Volume 25, Special Issue **Print ISSN: 1099-9264**
Online ISSN: 1939-4675

A CONCEPTUAL FRAMEWORK FOR SMES IN A TURBULENT ENVIRONMENT AUTHORS

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ABSTRACT

Small to medium enterprises (SMEs) represent the majority of emerging businesses in the developing world as such they play a key role in sustaining economies and livelihoods. Despite their importance, SMEs face enormous performance and growth related challenges rooted in the turbulent environment in which they operate as well as lack of strategically managing their finances. There has been numerous studies towards enhancing SMEs performance with scanty research on studies on developing conceptual framework that guide SME performance and growth. The theoretical paper reviewed various theories on business performance and growth leading to the development a conceptual framework for SMEs in the turbulent environment. Drawing from a sound theoretical and conceptual base, SMEs in the developing world have the potential to enhance performance and sigficantly contributing to the respective economies.

Keywords: Small to Medium Enterprises, Theoretical Framework, Conceptual Framework, Turbulent Environment, Financial Management, Performance and Growth

INTRODUCTION

Small to Medium Enterprises (SMEs) play a significant role in sustaining livelihoods and economies the world over despite facing insurmountable performance and growth-related challenges arising from the turbulent environment in which they operate (Daspit, Fox and Findley 2021). Responding to SME challenges, there has been a quest for knowledge search by academicians to find ways to enhance SME growth and performance with little emphasis on developing conceptual frameworks that are underpinned by strategic financial deliverables as the basis for business growth and performance. Fuertes, et al., (2020) argue that conceptual frameworks are fundamental to the financial growth and performance of every business sector as they provide basic operational guidelines. This theoretical paper therefore, reviews theories on business performance and growth towards the development of a conceptual strategic financial management framework to enhance SME growth and performance particularly in a turbulent environment. The theories under review include the Financial Dynamic Capability (FDC) theory, VUCA theory, Resource-Based theory (RBV), Contingency Theory (CT), Strategic Financial Management Concept (SFMC), Institutional Theory (IT) and the Balanced Scored Card (BSC).

THEORETICAL FRAMEWORK

A theoretical framework refers to the structure that hold or support a theory of research. According to Hobbs & Norton (2006), a theoretical framework introduces and describes the theory that underpins the study giving rise to the conceptual framework. Thus, theoretical framework provides a perspective or lens through which the study examines the topic under study. On the other hand, a conceptual framework, which is a product of the theoretical framework is an analytical tool with several variations and contexts which can be applied in different settings (Fuertes et al., 2020). Thus, after a critical review of the various business

Citation Information: Mutambara, A., & Kader, A. (2022). A conceptual framework for SMEs in a turbulent environment authors. *International Journal of Entrepreneurship, 26*(S4), 1-14.

theories listed on Figure 1 below, this paper proposes a conceptual framework for SMEs operating in a turbulent environment.

FIGURE 1
LIST OF THEORIES

Source: Author compilation 2021

The Financial Dynamic Capability (FDC) Theory

Businesses in general need to be financially astute and flexible to successfully operate in the ever-changing environment characterized by uncertainties. To achieve this feat, businesses ought to have "financial dynamic capabilities" (Teece, Pisano & Sheun, 1997). Thus, the FDC theory, propounded by Teece, Pisano & Sheun (1997), is drawn on the assumption that firms must be financially dynamic to ensure growth. In support, Kaur & Mehta (2017) have expressed the aspiration that businesses, be it large, small or medium across various sectors, ought to be financially dynamic, stable in order to survive and succeed. The theory places emphasis on strategic financial capability of a business and the dynamic means employed by the business to bring about financial adequacy towards business survival (Mansaray 2020). To be financially dynamic entails SMEs to come up with unique financial decisions, ways of raising and using financial resources in a manner that promotes business survival, continuity and growth (Mutindika & Kilika, 2019)

While some studies have been carried extensively on business enterprise in the field of entrepreneurship and strategic management, scholarly literature has expanded knowledge on how SMEs are organized, how they compete and innovate, how they manage finance and their growth in relation to performance (Quirin et al., 2020). In line with the dynamic capability theory, Teece (2017) state that the theory comprises of two interconnected categories such as the ordinary and dynamic capabilities. With the same thoughts, Pisano & Figgie (2015) agree that ordinary capabilities comprise of the functional operational duties and administration of the firm, which generate competitive advantage, whereas dynamic capabilities are strategic in nature yielding insights to guide firms towards diversity and survival in complex environments.

