

Competitiveness Development Guidelines for Small and Medium Entrepreneurs in Northeastern Thailand

Ruchirat Patanathabutr¹

¹ College of Graduate Study in Management, Khon Kaen University
123 Mittraphap Road, Muang, Khon Kaen 40002 THAILAND Tel.668-1881-8998 E-mail: pruchi@kku.ac.th

Abstract

This applied research is a descriptive social science research study in which the researcher translates, analyses, processes and presents data with a descriptive analysis. The targeted group of this case study includes small and medium entrepreneurs in Khon Kaen, Mahasarakham, Sakon Nakhon, Sisaket, Ubon Ratchathani and Yasothon provinces. Each province selects 40 representatives to join in a seminar organized by the Industrial Promotion Center Region 5 and the Industrial Promotion Center Region 7 under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community. The study aims to explore the extent to which small and medium entrepreneurs in northeastern Thailand have knowledge and learning process about the ASEAN Economic Community. This enables the researcher to suggest competitiveness development guidelines for the entrepreneurs. The study adopts a criterion-referenced test to assess their knowledge and learning process to create competitiveness development guidelines.

Findings suggest that the majority of the targeted small and medium entrepreneurs, aged 40-50, with a bachelor's degree and an average income of over 50,000 baht, and 30,000-50,000 baht respectively. After the seminar, the entrepreneurs' level of knowledge has improved by 5.5 marks. The entrepreneurs attended the seminar under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community in which the learning processes were defined. As a result, with adequate knowledge on ASEAN Economic Community, the entrepreneurs are ready to apply the knowledge to the business and continuously generate new knowledge. This is the beginning of a learning circle of small and medium entrepreneurs in northeastern Thailand. In addition, this study offers the competitiveness development guidelines for SMEs in northeastern Thailand consisting of 6 operational domains as follows: (1) good and successful entrepreneurs, (2) growth of small and medium enterprises, (3) production for international market, (4) new innovation development (5) increase in efficiency in production and (6) business networking within the same business group and with other related business enterprises.

Keywords: ASEAN Economic Community, small and medium enterprises, northeastern Thailand, learning process

1. Introduction

Conforming to the vision of ASEAN that aims to create its stability, wealth and competitiveness with other regions, the objectives of the ASEAN Economic Community are (1) to create free flow of goods, services, investment, capital, business development and to eradicate poverty and social inequality, (2) to make ASEAN a single market and production base with new mechanism and measures based on the existing economic agreements, (3) to support and assist new members of ASEAN (Cambodia, Lao PDR, Myanmar and Vietnam or CLMV) to narrow development gaps and promote CLMV integration into ASEAN economy and (4) to promote cooperation on monetary policy and macroeconomics, financial market and capital market, insurance and taxation, infrastructure development and transportation, legal cooperation framework agreement, integrated development of agriculture, energy and tourism as well as human resource development with education leverage and skill development [1].

As ASEAN is the closest region to Thailand, ASEAN Economic Community will be beneficial to Thailand because its location has great potential as a major center in the regional economy and ASEAN has significantly supported Thai economy in terms of trade, investment and tourism and this role is likely to continue in 2015 [2]. Thai entrepreneurs need to learn more about the changing economic situations in ASEAN and the world to prepare themselves for the new trade practices and agreements and to seek new business opportunities in agriculture, industry, trade, services and investment in the region. The entrepreneurs who have comprehensive knowledge will be ready to expose themselves to the opportunities and will definitely have the upper hand in the competition. On the other hand, with no adjustment, especially in terms of business efficiency and inattentiveness to trading rights recently revised according to the new agreements, the entrepreneurs will unavoidably encounter problems, difficulties and negative impacts. Most small and medium enterprises in Thailand have limited capability of selling products and services as their business can be conducted only in the country. Those with high capability and potential niches will play an important role in setting short-term and medium-term goals. As for the long-term goals toward sustainable and balanced development, Thai entrepreneurs should hurriedly

develop their business to reach the international standard and invest in the preparation for future development of tentative new business. Therefore, the development on learning process of Thai small and medium entrepreneurs about the ASEAN Economic Community should be enhanced so that they will become highly capable entrepreneurs who are ready to exceed the national level and reach the regional level. For those with medium capability, niches should be found to develop specific capability toward the national level and international level in the future. The development aims to add value to the products and develop expertise in specific fields. The development of products and services can be leveraged following 3 criteria, including quality and standard, uniqueness and distinctiveness, and productivity growth [3].

