

# THE IMPORTANCE OF STRATEGIC FINANCIAL MANAGEMENT PRACTICES FOR SMALL AND MEDIUM ENTERPRISES IN EMERGING MARKETS

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## Abstract

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Small and medium-sized enterprises (SMEs) play a key role in advancing the growth, and performance of SMEs especially in emerging markets like Zimbabwe (Musabayana et al., 2023). In recent years SMEs in emerging markets have failed to embrace strategic financial management practices (SFMP) considered a key driver to business growth (Dlamini et al., 2023). Hence, the aim of the study was to assess the importance of SFMP in emerging markets employing the mixed methods design that includes the quantitative, and qualitative methods gathering data from a target population of 640 SMEs selected from various sectors. Data was gathered from a sample of 240 participants using the questionnaire and 21 participants using open-ended interviews respectively. Quantitative data was analysed using descriptive statistics while cloud-maps analysed qualitative data. The study findings revealed that SFMPs were critically important for decision-making as they assist stakeholders and owner-managers in the development of the business' vision, and mission statement, and preparation of financial management systems that enhance performance. SFMPs were also important for planning, budgeting, and decision-making. Drawing from the notable critical importance of vision and mission statements, the study recommended that every SME must develop a vision and mission statement as a priority to chart a way forward. The study finally recommended that similar studies be conducted in developing countries to promote the growth and performance of SMEs and also adds evidence to the corpus of literature that strategic financial management is important for SME performance.

**Keywords:** Strategic Financial Management Practice, Small to Medium Enterprise, Strategic Financial Planning, Vision, Emerging Markets

**Authors' individual contribution:** Conceptualization — A.M.; Methodology — A.M.; Investigation — A.M.; Writing — Original Draft — A.M.; Writing — Review & Editing — A.M.; Supervision — A.D.K.; Funding Acquisition — A.D.K.

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## 1. INTRODUCTION

Small and medium-sized enterprises (SMEs) play a pivotal role in boosting economic growth, especially in emerging markets such as Zimbabwe. Musabayana et al. (2023) argue that the Zimbabwean economy is driven largely by SMEs despite the challenges the sector faces, hence the successful application of strategic financial management practices (SFMP) has the potential to enhance business survival, growth, and performance. Without embracing SFMP, SMEs continue to face survival, performance, and growth-related challenges (Zsigmond et al., 2021). SMEs constitute 90% of Zimbabwe's employment sector providing livelihoods to 95% of Zimbabweans. According to Dlamini et al. (2023), the sector could be resuscitated if SMEs embrace the critical SFMP responsible for enhancing survival, growth, and performance. SFMP entail the introduction of financial planning, financial focusing, budgetary planning, and making decisive investments as important key drivers of SMEs (Getahum, 2016). Previous literature by Agyei (2018) and Karadag (2016) defines SFMP as the management of the finance of the business with an objective to succeed by quantifying the available resources and formulating a plan to utilize its finance and capital resources. There is limited literature on SFMP for SME in emerging markets which could be a valid reason why SME in emerging markets continue to decline. This study seeks to close this gap as well as recommend effective SFMP for enhancing SME survival, growth, and performance in the context of emerging markets like Zimbabwe. The study therefore aims to assess the importance of SFMP for SME in emerging markets with a focus on Zimbabwe.

This will be achieved by surveying, selected SME owner-managers in order to understand the importance of SFMP. The critical research question is:

*RQ: What is the importance of strategic financial management practices for SMEs in emerging markets focusing on Zimbabwe?*

This paper is organized as follows. Section 2 reviews the literature. Section 3 presents the research design. Section 4 provides data analysis and discusses the results. Section 5 conclusions and recommendations.

## 2. LITERATURE REVIEW

This section presents literature on SFMP highlighting the importance of such practices. Specific sections reviewed include the business vision, business plans, and strategic financial planning (SFP). Other sections reviewed include long-term strategic financial plans and financial budgeting.

### 2.1. The importance of SFMP for small and medium enterprise

Various studies, Oyedeji et al. (2023) and Abosede et al. (2016) postulate that SFMP is the practice of managing the finances of any business to achieve set goals. In brief, it is a financial management approach that creates a financial strategic plan that ensures the strategy is implemented as planned and is achievable in the long term. In the context of SMEs, SFMP includes the creation of a vision, mission statement, financial plans, and budgets. Thus, the SFMP compels SMEs, to be futuristic by first

coming up with a business vision presented in the form of written business plans. Again, extant literature by Aldhaferi et al. (2020) pointed to the notion that having a clear vision and mission supported by financial planning and a sound budget as measures that ensure SME performance and growth and enable the business to have a strategic focus.