Within the strategic management literature, the FDC theory has been considered as one of the recognized leading concepts that measure and further understand competitive advantage to drive business performance (Teece, 2017). Studies by Wu (2018) determined that dynamic capabilities are perceived as crucial organizational roles that nurture valuable resources, shape

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opportunities, integrate appropriate strategies, rearrange internal and external resources to strengthen and restructure business functional competencies which enable firms to confront and overcome disruptive uncertainties to maintain competitive advantage while adapting to change. In another study Gusman & Febian (2016) explore on the contingent impact of dynamic capabilities on firm performance, concluding that dynamic capabilities improve performance. Based on the above arguments, strategic financial dynamism is at the center of SME performance and growth to the extent that an SME, which is not financially dynamic, is bound to experience performance and growth-related challenges going forward.

The VUCA Theory

The turbulent environment in which business operate can also be explained by Bennis and Nanus (1987)'s VUCA Theory that describes the volatility, uncertainty, complexity and ambiguity of general conditions and situations in which business of today operate. To deal with the ever changing and unstable environment in which business operate, various researchers came to a consensus that the VUCA theory successfully contextualizes the challenges that face by today's business. This paper thus draws from the VUCA theory, presented as an acronym. The VUCA acronym stands for Volatile, Uncertain, Complex and Ambiguous (Nangia & Mohsin, 2020).

Brodie (2019) advocate that the VUCA theory can be categorized as factors that affect business functionality, operations, performance, profitability, growth and an intense landscape. Further, it describes the environment in which the business operates as one that keeps on changing constantly in relentless, dramatic conflicting ways that create organizational leadership challenges. There is consensus in the literature, that the VUCA theory was coined after the cold war by the United States (U.S) Army College to narrate and capture the unpredictable dynamic changes encountered in the military government (Army Heritage & Education Center 2018). Although, the theory was developed for the military environment, Sontoso, Singih & Hidayat, (2019) assent that the theory squarely applies to the 2008-2009 financial crisis which occurred over the world and describes volatile, uncertain, complex, and ambiguous circumstances characterized by the financial crisis . In relation to relevance of the VUCA theory to today's business, Juergensen, Guiman and Narula (2020) reiterate that the deadly COVID -19 pandemic represents the typical VUCA environment as it negatively impacted on the global world bringing uncertainties in the business sector due to lock downs, retrenchments, untimely deaths, inconsistency and unpredictable environments. Echoing the same sentiments, Mutambara, Crankshaw & Freedman, (2021) advocate that the pandemic had negatively impacted on behaviors, teams, and individual within their environments. However, Bennet and Lemoine (2014) confirm that the VUCA theory serve to analyse how leaders and managers assess business environments towards implementing sound decisions, resolve problems, manage risk, forecast, and plan for change. Although, most SME owner managers are equipped with traditional management practices in their daily operations, there is need for them to appreciate the VUCA mind-set.

The Resource Based View (RBV)

Drawing from the common understanding that businesses are driven by resources, Penrose (1959) propounded the RBV theory. The RBV theory was further reviewed by Barney (1991) who underscores the criticality of resources as a function of business performance and growth, hence the need to be given serious attention. As such, there has been substantial research within the strategic management literature, in which resources play a centrifugal role as tangible and intangible resources as a firm strength and survival (Teece, Pisano & Shaun, 1997). With the same sentiments, Ussif & Salifu (2020) mooted that the RBV theory complements the strategy of the firm's resources that create competitive advantage through distinctive

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capabilities, which are tangible and intangible in nature, that focus on performance and growth. Another claim, by Foysal (2019) advocate that a resource-based approach to strategy is concerned with the allocation, replacement, and development of the firm's resource to broaden the strategic opportunity of the firm. Figure 3 below shows the RBV Theory.

Tangible and Intangible Resources

Based on findings of previous literature, Foysal (2019) support the view that resources comprise of internal and external assets such as financial assets, cash, investment, equipment, machinery, stationery, buildings, intellectual property, human resource, copyrights, and trademarks. In another, study Quirin, et al., (2020) argue that firm's resources comprise of features such as information, knowledge, assets, capabilities, organizational processes that enable firms to control and devise strategies that promote growth and performance. However, considering the above individual personality traits such as behaviours are easier to change whereas knowledge and skill can be changed but remain stable once attained. This therefore point that an individual employee has several characteristics, which usually position one to be the highest performer and difficult to imitate.