The population from the Northeastern part of Thailand has the lowest gross domestic products per capita in comparison to the other regions. That is, the population of 22,965,000 has the Gross Regional Product (GRP) of approximately 1,114,944 baht and the net national product per capita of approximately 48,548 baht. [4]. Small and medium enterprises have played an important role stimulating local economy; therefore, the development on learning process of Thai small and medium entrepreneurs in northeastern Thailand about the ASEAN Economic Community will equip them with the knowledge that will be useful for setting up guidelines on promoting business competitiveness in both national level and regional level.

2. Objectives

The objectives of this study are as follows:

2.1 To explore the level of knowledge on ASEAN Economic Community and learning processes of small and medium enterprises in northeastern Thailand.

2.2 To present competitiveness development guidelines for small and medium enterprises in northeastern Thailand.

3. Review of Literature and Conceptual Framework

ASEAN Secretariat developed the ASEAN Policy Blueprint for SMEs Development (APBSD) to define and raise the standard of SMEs in the ASEAN countries. It can be concluded that the SMEs should shift their perspectives on business as the present entrepreneurship has emphasized on an international business venture. Therefore, small and medium enterprises in each country have to quickly improve their competitiveness in 6 operational domains, including (1) good and successful entrepreneurs, (2) growth of small and medium enterprises, (3) production for international market, (4) new innovation development (5) increase in efficiency

in production and (6) business networking within the same business group and with other related business enterprises. To expand their capacity and competitiveness, the SMEs should adopt latest technological tools such as e-commerce in their business. More importantly, the entrepreneurs from all ASEAN countries need to gain an active mutual cooperation between the public and private sectors at the international scale [5].

The Department of Industrial Promotion has developed the learning process on ASEAN Economic Community for entrepreneurs in northeastern Thailand according to the ASEAN Secretariat's policy. The Industrial Promotion Center Region 5 has specified its targeted group in 2013 by selecting small and medium entrepreneurs in Khon Kaen, Mahasarakham, Sakon Nakhon, while the Industrial Promotion Center Region 7 has defined its targeted group in 2013 by selecting small and medium entrepreneurs in Sisaket, Ubon Ratchathani and Buriram. Forty representatives from each province who participated in the seminar are key variables in this study. The target group learned new knowledge about the ASEAN Economic Community (AEC) by joining the seminar under the theme of the establishment and development of entrepreneurs for the AEC. The theme of essential issues concerning AEC was used to assess the participants' knowledge before and after the seminar. The topics included general knowledge about AEC, the current status of and the development guidelines for the ASEAN small and medium enterprises in order to achieve six domains of competitiveness. That is to say, in case that the SMEs foster such developments fully and continually, they can be mainly attributed to sustainable economic development.

This study has designed the knowledge process by asking the targeted entrepreneurs to identify their knowledge with the research instrument called knowledge mapping in order to prioritize important factors and see the overall picture of the organization used as basic knowledge for further development and future usage. After that, the entrepreneurs created and acquired the knowledge on ASEAN Economic Community. The knowledge on competitiveness development had been organized into 6 domains. The knowledge codification and refinement had grouped together only the knowledge on the same business type. To develop the knowledge access, the entrepreneurs themselves pass on the knowledge to other participants. They shared their experience regarding the key success factors and key failure factors of their small and medium enterprises and learned from one another. By doing so, they were able to apply the knowledge to their business and would continue to develop new knowledge. At the same time, they established a learning circle about small and medium enterprises [6] which can later

be turned into a local-related content for future study [7].

Therefore, the assessment of knowledge on ASEAN Economic Community of the targeted entrepreneurs was an important indicator suggesting whether the entrepreneurs were ready to pass on the body of knowledge they had gained to others. The conceptual framework is illustrated in Figure 1.