A business with a vision has direction and purpose (Pradeep et al., 2023). Prior to that, there was consensus in the literature that SMEs with a business plan can develop budgets allowing them to control and implement financial strategies (Svatosova, 2019). Previous studies by Dlamini and Schutte (2021) added that it also assesses the business environment to evaluate opportunities, threats, and sources needed to achieve objectives and attain the mission statement while actively deciding on resource allocation and focusing on planning business activities well in advance towards achieving business goals. Extant literature suggests that strategic financial management is used to identify strategies that can be used to maximize the market value of the business. Another view postulates that SFMP guides owner-managers with plans that are used to attain long and short-projected plans that compose components that determine financial management.

### 2.2. Business vision

Literature studies suggest that part of the SFMP is mainly to develop a business vision to guide and direct all business entities to achieve set objectives (Aldhaferi et al., 2020). A vision is the roadmap of a business which shows where it is going and what it needs to achieve in the future. In addition, Pradeep et al. (2023) state that every organization should craft a vision statement that spells out the direction of what exactly the firm expects to achieve while adapting to the ever-changing environment. Other views from, Pradeep et al. (2023) confirm that the vision and mission statement show the ideologies that convey the most important components and future activities of a firm. It is difficult to predict the future environments but when crafting a vision, one must realize and transform the vision into reality.

### 2.3. Business plans

Extent literature from Zsigmond et al. (2021) suggests that a business plan is a written document that expresses all the facts, goals, and plan of action for the period ahead that concern a business set up with a forecast of desired future directions and provides the vision for the business supported by the strategies to pursue the vision. Mohammed and Suleiman (2022) also acknowledged that a business plan is a roadmap that guides where the business wants to go. In other studies, Kourtis et al. (2021) stated that it is a careful plan that positions the prepared plan on the direction to be followed and tactics that will be used for future visioning of the business to create value and achieve competitiveness. Relatedly, da Costa et al. (2018) reaffirmed that a well-crafted and thought-out business plan is essential to a successful business as it guides owner-managers on the prospects of the enterprise and further sets goals and strategies

that will be used to accomplish them. Recent studies by Anangwe and Malenya (2020) mooted that the business plan reveals the proposed game plan for fulfilling immediate future goals. Business detailing its purpose, objectives, and positioning can also be used to raise funds for launching the business. Lowrance et al. (2019) added that they provide information to investors about the size of the market, potential opportunities, and credentials of the owner or partners. Drawing from the above, a business plan is a futuristic layout of how the business will proceed in terms of its finances, resources, operational activities, investments, and expansion. Without a business plan, businesses are doomed to failure, hence any business that includes SME should draw business plans which could be a year to five-year plan so that they are at least prepared to deal with the future.

## 2.4. Strategic financial planning

Strategic financial planning is defined by Kourtis et al. (2021) as the roadmap that is used to develop long-term plans that guide entities to clearly articulate a strategy used for controlling and coordinating the activities of an entity toward achieving financial goals. Another view from Mohammed and Suleiman (2022) states that a strategic financial plan is a step-by-step process that is used by entities to describe the big picture of how the finance of the firm will be used to attain financial goals. In another study, Arnold and Lewis (2019) suggested that a strategic financial plan is the grand design of the overall financial performance of the firm that clearly shows the purpose of the business and finance required to cover all financial activities of the firm in a methodically logical way to achieve goals. Meyer and Kruger (2021) advocated that financial planning is the first stage in the strategic financial management process as it guides and predicts the cash flows and estimates financial activities over a specified period. In line with the strategic planning process, the (Small Enterprise Development Agency [SEDA], 2020) documented that financial planning consists of two aspects, which are cash planning and profit planning. Oyedeji et al. (2023) endorsed that cash planning involves cash inflows and outflows, the preparation of cash budgets that are used for estimating cash requirements, especially cash surplus, and shortages. Hitherto, profit planning involves the preparation of pro forma statements, which are used for internal financial planning. External users such as banks and financial institutions usually require these documents when they want to extend credit.

