

The Impact of Strategic Planning on Key Performance Indicators in the Saudi Private Sector in Light of Saudi Vision 2030

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Abstract: The study examines the correlation between strategic planning and organizational performance, focusing on its impact across various dimensions such as economic factors, goal achievement, and customer satisfaction. Vision 2030 serves as a reference case for the study. In addition, the research investigates the distinctions in applying performance measurement to employees and the organization's strategic plan, while affirming the relationship between the study's variables. To achieve this, a tailored questionnaire was administered to employees in both governmental and private organizations, specifically those in strategic management and human resources departments. Furthermore, the study advocates for operational excellence to enable more astute business management, emphasizing the importance of innovation and adaptability in enhancing reputation, loyalty, and brand value.

Keywords: Vision 2030, strategic planning, businesses objectives, organizations, Key Performance Indicators (KPIs).

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أثر التخطيط الاستراتيجي على مؤشرات الأداء الرئيسية في القطاع الخاص السعودي في ضوء الرؤية السعودية 2030

الدكتورة / أروى محمد العواد

جامعة ميدأوشن | المملكة العربية السعودية

المستخلص: تركز البحث على العلاقة بين التخطيط الاستراتيجي وأداء المؤسسات. يشمل البحث تحليل البيئة الاستراتيجية، ووضع الأهداف، وتنفيذ الخطة، ومراقبتها، وتهدف الدراسة إلى تطبيق هذه المفاهيم على المؤسسات الحكومية والخاصة المرتبطة برؤية 2030. كما يدرس البحث تأثير قياس الأداء على الموظفين والخطة الاستراتيجية للمؤسسة. لتحقيق أهدافها، بإعداد استبيان للموظفين في إدارة التخطيط الاستراتيجي وإدارة الموارد البشرية عبر مختلف المستويات الوظيفية في النظم الحكومية والخاصة. يؤكد هذا البحث أيضاً أهمية التفوق التشغيلي للشركات للنجاح في سوق ديناميكي، وتعزيز الابتكار والقدرة على التكيف مع تعزيز سمعتها وولاء العملاء وقيمة العلامة التجارية. الكلمات المفتاحية: رؤية عام 2030 - التخطيط الاستراتيجي - أهداف الأعمال التجارية - المنظمات - ومؤشرات الأداء الرئيسية (KPI).

Introduction :

Vision 2030 impacts organizational performance by providing a framework for long-term goals and direction. It influences strategic planning by guiding organizations on how they can align their objectives with the vision, thereby enhancing their performance and effectiveness in the long term.

The study explores the correlation between strategic planning and organizational performance in the Saudi Private Sector, focusing on its impact across various dimensions such as economic factors, goal achievement, and customer satisfaction. Vision 2030 serves as a reference case for the study, and a tailored questionnaire was administered to employees in both governmental and private organizations, specifically those in strategic management and human resources departments. The study advocates for operational excellence to enable more astute business management, emphasizing the importance of innovation and adaptability in enhancing reputation, loyalty, and brand value.

Strategic planning is crucial within any organization, as it helps to chart a specific map of success and provides direction within the context of a specific vision, mission, and set of objectives. This study explores strategies with reference to the Vision 2030 and determines how they have impacted the performance effectiveness of the organizations. The study also discusses the importance of strategic planning in enhancing organizational performance, particularly with reference to Vision 2030.

Strategic planning is formulated based on the organization's vision and mission, providing an intention on how to attain the intended outcomes concerning the organizational goals in order to enhance their performance even more in the future.

This research aims to examine the impact of strategic planning on Key Performance Indicators (KPIs) in the Saudi private sector to fill the performance gap outlined in Saudi Vision 2030. The study aims to identify key performance indicators and criteria for selecting strategic planning models and processes, explore whether these models enhance efficiency and effectiveness, and suggest ways to link strategic planning and KPIs. The research will test hypotheses that there is a significant positive relationship between the frequency of strategic planning and the achievement of KPIs, the involvement of employees in strategic planning, and the use of specific planning tools and techniques. The target population will be private sector companies in Saudi Arabia, with a minimum of 50 employees and a minimum of 5 years of operation. The questionnaire will focus on employees who are able to adapt to changes and examine the relationship between strategic planning and achieving effective performance.