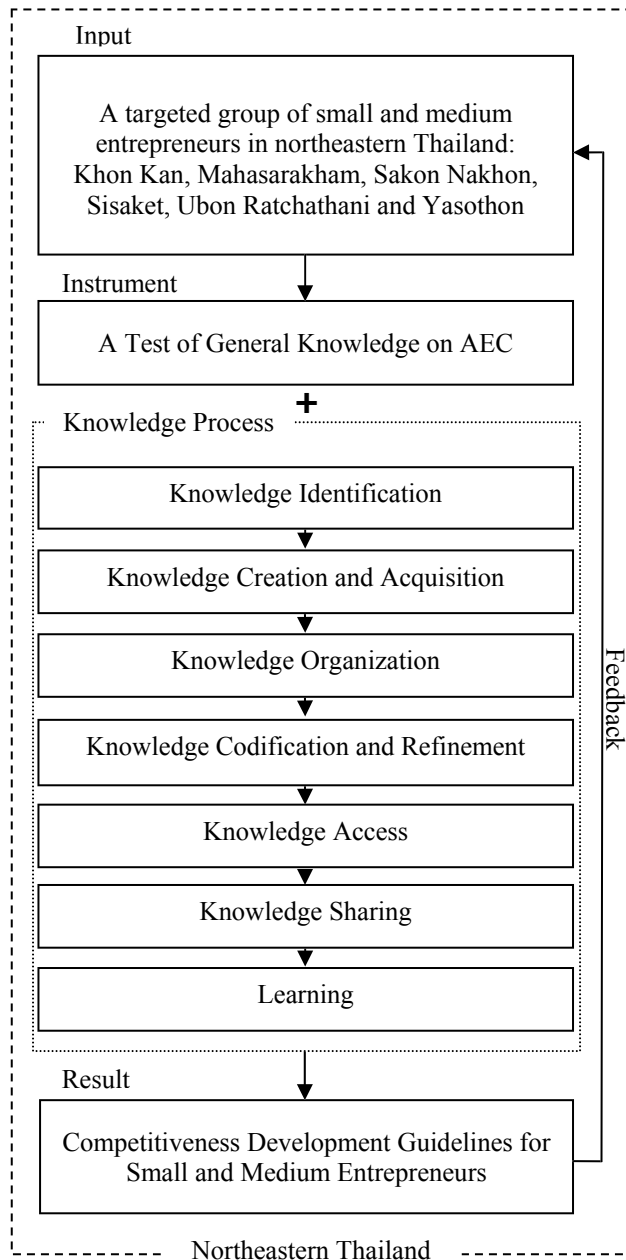


Figure 1 Conceptual Framework

4. Definition of the Keywords

4.1 *ASEAN Economic Community (AEC)* shall be the goal of regional economic integration by 2015. AEC envisages the following key characteristics: (a) a single market and production base, (b) a highly competitive economic region, (c)

a region of equitable economic development, and (d) a region fully integrated into the global economy [8].

4.2 *Small and medium enterprises (SMEs)* means the enterprises by the Thai Ministerial regulation issued in 2002 [9] as follows:

4.2.1 Manufacturing Industry

(1) Small Enterprise - Enterprise which corresponds to any of the following; with employees of up to 50 or with assets of up to 50 million bahts.

(2) Medium Enterprise - Enterprise which corresponds to any of the following; with 51 – 200 employees or with assets of no less than 50 million bahts and up to 200 million bahts.

4.2.2 Wholesale Industry

(1) Small Enterprise - Enterprise which corresponds to any of the following; with employees of up to 25 or with assets of up to 50 million bahts.

(2) Medium Enterprise - Enterprise which corresponds to any of the following; with 26 – 200 employees or with assets of no less than 50 million bahts and up to 100 million bahts.

4.2.3 Retailing Industry

(1) Small Enterprise - Enterprise which corresponds to any of the following; with employees of up to 15 or with assets of up to 30 million bahts.

(2) Medium Enterprise - Enterprise which corresponds to any of the following; with 16 – 150 employees or with assets of no less than 30 million bahts and up to 60 million bahts.

