

PLANNING AS A TOOL FOR INCREASING PROJECT IMPLEMENTATION IN SMALL AND MEDIUM-SIZED ENTERPRISES

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***Abstract:** Strategic planning, the process by which the future direction of the organization is developed and implemented, is vital for the survival of any organization because it helps companies adapt to the constantly changing environment, being applicable to all management levels and all types of organizations. Planning is not limited to setting deadlines or activities, but involves a complex process of analysis, coordination and control of resources, risks and results. In an increasingly competitive and dynamic economic environment, the success of a small or medium-sized enterprise depends largely on the way it plans and manages its projects. Although SMEs often operate with limited resources, they are characterized by flexibility, innovative spirit and a high capacity for rapid adaptation to change. However, the lack of rigorous planning remains one of the main causes of the failure of many projects implemented by small and medium-sized enterprises.*

Key words: competitiveness, strategic planning, organizational efficiency, adaptability.

INTRODUCTION

In an increasingly competitive and dynamic economy, the success of an enterprise no longer depends solely on the quality of its products or services, but also on its ability to plan and efficiently implement its activities and projects. Planning represents one of the most important functions of modern management, providing a coherent framework for achieving organizational objectives [4].

Through planning, organizations can anticipate future developments, manage resources more effectively, and reduce uncertainties associated with the economic environment [7].

In the case of small and medium-sized enterprises (SMEs), planning holds particular importance. These organizations often face limited financial and human resources, and planning errors can have significant consequences on their overall performance. Frequently, in the absence of formal management structures and clearly defined processes, project implementation becomes difficult, and results fail to meet expectations. For this reason, adopting effective planning practices can represent a significant competitive advantage for such organizations [8].

The key to a successful project lies in proper planning. Any action aimed at achieving a specific objective must be planned, requiring the development of a project plan. Creating a project plan is the first action that should be undertaken at the start of any project. A project represents a complex endeavor through which an organization seeks to solve a specific problem, and it must therefore follow this principle—the project plan reflecting the way in which the project is expected to be carried out, passing through all its phases, from conception to completion and delivery [10].

Specialized literature emphasizes that project planning is not limited to scheduling activities but involves a coherent set of actions: analyzing the internal and external environment, identifying risks, coordinating the project team, and monitoring results. In the case of SMEs, where every decision directly affects overall performance, planning becomes a strategic development tool.

The use of strategic planning generates favorable outcomes: it improves performance, enhances managerial efficiency by increasing the organization's ability to identify and capitalize on market opportunities, and encourages employees to adopt a positive attitude toward change.

MATERIALS AND METHODS

The purpose of this research is to demonstrate that systematic project planning directly contributes to increasing the success rate of project implementation within small and medium-sized enterprises by enabling more efficient resource use, better coordination of activities, and stricter control of results.

The study starts from the hypothesis that there is a direct relationship between the quality of planning and the success of project implementation in SMEs. Clear and realistic planning leads to more effective implementation, optimal resource utilization, and a reduction in the risk of project failure.

In this paper, the bibliographic study method was employed to analyze the main concepts related to project planning, strategic management, and organizational performance. By comparing and correlating information from various sources, the bibliographic analysis allowed for the creation of a coherent theoretical framework regarding the role of planning as a management tool. Additionally, this method facilitated the identification of existing gaps in the literature and the formulation of the research hypothesis concerning the influence of planning on the success of project implementation in SMEs.

RESEARCH RESULTS

As the predominant form of business and employment, small and medium-sized enterprises (SMEs) are key actors in building inclusive and sustainable growth, strengthening economic resilience, and enhancing social cohesion. Across OECD countries, SMEs account for approximately 60% of employment and between 50% and 60% of added value, being major drivers of productivity in many regions and cities. However, smaller firms continue to face persistent size-related barriers in managing strict business conditions and accessing strategic resources [14].

Project planning represents the process through which objectives, activities, resources, deadlines, and performance indicators necessary for the efficient implementation of a project are defined. Effective planning transforms the strategic vision of a company into a coherent set of concrete actions, eliminating improvisation and reducing risk [9].

In principle, a project plan reflects the way in which the project is expected to be carried out, from the design phase to completion. It must include:

- which objectives need to be achieved and in what order;
- what actions must be undertaken, their interdependencies, and their start and end dates;
- the costs and resources required for each planned activity;
- the quality levels imposed and the corresponding evaluation criteria;
- the project budget and the schedule for resource procurement;
- the structure of work and responsibility distribution, broken down by project phases and accountable individuals.

In the specialized literature, several essential stages of project planning are distinguished, although they may vary depending on the field of application.

1. Defining Project Objectives and Purpose

The definition of objectives and purpose represents the foundation of the entire planning process, as it establishes the overall direction and the criteria for evaluating project

success. Planning begins with “clarifying the project’s purpose, the motivation behind its initiation, and the expected outcomes of its implementation.” The project’s purpose expresses the overall intent — *why* the project is undertaken — while its objectives define *what* needs to be achieved and under what conditions.

