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# STRATEGY EVALUATION ON PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) IN MAKURDI METROPOLIS, BENUE STATE

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## ABSTRACT
*This study examines the effect of strategy evaluation on performance of small and medium enterprises in Makurdi metropolis, Benue State. The study specifically examines the effect of strategy evaluation consistency, strategy evaluation suitability, strategy evaluation feasibility and strategy evaluation acceptability on the performance of small and medium enterprises in Makurdi metropolis, Benue State. The study adopted a survey research design and primary data that were collected through questionnaire administration. The population of the study was 240 selected SMEs within Makurdi metropolis, Benue State.. The study adopted a census sampling technique. Data collected from the respondents were analysed using mean, standard deviation and multiple regressions. Formulated hypotheses were tested at 0.05 level of significance with the aid of the Statistical Package for Social Sciences (SPSS 23). Findings of the study indicated that strategy evaluation consistency, strategy evaluation suitability, strategy evaluation feasibility and strategy evaluation acceptability has significant effect on the performance of small and medium enterprises in Makurdi metropolis, Benue State.. The study recommends amongst others that management of SMEs should continuously evaluate their strategies against performance so that adjustments will be made to help achieve set objectives.*

**Keywords: Strategy Evaluation, Consistency, Suitability, Feasibility, Acceptability, Growth.**

## 1.1 Introduction
Due to its major contribution to achieving numerous socio-economic goals, including increased growth in employment, output, promotion of exports, and supporting entrepreneurship, the importance of the small and medium businesses (SMEs) sector is well acknowledged globally. In high-income countries, SMEs account for more than 65% of all employment and over 55% of GDP. In low-income nations, they provide over 60% of GDP and over 70% of all employment, while in middle-income ones, they make up over 95% of all employment and over 70% of GDP (Wanjiru, 2016).

The need for systematic assessment, evaluation, and control of the implementation of strategies has been extensively accepted in the literature. Organizations must continually evaluate their strategic decisions and make adjustments to preserve a fit with the environment. This is crucial because, as the business environment evolves, even the best-developed and well-executed strategies lose their usefulness (Dubihlela and Sandada, 2014). Every company must constantly evaluate its strategic decisions to be relevant in a rapidly changing world. This is possible through systematic examination, appraisal, and management of the strategies' implementation because even the best-laid-out and well-executed plans lose their value when the business environment shifts (Dubihlela and Sandada, 2014). Strategic management now frequently includes the requirement for such a re-examination of previous hypotheses and the comparison of actual results with earlier theories.

Evaluation of a strategy is the methodical process of identifying the factors that contributed to its success or failure in terms of its objectives, performance standards, and/or other performance indicators (Strydom, 2011). The strategy evaluation process determines the level of strategy implementation and provides early warnings of potential obstacles to the strategy's success by alerting management to inquire about the execution process or the dependability and competency of the leaders (Carpenter and Sanders, 2009). According to Johnson and Scholes (2002), the strategy evaluation process illustrates how well businesses respond to new problems in order to accomplish their strategic goals. In fact, companies should assess their skills and capacities to successfully implement their strategy (Popa, Dobrin and Popescu, 2012).

Therefore, the strategy evaluation process makes sure that businesses adjust their strategies to any potential environmental changes. It might be argued that a thorough strategy evaluation process informs management of the reasons why the firm's strategic goal was not met. In fact, strategy evaluation shields a company from failure, stops businesses from making poor decisions, and aids them in anticipating issues when the internal and external environment change (Dubihlela and Sandada, 2014, Elshamly, 2013). A systematic approach to the process of evaluating a strategy could improve a company's strategic performance. Financial and non-financial indicators of organizational performance provide data on the extent to which goals and results are attained (Lebans and Euske, 2006). According to Kathuni and Mugenda (2012), organizations periodically reassess their strategies with the goal of developing an integrated business that is operationally efficient in order to remain competitive and fulfill their aims and objectives.

In the literature on strategic management, the strategy evaluation process has not gotten much attention, particularly in large companies (Kanano and Wanjira, 2021). Few research on the relationship between strategy evaluation and performance have a focus on Small and Medium Enterprises (SMEs), according to the literature (Dubihlela and Sandada, 2014; Popa, Dobrin and Popescu, 2012). Additionally, the majority of studies conducted in Nigeria did not take strategy evaluation into account as a separate construct within the strategic management process (Monday, Akinola, Ologbenla and Aladeraji, 2015; Muogbo, 2013). The relationship between the strategy review process and performance is a distinct construct that may vary depending on the context. Therefore, by examining the impact of strategy evaluation on the performance of small and medium-sized businesses in Makurdi Metropolis, Benue State, this study aims to close the contextual gap in the literature.