4.2.4 Service Industry

(1) Small Enterprise - Enterprise which corresponds to any of the following; with employees of up to 50 or with assets of up to 50 million bahts.

(2) Medium Enterprise - Enterprise which corresponds to any of the following; with 51 – 200 employees or with assets of no less than 50 million bahts and up to 200 million bahts.

4.3 *Northeastern Thailand* is Thailand's largest region, located on the Khorat Plateau, bordered by the Mekong River (along the border with Laos) to the north and east, by Cambodia to the southeast and the Prachinburi mountains south of Nakhon Ratchasima. To the west it is separated from Northern and Central Thailand by the Phetchabun mountain range [10].

4.4 *Learning process* consists 7 learning steps; knowledge identification, knowledge creation and acquisition, knowledge organization, knowledge codification and refinement, knowledge access, knowledge sharing, and learning.

5. Methodology

5.1 *Case Study Approach.* This applied research is a descriptive social science research study in which the researcher translates, analyses,

processes and presents data with a descriptive analysis [11]. This is a case study [12] of small and medium entrepreneurs in ASEAN Economic Community domain.

5.2 Population and Sample. The Industrial Promotion Center Region 5 has specified its targeted group in 2013 by selecting small and medium entrepreneurs in Khon Kaen, Maharakham, Sakon Nakhon, while the Industrial Promotion Center Region 7 has defined its targeted group in 2013 by selecting small and medium entrepreneurs in Sisaket, Ubon Ratchathani and Buriram. Each center selected 40 representatives who meet the application requirements in the responsible area to attend a seminar under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community. In total, there were 240 participants.

5.3 Data Collection Instrument. A criterion referenced test was created and named “test of general knowledge on AEC.” It was used as a research instrument to keep the scores indicating whether the entrepreneurs had the required knowledge. The content of the test concerned general information about the ASEAN Economic Community. The 6 domains in the development guidelines for ASEAN small and medium enterprises are (1) good entrepreneurs, (2) growth of small and medium enterprises, (3) production for international market, (4) new innovation development, (5) increase in efficiency in production and (6) business networking within the same business group and with other related business enterprises.

The test had been validated by experts in ASEAN Economic Community and assessment and evaluation to consider whether each test item assessed the participants’ achievement based on the formulated objectives. The study adopted Rovinelli and Hambleton [13] for the content validity. As the Item Objective Congruence Index (IOC) was between 0.5 and 1, the content was applied in the test for the target group.

5.4 Data Collection. The data collected were all of the participants’ learning process and the obtained content of knowledge delivered by the researcher who was also the lecturer and the evaluator before and after the seminar under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community from February 2013 – February 2014. The Industrial Promotion Center Region 5 and the Industrial Promotion Center Region 7 set the date and time of the seminar in their responsible areas. The researcher and the brain storming teams of participants run completely the learning process. The test of general knowledge on AEC is used for individual pretest and posttest.

5.5 Data Analysis and Statistical Inference. The data was analyzed using Microsoft Office Excel 2007 to calculate frequency and percentage.

6. Findings

6.1 General Information of the Targeted Entrepreneurs. Most of the entrepreneurs are female, aged 40-50, with a bachelor’s degree and an average monthly income of over 50,000 baht and 30,000-50,000 baht respectively.

6.2 Level of general knowledge on AEC of small and medium entrepreneurs in northeastern Thailand. The entrepreneurs had low level of knowledge before the seminar (an average of 3.75 out of 10 marks) and after the seminar they had high level of knowledge (an average of 9.25 out of 10 marks). The entrepreneurs’ level of knowledge has improved by 5.5 marks.

The entrepreneurs have increased their body of knowledge through these following learning processes.

(1) Knowledge Identification. The targeted entrepreneurs identified the knowledge with the instrument called knowledge mapping to illustrate the big picture of the organizations and the priorities in the operation. The map showed that most small and medium enterprises were owned by one person and were managed under individual proprietorship, cooperative under the supervision of a group of housewives, partnership between two or more friends and company limited with shareholders, respectively. Most of them had a simple structure and functional structure responsible for 4 main duties, including production management based mainly on labor and local materials, marketing management with an emphasis on domestic marketing, financial management of owner’s capital and development cost, group savings, earned surplus and financial institutions with dividend and benefit division defined by all members, and human resource management following the concept of ‘putting the right man on the right job.’ Most enterprises had short-term and medium-term organization plan under the supervision of strong entrepreneurs with comprehensive vision and positive thinking. These entrepreneurs had the ability to lead and run the enterprises toward the goals. The working system, in addition, was in line with the management of changing environment.