## 2.5. Long-term strategic financial plans

Farah and Altinkaya (2018) affirm that long-term (strategic) financial plans for SMEs entail a well-designed layout of all financial actions that are anticipated by the firm over a given period ranging from two to 10 years. According to Dzwigol et al. (2019), long-term financial plans form part of an integrated strategy that is aligned with marketing and production plans and guides strategic goal achievement. A study by Gomera et al. (2018) states that the first long-term planning stage entails the identification of the options, which are available

to achieve set goals. At this stage, Dzwigol et al. (2019) confirm that a number of possible strategies available to the firm must be clearly identified by collecting enough information from both the internal and external environments. The information is critical since it provides a clear insight into issues related to stakeholders that would be used for the selection of options and the development of long-term plans (Gure & Karugu, 2018).

When selecting options and developing long-term plans, Fuertes et al. (2020) state that resources and capabilities must be taken into consideration. Thus, the final choice of the option should show the strengths of the business and hence would become the long-term strategic plan (Meyer & Klonaridis, 2020). The final stage of the process denotes the development of short-term tactical plans for the preceding years and ensuring that operational activities and decisions are in line with the long-term plans of the firm (Oyedeji et al., 2023). Finally, the last stage of long-term plans focuses on major sources of financing, capital structure projects, research and development activities, marketing, and production (Fuertes et al., 2020). In view of the above SME that are operating in uncertain environments are encouraged to use shorter planning strategies.

## 2.6. Financial budgeting

Empirical studies carried out by Meyer and Klonaridis (2020) and Hoque (2017) pointed out that financial budgeting is a well-established strategy developed from financial accounting information for managing the cash flow, income, assets, and expenditures of the firm. Other studies by Farah and Altinkaya (2018) confirmed that financial budgeting is a control technique used by managers to set priorities, allocate and utilize scarce resources, the management of financial plans, disbursement wages, payment utilities, and all the financial objectives of the firm to improve performance and profitability. Al-Mutairi et al. (2018) also acknowledged that financial budgeting is a roadmap used by firms for planning, tracking, and controlling cash flows. In support, Gopaul and Rampersad (2020) expressed the aspiration that financial budgeting is an important short-range plan, that serves a dual purpose of planning and control mechanism, which is used to translate firm objectives into operational realities and measure performance. Gowtham and Peter (2017) concurred that it is a tool that is used by managers to ensure plans, and resources are efficiently allocated, and objectives, strategies, and policies are monitored appropriately. A further review of the literature by Taiwo (2019) reported that financial budgets play an important role in SMEs' operational planning because they help them make better financial decisions, stay focused on long-term financial goals, and control and track income or expenditure. Meyer and Kruger (2021) implement effective reliable financial estimates of cash, capital, and resources. A cursory look believes that it assists SME managers in control and literature reveals that financial budgets, estimates of expenditures, and forecasts are not implemented by SMEs due to the current chaotic prevailing economic instability thus forcing businesses to operate without substantive budgets (Al-Mutairi et al., 2018). It is assumed that most businesses that have budgets

rarely use them due to ever-changing prices, unstable exchange rates, and no static currency, which makes it difficult for SMEs to maintain financial budgets.

## 2.7. Financial internal controls

When examining the literature, Monteiro et al. (2021) stated that internal controls are policies, systems, and procedures that are designed by management to ascertain the accuracy, effectiveness, efficiency, reliability, and safeguarding of tangible and intangible resources of the firm. It comprises the whole system of controls employed by a firm to carry out business in an orderly and efficient way (Gopaul & Rampersad, 2020). In-depth research by Sharma and Senan (2019) revealed that internal control activities include segregation of duties, access control, standardized documentation, physical audits, periodic reconciliations, and approval and authorization. Additionally, Hassan and Siraj (2015) stated that they include separation of duties by splitting responsibility for bookkeeping, deposits, reporting, and auditing. Further, Dolz et al. (2019) affirmed that access control is the authorization of users to access or login through passwords and tracking of documentation. Multiple studies from Anangwe and Malenya (2020) added that controls ensure that balances recorded in the accounting books tally with the bank statement, supplier and credit customers' receipts and invoices. Hence, approval and authorization require specific managers to authorize other types of transactions (Mudara & Mafini, 2022). It has been documented by Maka and Narayanarao (2018) that effective internal controls are pivotal to the survival of any organization as they reduce the possibility of significant errors, irregularities, and fraud. Similarly, Monteiro and Cepeda (2021) and Aureli et al. (2018) asserted that controls help managers safeguard firm resources, produce standardized financial statements, and ensure

the information given to management is reliable and accurate, assets are secured and laid down operational policies are properly followed.

