

The Challenges and Countermeasures of Entrepreneurial Enterprise Strategic Planning

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Abstract. The main challenges faced by entrepreneurial enterprises in strategic planning include the lack of experience and capabilities of entrepreneurs themselves, affecting the professionalism of strategic decision-making; limitations in resources such as funding and talent, constraining strategic execution; and misjudgment of market conditions and external policy changes, increasing decision-making risks. These challenges seriously impede the effectiveness of strategic implementation for entrepreneurial enterprises. In response, businesses can take three key measures: improving the systematic nature of strategic planning and execution, establishing flexible strategic adjustment mechanisms, and introducing external professional services. Firstly, establishing a scientific and systematic strategic management framework to accurately recognize market trends and proactively control risks. Secondly, setting up regular review mechanisms based on market and policy changes and making strategic adjustments when necessary. Lastly, collaborating with professional organizations to address the lack of experience and perspectives and minimize risks. Through the integrated application of these strategies, entrepreneurial enterprises can ensure the effectiveness of strategic planning and implementation in a complex and ever-changing environment, and gain momentum for sustained growth.

Keywords: Entrepreneurial enterprises; Strategic planning; Countermeasures; Planning capabilities.

1. Introduction

In a complex and ever-changing market environment, scientific and rational strategic planning is crucial for the development of enterprises. By accurately assessing industry trends and analyzing the strengths and weaknesses of the company, enterprises can determine their future development direction and key priorities. However, for early-stage entrepreneurial enterprises, there are many challenges in strategic planning. For example, entrepreneurs themselves lack extensive experience in business strategy, leading to cognitive biases in strategic decision-making. Enterprises have limited resources in terms of human and financial capital, making it difficult to support strategic requirements. Additionally, external uncertainties from the market environment, policies, and regulations pose risks and challenges [1]. All of these factors can reduce the effectiveness of strategic planning and implementation. Therefore, accurately identifying the risk factors in strategic planning and adopting effective countermeasures is an important issue that affects the growth and even survival of entrepreneurial enterprises. Based on an analysis of the main challenges in strategic planning for entrepreneurial enterprises, this article explores key measures needed to improve planning. This includes establishing a systematic strategic management framework, creating flexible adjustment mechanisms, and forming effective collaborations with external professional organizations. Through the application of these recommendations, entrepreneurial enterprises can enhance their ability to make informed strategic decisions and respond to market changes, thereby facilitating sustained development in a complex environment.

2. Challenges in Strategic Planning for Entrepreneurial Enterprises

2.1. Insufficient Capabilities and Experience of Entrepreneurs Themselves

According to the 2021 China Entrepreneurial Enterprise Bluebook report, over 75% of entrepreneurs are first-time entrepreneurs with limited experience in entrepreneurship and

management. They often lack industry knowledge, strategic planning capabilities, and risk control abilities. For example, as shown in Figure 1, 80% of entrepreneurial enterprises fail within the first two years, with one of the main reasons being the lack of strategic vision among entrepreneurs for company operations and development, as well as the failure to formulate reasonable medium to long-term plans. This leaves companies powerless when facing competitive pressures or funding shortages. The insufficient experience of entrepreneurs themselves directly hinders the quality of enterprise strategic planning [2].