Objectives are “the desired outcomes that guide decision-making and organizational behavior.” They serve as reference points for all managerial activities and enable project teams to align their efforts with the strategic direction of the organization [9].

For objectives to be effective, they must follow the SMART principle (Specific, Measurable, Achievable, Relevant, Time-bound):

- specific – clearly defined and easily understood by all participants;
- measurable – enabling progress evaluation;
- achievable – realistic given available resources and competencies;
- relevant – consistent with the overall purpose of the organization;
- time-bound – with clear completion deadlines.

Objective formulation is a strategic thinking activity, requiring anticipation of outcomes and determination of concrete means to achieve them. Without precise definition, the project risks incoherence, resource waste, and limited impact [4].

In SMEs, this stage is particularly important because limited resources require rigorous prioritization. SMEs that define their goals and objectives clearly demonstrate greater adaptability and resource efficiency.

In practice, the process of defining objectives involves [6]:

- analyzing needs or problems that justify the project’s initiation;
- identifying expected results and performance indicators;
- consulting stakeholders to ensure coherence and relevance of objectives;
- drafting the project charter — a document summarizing motivation, objectives, resources, and anticipated outcomes.

Thus, defining objectives and purpose is not a mere administrative step but a strategic process that determines the success of subsequent implementation.

Once developed, the project plan must be translated into practice. This operation involves numerous decisions made at different management levels. A “good” plan on paper may lead to unsatisfactory results if incorrect decisions are made during implementation. Executing the project plan itself requires specific actions whose scheduling and evaluation — in terms of costs and resources — are as important as planning the project activities themselves [13].

Within SMEs, the role of planning is even more significant due to small teams, limited budgets, and high uncertainty. Planning provides these organizations with a control and coordination framework, allowing them to prioritize tasks, avoid resource overload, and prevent delays [9].

Planning should not be viewed as a rigid exercise but as a dynamic, flexible process capable of adapting continuously to changes in the external environment [3]. The success of project implementation depends on the quality of initial planning, risk identification, and management’s ability to coordinate the team toward common objectives.

In today’s context of digitalization and technological transformation, planning also becomes an organizational learning tool, enabling firms to develop internal capabilities, adopt new technologies, and strengthen their competitive position.

2. Planning Project Activities and Resources

After defining the project’s objectives and purpose, the next stage is the detailed planning of activities and necessary resources. This step involves determining the logical sequence of activities, their durations, interdependencies, and the resources involved.

In SMEs, where staff is limited and multitasking is common, activity planning must be realistic and adapted to actual execution capacity. Overly ambitious planning without careful resource evaluation may lead to delays and employee burnout. Therefore, the development of a Work Breakdown Structure (WBS) is recommended, offering a clear overview of how project objectives are divided into smaller, manageable components.

Resource planning is a complementary process focused on identifying and efficiently allocating material, financial, and human resources. The rational use of resources requires a clear allocation and control plan [9]. At this stage, the project budget is defined, costs for each activity are estimated, and funding sources are determined. For SMEs with limited financial capacity, rigorous budget planning is crucial to avoid financial bottlenecks.

Responsibilities of project team members are also established. The organizational structure must clearly define who is responsible for each activity, who makes decisions, and who monitors progress. In SMEs, roles often overlap, and the project manager frequently combines coordination and execution duties. A well-documented plan clarifying responsibilities reduces confusion and enhances implementation coherence.

Realistic planning must also include risk assessment. Every project involves uncertainty, and early identification of risks allows preventive measures. In SMEs, risks may arise from dependence on a small number of clients, market volatility, staff shortages, or delays in resource delivery. Risk analysis and contingency planning are key elements for ensuring project continuity.

Ultimately, planning activities and resources is not merely a technical phase but a strategic optimization process. It connects the firm's strategic objectives with concrete actions, ensuring efficient resource use and adaptability. Through coherent activity and resource planning, the project gains a logical and realistic structure, enabling continuous monitoring and timely corrective action.

3. Project Monitoring and Control

The monitoring and control stage constitutes the operational component of the planning process, ensuring coherence between what was planned and what is actually achieved. Monitoring involves “systematically tracking the progress of project activities against the initial plan, identifying deviations, and implementing corrective actions.”

Control is a continuous process throughout implementation, ensuring compliance with deadlines, budgets, and quality standards. It includes both data collection and analysis, as well as decision-making when discrepancies arise. Control should not be viewed as punitive but as a managerial tool that keeps the project on track [9].

In SMEs, monitoring is often conducted more informally due to small team sizes and flexible structures. However, even without dedicated departments, SMEs can implement simple but effective mechanisms such as weekly progress reports, periodic analysis meetings, or KPI tracking tables. These tools enable early issue identification and plan adjustment based on real project evolution.