Overview of the Vision 2030 initiative

The Vision 2030 initiative is a strategic framework that outlines the long-term goals and objectives for a country or organization to achieve by the year 2030. It typically involves a comprehensive strategic planning process that identifies key focus areas, sets specific targets, and defines strategies to achieve those targets.

Key pillars and objectives of Vision 2030 initiative strategic planning process are:

1. **Vision Statement:** A clear and inspiring statement that articulates the desired future state or outcome that the initiative aims to achieve by 2030.
2. **Mission Statement:** A statement that outlines the purpose and core values of the initiative, guiding the overall direction and decision-making process.
3. **SWOT Analysis:** An assessment of the initiative's strengths, weaknesses, opportunities, and threats to identify internal and external factors that may impact its success.
4. **Strategic Objectives:** Specific, measurable goals that are aligned with the vision statement and outline the desired outcomes to be achieved by 2030.
5. **Key Performance Indicators (KPIs):** Quantifiable metrics used to measure progress towards achieving the strategic objectives. KPIs help to track performance, identify areas for improvement, and ensure accountability.
6. **Action Plans:** Detailed plans that outline the specific activities, timelines, responsibilities, and resources required to achieve the strategic objectives.
7. **Monitoring and Evaluation:** Regular monitoring of progress against KPIs, evaluation of outcomes, and adjustments to the strategic plan as needed to stay on track towards achieving the vision by 2030.

Objectives:

1. To examine and enhancing efficiency and effectiveness the strategic planning models and processes used in the Saudi private sector.
2. To identify key performance indicators and criteria for the selection of these models and processes to closing gap.
3. To explore whether the use of these models and processes enhances the efficiency and effectiveness of the strategic planning process and employee productivity in the organizations.
4. To suggest potential ways to linking and enhancing between the Strategic planning and KPI's.

Overall, the Vision 2030 initiative strategic planning process is designed to provide a roadmap for success, align stakeholders around common goals, and drive progress towards a desired future state.

Problem of the Research:

While Saudi Vision 2030 aims at achieving great heights there is a worry that the private sector lacks strategic planning to meet the anticipated KPIs. This research seeks to examine the effect of strategic planning on KPIs in the Saudi private sector to fill this performance gap, if any. Currently, there is a lot of discussion on the best strategic planning models that the private sector should adopt in order to support the goals of Saudi Vision 2030. This research aims at helping to address this issue by assessing the effect of strategic planning on KPIs in Saudi's government sector & private-sector organizations.

Previous Studies:

The author focused on identifying the critical factors that lead to successful strategic planning implementation. and he highlights the reasons why some organizations effectively implement their strategic plan while many others fail to do so. The majority of organizations fail to successfully execute their strategies. Today, they need to set strategic planning implementation this one to explore the whole strategic cycle to identify and document common weakness that lead to failed execution. In short, having an effective strategic planning and execution process is becoming increasingly critical in today's dynamic and integrated environment. An organization's strategy can be cause-and-effect relationships among organizational objectives. Because balanced scorecard includes both financial and non-financial measures, it provides a clear way to manage and verify the relationships expected between the measures and performance drivers. perform their work more effectively, thereby helping them pursue organizational objectives. (Rachad Baroudi PhD, 2011, P91)

M. Bryson with a new introduction that strategizing by public, non-profit, and business organizations should be a major research focus. Strategizing is what links aspirations, capabilities, and implementation. Strategic planning should be viewed as one strategy approach, not the only one. A focus on strategizing prompts organizations to consider issues of vertical and horizontal alignment of purpose, including across sectors; competence, and scalability countability. Additionally, the role of various strategizing and information technology should be analyzed further; co-production; decision-making and change management; and trust, transparency, and authenticity. Strategic management "integrates strategic planning and implementation across an organization (or other entity) in an ongoing way to enhance fulfillment, the meeting of mandates, and sustained creation of public value" (John M. Bryson, 2024 ,Bryson 2018, P24).

Erica Olsen is CEO and co-founder of On Strategy she's not teaching us only teaches you how to build a solid business strategy, but she is giving you tools to do it. Checklists, worksheets, and real-life examples guide you through answering your most pressing questions. Build a company vision statement, assess your strategic position, engage your team, and execute your plan—with easy-to-understand instructions and explanations.