(2) Knowledge Creation and Acquisition. The entrepreneurs devoted their time to build and acquire knowledge about essential issues concerning the AEC, which could benefit the administration and adaptation toward the AEC in 2015, by participating in the three-day seminar under the theme of the establishment and development of entrepreneurs for the AEC,

organized by their regional industrial promotion center.

(3) Knowledge Organization. The entrepreneurs organized the knowledge on competitiveness development together by categorizing, memorizing, creating understanding, analyzing, synthesizing and applying the information to their own business conforming to the 6 domains as follows: (1) good entrepreneurs, (2) growth of small and medium enterprises, (3) production for international market, (4) new innovation development, (5) increase in efficiency in production and (6) business networking within the same business group and with other related business enterprises.

(4) Knowledge Codification and Refinement. The entrepreneurs had the opportunity to analyze and synthesize their experience in operating their own business with the knowledge related to their business they have gained in the seminar. Eventually, they were able to codify and refined into the best practice.

(5) Knowledge Access. The entrepreneurs took part in the development of knowledge access by spreading useful knowledge to the other groups of entrepreneurs via supply-based knowledge access and demand-based knowledge access which helped reduce non-related information.

(6) Knowledge Sharing. The entrepreneurs exchanged their experience regarding the key success factors and key failure factors of their small and medium enterprises with one another in a network communication manner. The participants were divided in groups according to their business types. Each group brainstormed, summarized, discussed and presented their information according to the 6 operational domains to their group members and to other groups which had worked on different business types to share and exchange the information as well as to learn from one another.

(7) Learning. According to the test on general knowledge on AEC, the entrepreneurs' level of knowledge has improved by 5.5 marks after the seminar. This shows that the entrepreneurs are ready to apply the knowledge to the business and continuously generate new knowledge. This is the beginning of a learning circle of small and medium entrepreneurs in northeastern Thailand.

6.3 Competitiveness Development Guidelines for Small and Medium Entrepreneurs in Northeastern Thailand. The development guidelines for SMEs in northeastern Thailand consist of 6 operational domains as follows:

Domain 1: Good and successful entrepreneurs with the following 5 characteristics.

(1) Thirst for success, creativity and productive dream activity – Thirst for success is the heart of a successful business. Entrepreneurs without thirst for success will have no motivation

to get up and do whatever it takes to reach their challenging business goals. They must have comprehensive vision and imagination that allows them to stand at the starting point and know what to do to enhance the business as well as it can be done.

(2) Risk-taking and decision-making skills - As business and risks are two sides of the same coin and alter in accordance with each other, the entrepreneurs need adequate and accurate information to carefully and quickly make every decision that comes with risks.

(3) Self-confidence, initiation and perfectionism – Successful entrepreneurs must be confident. They may use the key success factors as variables in the development to become more successful than other competitors. They must be able to come up with new challenging projects which will differentiate their products and services from others' and successfully catch customer attention.

(4) Tolerance, self-adjustment to instability – To become a successful entrepreneur, one must not give up easily when one fails. The key failure factors must be considered in order to improve oneself and reach the next level. One must be able to see problems or difficulties as business opportunities to better oneself and adjust the business operation in order to keep the business going amidst the uncontrollable and changing situations.

(5) Realization of the value of time - Successful entrepreneurs must be punctual and make the best out of every second. They should be able to sort out the priorities and manage their time effectively, so that they can successfully balance different priorities in life, including family, work and learning life lessons.

Domain 2: Growth of small and medium enterprises – Business growth in accordance with the potential of the area can be divided into 3 areas.

(1) Society and culture – Unique way of life, culture and wisdom can create value-added features which distinguish the products and services from others. For example, traditional Thai market contains cultural identity, local handicrafts and contemporary art which bring about new design.