## 1.2 Objectives of the Study

The study's primary goal is to investigate how strategy evaluation affects the performance of small and medium-sized businesses in Benue State's Makurdi Metropolis. The aims to, specifically:

i. Determine the effect of strategy evaluation consistency on the performance of small and medium enterprises in Makurdi Metropolis, Benue State;
ii. Ascertain the effect of strategy evaluation suitability on the performance of small and medium enterprises in Makurdi Metropolis, Benue State;
iii. Examine the effect of strategy evaluation feasibility on the performance of small and medium enterprises in Makurdi Metropolis, Benue State;
iv. Evaluate the effect of strategy evaluation acceptability on the performance of small and medium enterprises in Makurdi Metropolis, Benue State.

## 1.3 Research Hypotheses

The following hypotheses have been formulated for this study:

$H0_1$: Strategy evaluation consistency has no significant effect on the performance of small and medium enterprises in Makurdi Metropolis, Benue State

$H0_2$: Strategy evaluation suitability has no significant effect on the performance of small and medium enterprises in Makurdi Metropolis, Benue State;

$H0_3$: Strategy evaluation feasibility has no significant effect on the performance of small and medium enterprises in Makurdi Metropolis, Benue State;

$H0_4$: Strategy evaluation acceptability has no significant effect on the performance of small and medium enterprises in Makurdi Metropolis, Benue State.

## 2. Literature Review

The goal of strategy is to help an organization succeed in its environment by establishing the organizational direction that will lead to a stronger competitive position within that environment. Typically, a company's strategy is related to the external environment in which it operates. Much of what becomes, or is seen as, strategy has evolved with at least some sensitivity toward the outside world, whether it was created with specific environmental hazards and possibilities in mind, or it emerged gradually from within the business (Musmuliana, 2012). The notion of strategy evaluation, its constituent parts, company performance, and the relationships between the variables were all covered in the literature study.

### 2.1 Concept of Strategy Evaluation

Information on strategy performance must be gathered for the evaluation and control phase in order to compare it to current standards. Another way to evaluate is to look through present tactics, assess performance, and take corrective action. There is a need for strategy appraisal because past performance is no guarantee of future results. Success always generates brand-new issues, and complacent businesses eventually fail (David, 2005). According to Arasa and K'Obonyo (2012), strategy evaluation and control are crucial just like every other stage of strategic management. In order to inform the process of direction and to facilitate the efficient and successful attainment of strategic objectives, managing and evaluating strategies is therefore necessary.

Managers must use strategy evaluation in order to comprehend why specific goals, performance standards, and/or other performance indicators succeed and fail (Strydom, 2011). The process by which management determines whether a given strategy has been successfully implemented and is successful or not is known as strategy evaluation. Simply expressed, assessing and evaluating the strategy implementation process and gauging organizational effectiveness constitute strategy evaluation (Kanano and Wanjira, 2021). In this stage of the strategic management process, managers work to ensure that the strategic decision is properly carried out and that the organization's objectives are met. In this view, evaluation is a tool for strategic learning and continues to be important for developing and putting into practice strategies.

## 2.2 Components of Strategy Evaluation

Literature on strategy evaluation has proposed several approaches to strategy evaluation exercise. Kunene (2004) in his seminal study identified four types of strategy evaluation criteria which include consistency, suitability, acceptability and feasibility.

### i. Consistency

Business strategists generally concur that a strategy shouldn't give objectives and guidelines that are at odds with one another (Perez-Franco, Singh, & Sheffi, 2011). A plan that has objectives, aims, and policies that are at odds with one another should be abandoned. A multi-enterprise organization with various units is where the difficulty of consistency is most frequently encountered. Effective internal unit management is one of the major challenges that a firm, especially one with multiple entities, must deal with, according to Bryceson and Slaughter (2011). They clarify that there is a propensity for disconnect to arise between the aims and strategies of each business unit and the overarching business goals in a multi-enterprise organization. This is mostly due to the fact that each component is frequently an independent profit center or business unit, which can lead to a lack of integration, coordination, communication, and cooperation. A danger to corporate integration and value creation for the entire firm develops if a goal is incongruent (when people or groups within an entity may have only partially overlapping aims) (Kanano and Wanjira, 2021).