Effective control requires clear and relevant performance indicators, both quantitative (activities completed, expenditures, time used) and qualitative (beneficiary satisfaction, deliverable quality, organizational impact). For SMEs, where resources are limited, monitoring should focus on essential indicators that offer a realistic picture of project performance [3].

Communication between team members and management is also essential. Control processes should be supported by internal feedback systems to ensure transparency and involvement in corrective decisions. In SMEs, where interpersonal relations are close, open communication enhances team cohesion and motivation.

Another key element is financial control, ensuring compliance with the approved budget. Without strict cost tracking, budget overruns can severely affect financial stability. For SMEs, simple digital tools — such as budgeting spreadsheets or project management software — can significantly improve financial accuracy [2].

Monitoring and control are not final stages but iterative processes accompanying all phases of implementation. Effective managerial control implies continuous evaluation and adaptability to environmental changes [9].

The most appropriate method of project control and monitoring is the development of performance reports, which show what has been achieved, compared to the plan and must contain information on changes, the causes and purpose of their implementation, the effects on programming, costs and quality. The monitored performance parameters must be evaluated at each point of the time schedule.[5].

For SMEs, this process has major implications. Lessons learned from one project can be quickly applied to the next, contributing to an organizational culture based on efficiency, accountability, and adaptability. In a volatile economy, the ability to learn from experience becomes a critical competitive advantage.

4. Benefits of Effective Project Planning for SMEs

Efficient project planning brings significant benefits to SMEs in terms of internal performance and external competitiveness. In an unstable economic environment marked by intense competition, labor shortages, and limited finances, SMEs that adopt a structured planning approach achieve greater stability and adaptability.

The first and most obvious advantage of planning is efficient resource utilization. Planning transforms available resources into concrete results, maximizing added value. For small enterprises, where every resource counts, planning enables priority setting and rational allocation of funds, time, and personnel. It reduces waste, lowers costs, and increases operational efficiency [9].

A second benefit is enhanced control and predictability during implementation. A well-planned project offers clear benchmarks for monitoring and evaluation, allowing management to identify deviations early and act promptly. Planning transforms objectives into measurable performance standards, providing a logical framework for control — essential in SMEs lacking sophisticated reporting systems. [1].

Effective planning also improves internal communication. Without a clear plan, team members may interpret objectives differently, causing confusion and delays. A well-developed plan clarifies tasks, deadlines, and responsibilities, fostering coordination and collaboration.

Moreover, planning provides SMEs with a clear picture of project performance and profitability, supporting informed strategic decisions. By monitoring key indicators, management can evaluate whether investments yield expected results and adjust strategies accordingly.

Another key benefit is risk mitigation. [3] argues that “strategic planning transforms uncertainty into manageable risk.” Early identification of potential problems — financial, technical, or human — and the creation of contingency plans allow SMEs to better handle unforeseen events, thereby increasing stakeholder confidence.

Planning also positively influences employee motivation and performance. When objectives are clear, resources are properly distributed, and results measurable, employees perceive their work as more meaningful and coherent. [4] notes that “planning-based management gives purpose to activities and fosters employee engagement through clarity and recognition.” For SMEs with small teams and close interpersonal relations, this significantly enhances productivity and morale [11].

Finally, planning strengthens enterprise reputation and credibility with partners, investors, and funding institutions. A well-planned and monitored project demonstrates professionalism, reliability, and strong management capability — essential for attracting new collaborations or securing financing. In particular, for EU-funded projects, the quality of planning is a critical evaluation criterion.

Therefore, effective planning is not merely a preliminary phase of project implementation but a strategic component of organizational management. It enables SMEs to achieve objectives systematically, minimize risks, and maximize results. In a competitive and constantly changing economy, planning becomes a defining element of managerial professionalism and long-term success [15].

CONCLUSIONS

Project planning is one of the most important managerial processes, essential for achieving the strategic objectives of any organization. In the context of small and medium-sized enterprises (SMEs), its importance is even greater, given that these entities typically operate with limited resources in economic environments marked by volatility and intense competition.

The theoretical and practical analysis of project planning highlights that the success of implementation depends directly on the quality and realism of the initial plan. Rigorous planning provides direction, clarity, and coherence to all activities, ensuring optimal coordination of resources, cost control, and adherence to established deadlines. In the absence of a well-structured plan, projects risk becoming fragmented, deviating from their intended objectives, and generating resource losses or even failures [12].

Within SMEs, project planning yields multiple benefits: more efficient resource use, reduced uncertainty, improved internal communication, and an enhanced capacity to respond to challenges. With a well-designed plan, these organizations can balance strategic objectives with their real implementation capabilities, access external sources of financing more easily, and build trust-based relationships with partners and investors.

In conclusion, planning should not be viewed as a mere formal stage, but as a continuous and adaptable process that guides the entire activity of an enterprise. Effective planning combines strategic analysis, rigorous organization, and managerial flexibility, giving SMEs the opportunity to turn vision into performance.

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