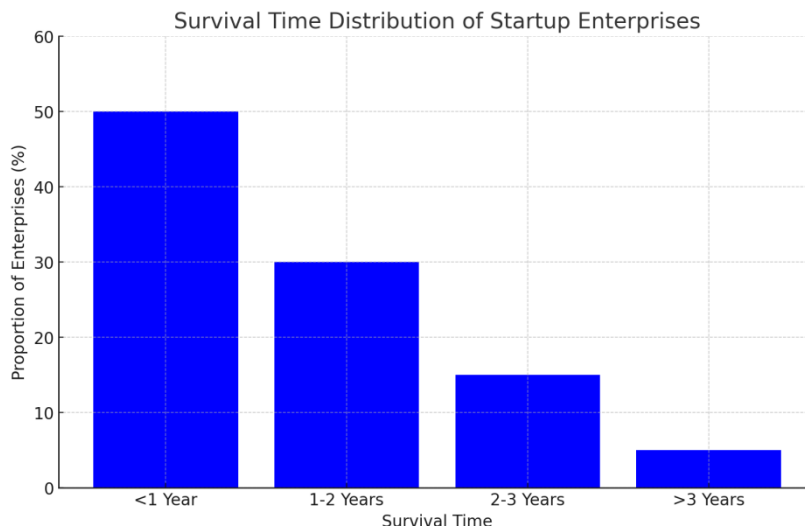


Figure 1: Distribution of Survival Time for Entrepreneurial Enterprises

2.2. Funding and Team Constraints

In the early stages of entrepreneurship, most companies face the challenge of insufficient funding. According to the China Entrepreneurship Investment Development Report, over 70% of entrepreneurial enterprises have been affected by financial issues at some point, impacting their day-to-day operations. Funding gaps can directly affect activities such as research and development and marketing efforts [3]. Furthermore, having a skilled and cohesive team is a crucial factor for success. However, due to financial limitations and network constraints, many entrepreneurial teams often struggle with talent shortages or an unbalanced team structure. This directly hampers the achievement of the company's strategic goals. For instance, many companies have been unable to expand their market or increase research and development investments as per their planned strategies, largely due to constraints in funding and talent (see Table 1).

Table 1: Major Funding Requirements for Entrepreneurial Enterprises

Needs	Funding Requirement	Impact on the Enterprise
Research and Development Investment	High	Constrains product and technological innovation
Marketing and Promotion	High	Affects brand and sales
Team Building	Moderate	Restricts strategic execution capabilities

2.3. Market Cognitive Bias

According to our company's research on startup enterprises, over 60% of entrepreneurial businesses have made overly optimistic forecasts regarding the target market size and growth rate. However, the actual situation often falls short of these expectations, with many businesses struggling

to acquire an adequate customer base after marketing efforts. The reason behind this lies in the cognitive bias of entrepreneurs, who tend to have an overly optimistic view of their product's market prospects [4]. Such bias can lead to erroneous decision-making when formulating market strategies, such as blindly expanding production capacity or increasing ineffective promotions. Ultimately, the discovery that actual market demand is far lower than anticipated directly results in the failure of strategic planning.

Market Perception Bias in Startup Enterprises - Radar Chart

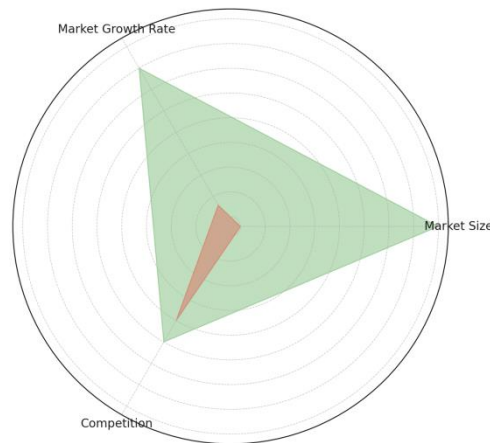


Figure 2: Market Cognitive Bias in Entrepreneurial Enterprises

Figure 2 illustrates the market cognitive bias of entrepreneurial enterprises concerning market size, market growth, and competitive conditions. The green area represents the forecast bias of entrepreneurs, while the red area represents the bias in actual conditions. In terms of market size and market growth, it can be observed that the entrepreneurs' forecasts (green area) significantly exceed the actual situation (red area), indicating that entrepreneurs are overly optimistic about these aspects of the market outlook. Regarding competitive conditions, although entrepreneurs also hold relatively optimistic forecasts, the gap with actual conditions is comparatively smaller [5].