### Suitability

If the strategic alternative addresses the conditions under which the organization is operating or desires to operate, it will pass the appropriateness test. He notes that it also evaluates how well a suggested strategy would contribute to or maintains the competitive position of the business, as well as how well it would fit the situation as described in the strategic analysis (Kunene, 2004). As a result, appropriateness is the strategy's capacity to take advantage of environmental benefits while avoiding potential risks. It also entails having the capacity to capitalize on organizational strengths and come up with solutions for organizational deficiencies (Jeffs, 2012). Additionally, the chosen strategy should be in line with the firm's current culture and the larger environmental, political, and social context (Wu, 2010).

According to Virvilaite, Seinauskiene, and Sestokiene (2011), the effectiveness of a strategy is demonstrated by its impact on the performance of the company as well as by the economic and strategic benefits realized as a result of its implementation. They continue by saying that when evaluating the appropriateness of various strategic options, the cash flow assessment method is the most appropriate, whereas the added economic value assessment method is appropriate when evaluating current (ongoing) performance and its efficacy and determining whether the current strategic choice generates value for shareholders. Doyle (2008) previously stated that the examination of shareholder value is the most efficient method for determining the financial effectiveness of various strategies. According to Wu (2010), managers can assess each strategy choice's acceptability using external analytical tools.

**ii. Feasibility**

Whether the company has the resources to pursue the strategy choice is the main subject of the feasibility evaluation. In this sense, it turns into an assessment of the organization's internal capabilities; for instance, if a company lacks the resources to pursue a certain strategic choice, the organization may decide to disregard it. The resources could take the shape of cash, people, equipment, markets, supplies, and so forth (Wu, 2010). This depends on the resource-based perspective. According to Penrose's (1959) resource-based approach, a firm's success or growth—first internally, then externally—depends on its internal resources and how they are used. For a company to have a competitive advantage over its rivals, resource availability and strategy must work together. These justifications largely concur with the idea that strategy follows resources (Kelman, 2011).

According to Kunene (2004), the requirements of future strategies should be analyzed and key resources and competencies identified in advance as the strategy implementation could be impossible due to poor strategy resourcing, for example, it must be determined whether there are resources in place to acquire new systems and whether the expertise and skills are available to develop the systems to yield the required results. Therefore, the organization's resources must be sufficient to support the strategic direction for a strategic plan to be successful (Tunji, 2013). This suggests that when resources are needed for new tactics, the organization should produce them or borrow them (Wu, 2010). This is coupled with the availability and cost of finances or competencies to assess whether the approach would be economically advantageous if put into practice.

**Acceptability**

Acceptability is a part of strategy evaluation that emphasizes stakeholder and financial considerations, such as return on risk of each alternative and strategic impact on the interests of the stakeholders (Singh & Pattanayak, 2014). Various financial measurements, including net present value, internal rate of return, cost-benefit analysis, economic value added, and shareholder value analysis, can be used to determine the financial return of the strategic decision (Wu, 2010). The total of all projected cash flows, or net present value (NPV), is how Arshad (2012) calculates the present value. Both inflows and outflows that are discounted at a rate are included in cash flows.

According to Kalhoefer (2010), an investment should be approved if the NPV is greater than 0. The hurdle rate for the choice is therefore the interest rate used to discount the cash flows. Stakeholders frequently like to compare the future of their investments to the existing state of affairs. A strategy's level of acceptance and support may be diminished if it is unable to produce a favorable net present value. Internal Rate of Return (IRR) is the interest rate at which the total of the discounted cash flows equals the initial investment when the NPV calculation is used, resulting in an NPV of zero (Kalhoefer, 2010). As a result, IRR represents the actual return on internally invested capital. If IRR is more than the applicable interest rate I an investment should be made as it will have a positive net present value.

### 2.3 Firm Performance

Performance as a multifaceted term aims to produce outcomes connected to any organization's strategic goals and objectives (Ali, Elmi& Mohamed, 2013). Organizational performance is also described by Khan and Adnan (2014) as the actual inputs or outcomes of an organization as measured in relation to its intended goals, objectives, and outputs. They continued by describing it as a process by which organizations increase their effectiveness and members' well-being through deliberate actions. Additionally, they explained how the performance of organizational leaders is one of the important factors (Mustaffa, 2012).