The arguments raised by these authors reveal that SMEs, like any other business cannot operate without resource to effectively promote growth and achieve performance, hence the importance of placing strategic resources to survive in turbulent environments in relation to SMEs financial challenges, the paper locates the RBV theory as vital in explaining strategic financial management practices as an effective strategy for small medium sized enterprises survival and growth.

Contingency Theory

Business performance and growth depends on contingent situations or circumstances in which the business operate. Fielder (1964) propounded the contingent theory which assumes that success of business or organization is dependent on certain factors or situations, hence such factors or situations should be considered. These relations are further emphasized by Fielder (1971) who propounded that "there is no best way of managing and leading an organization" it depends on the leadership style.

The theory is widely applicable to the management environment and drawing from the theory, Otley (2016) expanded the Fielder's work leading to the development of an appropriate strategic financial management approach. In agreement with Fielder (1964), Otley (2016) share similar sentiments that "there was no universally appropriate strategic financial management practice that equally apply to all SMEs enterprises". Agwu (2018) gave another antecedent which further explained that financial management practices should be aligned on firm specific contingencies such as environments that contribute to understanding the systems. In line with the same thoughts, Wadongo & Abel (2014) endorse that the growth of SMEs is largely influenced by internal and external environment in which they operate and if the environment is not conducive, then managers need to be contingent in their approach. Additionally, Zhou, et al., (2017) claim that the success of an organization depends on the capabilities of the leader such as intellectual knowledge, behaviors, character, personality and the ability to create a conducive working environment and adaptation of the environment. However, Carreiro & Oliveira, (2019) affirm that a leadership style displayed in one situation may not be successful in other circumstances as it depends on the traits of the leader. With the same view, Otley & Soin (2014) confirm that the structure of an organisation, leadership style, and management practices are inseparable, hence the need of owner managers to be contingent when making decisions.

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Strategic Financial Management

It is a generally accepted norm that business success is a function of strategic financial management (SFM) (Liu, 2010). This view aligns with Simmonds (1981)'s view who propounded the SFM theory to underscore the critical importance of dealing with finance issues from a strategic lens. In addition to Simmonds (1981)'s seminal work, Bromwich (1990) added a critical angle to the SFM of business which include the dynamic and strategic position of the firm. The authors argue that the financial component of business is a strategic resource enabling business opportunities to position the growth and performance of the business.

Within the strategic financial management (SFM) literature Svatosova (2019) and Williams, et al., (2019) claim that the foundation of SFM is the alignment of strategy and finance to create value, profit maximization, allocation of financial resources, financial strategies, creating budgets and plans, analysis of financial statements, profit maximization, decision making and implement other measures which are necessary for the firm be sustainable. When elaborating, Ahmed & Mukhongo (2017) also agree that SFM integrates financial management objectives within the firm with strategic management to attain set goals and make informed decisions. Agwu (2018) suggests that SFM is achieved through the control of finance, financial planning and financial decision making which encompass proper understanding of controlling, allocating and obtaining a company's assets and liabilities, including monitoring operational financing items like expenditures, revenues, accounts receivable and payable, cash flow, and profitability.

Abosede, Obasan & Alese (2016) found that SFM is a function of management which does not only manage finance but relate to continuous processes that provide management with non- financial and financial information of the business with the intention to attain set objectives, goals to make informed decisions, improve product quality, analysis of data.

It is important to note that there are numerous studies, which expanded knowledge on SFM for SMEs and its impact on performance focusing on different variables. Multiple studies by Rajnoha & Lorincova (2015) explored the impact of SFM practice on planning. Gure & Karugu (2018) examined SFM on profitability ratios analysis and all their findings reveal that SMEs owner managers as leaders of the firm usually use SFM to promote the performance of the firm. As such, all studies reveal that SMEs managers can use a combination of SFM to achieve performance. Additionally, Delkhosh (2016) affirms that SFM encompass three techniques of valuation which are investment strategy management, financial strategy management and the profitability strategy which ensure that firms are yielding profit which improve firm performance.