## 3. RESEARCH METHODOLOGY

### 3.1. Research methods

The study employed the mixed research design which includes the quantitative and qualitative methods. The two were combined to ensure that the weaknesses of the other could be strengthened by the other (Saunders et al., 2019).

### 3.2. The sample sizes

The study's target population comprised 640 SMEs, owners/managers located in the selected province of Zimbabwe. From the target population, the quantitative sample size of 240 was determined using Krejcie and Morgan's (1970) model. The study used this model, a power analysis model to determine the sample size. The  $(1.96)^2$  was adequate to generate a 95% confidence interval with a 5% margin of error. Calculation of sample size using Krejcie and Morgan's (1970) formula is reflected below:

$$S = x^2 np(1 - p) + d^2(n - 1) + x^2 p(1 - p) \quad (1)$$

where  $S$  = required sample size;  $x^2$  = table value of chi-square for 1 degree of freedom which is 1.96<sup>2</sup>;  $n$  = the population size;  $p$  = the population proportion (assumed to be 0.5) since this would provide the maximum sample size;  $d$  = the degree of accuracy expressed as a proportion:  $(0.05) S = 3.841 * 640 * 0.5 (1 - 0.5)$  with the result:  $S = 240$ .

The actual selection of participants was done using cluster sampling.

Table 1 below shows the various clusters, and how the participants were selected.

Table 1. Quantitative sample selection

Clusters	Kariba district	Kadoma district	Karoi district	Chegutu district	Chinhoyi district	Total
Wood and furniture	8	9	8	10	5	40
Steel and metalwork	8	10	6	9	11	44
Hospitality	9	8	10	11	12	50
Confectionary/food outlets	14	12	10	7	9	52
Retail	10	11	12	10	11	54
Total	49	50	46	47	48	240

Source: Authors' elaboration.

On the other hand, the qualitative sample size of 21 was purposively determined from the same target population of 640 using five years from the date of establishment as the inclusion and exclusion criteria.

### 3.3. Research instruments

Quantitative data was gathered using a structured questionnaire. The questionnaire comprised 16 Likert-scale statements reflected in Table 2. The open-ended interview guide was used to gather qualitative data.

Table 2. Likert-scale questionnaire (Part 1)

No.	SFMP enhances business in	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Developing vision statement	1	2	3	4	5
2	Developing mission statement	1	2	3	4	5
3	Aligning routine and procedure with strategy	1	2	3	4	5
4	Making effective financial decisions	1	2	3	4	5
5	Effectively implementing financial strategies	1	2	3	4	5
6	Financial controls	1	2	3	4	5
7	Guiding managers on profit distribution	1	2	3	4	5
8	Effective financial control measures	1	2	3	4	5

**Table 2.** Likert-scale questionnaire (Part 2)

No.	SFMP enhances business in	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
9	Developing financial business plans	1	2	3	4	5
10	Guiding preparation of budgets	1	2	3	4	5
11	Guiding assessment of business performance measures	1	2	3	4	5
12	Evaluation of market opportunities	1	2	3	4	5
13	Evaluation of market threats	1	2	3	4	5
14	Allocation of business resources	1	2	3	4	5
15	Profit distribution	1	2	3	4	5
16	Promoting information network	1	2	3	4	5

The interview comprised of the following single statement: “Explain the importance of strategic financial management to your business”.

**4. DATA ANALYSIS AND DISCUSSION**

Quantitative data was analysed using the Statistical Package for Social Science (SPSS) v. 25 with data presented on a Likert plot diagram and heatmaps while qualitative data was analysed using cloud maps. The validity and reliability of the questionnaire were tested through the mean, and item-rest correlation coefficient, and the Cronbach alpha value of 0.91 was determined.

The study was approved by Zimbabwe’s small development cooperation. Before collecting data the researcher ensured the anonymity of research

participants, confidentiality, and no harm to participants as well as ensuring that research participants engaged in the data collection process voluntarily.

