	2.17	6

4.7.4 Hiring and training of key management personnel (T2)

The success of the Ma-SME industry relies on employee satisfaction and the possession of diverse skills that enable them to be productive at work. In today's highly competitive business landscape, characterized by turbulence, complexity, and rivalry (Shuvro and Alam, 2020), employee satisfaction and skills development play a crucial role in the success of a business. Satisfied employees create a healthy work environment (Rahaman and Uddin, 2022; Baqir *et al.*, 2020). Therefore, once an employee is hired, it is important to provide them with regular job training to enhance their skills and keep them up-to-date.

However, the results of this study suggest that employee training is not the primary focus for achieving the company's growth objectives. This finding may be attributed to the challenging operating environment for Ma-SMEs in Tanzania, characterized by a lack of creativity, human capital, business skills, and outdated business practices.

4.7.5 New product development (T4)

New Product Development (NPD) involves introducing a new product into the market by translating customer needs into product design specifications. Market pressures such as changes in consumer preferences, increased competition, and technological advancements can also influence the NPD process. Engaging in the NPD process is crucial for Ma-SMEs to seize new opportunities and remain competitive (Vezzetti, Alemanni, & Morelli, 2017; Lee, Mackenzie, Fong, & Sherman, 2016).

However, the findings of this study suggest that NPD is not a viable growth strategy for Ma-SMEs in Tanzania, indicating limited capacity among these businesses to develop new products. This limitation has significant implications for Tanzania's economy. With NPD's growing importance in global economic globalization, product diversification, and shortened product life cycles, Ma-SMEs' limited capacity in NPD can have detrimental effects. It could lead to foreign-made products dominating the domestic market, resulting in reduced domestic industrial production, loss of government revenues, job losses, and the eventual collapse of the Ma-SMEs sub-sector.

The challenges Tanzanian SMEs face, including a lack of innovation, capital, and professional recruitment capabilities, make it difficult for them to invest in modern technology and keep up with NPD due to financial constraints. Moreover, NPD's iterative, evolutionary, cooperative, and uncertain nature further complicates the process and makes it less structured than manufacturing processes (Jun and Suh, 2008).

4.7.6 Advertisement (T6)

Ma-SMEs in Tanzania have reported that advertising (T6) is their least preferred growth strategy (WMS=2.17). Advertising, defined by the Cambridge Dictionary as "making things known widely or in public to sell them," is viewed differently in third-world countries like Tanzania. Radio and television remain widely used mediums to reach the masses. However, these channels can be expensive, leading Ma-SMEs to perceive advertising as an impractical growth strategy. Moreover, factors such as budgetary constraints and a lack of familiarity with social media may contribute to this perception (Belás, Amoah, Dvorský, & Šuleř, 2021).

This study recommends that Ma-SMEs in Tanzania leverage social media as a cost-effective and efficient communication channel. Research has demonstrated that social media enables direct customer engagement, reduces costs, and enhances efficiency compared to traditional advertising methods like television and radio (Crammond *et al.*, 2018). Bucher and Helmond (2017) and Parveen *et al.* (2016) also suggest that social media facilitates daily interactions between businesses and customers.

4.8 Evaluation of the Ma-SMEs Plans

Regular evaluation is crucial for achieving planning objectives. Its purpose is to identify any shortcomings in the planning and review process before the plans become stagnant during implementation. This study assessed how often firms with long-range written plans evaluate their progress. Of the 167 surveyed firms, only 86 (51%) had written long-range plans. As depicted in Table 12, monthly evaluation emerged as the most preferred review frequency among Ma-SMEs, with 42 (49%) firms indicating its usage. Although two firms reported not evaluating their plans, the findings suggest that Ma-SMEs in Tanzania regularly review their expectations and actual results. These results align with previous studies by Gică and Ioana (2012), Ibrahim, Angelidis, and Parsa (2004), and Rue & Ibrahim (1996), which demonstrated that SME programs are evaluated on various timeframes, including weekly, monthly, quarterly, semi-annually, and annually.

Table 12: Frequency of evaluation of Ma-SMEs plans (n=86)

Frequency	Number of Ma-SMEs	Percentage
Weekly or less	12	14
Monthly	42	49
Quartley	9.0	10
Semi-annually	5.0	6.0
Annually	16	19
Never	2.0	2.0
Total	86	100

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

Tanzania's objective of achieving economic diversity and sustainability, along with industrialization by 2025, relies heavily on the Ma-SME sector. This report provides a comprehensive evaluation of the planning status of Ma-SMEs in Tanzania and aims to raise awareness of the economic significance of this sector. The research findings highlight several issues relevant to the Ma-SME literature, business planning practitioners, and policy professionals.