(2) Economy – The emphasis is on the suitability between the potential of the area and economic activities, such as making use of the ideal location sharing borders with neighboring countries which enables border trade [14]. For example, as there are organizations in strategic economic areas, it means that Thailand supports the expansion of economic activities in collaboration with the neighboring countries.

(3) Resources and environment – The focus is on the abundance of the area and the variety of natural resources and environment that

promotes some types of business. For example, some areas are suitable for agricultural processing business, tourism business and industrial business and small and medium entrepreneurs can make use of these areas for their business.

Moreover, the government has realized the importance of space management and decentralization to distribute administrative functions to local administrators. However, the functions have not properly answered to the expansion of business in the areas, while integration and operations are not yet visible.

Therefore, the development of small and medium enterprises should be in line with the potential of the areas. Local wisdom and culture should be promoted as value-added features of products and services. New job opportunities should be available in the area and access to capital should be improved by building up the strength of local financial organizations. Effective local resource management is required to get the most out of the resources. This also includes the development of border trade areas and strategic economic areas to support trade, investment and tourism. In addition, integration and local network should be promoted. All these processes will increase the strength of small and medium enterprises to be able to grow, compete and survive amidst the changing situations in the world. Consequently, there will be a balance among economy, society, community, resources and environment, cultural identity and way of life.

Domain 3: Production for international market – The strategies for small and medium entrepreneurs to enter foreign market begins with various factors and motivating force. To be successful small and medium entrepreneurs in foreign market, there are 3 key strategies. First, mode of entry strategy includes exports, copyrights, concession, production contract, cross border partnership, internet investment, merger and acquisition, business takeover and international alliance. Second, marketing program development consists of product or service design, distribution, pricing and promotion. Third, competitive advantage strategy refers to cost leadership strategy, differentiation strategy and focus strategy.

Domain 4: New innovation development – Innovation is the heart of business process that reveals creativity and initiative as well as the ability to make use of the creative ideas. The innovation process enables the organization to remain and continue to grow; therefore, the entrepreneurs need to develop the innovation process involving these 3 following tracts.

(1) Product innovation refers to the development of new products to be introduced to the market, the world, the countries, the organizations or even the product developers.

(2) Process innovation refers to the development in the production process or different forms of services.

(3) Business innovation refers to the development in new trading practices or adding commercial value to new ideas. The most important recourse of innovation is “customers and market.”

To develop new innovation, the entrepreneurs can implement different techniques, including purchasing new technology or concept from external organizations, working in collaboration with other organizations, jointly owning or taking over the existing business to gain the prominent points of those organizations and continue to develop them. Last but not least, the entrepreneurs can establish a learning center where new information and concepts can be exchanged in a wider circle.

Domain 5: Increase in efficiency in production – The concept of waste reduction refers to “activities or work that increase the production cost without additional value in the customer view,” also known as lean management. There is always waste hidden in every process; therefore, the total production time is spent partly on actual value and partly on waste.

Increasing efficiency in production under the concept of lean management will mostly focus on the actual value without wasting time on waste. As a result, less time will be spent on the production of the product with the same value or the product with more value will be produced within the equal amount of time. This also includes producing the product with more value in a shorter amount of time.

The lean thinking development program for entrepreneurs consists of these following steps.

Step 1 Specify value of products and services from the standpoint of both internal and external customers.

Step 2 In the value stream, identify all the steps, such as designing, planning, manufacturing and trading, to find out the steps that do not create value.

Step 3 Make the value-creating steps go continuously, so the process will flow without detours, backflows, waiting and scrap.

Step 4 Pull out only the value that the customers want.

Step 5 Create value and eradicate waste by seeking the hidden waste and removing it until reaching a state of perfection.

Domain 6: Business networking within the same business group and with other related business enterprises – As the competition in international trade gets more complicated, small and medium enterprises needs business alliance with partners in other countries to create different forms of cooperation which will benefit the business on both sides.

Entering the ASEAN Economic Community, the production will be centralized into fewer locations in which better market and natural resource are available. The entrepreneurs can make use of the production and transportation network in ASEAN. There are 3 ways to support the entrepreneurs to build business network as follows:

(1) Encourage the small and medium enterprises to realize the importance of cooperation and international business relations or partnerships to strengthen business efficiency.