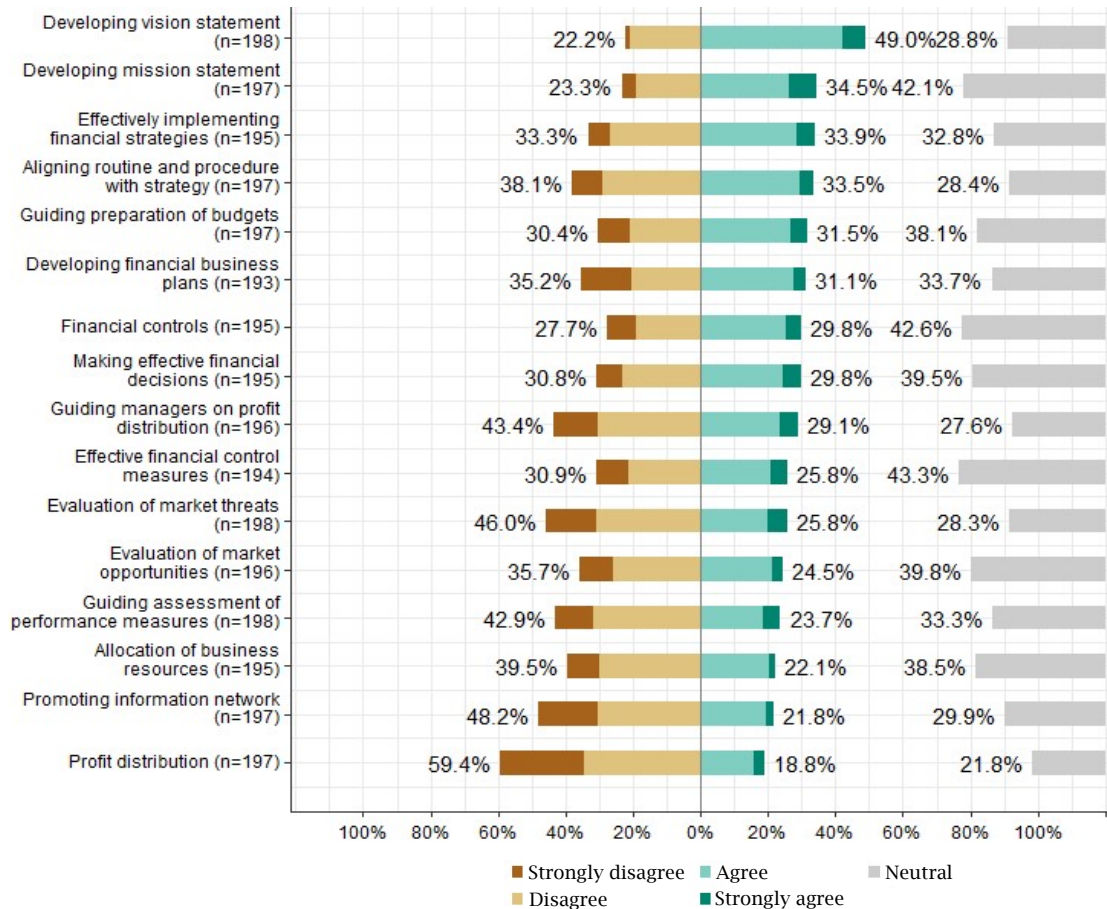
The study aimed to assess the importance of SFMP in emerging markets. The main research question of the study was stated in RQ.

To understand the importance, 16 Likert-scale quantitative statements were posed to participants. The Likert plot, mean, heatmap, and Cronbach alpha as well as the item-rest correlation were used to further understand the importance of SFMP.

**4.1. Descriptive statistics and construct reliability on the importance of SFMP**

To assess the importance of SFMP, the items were investigated using the Likert plot as shown below.

**Figure 1.** Likert plot of items on the importance of SFMP



Source: Authors' elaboration.