Audacious goals are the ones that stretch us to think differently about how we do business. These are the goals that help us transform our business, rather than remaining complicit with incremental change. These are the goals that inspire organizations to do their best work and outshine the competition. They should be simple, to the point, tangible, measurable, energizing, and focused. They should have a clear finish line, so the organization can know when it has achieved its goal. It helps in establishing a sense of accomplishment; people like to shoot for the finish line, hit a home run, or make a touchdown. Successful growth stems from matching up your strengths and weaknesses with the opportunities that exist in your environment. Your growth strategy is how you position your company to exploit your Moving Your Organization into the Future strengths and opportunities and mitigate your weaknesses

and threats. By strategizing how to grow, you're actively deciding how to connect your mission with your vision (Erica Olsen,2023, P184).

Your Key Performance Indicators (KPIs) should be the fundamental metrics that enable you to monitor performance and steer toward success and growth. It's crucial to lay the groundwork before measuring anything and to determine your high-level information needs before identifying the most suitable KPIs. Starting with your strategic planning vision, mission, and goals is essential. You need to pinpoint the strategic performance questions you need to answer, which will determine what you need to know. Once you've identified your high-level information needs, you can then search for the best KPIs to help you address your strategic questions. I have always stressed the importance of designing KPIs based on your own unique circumstances and information needs. However, what I have learned over the many years of helping leading companies and government organizations with their performance management and business intelligence is that there are some important (and innovative) KPIs everyone should know about. They will give you a solid base of knowledge. However, there will be other, more specialized measures designed for your specific strategy or industry context. Take, for example, the network performance KPIs for a telecom operator or the quality indicators for healthcare providers. These will have to be included in your list of KPIs (Bernard Marr,2012, P26)

Measure What Matters is a new way of managing a business that has been implemented by some of the most promising startups in Silicon Valley. It is a movement that is responsible for the rapid growth of Intel, Google, Amazon and Uber and many more.

Measure What Matters is about using Objectives and Key Results (or OKRs) to make difficult decisions on what matters most in business. It is about sharing these objectives across the company from the junior employee to the CEO and it is about getting the right data at the right time to monitor the achievement of these objectives – to manage what matters.

Google when it began had great technology, young and spirited entrepreneurs and grand dreams but no strategy. He introduced them to a successful model of operating excellence that has transformed them. Since then, he has shared OKRs with over fifty companies with remarkable success. With the modern equipment to monitor and organize constant communications, Grove's principles are more relevant than ever. Effective one-on-ones dig beneath the surface of day-to-day work. They have a set cadence, from weekly to quarterly, depending on need. Based on BetterWorks' experience with hundreds of enterprises, five critical areas have emerged in conversations between managers and contributors:

- Goal setting and reflection, where the employee's OKR plan is set for the
- coming cycle. The discussion focuses on how best to align individual
- objectives and key results with organizational priorities.
- Ongoing progress updates, the brief and data-driven check-ins on the employee's real-time progress, with problem-solving as needed.
- Two-way coaching, helps contributors reach their potential and managers do a better job.
- Career growth, developing skills, identifying growth opportunities, and expanding employees' vision of their future at the company. (John Doerr 2018, P130)

Literature Review:

This research paper aims at establishing the effect of strategic planning on performance indicators within the Saudi private sector under the context of Saudi Vision 2030. The study focuses on the use of KPIs to monitor the extent to which strategic goals have been achieved as well as to determine departmental goals. The link between KPIs and strategic planning is essential for achieving organizational flexibility and ensuring that the organization is on the right track to achieving strategic goals. The paper acknowledges the difficulty in the process of changing the culture of data usage for performance management and decision making within the Saudi private organizations. However, the study also shows that overcoming this challenge may bring about enhanced KPIs and business performance in the general sense.

These national priorities underscore the Kingdom's commitment to sustainable development, technological advancement, and addressing global challenges. Through strategic focus and continuous investment in RDI, the Kingdom of Saudi Arabia aims to create a better future for its citizens and contribute to the well-being of humanity as a whole. (Fifth Developing Plan by Ministry of planning 2022, p45)

The Impact of Strategic Planning on Key Performance Indicators in the Saudi Private Sector in Light of Saudi Vision 2030

Strategic planning is essential in the Saudi private sector, as it has an impact on key performance indicators (KPIs). KPIs are useful for measuring progress against strategic objectives and identifying department-specific targets, enabling data-driven decisions and adjustments to strategic plans. Furthermore, starting with the Strategy Map Building a Balanced Scorecard System should always start with the Strategy Map, as this is the most important component. Moreover, if the earlier steps (quantified vision, senior management interviews, and Strategic Change Agenda) have been done well—see previous chapter—then the Strategy Map should be a very quick process. KPIs play a crucial role in the Strategic Planning. (David Wiraeus & James Creelman, 2019; p69)