(2) Broaden the knowledge of small and medium enterprises to extend business opportunity in neighboring countries and to make use of the existing infrastructure under the economic cooperation framework agreements, such as Greater Mekong Subregion Economic Cooperation Program.

(3) Support small and medium enterprises to increase their involvement in the regional supply chain and global economy.

7. Conclusion and Discussion

7.1 Conclusion. Most of the targeted entrepreneurs are female, aged 40-50, with a bachelor’s degree and an average monthly income of over 50,000 baht and 30,000-50,000 baht respectively. After the seminar, the entrepreneurs’ level of knowledge has improved by 5.5 marks. The entrepreneurs attended the seminar under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community in which the learning processes were defined. As a result, with adequate knowledge on ASEAN Economic Community, the entrepreneurs are ready to apply the knowledge to the business and continuously generate new knowledge. This is the beginning of a learning circle of small and medium entrepreneurs in northeastern Thailand.

7.2 Discussion. According to the efficiency of the entrepreneurs, the competitiveness development guidelines for SMEs in northeastern Thailand include 6 operational domains as follows:

(1) Good and successful entrepreneurs have 5 characteristics, which are 1) thirst for success, creativity and productive dream activity, 2) risk-taking and decision-making skills, 3) self-confidence, initiation and perfectionism 4) tolerance and self-adjustment to instability and 5) realization of the value of time. This is in accordance with the characteristics of successful entrepreneurs specified by the Department of Industrial Promotion [15].

(2) Conforming to the potential of the areas, the growth of small and medium enterprises can be divided into 3 fields, including society and culture, economy and resources and environment.

Local wisdom and culture should be promoted as value-added features of products and services. New job opportunities should be available in the area and access to capital should be improved by building up the strength of local financial organizations. Effective local resource management is required to get the most out of the resources. This is in line with the Third SME Promotion Plan 2012-2016 [16].

(3) As for the production for international market, there are 3 important strategies for SMEs to enter the international market. The strategies are 1) Mode of Entry Strategy, 2) Marketing Program Development and 3) Competitive Advantage Strategy. This is also stated in Phongsan Leelahongjutha’s Strategies for Entrepreneur in SMEs to Enter Foreign Markets [17].

(4) New innovation development involves 3 tracts, including product innovation, process innovation and business innovation as also mentioned in Guidelines and Strategies for Business Innovation by Senee Suwanee [18].

(5) To increase the efficiency in the production requires waste reduction. In this case, waste refers to “activities or work that increase the production cost without additional value in the customer view.” It is called “lean management” in Management Concept of the Office of the Public Sector Development Commission [19].

(6) Business networking within the same business group and with other related business enterprises can be done by providing support and assistance for small and medium enterprises and triggering the realization of the importance of cooperation and international business relations to strengthen business efficiency. In addition, it is important to broaden the knowledge of small and medium enterprises to extend business opportunity in neighboring countries and to make use of the existing infrastructure under the economic cooperation framework agreements. The small and medium enterprises should as well be encouraged to increase their involvement in the regional supply chain and global economy as stated in the study of SCB Economic Intelligence Center [20]

Development guidelines for SMEs are shown in Figure 2.



Figure 2 Development Guidelines for SMEs in Northeastern Thailand

8. Suggestions

8.1 Suggestions from this study

(1) The Industrial Promotion Center Region 5 and the Industrial Promotion Center Region 7, Department of Industrial Promotion, should continuously conduct seminars under the theme of the establishment and development of entrepreneurs for the ASEAN Economic Community. The seminars should emphasize in-depth knowledge of these primary targeted entrepreneurs and at the same time extend the program to include small and medium enterprises in other targeted regions to broaden the knowledge and develop the learning process of local entrepreneurs.

(2) The entrepreneurs who received best practice should share their experience with future targeted groups in other regions with similar environmental management to allow benchmarking, spread the knowledge and create a learning circle of small and medium entrepreneurs in northeastern Thailand.

