

# AN OPERATIONAL EVALUATION OF THE SUCCESSFUL CULTURAL ENTREPRENEURSHIP AND BUSINESS

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## ABSTRACT

This paper presents the Operational Evaluation of successful small village entrepreneurs whose products the Small and Medium Enterprises. The SMEs entrepreneurs from border province; Samutsakhon, Samut Songkhram, in central Thailand were surveyed using a structured questionnaire. The result from content analysis shows that success factor of entrepreneur causes from their initiative and close family related younger generations and government support. However, the SMEs entrepreneurs still are starting period and completely in production skill that cannot complete in free market. The next step for them has to fulfill in the managing and marketing skill.

Keyword-Operational Evaluation, Small and Medium Enterprises

## INTRODUCTION

Small and Medium Enterprise becomes an important business in Thailand. The main objectives of the projects are to create jobs and income communities, to promote the communities development using local wisdom and self-reliance. SMEs product is based on local materials and creativities. Under this project, there were totally 15,438 SME Producers and 5,281 products in the products championship contest in 2006 (Micro Enterprise Strategies Department, 2011). The government has been a major supporter of the products from provincial product development to global product distribution. The product standard is classified as 1-5 level which has a strong potential in terms of marketing. However, a huge number of the same products are poured into the market. This drives the price and the margin of product lower. A number of the SMEs entrepreneurs struggled to compete and some eventually failed. The failure possible caused by the entrepreneurs themselves who couldn't discover their own identity and produce as a distinct product. Although the economic structure of the province will focus on industries related to fishing. Or frozen seafood industry, as well as Samut Sakhon. But on the other hand, Samut Songkhram famous for its ecotourism. Or in the form of eco-tourism. As a result, the growth in terms of accommodation, food, souvenirs, etc. tourism in the area and the surrounding area. Which is still growth opportunities to continuously further the vision of a province that is not defined. The city is the hub of seafood and shrimp fruit safe from toxic chemicals. And leisure center Ecotourism, the national waterway. People love the land of origin. Environmental and cultural beauty. The objective of this study is to investigate An Operational Evaluation of the Successful Cultural Entrepreneurship and Business the common characteristic of

successful SMEs entrepreneurs and business related-community using two central provinces as an investigation object.

## **METHODOLOGY**

### **1. Entrepreneurs sampling concept of SMEs**

The This study was an integration of quantitative and qualitative research by employing questionnaires to collect data from 357 accredited Small and Medium Enterprises and a schedule interview to collect data from 3 administrator and officials responsible for supporting.

### **2. Focus group concept of SMEs**

To obtain details about their Model, the groups of entrepreneurs are investigated using questionnaire. The result was analyzed using content analysis to find out the best practice. Later, the four best entrepreneurs were further investigated with in-depth interview. The topic of interviewing consisted of four sections; business background, business and community relationship, product development approach and success factor. The data were analyzed to find out the Model of success case that related to the original community.

## **RESULT**

### **1. Overview of the Respondent**

To Business Background: The respondents were selected from the registered SMEs entrepreneurs whose. The frequency and percentage of respondents in each product categories were shown in table 1. The majority product categories are food (40.5%), decorative items and souvenirs (27.2%), herbal products (13.7%), followed by beverage and fabric (9.5%). In term of the business type, there are 35.8% of community based-enterprises (CBEs), followed by 33.6 % of single owner enterprises and private company or partnership enterprise. For the financial source of respondents, there were 3 type of capital as private (51.7%), partnership (36.8%) and private and loan (11.5%). The term of operation were 6-10 years, 1-5 years, 11-20 years and over 20 years length accounted for 39.8%, 26.3%, 20.1% and 14.8% respectively. For the length of registered and engaged under SMEs project, there was 11-20 years (44.1%), 1-5years (30.6%) and 6-10 years (25.3%).in Table 1.

### **2. Business and Community Relationship**

To study characteristic of community, the study focused on the original community's occupation; in that community such as agricultural community, fishing communities, coconut farming communities. It was found that, mostly the community of entrepreneur still maintains the original occupation as previous (88.5%). Regarding product and community relative it was 93.7% of product distinctive when 45.4% both product and community were distinctively. About 45.4% still maintain the production process as previously. Consider the motivation for starting new business; it is divided to 5 types, related experiences, family business, previous job, training and special interested. It was found that the new business was family business (63.2%), related experiences (62.2%), special interested (47.4%), training (31.6%) and previous job (22.1%). It was noticed that there was one entrepreneur got all types of the starting business in Table 2

**Table 1**  
Business Profile

<b>Province</b>	<b>(%)</b>
Samutsakhon	86.7
Samutsongkhram	13.3
Total	100
<b>Type of Business</b>	
Single owner enterprise	33.6
Community based-enterprises (CBEs	35.8
Private company / partnership enterprises	30.6
Total	100
<b>Term of Operation</b>	
1-5 yrs.	25.3
6-10 yrs.	39.8
11-20 yrs.	20.1
>20 yrs.	14.8
Total	100
<b>Type of Product</b>	
Food	40.5
Beverage	9.5
Fabric	9.5
Decorative items and souvenirs	27.2
Herbal products	13.7
Total	100
<b>Financial Source</b>	
Private	51.7
Partnership	36.8
Private and loan	11.5
Total	100
<b>Length of Registered SMEs Project</b>	
1-5 yrs.	30.6
6-10 yrs.	25.3
11-20 yrs.	44.1
Total	100