The key areas of KPIs that are influenced by strategic planning in the context of Saudi Vision 2030:

Key Performance Indicators (KPIs) play a vital role in strategic planning by providing measurable and objective standards to gauge business performance. KPIs are a valuable tool in strategic planning, but they only provide visibility into either the cause or effect of initiatives. This means that businesses must consider both the cause and effect of their initiatives to maximize the value of KPIs in their strategic planning efforts. The relationship between strategic plans and KPIs is integral to organizational success. Strategic planning provides a roadmap for achieving organizational goals, and KPIs track measures that reflect a business's

Strategic planning is effective in improving company performance by setting objectives, implementing strategies, and ensuring control systems are in place to achieve goals. It also enhances management effectiveness and keeps the company aligned with the external environment for adaptation. While there may be mixed results on the association between strategic planning and performance, it is generally seen as a beneficial process for organizations performance, specifically as it relates to a strategic goal. (Keith, J. Richard 1999, p108)

To enhance strategic planning models and processes, companies can work directly with the senior team on critical issues affecting the entire company, such as developing integrated digitization strategies and addressing unforeseen changes in the digital-media landscape. Implementing trigger mechanisms to decide which business units undergo strategic planning exercises can also be beneficial, with color-coded grades based on performance helping identify units in need of strategy review. Additionally, integrating human-resources systems into the strategic plan and tying manager evaluation and compensation to the progress of new initiatives can improve strategic planning effectiveness. Strategic-performance-management systems, which should assign accountability for initiatives and make their progress more transparent, can take many forms. One industrial corporation tracks major strategic initiatives that will have the greatest impact, across a portfolio of a dozen businesses, on its financial and strategic goals. Transparency is achieved through regular reviews and the use of financial as well as nonfinancial metrics. The corporate-strategy team assumes responsibility for reviews (chaired by the CEO and involving the relevant business-unit leaders) that use an array of milestones and metrics to assess the top ten initiatives. One to expand operations in China and India, for example, would entail regular reviews of interim metrics such as the quality and number of local employees recruited and the pace at which alliances are formed with channel partners or suppliers. Each business unit, in turn, is accountable for adopting the same performance-management approach for its own, lower-tier top-ten list of initiative. (Renee Dye, Olivier Sibony, 2007, p46)

In other words, KPIs are the parts of an organization's business or strategic plan that define the results that are desired. It is necessary to set KPIs as they help to understand performance and find out what aspects need to be improved to achieve business goals. It is hence necessary to ensure that the strategic KPIs are in harmony with the strategic goals and objectives to ensure that they are useful in the strategy execution and the day-to-day business. As a result of the complexity of the strategic planning process, composite indicators are now widely used in various types of Saudi Arabian institutions. Composite KPIs are useful for assessing various factors that affect the accomplishment of strategic objectives in an organization. This makes it easier to see how far one has gone in the achievement of business objectives and make the right decisions based on measurable data.

how the impact of strategic planning on KPIs in the Saudi private sector will respond to this potential performance gap by applying the strategic planning in Saudi private sector organizations can enhance their goals and objectives to the KPIs to enable the efficient and effective utilization of resources. It will also assist in eradicating the existing performance gap as it offers a guide to the intended results and a way of tracking their achievement. In addition, strategic planning enables organizations to forecast some of the risks that may be encountered and make necessary adjustments to the strategies in order to enhance the overall performance and efficiency in the competitive market. In conclusion, the application of strategic planning coupled with KPIs in the Saudi private sector

can lead to improvement in decisions made and the general performance of the organization. Strategic planning in the Saudi private sector has the significant role of managing the risk of performance gaps that may occur by linking them to the strategic planning process of creating or maintaining a competitive advantage. Organizations must adopt strategic planning with project management to achieve this advantage and align strategic goal setting with project management implementation. KPIs are essential in determining project success and performance measurement, with the need for systems that evaluate short and long-term effectiveness beyond the iron triangle for continual process improvements.

External factors such as organizational culture, government policy, and environmental pressure have a significant impact on perceptions of strategic planning in the KSA public sector organizations. These factors influence how employees view and use strategic planning within their organization.

