

POTENTIAL DEVELOPMENT GUIDELINE OF THAI SMEs ENTREPRENEURS

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ABSTRACT

90 percent of the active companies represented SMEs businesses. The growth of SMEs contributed the economic growth. The successful or efficient performing of SMEs involved the various factors; one of these factors represented the potential of entrepreneurs. The research finding found Thai entrepreneurs lacked the systematic knowledge and information, implemented technology including not being developed and trained in accordance with their requirements. Problems and obstacles of Thai SMEs represented the lack of finance supporting and systematic development, the potential development guidelines of Thai SMEs represented the governmental supporting in finance, emerging market of products, entrepreneurial experience exchange and trading alliance. Thai SMEs should have self-learning, implemented innovation in manufacturing or internal management and products or services improvement for quality improvement and competitive standard price. This research contributed the information to promote and develop the potential of Thai SMEs in the future.

Keyword: potential, entrepreneur, SMEs business

INTRODUCTION

SMEs businesses represented the crucial roles in poor decreasing, employment, standard of living enhancing and economical driving in developing countries (Ebiringa,2011). The 80-90 percent of all business enterprises were SMEs that had 50-80 percent in total employment and 30 percent respected to total exporting (Narain, 2003). The 99 percent of total 3,013,722 enterprises were SMEs in 2017, the 42.1 percent of GDP was SMEs productivity, 10.7 million positions were employed with respected to 80 percent of total employment (Nada Wasi and et al, 2018). The SMEs stimulated the national economic growth. The SMEs entrepreneurs were the crucial person who drove the businesses to be successful. However, the findings found the SMEs could not expand or enhance to be efficient growth because of several limitations such as inadequate financial supporting, lack of knowledge, skills, potential and training supporting that affected to the efficient operations of SMEs (Nasuredin, Halipah and Shamsudin, 2016). The problems and obstacles of SMEs were found that even if there were mechanism supporting to SMEs but some of SMEs still lacked of knowledge, competencies and experience including no financial supporting and inadequate information (Wiboon Chutikula,2002).

The potential of SMEs entrepreneurs was an important and one of these factors that affected the efficiency of the organization due to entrepreneurs had to recognize the competition and adaptation for changes with the surviving and success (Sanchez, 2012). A variety of factors that affected to the efficiency and growth of SMEs business management which one of the crucial factors represented the potential of entrepreneurs because the entrepreneurs drove the organization. The one of the success or failure factors in SMEs represented the potential of entrepreneurs. The researcher was interested in the potential development guidelines of Thai SMEs Entrepreneurs so that to provide the information to develop Thai SMEs entrepreneurs in the future.

Research objectives

1. To study the potential of Thai SMEs entrepreneurs.
2. To study the problems and obstacles in business performing of Thai SMEs entrepreneurs.
3. To study the potential development guidelines of Thai SMEs entrepreneurs.

LITERATURE REVIEWS

Thai SMEs contained the various categories of enterprises as following: 1) manufacturing 2) servicing 3) wholesale and 4) retail. SMEs invested in capital less than the large enterprises and supported the agricultural labor after cultivation season, protection the new labor immigration to Bangkok and the perimeter province of Bangkok, contributing the distribution of group factories in large cities to other regional provinces. In 2014, There were 2.74 million SMEs in Thailand or 98.50 percentages of amount of enterprises and contributed the employment of 11.78 million people or 80.40 percentages of total employment (Office of Small and Medium Enterprise Promotion, 2014).

The classification of SMEs businesses was done as following; the small enterprises such as 1) the manufacturing enterprises which had the employment not more than 50 positions or the assets value not more than 50 million Baht 2) the servicing enterprises which had the employment not more than 50 positions or the assets value not more than 50 million Baht 3) the wholesale enterprises which had the employment not more than 25 positions or the assets value not more than 50 million Baht and 4) the retail enterprises which had the employment not more than 15 positions or the assets value not more than 30 million Baht, the medium enterprises such as 1) the manufacturing enterprises which had the employment more than 50 positions and not more than 200 positions or the assets value more than 50 million Baht and not more than 200 million Baht 2) the servicing enterprises which had the employment more than 50 positions and not more than 200 positions or the assets value more than 50 million Baht and not more than 200 million Baht 3) the wholesale enterprises which had the employment more than 25 positions and not more than 50 positions or the assets value more than 50 million Baht and not more than 100 million Baht and 4) the retail enterprises which had the employment more than 15 positions and not more than 30 positions or the assets value more than 30 million Baht and not more than 60 million Baht (Thailand Development Research Institute, 2008).

METHODOLOGY

The research methodology was qualitative approach through the in-depth interviewing. The 15 key informants comprised of 1) five public administrators who involved with SMEs businesses and 2) ten SMEs entrepreneurs who had knowledge, understanding and experience on the SMEs business management more than 10 years. The sample group was made from the purposive sampling. The research instrument was the constructed open-ended questionnaire; data analysis was made by content analysis and grouping the data for the conclusion.

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RESULTS

1. The potential of Thai SMEs

Thai SMEs had a some level of potential in management but some of SMEs still lacked of knowledge and the understanding of the market that be suitable in products selling, systematic management information, technology implementation and also internal management that affected the entrepreneurs could not obtain the efficient information and the delay of operations in addition non-supporting of the development, the related training to meet the needs. Some entrepreneurs could not implement the knowledge to resolve their problems that caused be unable to perform the businesses, some entrepreneurs performed the family businesses with the limitation to change and adoption new things which caused the less of competition.

2. Problems and obstacles in business performing of Thai SMEs

The managerial cost of Thai SMEs was not similar with the large enterprises, almost SMEs had to be supported by the various sources of the fund. One of the problems and obstacles represented the source of the fund or providing no the assets as the collateral for loaning that caused to be inadequate supporting in finance. The government agencies had to support in financing or source of funds to entrepreneurs that interrupted the businesses. One of the limitations was the marketing that the entrepreneurs could not obtain the market with themselves because of the limitation of networking.

3. The guidelines of potential development of Thai SMEs

The potential development of SMEs should be systematically done with the beginning of themselves that had the a กระตือรือร้น, out of the box thinking, knowledge seeking especially selling knowledge or internet channeling, the speedy delivery, self-learning, innovative manufacturing, internal management of time and cost saving, products and services improvement in quality, standardization with competitive price. The government agencies should support SMEs in financing, new market seeking to serve the products, networking and alliance in experience sharing in addition Thai SMEs should have the cooperation and competitive reduction for further operations.

CONCLUSION

The potential development guidelines of Thai SMEs should begin at adapting themselves in competition and changes at the present that contributed to efficiently perform the businesses. The governmental agencies realistic supported to reduce problems and obstacles to SMEs. All participants should realize the essential of SMEs that were the crucial economical driving engine and attempted small enterprises to be medium, and the medium enterprises to be large one for the strength to country and Thai people in the future.

Without 15 informants, this research could be uncompleted the researcher would like to thank you the informants for interviewing time and useful information to develop the SMEs potential development.

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