In addition, Petera & Soljakova (2019) affirms that SFM is not static as it is a continuous process of evaluation, planning, managing change and adjusting to environments and empowering owner managers to be focused and monitor long-term goals and make strategic decision on ad- hoc short-term matters that do not hinder SMEs long-term vision. In view of the above, it becomes important for owner managers of SMEs to understand SFM practice strategies that are applicable to their firms taking into consideration to achieve performance indispensable.

In more recent work by Kourtis, et al., (2021), it has been noted that most SMEs fail because of various reasons and poor financial management practices has been documented as the main cause. Instability and complex ever-changing environments, fluctuation of exchange rates, prices changes, uncertainties, and instability of markets affect SFM practices of SMEs. It is of paramount importance that each owner/ manager should possess the capability of thinking strategically by adapting and restructuring the firm to adopt robust strategic financial management practices. Strategic financial management assist managers with aligning, vision, goals, objectives, economic market factors, manage and control finances, assess risk and achieve performance.

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Institutional Theory

The institutional theory is drawn on the assumption that businesses are part and parcel of societal institutions that rely on structures, rules, regulations and to this Selznick (1948) propounded the institutional theory to explain functionality towards sustained performance and growth. Existing literature document that there has been voluminous amount of research within the management literature on institutional theory with Meyer & Rowan (1977); Witesman (2016) confirming that the theory was initiated by Selznick (1948) who emphasized that institutions are dynamic and their approaches are used to illustrate and understanding organizational elements which are contingent that align environmental dynamics to practices, processes and strategies, that promote sustained performance within firms. A different view from Munir & Baird (2016) present that the institutional theory is the way of thinking social organizational processes that contribute to the development of processes and structures by adapting to environments and social pressures that influence authority bestowed to management practices. Related to this, Lammers & Garcia (2014) emphasized that the elements of the theory have been categorized into formal structures that consist of economic, legal, political structures whilst informal comprise of social processes such as rules , norms, rituals and routines which are not written or documented that influence organizational behaviours which are copied , practiced and taken for granted , hence any firm to survive, need to respond to pressures from the environment and adapt to changing norms, social constructs and processes prevailing within their environments. In line with the same thoughts, William & Shahid (2016) found that the theory demands the integration of components of systems that shifts analysis of organizational elements contained within its boundaries from closed system to open system that aligns strategies, processes, procedures and environmental dynamics, which are embedded with beliefs, rules, and ideas on how to survive in complex environments.

Empirical insights by Munir & Baird (2016) establish that whether the firm is formal or informal, there are pattern or rules and regulations that should be followed to guide actions and behavior of people within the organisation. Further, they explained that rules are formal guidelines which are established, whereas routines are repetitive actions that do not have to be formal. Apart from all the assertions, Witesman (2016) elaborated further, that rules and routines are interrelated and are essential aspects of institutions and the adoption of institutional theory would be an appropriate lens to understand the routines in an organisation and SME firms that focus on growth usually rely on institutional based strategies for competitive advantage in comparison with established firms that consider resource-based strategies.

Ndeiseh (2017) expounded that there has been quite a substantial amount of research on institutional theory proliferating on finance conception that measures the regulative dimension of institutional structures and conceptualized financial management practices. It was suggested by Williams & Shahid (2016) that institutional theory is an adaptive theory that has been termed as the game changer in terms of rules and routines and has been used to understand financial management practices and it had proved that financial management as a science cannot be scrutinized as a different technical tool which can be separated from its operating external environment and market conditions. In response, Lammers (2017) confirms that the theory has been used to investigate the development and application of financial management ideas and analyse how institutional factors such as knowledge, power, routines, and rules influence the adoption of strategies for effective financial management and performance of the firm.

There is likely to be informal routines practiced since most SMEs have autonomous control of their firm hence the institutional theory gives systems that should be followed, and it would be appropriate to understand financial management practices as routines that guide the structure of the firm and its strategy (Lammers & Garcia, 2014). Conclusively, institutional theory maintains the view that SMEs irrespective of their attempt to achieve structural

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arrangements, they can successfully change if they are committed and implement adaptive strategies that deliver intended benefits of their enterprises.