The level of strategic planning intensity within an organization is influenced by various factors such as the capabilities and mindset of the managers, the external environment in which the organization operates, and the internal structure and culture of the organization itself. By understanding and addressing these factors, organizations can enhance their strategic planning processes and improve their overall performance.

Saudi Vision 2030 and Strategic Planning

As the Saudi government's long-term development plan, Saudi Vision 2030 has a significant impact on the strategic planning process of organizations in the private sector. The vision provides a clear direction and sets specific goals for the country, which organizations can use as a basis for their strategic planning. Furthermore, the vision also outlines key sectors that are expected to drive economic growth, such as tourism, healthcare, and renewable energy, providing organizations with a framework for aligning their strategies with national objectives.

Moreover, the government has also taken steps to support the implementation of strategic planning in the private sector. For instance, the National Transformation Program 2020 - a key component of Saudi Vision 2030 - includes initiatives to develop the private sector, such as improving the business environment and promoting entrepreneurship. This creates a conducive environment for organizations to conduct strategic planning and achieve their goals aligned with the vision.

Aligning Business Objectives with National Goals:

One of the significant benefits of strategic planning is that it aligns business objectives with national goals, such as those outlined in Saudi Vision 2030. By doing so, businesses can identify opportunities that align with the country's objectives and contribute towards its economic transformation. For instance, the vision aims to increase the private sector's contribution to the GDP to 65%, which presents an opportunity for businesses to expand their operations and create more jobs. By aligning their objectives with this goal, businesses can capitalize on emerging opportunities and contribute to the nation's economic transformation.

Enhancing Focus and Resource Allocation:

Strategic planning also helps businesses focus on their long-term goals and allocate resources effectively. In the dynamic business environment, it is crucial for businesses to have a clear vision and strategy to stay competitive. Through the strategic planning process, businesses can identify their strengths, weaknesses, opportunities, and threats, and develop strategies to leverage their strengths, mitigate their weaknesses, and capitalize on opportunities. This focus on long-term goals helps businesses make informed decisions and allocate resources effectively, positively impacting key performance indicators (KPIs) like profitability and operational efficiency.

Enabling Performance Measurement:

Strategic planning also enables businesses to measure their performance against their long-term goals. By setting key performance indicators (KPIs) and regularly monitoring them, businesses can track their progress and make necessary adjustments to achieve their objectives. This process helps businesses stay on track and make data-driven decisions based on their performance. By measuring their performance, businesses can also identify areas for improvement and develop strategies to enhance their efficiency and effectiveness.

To assess the relationship between strategic planning and the KPIs in the Saudi private sector in the framework of Saudi Vision 2030, it is necessary to conduct a systematic analysis, which is challenging but essential. Saudi Vision 2030 is a development plan in Saudi Arabia initiated by the Saudi government to develop new economy for Saudi Arabia and to reduce the dependency of the country's economy on oil. Strategic planning is the key process used to ensure that organizations are properly positioned to achieve the vision's goals. Here are some potential impacts and considerations:

- International Collaboration:
- Alignment with National Objectives:
- Alignment with Vision 2030 Goals:
- Diversification and Innovation:
- Human Capital Development:
- Technology Adoption:
- Risk Management:
- Corporate Social Responsibility (CSR):
- Government Support and Regulations:
- Monitoring and Evaluation:
- Focus and Resource Allocation:
- Stakeholder Engagement:
- Capitalizing on Opportunities:
- Resource Effectiveness:

KPI Impact: Efficient resource allocation contributes to KPIs such as operational efficiency, cost management, and overall productivity.

Challenges faced by the private sector

But, there are **challenges** too. Access to money, finding skilled workers, and dealing with rules can be hard. The government is working to help solve these problems.

For example, it set up the National Centre for Privatization & PPP to make selling parts of the government or working on government projects easier for private companies. It also made the PSP Law to make the way private companies work with the government clear and fairer.

Key Vision 2030 Targets	Current Status	Target by 2030
Private sector contribution to GDP	40%	65% ⁶
Foreign Direct Investment (FDI) contribution to GDP	-	5.7% ⁶
Non-oil exports contribution to GDP	16%	50% ⁶
Unemployment rate	-	7% ⁶

This table shows some of Vision 2030's important goals for the private sector. By working on these goals, Saudi Arabia wants to have a stronger, more varied, and competitive economy, thanks to the private sector.

