

Strategic Management Processes and Financial Performance of Agro Processing SMEs In Lira City

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Background: This study sought to establish the contribution of strategic management processes on financial performance of Agro processing firm in Lira City. Specially, the study focused on establishing the effect of strategic formulation on the financial performance of agro processing firms in Lira City, assessing the effect of implementation on the financial performance of agro processing firm in Lira City and examining the effect of evaluation on the financial performance of agro processing firm in Lira City.

Methods: The study targeted all agro processing SMEs in Lira City approximately 620 in number and it focused on the key stakeholders; the general manager, the accountant and the production manager of which 234 owners and managers were sampled using simple random sampling from the construction firms. The study employed multiple regression analysis to analyse contribution of strategic management processes on financial performance of agro processing firm in Lia City.

Finding: The finding of the study revealed that evaluation and control ($p < 0.001$, $\beta = 0.369$), and strategic implementation ($p < 0.001$, $\beta = 0.428$) are significant predictors of SME Financial performance. However, jointly evaluation and control, strategic implementation and strategic formulation explain 37.8% variation of all the possible factors that are likely to account for SME Financial performance in Lira City (Adjusted $R^2 = 0.378$).

Recommendations: The study recommends that the management of all SMEs to ensure that their organizations adopt strategic management process by carrying out accurate situation analysis, involvement of all level employees in strategy formulation, implementation, and evaluation.

Keywords: *Strategic Management, Processes, Financial Performance, and Agro Processing SMEs*