The Balanced Scorecard (BSC) Theory

The balanced scored card (BSC) theory was propounded about three decades ago by Kaplan and Norton (1996; 2010) responding to business's failure to balance its priorities. Ideally, a successful business is one that balances its goals and objectives ensuring that financial obligations that address customer needs, corporate social responsibility needs, employee needs, and management needs all receive the financial obligations they deserve. It is through this financial balanced approach that business performance is measured. In recent years, the popularity of the BSC has been widely used as tool that integrate goals and objectives of financial and non-financial measure of performance in all business including SMEs (Madsen & Stenheim, 2015). The BSC was developed as the foundation for strategic financial management on condition that certain guidelines are properly followed and implemented and relevant metrics evaluated precisely to overcome limitations of the traditional scorecard, which overlooked the financial factor as a reliable measure of performance (Kaplan & Norton, 2010). Notable, Chimtengo, Mkandawire & Hanif (2017) assert BSC help management with the control of short- and long-term strategic dimensions by clarifying, implementing the mission and strategy of the entire firm. Hence, the comparison of focused and actual plans helps managers to assess both performance and strategy. Figure 4 below depicts the balance scorecard.

Vision Development

The BSC is guided by the vision, strategic priorities and performance indicators which are key to the success of the firm and drive decision making (Perkins, 2018). More specifically, Saroja & Radhika (2015) confirm that it is difficult to predict the future environments but when crafting a vision, it shows the roadmap, direct ideologies and convey the most important components and future activities of a firm thus one must realise and transform into reality the initiative, commitment, understanding, and hard work put in its development. Again, extant literature by Quesado, Guzman & Rodrigues (2018) concur and elaborated that it is a management tool that provide an in-depth discussion on vision, strategy and translating tangible measures and objectives such as financial and internal processes to specific goals. In support, Leug (2015) advocate that the BSC is ranked as an extremely good measurement tool because it intergrate the firm's strategy and long-term vision with unbiased management activities by providing tangible financial and non-tangible financial and most importantly the evaluation of customer satisfaction which is an important factor in any business operation.

Elements of the BSC

Zizlavsky (2014) charted that a well-designed BSC assist managers to easily communicate measures that determine outcomes and performance drivers, which are critical to firm survival. An empirical examination carried by Leug (2015) concluded that the BSC supports and analyse a firm's integrated planning for performance measurement, and it consists of four important elements which include financial perspective, customer perspective, internal perspective and organisation capacity also known as growth and learning perspective. While the BSC comprise the four elements, this paper draws largely from form the financial perspective.

Internal Business Perspective

In some studies, Leug & Julner (2014) believe that the internal business perspective help managers not only to focus on the increase of efficiency, disseminate information, control costs, resources, processes and identify best actions on the strategy execution and growth, they help to

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communicate and implement a firm's strategy focusing on the internal consistency between strategic objectives and performance indicators to improve and achieve goals of the firm.

Customer Perspective

According to Perkins (2018), customer perspective focus on performance related to customers and the market. The value of market performance measure service, relationships, prices and mix of products. The managers should identify the market sector, and the customers who will compete to achieve firm performance. If customer perspective is correctly implemented, it will improve customer satisfaction and the firm's ability to serve customers such as customer relations, profitability, and market share.

Organisational Capacity

Also known as the learning and growth perspective, it satisfies and address customer needs, employee satisfaction, empower workers with resources and new knowledge to achieve the strategic objectives of the firm. This perspective guides managers on proposing training funds to offer training to employees so that the firm achieve its strategic objectives (Gupta & Salter, 2018).

Financial Perspective BSC

Since the introduction of the BSC, Perkins (2018) confirm that financial perspective is mainly concerned with the improvement of the long-term strategic objectives of the firm to maximise return on investment and precisely that help managers to deal, track and improve the financial process such as sales growth, cash flows, return on investment, revenue growth, improvement on working capital and performance. Saroja & Radhika (2015) suggest that the BSC developed by Norton has been acknowledged as a management tool that align financial goals, strategies of the firm and business performance. It is believed that it translates strategy into a system of interrelated indicators, which involves the implementation of financial management system, financial planning, financial routine functions, goals that increase revenue and profitability and operational business factors. Perkins, Grey & Remmers (2012) support Norton's assertion that it integrates financial measures with operational performance such as return on equity, profit earned, average total assets and investment efficiency. Despite the popularity of the BSC, Gupta & Salter (2018) argue that it also has challenges on assessing specific performance techniques and their coordination with financial indicators thus if implemented without modifications it will not yield the accepted result in terms of the firm strategy, culture, and mission. Overall, the BSC if correctly implemented it promote competency, align investment to strategy which is critical for sustaining the function of the firm.