Strategic Planning in the Saudi Private Sector

Saudi Arabia is working towards Vision 2030 with great strides. For private companies, strategic planning is key. It helps businesses match their strategies with Vision 2030's goals. This way, they can benefit from the country's economic makeover. By developing their strategies, companies can figure out what they're good at, what they need to improve, and how to grow.

Significance of Strategic Planning for Businesses

In Saudi Arabia, businesses need strategic planning to stay ahead. It lets them set goals, use their resources smartly, and make good choices. For example, the Ministry of Human Resources and Social Development set its plan in 2017⁴. This shows how the government values planning. Private companies can learn from this and also create solid strategies.

Strategic planning also helps businesses follow Saudi Arabia's changing rules. A 2016 order was made to make rules consistent and create jobs. By including these changes in their plans, companies can do well despite the new rules. This can lead to more opportunities for them.

Aligning Strategies with Vision 2030 Goals

- It's important for companies to link their strategies with Vision 2030. This connection can help them stand out and support the initiative's success. The Ministry's strategy aims to meet Vision 2030's goals. So, private businesses should also make sure their goals support the Vision's focus on growth, skill-building, and new ideas.
- Majmaah University's strategic plan is a good example. They considered both local and global changes in education. By doing this, MUST identified what's important, like helping students succeed and improving how the school runs. Private companies can use a similar method. They can look at the world around them to see what they should focus on to grow.

Vision 2030 Goal	Strategic Planning Alignment
Economic diversification	Identify new business opportunities and markets
Skill development	Invest in employee training and development programs
Innovation	Encourage research and development initiatives

- By matching strategies with Vision 2030, companies in Saudi Arabia can help the country grow. They can also ensure their own success. Strategic planning gives them the tools to deal with changes, grab chances, and meet their goals

Key Performance Indicators (KPIs) for Measuring Success

KPIs are vital for gauging how well strategic plans work in the Saudi private sector. They are metrics used to follow progress towards set goals. The indicators match the strategic objectives. They're made to be SMART – Specific, Measurable, Achievable, Relevant, and Time-bound.

With KPIs, businesses figure out what makes them succeed. They measure how well they're doing and compare it to what's considered good. This helps in their strategic planning.

Bosses usually use 5-7 KPIs to see if their goals are being reached. These picked measures are key in tracking how well strategies are doing. It's important the measures are clear. The data should not be confusing to understand. They should look at these measurements every month to stay on top of their performance and goals.

In the business world, some common KPIs include:

- Revenue growth: It's essential for making decisions and planning strategies well.
- Customer Lifetime Value (CLV): It helps make customers happy and keep the good ones.
- Market share: Useful for knowing how well a company does against others and improving strategies.
- Employee satisfaction: It links to keeping good employees and a positive workplace.
- Return on Investment (ROI): Looks into how well money is being used to make more money.

KPI Element	Description
Measure	Quantifiable outcome-based statement
Target	Desired level of performance
Data Source	Origin of data for tracking
Reporting Frequency	How often the KPI is reviewed
Owner	Person responsible for the KPI

How well KPIs work depends on a few things. Having goals that match and good data are very important. Also, as businesses change, the KPIs that matter could change too. This affects how well they link to the plans. A good company culture and clear communication help make sure KPIs and plans go together well.

Checking KPIs regularly lets companies see where they can do better. This way, they can use facts to make choices and tweak their plans to do well in the long run and meet Vision 2030 goals. KPIs are key in tracking how organizations do against their goals. When they line up with what the company wants to achieve, they work really well in checking performance and reaching goals.

Case Studies of Successful Strategic Planning and KPI Implementation

In Saudi Arabia, many companies in the private sector have shown how to use strategic planning and KPIs wisely. They linked their aims with **Vision 2030 goals**. These stories can teach other businesses the right way to plan and measure their success. By doing so, they grow and achieve more.

Example 1: A leading Saudi manufacturing company

A top **manufacturing** firm in Saudi Arabia knew it was important to match their goals with Vision 2030. They focused on new ideas, local growth, and building talent. They set up a strong plan and used KPIs to watch if they were making progress. They looked at things like how well they reached goals, sales growth, and how happy their workers were. This led to more money coming in and a bigger share of the market. It shows their plan was right on track with what the market wanted.