Firstly, the demographic characteristics reveal that Ma-SMEs use similar job titles for managerial positions as larger corporations despite having less defined organizational structures. This naming convention still influences decision-making and planning processes and fosters a culture of respect for managerial authority. Many Ma-SMEs are family-owned and registered with institutions such as BRELA, SIDO, and Local Government Authority-LGA (District/City Councils). Still, they are not listed on the DSE (Dar es Salaam Stock Exchange). Moreover, Ma-SME owners have diverse levels of education, ranging from primary school to university, but their education is sufficient to comprehend planning concepts in Kiswahili, their mother tongue.

Secondly, in terms of planning practices, the study found no noticeable distinction between short-term and long-term planning for Ma-SMEs, as most plans are based on limited revenue and have a temporary nature. This lack of long-term strategies jeopardizes the survival of Tanzanian Ma-SMEs, which solely exist in the present without considering their future. Succession planning is crucial for these businesses, particularly for single-owned family enterprises, as the absence of a succession plan can leave the firm vulnerable. While some Ma-SMEs have shown some practices related to succession planning, they are still relatively low and informal, and a formal succession plan is necessary for long-term viability and continuity. The study suggests that plant expansion, personal family income, and succession planning can contribute to Ma-SMEs' success. Still, it does not provide specific details on implementing these growth tactics.

Thirdly, the study reveals that the most commonly pursued planning objectives among Ma-SMEs are sales planning, business expansion, and capital growth. Even if these objectives are not achieved, the study demonstrates that Ma-SMEs can set business

planning objectives and have utilized financial statement data to establish them. This suggests that financial statements are increasingly being used by Ma-SMEs, which is a departure from the past when SMEs struggled to prepare financial statements or maintain records. Among the financial statements used by Ma-SMEs, sales forecasting (Mean=3.67), cash flow analysis (Mean=3.62), and statement of income (Mean=3.50) were the most frequently utilized. The use of financial statements by Ma-SMEs is currently correlated with their business experience and knowledge (Lubawa & Van Auken, 2019).

Finally, the study also found that Tanzanian Ma-SMEs frequently seek the assistance of external experts to ensure their long-term stability. Due to legal requirements, small businesses must engage an auditing firm to complete their annual financial statements, so hiring such services is necessary. Additionally, small and medium enterprises may hire external consultants to assist them in writing a business plan for loan applications to financial institutions (Lubawa, 2021). However, Ma-SMEs face the challenge of preferring to hire cheaper private-sector experts, which may result in low-quality service.

5.2 Recommendations

The study reveals that Ma-SMEs have a low level of planning. These findings suggest that many Ma-SMEs are family-owned and not listed, which creates challenges in establishing effective corporate governance. Both family emotions and business systems often influence the management of a family business. Conflicts can arise when these two systems are not aligned, hindering the business vision. Thus, to address this clash of cultures, values, and persistent tensions, specialized programs such as the DSE should be introduced to assist Ma-SMEs in becoming listed on the stock exchange market. These programs would help improve corporate governance and provide access to additional resources and expertise.

Listing Ma-SMEs on the stock market can offer several benefits. Firstly, it provides immediate access to funds through equity infusion, enabling the company to utilize the raised funds for expansion, diversification, acquisition, or debt repayment, thereby enhancing its overall portfolio. Once listed, these companies can explore other capital-raising opportunities, such as rights and preferential issues. Secondly, listing provides liquidity to shareholders and increases the company's value, offering a straightforward exit route for private equity investors, stock option holders, and other investors. Due to

increased share liquidity, existing shareholders can easily trade their shares, leading to better valuation than private transactions. Lastly, a stock market listing enhances the visibility of smaller firms like Ma-SMEs, which typically have limited exposure. Being listed on the stock market provides a platform for these companies to interact with competitors, market themselves, and generate commercial opportunities. The media attention and publicly available information associated with a listing also contribute to improved public recognition and reputation.