The frequency distribution on the Likert plot is reflected in Figure 1 and the participants rated the *developing vision statement* as the most important variable and this was supported by 49.0% of the participants. The *developing mission statement* was supported by about 30–40% of the participants (34.5%) others (33.9%) revealed a response of *effectively implementing financial strategies, aligning routine and procedure with strategy* (33.5%), *guiding the preparation of budgets* (31.5%) and the least ranked among this 30–40% group being the *developing financial business plans* (31.1%). The items that were rated by 25–29% of the participants as important strategic management practices were the availability of *financial controls* (29.8%), followed by *making effective financial decisions* (29.8%), *guiding managers on profit distribution* (29.1%), *effective financial control measures* (25.8%) and the least ranked among this 25–29% group being the *evaluation of market threats*. Of the 16 items used to measure the importance of SFMP, the least ranked were supported by 18–24% of the participants and these are the *evaluation of market opportunities* (24.5%), *guiding assessment of business performance measures* (23.7%), followed by the *allocation of business resources* (22.1%), *promoting information network* (21.8%) and *profit distribution* (18.8%) being at the bottom of all the 16 items.

The Likert plot shows that the *developing vision statement* is important followed by a mission statement. These findings were a revelation of the parity of the vision and mission statements as variables critical for business success (Cardella et al., 2020). But first, the findings confirmed the view by Perkins (2018) that the *developing vision statement* is the most critical business process and practice that must be performed by every business for the simple reason that it provides a roadmap that directs the future. However, the vision alone is not enough as it does not operate in a vacuum, but rather in an environment that promotes the efforts to implement it the second is the mission statement. This then links the vision to the mission statement Perkins (2018) underscored that the vision and mission statement presented ideologies that conveyed the most important components and future activities of a firm. Conversely, Marima (2018) argued that SMEs are negatively affected by poor vision and mission statements making it difficult for the business to achieve set objectives. Thus, the findings of the study are proof or demonstration that the development of a vision and mission statement are critically important SFMP for SMEs and every business at large. In addition, the study findings show that effective implementation of financial strategies is rated relatively important to the success of any business performance and growth (Meyer & Kruger, 2021). However, despite the importance of financial strategies, few studies have focused on analyzing financial strategies and their impact on SMEs (Chi, 2015). Thus, the finding that the implementation of financial strategies is important affirms the need for SMEs to implement various financial strategies to improve business performance and growth.

The study also reveals that *aligning routine and procedure with strategy*, *guiding the preparation of budgets*, and *developing financial business plans* are important to SME growth (Mueller & Sensini, 2021). In agreement with the findings, Meyer and

Klonaridis (2020) and Wu (2018) emphasize that it is important for SMEs to align their routine and procedure to the overall business strategy; they should always prepare budgets and develop business plans as a getaway to business performance and growth. In line with the same idea, Tharmini and Lakshan (2021) agree with the findings as they argue that *financial controls*, decisions on finances, and how the business distributes its profits are important to every business for the simple reason that weak *financial controls* often lead to pilferage and losses. In addition, Bello and Sensini (2020) stated that poor financial decisions can destroy a business, while poor *profit distribution* has the potential to wipe off all the business profit. Thus, Sibanda and Manda (2016) pronounced that a wise entrepreneur, owner, or manager should be wise to make effective *financial controls* and make informed decisions while taking reasonable care in distributing profits. Recent, studies carried out by Aldhaheri et al. (2020) indicate that owner-managers should not distribute profits without providing for sufficient working capital to allow constant business operations failure would be considered disastrous. In another study, Hernandez et al. (2021) pointed out that a business with excess working capital is at risk of bankruptcy. In summary owners or managers should guard against unnecessary business losses by making wise business decisions.