Theoretical Comparison

In developing the SFM framework and performance, the interplay of all theories is fundamental to SMEs. The theories are of importance to address resources, capabilities, routines and procedures which are critical for SME managers towards making informed financial decisions. The integration of VUCA, contingent and institutional theory address complexity and uncertainty, systems, procedures and operating environments within the business setting. Their applicability and similarities assist owner managers with different approaches of adapting to the internal and external environments with the aim of achieving performance. The BSC offers unique opportunities to owner managers who intends to align the mission, financial measures and other non- financial measures with firm strategy and further evaluate the performance of the firm.

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However, SMEs strategic financial management decision is more informal and inflexible compared to formal large organizations which follow a structured approach, and this makes them to change strategies in response to changes in the environment (Abosede, Obasan & Alese, 2016).

There is consensus in literature that if a resource or capability is classified as strategic it gives the firm a long-term competitive advantage which promotes performance and growth (Quirin, et al., 2020, Mutindika & Kilika, 2019) emphasized that dynamic capabilities as strategic options are used by SMEs to deploy scarce resources which comprise of the combination of right financial knowledge, managerial competencies to interpret and analyse financial information. Chawla & Lenka (2018) reported that the capability of diagnosing business complexity demands a manager who can develop strategies that are suitable for complex and volatile environments, it demands someone who have intellectual knowledge, experience and skill to bring superior performance to the firm's two main critical drivers, which include resources and capability. Nevertheless, Manasrah (2020) propose that dynamic capabilities comprise of financial skills, financial knowledge and other intangibles which are difficult to imitate. However, Teece (2017) report that ordinary capabilities can be acquired whereas dynamic capabilities should be built through generation of knowledge, learning and discovery. Also, they need to be nurtured to enable firms to adjust promptly to fast- ever-changing environments reconfigure tangible and intangible resources.

Lastly, Kaur & Mehta (2017) conferred that while all these theories can be useful, they are suited to various firms for specific situations, not all SMEs will adopt these theories without modifications. More so, not all SMEs do not follow formal structures as there are some who are formalized. It has been noted that there are previous frameworks developed for SMEs in various countries, hence the need for a development of a fresh strategic financial management framework for SMEs operating in turbulent environments characterized by complexity, uncertainty, volatility unpredictability and social psychological turmoil with the Covid- 19 pandemic looming in its third wave. However, taking the importance of all the theories the owner manager as the leader should quickly adapt and have the ability to navigate to uncertain complexities , possess critical strategic thinking skills to direct the vision of the firm, control finances reduce costs, increase profitability and achieve financial goals (Carreiro and Oliveira 2019).

CONCEPTUAL FRAMEWORK

Drawing from the above theories, this section proposes a conceptual framework. The constructs of which have been derived from theories reviewed by this paper, which gives the wide scope of subjects, principles, and ideas to propose new insights of strategic financial management practices. According to Fuertes, et al., (2020) a conceptual framework assists in integrating the relationship between theories and the variables in the model to obtain a snapshot idea about how the problem can be solved. Combining the ideas from the various theories discussed above, the paper proposes a strategic financial management framework that could enhance SMEs performance and growth and may lead to the creation of jobs and enhancement of livelihood in disadvantaged communities.