Example 2: A top-performing financial institution

A top financial service in Saudi Arabia wanted to be better and help with Vision 2030. They put together a plan that talked about becoming more digital, focusing on customers, and managing risks. They kept an eye on KPIs like how much customers are worth over time, how happy employees were, and how well they worked with others. This made their work smoother, made customers happier, and kept their money strong. It proves that when you plan carefully and watch the right signs, you do better.

Lessons learned from successful implementations

These success tales teach us a lot about planning well and using KPIs right. Firstly, bosses being fully behind the plan is vital for it to work. Secondly, everyone in the company needs to be part of getting better all the time. Plus, making choices based on data from KPIs makes you spot where to improve and solve problems before they get big. Lastly, being ready to change plans a bit helps deal with shifts in the market and what customers want.

Best Practice	Manufacturing Company	Financial Institution
Alignment with Vision 2030	Focused on innovation, localization, and talent development	Emphasized digital transformation, customer-centricity, and risk management
KPI Framework	Strategic Goal Achievement Rate, Market Share Growth, Employee Engagement Level	Customer Lifetime Value, Employee Engagement Level, Supply Chain Resilience
Results	Significant revenue growth, 8% increase in market share	Enhanced operational efficiency, increased customer loyalty, sustained financial performance

Learning from these cases can really help companies in Saudi Arabia do better in their planning. They should set clear KPIs, tune them as needed, and value feedback from their teams. Doing this, with a focus on Vision 2030 goals, makes a big difference in how well they do¹².

Challenges and Opportunities for Improvement

Challenges

1. Despite the potential benefits of strategic planning, there are challenges that organizations in the Saudi private sector may face in its implementation.
2. One of the main challenges is the limited availability of skilled human resources. Strategic planning requires specialized knowledge and expertise, which may not be readily available in the country.
3. To overcome this, organizations can invest in training and development programs to build internal capacity or seek external assistance from consulting firms.
4. Another challenge is the lack of a well-defined performance management system in many organizations. Without proper monitoring and evaluation of KPIs, the effectiveness of strategic planning cannot be accurately measured.
5. Organizations in the private sector should establish a robust performance management system to track the progress of their strategies and make informed decisions
6. Lack of commitment and buy-in from leadership.

Common Obstacles Faced by Saudi Private Sector Companies

Obstacle	Description	Impact
Lack of Clear Objectives	Vague business objectives without actionable specifics	Challenges in strategy execution and measuring success
Ineffective Data Utilization	Failure to leverage data in the strategic planning process	Hindered progress and decision-making
Talent Acquisition and Retention	skilled and qualified employees can be a challenge particularly in specialized industries	attract and retain employees by demonstrating a commitment to their professional growth.
Resistance to Change	Employee reluctance to adapt to new strategies and processes	Delays in implementation and reduced effectiveness
Limited Stakeholder Buy-In	Lack of support and commitment from key stakeholders	Difficulties in successful plan execution
Poor Visibility and Alignment	Insufficient transparency and misalignment of priorities	Reduced confidence and ineffective problem-solving

Addressing these obstacles requires strategic planning, proactive management, and collaboration with stakeholders to create a conducive business environment for private sector companies in Saudi Arabia.

Recommendations for Overcoming Challenges

1. Strengthen data infrastructure and analytics capabilities: This will enable organizations to make more informed and data-driven decisions.
2. Promote a culture of innovation and adaptability: This will encourage organizations to embrace change and adapt to new challenges.
3. Develop a talent pipeline: This will ensure that organizations have the skilled professionals they need to implement their strategies.
4. Invest in research and development: This will support the development of new technologies and solutions to address emerging challenges.
5. Foster collaborative partnerships: This will enable organizations to share knowledge, resources, and best practices.
6. Successful implementation requires a top-down approach with strong leadership support and a culture of accountability.

Based on the findings from the study the following recommendations are made. Having discovered that organizational performance and survival is a fiction of strategic planning, Organizations should accord priority attention to the elements of strategic planning for example; having a documented mission statement, a future picture (vision) of the organization, organizations should establish core values ,organization's rules of conduct, set realistic goals, establishment of long term objectives (this has to be measurable and specific) and the development of action (strategic) plans and its implementation and adequate follow-up.

Finally, since it was discovered that environmental factors affect strategic planning intensity, organizations should make adequate environmental analysis both the internal and external analysis.

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