2.4. Policy and Environmental Uncertainties

In the face of a complex and rapidly changing external environment, the strategic planning of entrepreneurial enterprises is also greatly influenced by policy and environmental uncertainties. For example, during the pandemic, the government introduced various policies such as tax relief and financial support, directly impacting cost control and financial planning for entrepreneurial enterprises. In recent years, the trade disputes between the United States and China have created market challenges for many export-oriented entrepreneurial enterprises. Failure to respond flexibly and adjust strategies promptly to such external environmental changes can severely affect business development [6]. Excessive environmental uncertainties can hinder accurate predictions of market trends and policy directions when formulating strategies, thus increasing strategic risks. Take e-commerce startup enterprises as an example: during the pandemic, offline consumption was restricted, and many companies overly optimistically formulated aggressive growth strategies. However, in reality, due to subsequent epidemic prevention policies and changes in consumer habits, offline consumption recovered slowly. As a result, many companies faced issues such as overproduction and inventory backlog. It is evident that failure to accurately grasp policy and environmental trends can render initial strategic planning ineffective, necessitating timely adjustments (see Figure 3).

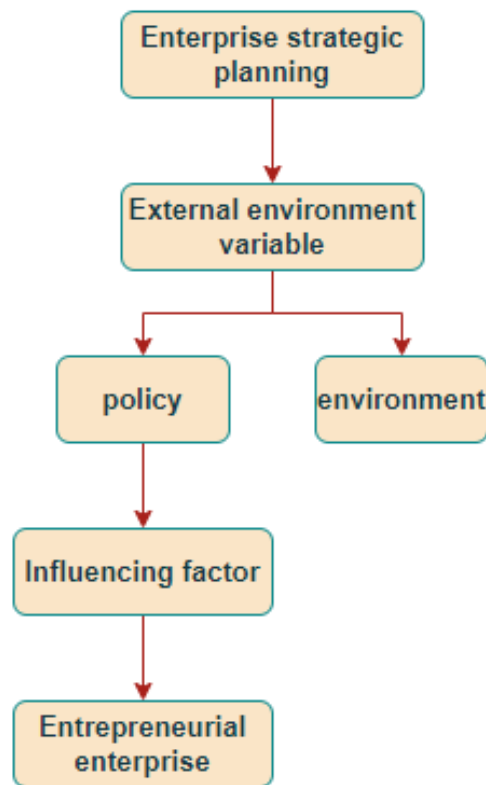


Figure 3: The Impact of Policy and Environmental Uncertainties on Entrepreneurial Enterprise Strategies

3. Strategies to Address the Challenges

3.1. Enhancing Planning and Execution Capabilities to Control Variables

Entrepreneurial enterprises should establish a systematic strategic planning process to enhance their proficiency in strategy formulation and execution while mitigating the impact of external environmental uncertainties. Specific measures include creating a strategic planning schedule, assigning clear responsibilities, collecting market and policy information, and scientifically forecasting trends in change. Taking a 5G communication equipment startup as an example, a strategic management framework, as shown in Figure 4, can be established [7]. In this framework, the strategic planning section can allocate resources for environmental analysis, continuously monitoring the latest policy and industry information. For strategy execution, it is crucial to develop detailed schedules and milestones and conduct regular reviews. This ensures that the company can proactively respond to the effects of external or policy changes, adjust market and research strategies, and reduce strategic risks.

