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**Understanding the effect of strategic planning
on the return on investment of multinational
enterprises in the People's Republic of
China**
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ABSTRACT

The objective of this quantitative research study was to investigate the importance of strategic planning and its effect on return on investment of multinational enterprises in the People's Republic of China. The research used modern management consulting perceptions related to success in emerging markets and solid theories on strategic planning and their impact on corporate performance to identify five interrelated strategic planning factors that are anticipated to contribute to financial success. The research questions sought to investigate the key discerning elements for improved return on investment and the guanxi (relation) of the individual strategic planning factors to each other. The study explored the experiences and practices of Western senior professionals in China and found that each of the five identified strategic planning principles is a critical element to enhanced financial bottom line performance. Key findings were that when international corporations integrate local talent, embrace local ideas & strategies and accept new ways which were developed outside the headquarters' corporate boardroom, the probability of increased financial performance rises. With adoption of all five identified strategic planning factors, the individual elements of success are expected to translate into an intact system for market success in China as the selected strategic planning principles are of a complementary nature.