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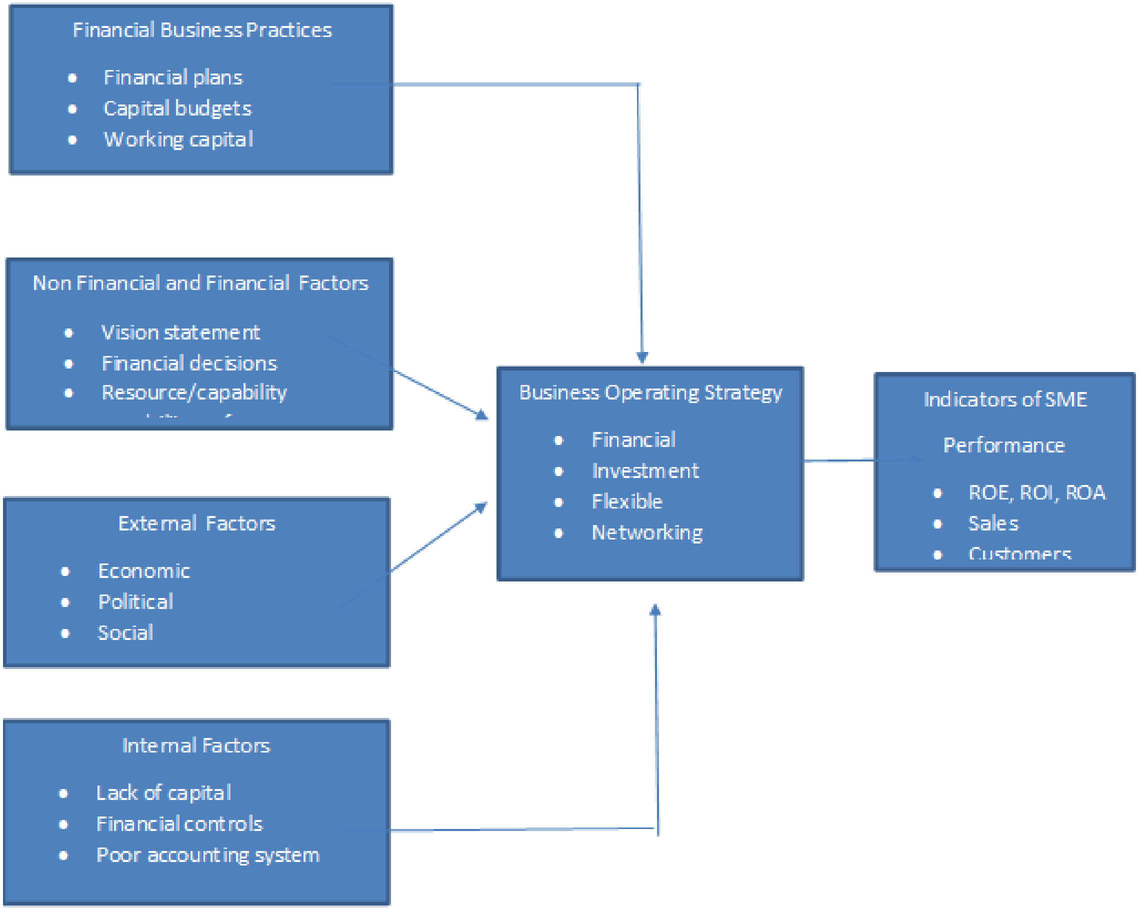

FIGURE 2
PROPOSED STRATEGIC FINANCIAL FRAMEWORK

Source: Author 2021: Proposed strategic financial management framework

Strategic Financial Management Framework

Drawings from theories reviewed in this paper, it emerged that SMEs, like any other business do require six critical components that include financial business practices, non-financial and financial factors of business, external factors, internal factors, the business operating strategy and indicators of growth as key pillars that guide performance and growth in a turbulent environment as shown in the proposed conceptual framework on Figure 5.

Financial Factors

In the context of SMEs financial factors refer to financial business practices which enhance performance in times of uncertainty as working capital management, capital budgeting, fixed assets, financial planning, and control. Financial planning guide owner managers with forecasting the future of the firm using income, cash flow, profit distribution and resources such as physical assets cash and manpower to enhance performance. SME owner managers ought to implement financial business practices that support growth and performance considering the unstable environment in which business operate and ignoring such factors will lead the business into jeopardy.

Non-Financial Factors

SME owner managers ought to understand and appreciate and effectively deal with the non-financial factors of business. According to Perkins (2018), not only financial factors are

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critical in enhancing business' performance and growth agenda, but also non-financial factors such as the vision, skill, mission, and the ability to deploy resources to achieve the vision. Non-financial factors focus on the broad picture of the business that is the vision and mission statement, the skill of the manager and employees. The owner or manager ought to have the right financial knowledge, managerial skills of planning, control, acquiring and allocation of resources, analysis and possess the critical financial skills on interpreting the financial statement for informed decisions that would influence business growth. In addition, SME owner managers should have an entrepreneurial mind-set that include personality traits, willingness to act, knowledge, creativity, skills, intelligence, patience, persistence, the ability for teamwork. It can also be characterized as the ability to use personal traits, which create outcomes, which are acceptable.