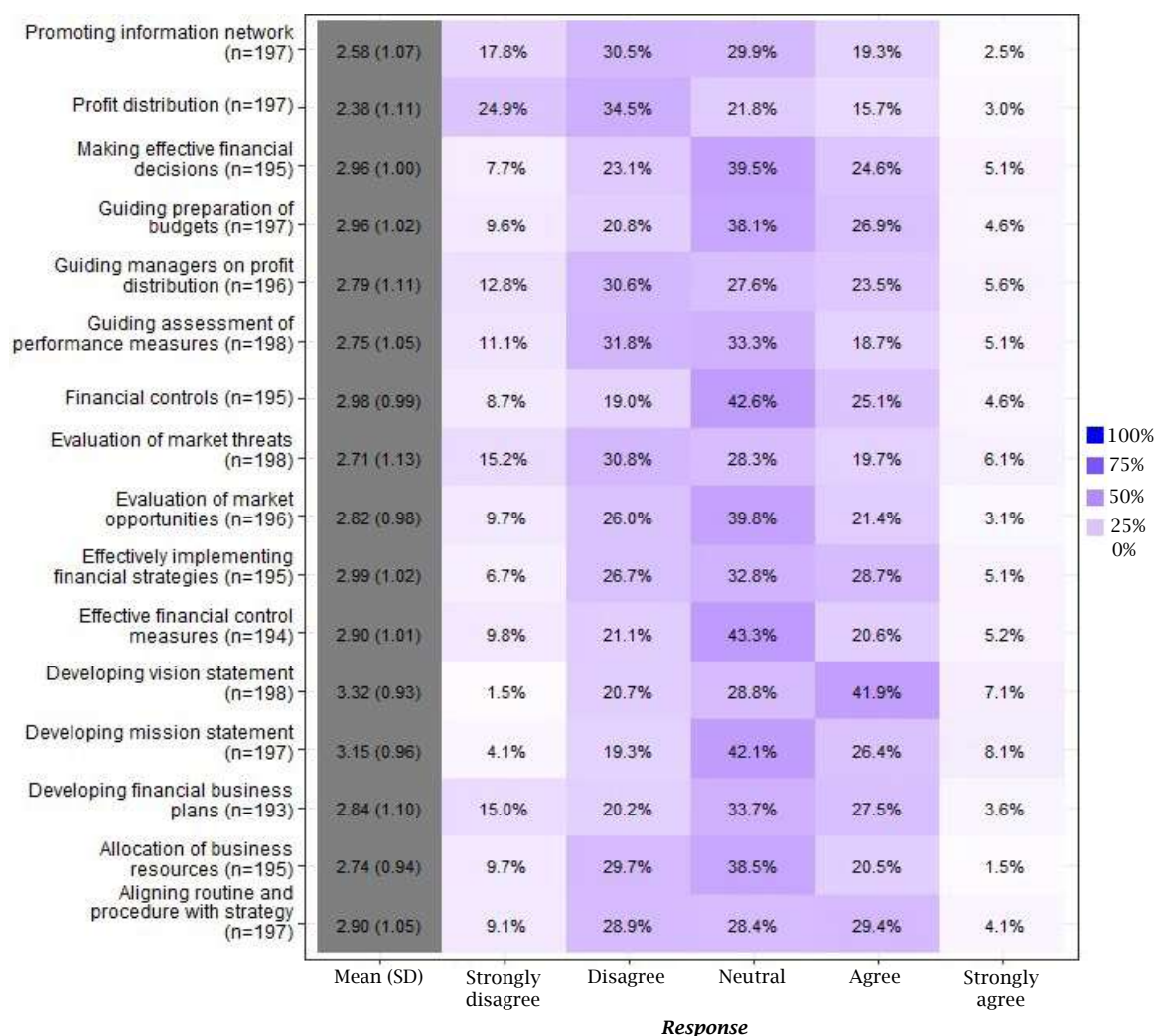
#### 4.2. The most notable item on the importance of SFMP

In addition to establishing a common important SFMP as explained above, it was critical to move a step further and note the notable item, and to achieve this, the heatmap below provides detailed information.

Figure 2 reveals that besides the “Neutral” response the most notable item that attracted the participants to the same response was that of developing a vision statement where 41.9% responded with an “Agree” which shows the frequency distribution of the importance of SFMP. Another hotspot response was that related to the *profit distribution* where 34.5% responded with a “Disagree”. Also, worth mentioning is a spike in the “Neutral” responses on *effective financial control measures* (43.3%), followed by *financial controls* (42.6%) and the development of a mission statement (42.1%). Drawing from both the Likert plot and the heatmap above, developing a vision statement emerged as the most notable practice. From the onset, entrepreneurs are driven or guided by a vision, which the business owner may have been dreaming about over a long period, hence establishing a small enterprise could have been a culmination to fulfil the long-time entrepreneurial vision. The results corroborate the view that vision development is critical for any business as it conveys the most critical components and future activities of a business. Along the same line of thought, Marima (2018) believed that a vision guides and perpetuates corporate existence, it is thus viewed as a mental picture of a compelling future situation, which is a positive development for the business. The vision originates from creative imagination, the act or power of perceiving imaginative mental images, a sort of foresightedness by owner-managers.



Figure 2. Heatmap of items on the importance of SFMP



Source: Authors' elaboration.

#### 4.3. Reliability of items on the importance of strategic financial management practice

It was critical to establish if the items used to assess the importance of SFMP were reliable. The Cronbach's alpha and item-rest correlation were calculated and tabulated to conform to reliability as reflected below.