Hurduzeu (2015) defines organizational performance as the conversion of inputs into outputs for the purpose of achieving specific goals. Additionally, he stated in his paper that organizational performance sheds light on the connection between economy (minimum and efficient cost) and the overall efficacy of an organization's efficiency. Organizational performance, according to Khan and Adnan (2014), is the capacity of an organization to achieve stated goals for output and profit as well as the development and progress intended by the leader or creator. Organizational performance includes achieving goals or objectives like maximum profit, high-quality products, increasing market share, lucrative financial results, and a successful development and expansion strategy (Musmuliana, 2012).

### 2.4 Measures of Firm Performance

Financial or non-financial metrics can be used to measure an organization's success alone in a variety of ways. There are various methods for measuring organizational performance that take various stakeholders' perspectives into account (Hurduzeu, 2015). The Balanced Scorecard (BSC) is a performance management tool that includes four perspectives: financial, customer, internal process, and innovation and learning perspective. It is used to determine whether a company's small-scale operational activities are in line with its large-scale objectives in terms of vision and strategy (David, 2011). The financial viewpoint looks at how well a company's strategy is implemented and executed in relation to its bottom line. Economic value added, revenue growth, costs, profit margins, cash flow, and net operating income are some of the regularly used financial metrics (Wanjiru, 2016).

The value proposition that a business will use to please customers and increase sales to the most desired client groups is defined by the customer's perspective. The metrics should account for both the value that is provided to the customer, which may include time, quality, performance, and service, as well as the results that follow from this value proposition, such as market share and customer satisfaction. The internal process perspective focuses on all the crucial tasks and procedures necessary for the business to deliver exceptional value to its clients (Nuru, 2015).

### 2.5 Strategy Evaluation and Firm Performance

The managers are informed by strategy evaluation and control of the factors that prevent them from meeting a specific goal, performance standard, or other performance indicator. In this way, evaluation serves as a tool for strategic learning and continues to be employed in the creation and execution of strategies (Strydom, 2011). According to Pre skill and Mack (2013), the lack of integration between evaluation data and organizational- and strategic-level decision-making has hampered the significance and use of evaluation information in many organizations. They contend that there needs to be a thorough strategy for evaluating the strategy itself and the organization's effectiveness if learning and evaluation initiatives are to inform an organization's decision-making methods.

According to Pearce and Robinson (2005), for control systems to be effective, there are four processes that they must take: define performance standards, measure actual performance, identify deviations from set standards, and start corrective action. Strategy review can draw attention to flaws in already-implemented strategic plans and force a restart of the entire process. Ivancic (2013) argues that the effective assessment approach is crucial since assessing whether strategy implementation achieves firm objectives is the main task of strategy evaluation. Hunger and Wheelen (2011) argued that if the process reveals any issues that interfere with the firm's ability to function toward its purpose, the outcomes of the strategy evaluation are crucial for further action. Because of this, businesses must continuously assess their strategies (King'ola, 2001; Tunji, 2013) in order to take corrective action to solve any issues that prevent them from achieving their goals (David, 2011).

According to Gonçalves (2009), ongoing assessments keep the strategic plan adaptable and linked to the firm's competencies. Ineffective evaluation, according to David (2001), can hinder a firm's progress or lead to worse issues. As a result, managers must have the correct inquiries to guarantee their efficacy (Onwe, 2014). The process of strategy review shields businesses from making poor choices that might cause disruptions and significant harm.

Wanjiru (2016) investigated how strategic management techniques affect business performance. The findings demonstrated that strategy evaluation significantly affects the effectiveness of Sarova town hotels. Similar to this, Maroa and Muturi (2015) looked into the relationship between Kenyan flower companies' performance and their strategic management approaches. Most floricultural businesses assessed their strategies, and this evaluation had a big impact on how well those businesses performed. The strategy evaluation step of the strategic planning process has a strong and favorable link with firm performance, according to Kumar (2015)'s findings via correlation analysis.

Nyariki (2016) investigated the impact of strategy review on Kenya Commercial Bank's organizational performance (KCB). The study concluded that strategy evaluation improved operations and staff performance, among other areas of organizational performance. According to the study, strategy evaluation improved employee performance in terms of organizational performance by increasing employee satisfaction. In a study on strategic management and organizational performance in small and medium-sized businesses, Njeru (2015) looked at the impact of strategy assessment. The study discovered an association between strategy evaluation and organizational performance that was both strong and positive.