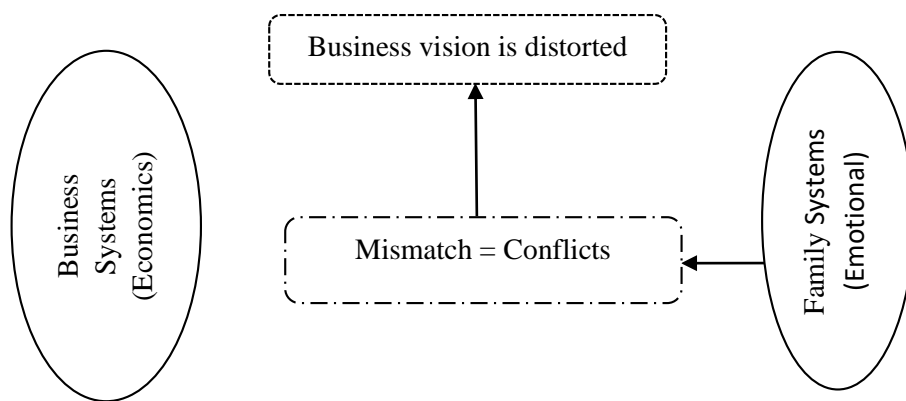


Figure 4: Family systems vs business systems

Source: Authors’

The study recommends amending Tanzania's company registration law to recognize the presence of both family and non-family businesses in Ma-SMEs. Lessons can be learned from developed countries like the United Kingdom and the United States, where the Company Registration Act acknowledges family and non-family businesses. Family business associations in these countries have played a crucial role in governing and managing family firms for economic development, providing guidance and training in family business management and succession planning. Tanzania can benefit from implementing a similar mechanism to support the current generation of family businesses and ensure their successful transition to future generations.

Second, the study highlights the lack of planning knowledge among Ma-SME owners in Tanzania. It emphasizes the need for deliberate efforts to educate Ma-SME owners on effective planning practices. Specialized planning training programs should be developed to cover financial planning, planning horizons, succession planning for family businesses, and overall organizational planning. Based on the study's findings, Tanzanian higher

education institutions and other stakeholders can play a role in enhancing planning training for Ma-SMEs.

Third, the significance of financial statements in Ma-SMEs' planning practices is emphasized. The study recommends that Ma-SME owners be educated in their native language (Kiswahili) to understand better financial reports prepared using International Financial Reporting Standards (IFRSs), which Tanzania follows. It suggests that the complexity of financial reporting standards may pose challenges for Ma-SME owners with limited educational backgrounds, and using Kiswahili can facilitate their understanding of financial statements.

Fourth, the study suggests that the government should assess the quality of services provided by private consulting firms to Ma-SMEs. Government oversight can ensure that Ma-SMEs can access high-quality services to help them achieve their goals.

Lastly, the study recommends revising Tanzania's SME policy to highlight the importance of succession planning alongside business planning. Addressing the planning challenges facing Ma-SMEs aligns with Tanzania's objectives for industrial expansion, human development, and Sustainable Development Goal 9 (SDG-9). The challenges identified in the study should be considered in policy development, literature, and among practitioners and professionals in the manufacturing industry, not only for family businesses but also for Ma-SMEs.

The study suggests that future research should explore the complex relationship between planning and financial performance in Ma-SMEs, considering the family and business systems and their interaction. Furthermore, investigating the reasons behind the low prioritization of succession planning among Ma-SME owners in Tanzania would provide valuable insights.

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ABOUT THE AUTHORS

Mr Galinoma Lubawa is a Lecturer in Investment Planning, Financial Reporting, Business Planning, and Financial Management at the Institute of Rural Development Planning. His research interests encompass financial modelling, Artificial Intelligence, Family Business, Business Planning, Financial Management, Wine development, and Small Business Development. In addition to his academic role, Mr. Lubawa is an experienced Business Analyst with a proven track record of providing consulting services to businesses. His areas of expertise include Financial Strategy, Financial Public Expenditure Tracking Systems (PETS), Business Research, Data Analysis, Business & Financial Modelling, Strategic Financial Management, Marketing Plan Development, Feasibility Studies, Project Financing, Investment Profiling, Risk Analysis and Project Financing, as well as comprehensive Business and Investment Planning. Through these multifaceted capabilities, Mr. Lubawa aims to maximize firm value and support the sustainable growth of the organizations he serves.

Galinoma's scholarly pages can be found at;

<https://scholar.google.com/citations?user=CiY-6IsAAAAJ&hl=en>.

 ORCID: <https://orcid.org/0000-0001-9198-4495>

Julius Tarimo Alex is a tutorial assistant in Communication Skills at IRDP. His areas for research are linguistics, development studies and education.

Stephen Joh Fuime is an Assistant Lecturer in Entrepreneurship Development at the Institute of Rural Development Planning. His areas of research interests include Small and Medium Enterprises(SMEs), entrepreneurship, new business venture growth, strategic business management, public finance and microfinance.



Institute of Rural Development Planning (IRDP)

P. O. Box 138, Dodoma, Tanzania

Tel: +255 26 2963037

Fax: +255 26 2963036

E-mail: rector@irdp.ac.tz

Website: www.irdp.ac.tz

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