8.2 Suggestions for future research

(1) In-depth investigation of future research based on each category of small and medium entrepreneurs is highly recommended.

(2) Next research studies should determine market and investment expansion in each of ASEAN countries, which entrepreneurs show their interest in investing. This results in systematic learning about environmental management in that country.

9. Acknowledgement

I would like to thank the Industrial Promotion Center Region 5 and the Industrial Promotion Center Region 7, Department of Industrial Promotion, Ministry of Industry, for the support for this research.

10. Reference

- [1] National Research Council of Thailand. (2011). Thailand Research Direction and Research Problems for ASEAN Economic Community Situation. Retrieved from http://www.op.mahidol.ac.th/orra/research_article/ASEAN.pdf
- [2] Department of Trade Negotiations (ASEAN Unit). (2008). “ASEAN Economic Community (AEC)”. Retrieved from www.thaifita.com/trade/corner/aec_about.pdf
- [3] Rangkhom, K. (2011). Opportunities from Free Flow of Investment under the AEC/FTA. Retrieved from <http://www.thaifita.com/thaifita/Home/%E0%B8%9A%E0%B8%97%E0%B8%84%E0%B8%A7%E0%B8%B2%E0%B8%A1%E0%B8%95%E0%B8%B2%E0%B8%87/tabid/62/ctl/Details/mid/433/ItemID/6920/Default.aspx>
- [4] National Statistical Office. (2011). “National Accounts of Thailand (New Series) Based on Manufacturing Sales 1995-2011”. Retrieved from <http://service.nso.go.th/nso/web/statseries/statseries15.html>
- [5] Department of Trade Negotiations, Ministry of Commerce. (2011). Trade and Investment. Retrieved from <http://www.thaifita.com/ThaiFTA/Portals.pdf>
- [6] Boonyakit, B. & others. (2004). *Knowledge Management Implementation*. Bangkok: Jirawat Express.
- [7] Masjaras, T. & Prasong, N. (2006). *Local Knowledge Management*. Bangkok: Tarn Aksorn, 73-78.
- [8] Association of Southeast Asian Nations. (2013). “ASEAN Economic Community”. Retrieved from <http://www.asean.org/communities/asean-economic-community>
- [9] Thai Ministerial regulation issued in 2002. (2013). “Small & Medium Enterprise Development Policies in Thailand”. Retrieved from http://www.smrj.go.jp/keiei/dbps_data/_material/_common/chushou/b_keiei/keiikokusai/pdf/SME_in_ASEAN_E2_0803.pdf
- [10] Isan. (2013). “Northeastern Thailand”. Retrieved from <http://en.wikipedia.org/wiki/Isan>
- [11] Triola, Mario F. (1995). “Elementary Statistics”. 6th ed. CA: Addison-Wesley.
- [12] Srisa-ard, B. (2011). *Basic Research* (9th ed.). Bangkok: Suweeriyasarn, 155.
- [13] Srisa-ard, B. (1997). *Research in Measurement and Evaluation*. Bangkok: Suweeriyasarn, 27-31.
- [14] Department of Foreign Trade. (2011). Value of Border Trade. Statistical Report on Trade between Thai and Malaysia, Myanmar, Laos and Cambodia. 2007-2010.
- [15] Department of Industrial Promotion. (2012). 10 Rules for Becoming a Successful Entrepreneur. Retrieved from <http://www.krungsriauto.com/images/tips/finance/10corperatesuccess.pdf>
- [16] Office of SMEs Promotion. (2012). The Third SME Promotion Plan 2012-2016. Retrieved from www.sme.go.th
- [17] Leelahongjutha, P. (2010). Strategies for Entrepreneur in SMEs to Enter Foreign Markets. *Executive Journal*, 139-144.
- [18] Suwannee, S. (2013). “Guidelines and Strategies for Business Innovation”. Kasem Bundit University.
- [19] Office of the Public Sector Development Commission. (2013). Management Concept. Retrieved from http://korporrow.com/oldweb/thai/E_Newsletter/june48/Lean.htm
- [20] SCB Economic Intelligence Center. (2013). “Insight: Path for Thai Business in AEC Era”. Retrieved from <http://www.scbeic.com>