## 3.0 Methodology

The study used primary data that were generated through a questionnaire and a survey research design. The study's focus was only on SMEs in the Makurdi Metropolis. There were 240 owners and managers of the chosen SMEs who made up the study's population. The study included the entire population and using a census sample technique. 225 of the 240 questionnaires that were distributed to the respondents were correctly completed and used in the study. Multiple regression analysis was employed in the study to assess how well SMEs performed after strategy assessment. Using the Statistical Package for Social Sciences, hypotheses were evaluated at the 0.05 level of significance (SPSS 23).

## 4.0 Results and Discussion

### 4.1 Results

Responses collected from respondents were presented in tables and data analyzed based on the responses.

**Table 4.1: Descriptive Statistics Analysis**

| Variable | Mean | Standard Dev. |
|---|---|---|
| Consistency | 3.62 | .630 |
| Suitability | 3.53 | .720 |
| Feasibility | 3.52 | .726 |
| Acceptability | 3.61 | .611 |
| Firm Performance | 3.60 | .688 |

**Source:** Authors' Computation from SPSS Output, 2021

The result in Table 4.1 shows predictors of the dependent and independent variables. The mean and standard deviation show the level of agreement of the respondents with the questions. For consistency it has the mean and standard deviation values as (M=3.62, SD=0.630); suitability has mean value of 3.53 and standard deviation =0.720; feasibility (M=3.52, SD=0.736); acceptability (M=3.61, SD=0.611) and firm performance (M=3.60, SD=0.688) indicating that there is improvement in the performance of SMEs.

**Table 4.2: Model Summary**

| R | R-Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|
| .760[a] | .578 | .570 | .451 | 1.832 |

Predictors (Constant), Acceptability, Consistency, Suitability, Feasibility
Dependent Variable: SMEs Performance
**Source:** Author's Computation from SPSS Output, 2021

The result of the model summary in Table 4.2 explains the relationship between the dependent variable and the independent variables and the goodness of the model in terms of R-value and R square. The $R^2$ value of 0.578 entails that 57.8% of SMEs performance was explained by predictor variables which include consistency, suitability, feasibility and acceptability. The remaining 42.2% is explained by other factors not included in this study. The value of R (.760) indicates that there is a strong relationship between the variables.

**Table 4.3: Analysis of Variance (ANOVA)**

| | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 61.226 | 4 | 15.306 | 75.209 | .000[b] |
| Residual | 44.774 | 220 | .204 | | |
| Total | 106.00 | 224 | | | |

Dependent Variable: SMEs Performance
Predictors (Constant), Acceptability, Consistency, Suitability, Feasibility
**Source:** Author's Computation from SPSS Output, 2021

The result of the Analysis of Variance (ANOVA) in Table 4.3 describes the effect of the independent variables on the dependent variable since the F value was more than 5 and significance level is less than 0.05 (F=75.209; Sig=0.000).

**Table 4.4 Regression Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | .246 | .208 | | 1.181 | .000 |
| Consistency | .219 | .065 | .200 | 3.377 | .001 |
| Suitability | .437 | .054 | .458 | 8.159 | .000 |
| Feasibility | .087 | .058 | .092 | 1.489 | .138 |
| Acceptability | .197 | .065 | .175 | 3.050 | .003 |

a. Dependent Variable: SMEs Performance
**Source:** Author's Computation from SPSS Output, 2021

The result presented in Table 4.4 shows that taking all other independent variables at zero, a unit change in consistency would lead to a 21.9% increase in SMEs performance; a unit increase suitability would lead to 43.7 % change SMEs performance while a unit change in feasibility affects SMEs performance by .087%. Also, a unit change in acceptability would affect SMEs performance by 19.7 %. The result further implies that suitability has significant effect on performance of SMEs.

Hypothesis one states that consistency has no significant effect on the performance of SMEs in Makurdi Metropolis, Benue State. Regression analysis was used in testing the hypothesis at 0.05 level of significance and the significance level was less than 0.05 ($\beta$= .200; p=.001) hence

the null hypothesis was rejected and we conclude that there is significant effect of consistency on the performance of SMEs in Makurdi Metropolis, Benue State.
The result of the second hypothesis indicates that there is significant effect of suitability on the performance of SMEs in Makurdi Metropolis, Benue State (β=.458; p=.000) hence the null hypotheses which states that suitability has no significant effect on the performance of SMEs in Makurdi Metropolis, Benue State was rejected.