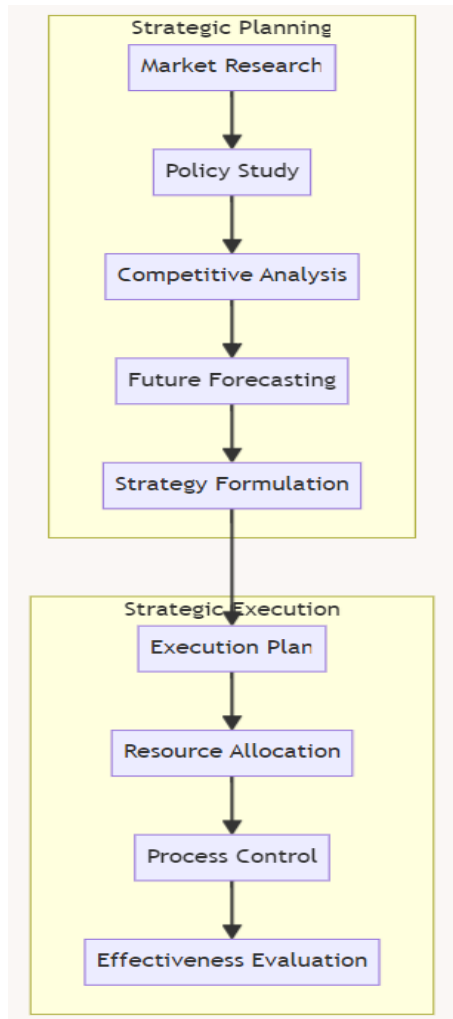


Figure 4: Strategic Management Framework

3.2. Implementing Agile Adjustments to Adapt to Changes

Entrepreneurial enterprises also need to establish flexible strategic adjustment mechanisms to respond to significant changes in the market and environment. For example, during the early stages of the COVID-19 pandemic, food delivery companies faced severe challenges. Many startup food delivery companies promptly adjusted their business strategies by partnering with supermarkets to provide essential goods delivery services, successfully tapping into new market opportunities. Simultaneously, they expanded their business scope by adding online marketplaces and collaborating with more merchants. Through such flexible adjustments, companies found new opportunities amidst crises, laying the foundation for future development [8].

3.3. Introducing Professional Services to Mitigate Risks

For startups, their own experience and resources are often limited. In such cases, mitigating risks in strategic management can be achieved by introducing professional services. For example, hiring external consultants to provide expert advice can guide more informed strategic decision-making. Outsourcing tasks such as accounting and legal services can reduce management burdens and enhance operational quality [9]. According to statistics from China Industrial Information Platform, over 80% of startups currently opt to use external professional services to help achieve their strategic goals. This primarily focuses on areas such as market research, brand design, and legal services. Surveys have shown that introducing professional services significantly improves the survival rates of entrepreneurial enterprises, as demonstrated in Table 2. Among these services, strategic planning services have the most substantial impact, with a significant increase in survival rates after the

introduction of professional consultants. This is primarily because external professional services can compensate for the team's lack of experience or perspective, helping businesses make more accurate market assessments and formulate proactive and feasible development strategies.

Table 2: Impact of Introducing External Services on Enterprise Survival Rates

Service Type	Increase in Survival Rate
Strategic Planning	26%
Legal Services	18%
Brand Design	12%

Therefore, introducing external professional services appropriately can greatly assist enterprises in mitigating management risks and enhancing the quality and effectiveness of strategic planning. Start-up companies should actively consider collaborating with professional service organizations to improve their capabilities and facilitate rapid and healthy growth of the business [10].

4. Conclusion

Strategic planning for entrepreneurial enterprises faces significant challenges, including the limited capabilities of entrepreneurs themselves, a lack of funding and resources, market cognitive biases, and external environmental uncertainties. These challenges greatly impede the achievement of strategic objectives for entrepreneurial enterprises. Therefore, entrepreneurial enterprises need to focus on three key aspects: enhancing planning and execution capabilities, establishing flexible adjustment mechanisms, and introducing professional services to improve internal management and adapt to external changes. Specifically, businesses should establish a systematic strategic management framework, continuously monitor external environmental changes to proactively adjust their strategies and collaborate with professional organizations to enhance the professionalism of strategic planning and reduce risks. Only in this way can entrepreneurial enterprises find opportunities for survival and growth in a complex and ever-changing market, ensure the effectiveness of strategic planning, and promote the steady development of the business.

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