Deployment of resources is key in every business and particularly for SMEs in a volatile environment, where SMEs struggle to acquire critical resources. Thus, the deployment of resources becomes a complex issue for SMEs. Human capital capability is key because humans drive the financial aspect. Ultimately, the competences should be well built so that they cannot be exchanged and difficult to imitate.

Overall, the summation of dynamic strategic financial capability is about infusing the SME owner managerial knowledge with the financial skills towards achieving the business vision. The point raised under this discussion is that strategic capabilities of a business are anchored in the business's vision and by achieving the vision of the business; this means that performance related matters have been addressed. In this paper, every SME owner has a vision and to meet the vision, the business must perform towards the direction of the vision making strategic capabilities a key factor for SME growth and performance.

Environmental Factors

SMEs owner managers also ought to understand, appreciate and deal with the environmental factors of business. Environmental factors capture the complex, volatile, internal, and external micro and macro variables that determine the success and growth of SMEs operations. Over the past decades SMEs have been affected by ambiguous complex environmental factors which are largely induced by the macro and micro-economic environments, policy regulations, high interest rates and exchange rates, liquidity crisis, technology and use of mobile firms in place of banks, national politics, social (poverty, corruption, and cronyism). Thus, for SMEs to survive, the manager need to re-adapt to complex changes, re-think appropriate strategies which are viable for success and attainment of performance**.**

Business Operating Strategy

One of the critical aspect underpinning SMEs performance and growth understanding and applying the business operating strategy, thus, today's owner managers ought to embrace an effective business operating strategy. Business operating strategy comprise of strategies that are used by managers to chart the way forward in overcoming complex operational challenges by to aligning the vision, set objectives and patterns designed to support the strategies that improve performance and growth. Without well designed strategies the firm is destined to collapse. Taking into cognisance the operating turbulent environment, the aggressive financial and non-financial strategies such as financial strategies, investment strategies, flexible strategies and profit-sharing strategies will be discussed to give birth to the conceptual framework. The framework postulates that SMEs require some form of strategy on how they perceive the future and deal with it.

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Indicators of SMEs Performance and Growth

SME owner managers should be able to identify, appreciate and take advantage of the indicators of business growth and performance so that they can foster all their efforts on improving business growth especially in a turbulent environment. Indicators of growth are simply signs that the business is growing which is a positive development. Understanding the importance of performance in a business is very essential. Performance of SMEs is assumed to have various meanings, which include growth, survival, and competitiveness. To bring about strategic performance improvements there are factors which should be considered such as adjusting to environment, control, product innovation, creativity, management change, networking, and technological change. Performance indicators of a firm can be determined by measuring the actual performance with previous performance or benchmark with other firms in the same sector. In the strategic financial management literature SMEs performance is determined with budgeted costs and revenue with the output unit level or by monitoring set standards. There are many performance indicators that may be utilized by SMEs, such as return on Investment (ROI), return on equity (ROE), return on asset turnover (average total assets), increase in fixed assets, current assets, movable assets such as vehicles and increase in staff establishment.

CONCLUSION

Today's SMEs face a completely different business landscape compared to SMEs of yester years with emerging challenges and opportunities and nevertheless previous theories still guide business operations to an extent. This paper reviewed various theories which include the FDC theory, VUCA theory, RBV theory, CT, SFMC, IT theory and the BSC. From the review, the strategic financial management conceptual framework for SMEs operating in turbulent environment emerged. It is important to note that today's SMEs should approach business from a financial strategic management lens for sustained performance and growth. Thus, SMEs owner manager should be driven by some vision backed by sound financial management business practices that embrace both financial and non-financial aspects of business. In doing so, the owner managers ought to be cognisant of the changing business environment which is largely turbulent inorder to ensure sustained growth and performance.

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Received: 12-Apr-2022, Manuscript No. ije-22-10274; Editor assigned: 15-Apr-2022, PreQC No. ije-22-10274 (PQ); Reviewed: 20-Apr-2022, QC No. ije-22-10274; Revised: 02-Mar-2022, Manuscript No. ije-22-10274 (R); Published: 11-Apr-2022

Citation Information: Mutambara, A., & Kader, A. (2022). A conceptual framework for SMEs in a turbulent environment authors. *International Journal of Entrepreneurship, 26*(S4), 1-14.