Hypothesis three test whether there is a significant effect feasibility on the performance of SMEs in Makurdi Metropolis, Benue State and the result was as follows: β= .092; p=.138, hence the null hypothesis was accepted. This implies that there is no significant effect of feasibility on the performance of SMEs in Makurdi Metropolis, Benue State.

Finally, the result indicated a significant effect of acceptability on the performance of SMEs in Makurdi Metropolis, Benue State (β= .175; p=.003). The null hypothesis was thus rejected.

### 4.2 Discussion

The study demonstrated that strategy evaluation helps organizations determine their strategic direction because it ensures that their goals are being met, streamlines processes to meet those goals, identifies and corrects strategic directions, and sets shared methods and goals. This is consistent with the findings of Dubihlela and Sandada (2014) that strategy evaluation becomes a crucial instrument and metric in determining the strategic position of the company. It gives management the ability to ensure that the organization is moving in the proper direction and that necessary corrective action is implemented.

The effect of consistency of the strategy evaluation on SMEs performance found significant relationship between the two variables. Perez-Franco, Singh, and Sheffi (2011), who stated that a strategy should not propose mutually conflicting goals and policies, support the conclusion. A study by Issa-Salwe, Ahmed, Aloufi, and Kabir (2010) that demonstrated the necessity of matching operational strategies to organizational strategy goals for greater company performance lends weight to the findings.

The second hypothesis revealed that suitability of strategy evaluation has significant effect on performance of SMEs. This is consistent with Wu's (2010) contention that businesses must adapt their strategies to the internal and external environments in which they operate. By stating that appropriateness is concerned with whether the strategic choice addresses the circumstances in which the organization is operating or wishes to operate, Kunene (2004) further emphasized the importance of strategy suitability. The outcome is consistent with Virvilaite, Seinauskiene, and Sestokiene's (2011) assertion that a strategy's applicability is demonstrated by its impact on the performance of the company and by the strategic and financial benefits realized as a result of its adoption. The conclusion's consequence is that a suggested strategy's compatibility with the situation as determined by the strategic analysis and its potential impact on or maintenance of the organization's competitive position should be considered.

The third hypothesis indicated that feasibility of strategy evaluation significantly affects the performance of SMEs. This is in keeping with Kunene's (2004) assertions that future strategy requirements should be examined and critical abilities identified beforehand because otherwise, execution of the strategy may be impossible due to insufficient resources. This backs up Penrose's (1959) resource-based theory, which contends that a firm's success or growth—both internally and externally—depends on its internal resources and how they are used.

Finally, the fourth hypothesis revealed that acceptability of strategy evaluation has significant effect on performance of SMEs. This backs with Wu's (2010) assertion that investments are made with equity holders in mind. The idea put forth by Kalhoefer (2010) that an investment should be accepted if the NPV is greater than zero further supports this. The cost-benefit analysis of a plan, according to Kelman (2011), assumes that an action should not be conducted until the benefits surpass the costs.

## 5.0 Conclusion and Recommendations

### 5.1 Conclusion

The performance of SMEs is examined in this study in relation to the impact of strategy evaluation. The study comes to the conclusion that organizational expenditure patterns and organizational operations benefit from strategy consistency. The study also comes to the conclusion that the strategy's appropriateness enables the business effectively take advantage of opportunities and successfully avoid risks in its environment. The study also comes to the conclusion that the performance of SMEs is not much impacted by the practicality of implementing the strategy. The study's final finding is that SMEs can enhance dividend development, reduce cost of income ratio, increase residual value/net income, minimize investor risk, and increase shareholder value thanks to the acceptance of the plan evaluation.

### 5.2 Recommendations

Based on the findings and conclusion, the following recommendations are made:

i. Management of SMEs should regularly assess their strategy versus performance in order to make necessary corrections to meet stated goals.
ii. Managers of SMEs should review their plans and make sure they are in line with the long-term objectives of the company.
iii. To conduct a meaningful assessment of their company plan, managers must gather accurate, timely, and unbiased information.
iv. Firms must adopt a methodical and thorough approach to the strategy review process to deal with potential problems that may develop during the creation and implementation of the strategy, since this can improve business outcomes.

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