Table 3 shows that all 16 items that were used to measure the importance of SFMP proved to have been consistently measuring the same construct as evidenced by both the individual item and overall Cronbach's alpha values of at least 0.8. This was also echoed by the item-rest correlations of at least 0.5 which were above the threshold of 0.3 consistency and reliability.

Table 3. Reliability of items on the importance of SFMP

Items	Mean	Item-rest correlation	Cronbach's alpha
Developing vision statement	3.407	0.528	0.901
Developing mission statement	3.180	0.585	0.899
Aligning routine and procedure with strategy	3.000	0.596	0.899
Making effective financial decisions	2.994	0.541	0.901
Effectively implementing financial strategies	3.029	0.637	0.897
Financial controls	3.023	0.624	0.898
Guiding managers on profit distribution	2.808	0.559	0.900
Effective financial control measures	2.988	0.578	0.899
Developing financial business plans	2.860	0.641	0.897
Guiding preparation of budgets	3.012	0.610	0.898
Guiding assessment of business performance measures	2.837	0.600	0.899
Evaluation of market opportunities	2.860	0.598	0.899
Evaluation of market threats	2.791	0.666	0.896
Allocation of business resources	2.808	0.529	0.901
Profit distribution	2.448	0.502	0.902
Promoting information network	2.605	0.500	0.902
Overall	2.916	-	0.905





business icon, Econet Wireless started as a SME in the early 1990s and guided by the founder's illustrious vision the business expanded across Africa and beyond (Masiyiwa, 2014). Thus, central to every successful business lies a vision (Aldhaheeri et al., 2020).

Winding off this section, SFMP empowers managers' managerial approaches, and to be accountable for their work. On the other hand, they guide them with accounting information that is used in the business firms as well as guiding the managers with direction on how to manage the finances. This concurred with others who viewed the SFMP as key in the decision-making process that improves the business since it encourages managers to operate within budgets, hence reducing unnecessary expenditure. In addition, others suggest that they direct the vision of the business and achieve set objectives. However, one of the themes on the family business revealed that there is a perception that family businesses do not see the importance of SFMP.

## 5. CONCLUSION

The study sought to assess the importance of SFMP. Using descriptive, inferential statistics for the quantitative study and cloud maps for the qualitative study, significant findings have been achieved. The study concluded that SFMPs are important to SMEs in emerging markets as they compel them to develop the business' vision and mission statement serving as a guiding torch for the business. Further, the practices enable them to prepare financial statements which include planning and budgeting towards enhancing their decision-making. Drawing from the study findings, vision and mission statements were notable SFMP, the study recommends that all SMEs especially those in emerging must be guided to develop the vision and mission statements, as well as preparing business plans to guide their future. The study contributed to knowledge in the strategic financial management literature of SMEs in various provinces in Zimbabwe.

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This study's findings offer valuable insights into strategies that can be adopted by SMEs for improving the sector in Zimbabwe. The key strategies that enhance performance were emphasized hence the need for Zimbabwe SMEs to incorporate these strategies to boost the economy. The importance of SFMP cannot be overlooked as it is classified as a dynamic resource for SMEs for economic growth.

The limitation of the study was specifically Mashonaland West province whose effectiveness and efficiency in other provinces still need to be investigated. Further assessment of other provinces and countries should be investigated to analyze the uniformity of the strategies.

Another limitation was on the sample size which was small and limited the generalization of the study findings might not validate the findings. Further future research should include all provinces and include a larger sample to explore additional SFMP. The financial stability of the Zimbabwe dollar is not static due to unstable economic and political environments which cannot be compared to other stable economies.

The study, therefore, recommended that SME owner-managers and stakeholders at large should ensure that the organization has a vision that guides them to plan efficiently to achieve short- and long-term goals. The importance of SFMP cannot be overlooked as it is classified as a dynamic resource for SMEs for economic growth. The recommendation from both the interview and questionnaire will also assist SME stakeholders, and policymakers in the use of SFMP which is robust comparatively to financial management practices.

These findings serve as a starting point for future research. The study focused on a single country, Zimbabwe and it would be interesting for similar studies to be conducted by other neighbouring countries in emerging economies to understand if a correlation exists to increase the generalization of the study findings. For future research, it is important to explore why family businesses do not implement SFMP.

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