**Table 2****Business and Community Relationship**

<b>Physical Character of Community</b>	<b>(%)</b>
More than 50%	88.5
Less than 50%	11.5
Physical Character of Community	10.5
Total	100
<b>Product Methodology</b>	
To remain the process less than 50%	54.6
To remain the process more than 50%	45.4
Total	100
<b>Product and Community Relative</b>	
Distinct Product	93.7
Distinct community	0.0
Product and community Distinction	6.3
Total	100
<b>Business Starting</b>	
<b>(Respondent can select more than 1 choice)</b>	
Related experiences	62.2
Family business	63.2
Previous job	22.1
Training	31.6
Special interested	47.4

Production and Marketing: In the product development, most entrepreneurs, 45.5%, investigated and processed by themselves, 41.9%, self-development and further development from others and 10.6%, only further development from others. The number 15 out of 19 cases or 79.7% used the fifty percent of raw materials from local. With regard to labor, it was found that about half of entrepreneurs or 56.8% hired workers. For marketing, all entrepreneurs used the official channels as SMEs city and marketing by themselves.

Success Factor: Factors affecting success were divided into 3 main factors; the characteristics and personality of the owner, production, and marketing. It was found that the personality of the owner was checked by the 10 lists that relates to the success of the business. The most common characteristic of entrepreneur was experience (85.3%), followed by creativity (69.3 %), diligence (9.3%), and patient and attempted (62.1%). In the production, most entrepreneurs concerned about quality control (85.3%) and continuity of new product development (69.3%). All entrepreneurs have been receiving support from the government.

### 3. Success Case Study

To study Four success cases were selected; food, beverage, fabric and decorative items and souvenirs producer. The data was analyzed 5 parts: business profile, the original community, business operation, success factor, goals and objectives in the future and characteristics of entrepreneurs. The issues can be summarized as follows.

**Business Profile:** Successful entrepreneurs were a single owner enterprise or community-based enterprise. The dominant trend was found that the administration was quite possible in a single owner enterprise. In community-based enterprise was shown the group management performed by the leader. The leadership was necessary. The decision depended on the leader. All entrepreneurs had an experience in the business before engaged the SMEs projects. The period time of business operation was excess 10 years. Nevertheless, all business was a first generation or pioneer age.

**Original Community:** all communities have distinguished in the physical appearance and grouped the same occupation. It was clear that the business related with the original community. There were the serving of raw material from the community as skill labor and product raw material. One case, there was only group of skill lab our in the family for setting the community-based enterprise. In addition, the cluster of business owners could more systematically organize community than the SMEs business owners did due to a number of members. Although working process of the SMEs business owners was unsystematic.

**Business Operation:** The beginning of the business was retrieve from the owner's relevant experienced such as a family business, previous job. There was trend to pass the business to the next generation. Only one case, the business was started by training. To consider in supporting factors, the respondent had a strong characteristic of entrepreneur, handed on business with the second generation and continuing support from the government. The most successful are often located in or near sources of raw materials. This might be associated with low production costs. To search in original community for developing its commercially need to focus on raw materials and develop to an unique product. If community wasn't the source of raw material, skilled worker as handicraft could lead to business development as well. The investment in the production, all used the personal funds. In the first stage, it may be raised by members. After business grown, the funding is required. It was found the loaning from financial institutions and In human resources management, the cluster of business owners would select the employees from their experience, capability and domicile, while the SMEs business owner would choose those by their qualifications which proper to each position. the few employees made it controllable and could reduce cost.

In the case of a success story, all of them focused on quality throughout the production process since the selection of raw materials, production and delivery to customers and taking into account both the quality and time. For product development, all entrepreneurs must be creative in developing their own and flexibility to customize the products according to customer needs. All entrepreneurs can define their identity, understanding about the products or their products as well and also bringing strength of product to the trade. In the event a success that the use of aggressive marketing. The market, it was found that all entrepreneurs had the use of aggressive marketing and seriously marketing by themselves.

Factors of Success: several factors including the personality of the owner, characteristics associated with the production and characteristics related to market and cooperation. The personality of the owners was an important. All entrepreneurs were clear and contained with essential characteristics of entrepreneurs such as outstanding, relevant experience, strong leadership, vision and creativity, patience, diligence, integrity and commitment etc. These characteristics might cause from the acquisition of personal habits, experience difficulties in the past, training or work experience.

All successful cases were located near the sources of raw materials. If the area hadn't raw materials, the skill workers were necessary. All cases focused on quality first and deal to continuing develops their own products. Tracking trends in order to adapt to customer needs, quality control concerning and the packaging development. All cases were able to analysis of potential customers, the positioning of the product to target group has been done, to set appropriate prices according to customers. The key driving force in business was to have a family/ descendant to handle business together. In the case of the community-based enterprises, characteristics of leader, leadership, sacrifice and vision in marketing, business income is distributed appropriately were necessary. The benefit of community-based enterprises will allow the government to support it.

Focus group concept of SMEs To obtain details about their Model, the groups of entrepreneurs are investigated using interview. The result was analyzed using content analysis to find out the best practice. Later, the four best entrepreneurs were further investigated with in-depth interview. The topic of interviewing consisted of four sections; business background, business and community relationship, product development approach and success factor. The data were analyzed to find out the Model of success case that related to the original community.

In solving problems and increasing the efficiency on An Operational Evaluation of the Successful Cultural Entrepreneurship and Business in Samut Sakhon and Samut Songkhram Province, there are 9 recommended ways as follows:

- 1) Lack of expertise in.
- 2) Planning, management plan and financial plan account. There are no plans to review and update

Waste of time to craft apprentices

- 3) Lack of skills development continued.
- 4) Costs, expensive raw materials and non-standard.

High production

- 5) Lack of cash flow and financing, low interest loans.
- 6) Lack of Available
- 7) There is a lot of competition
- 8) The goods are counterfeit, this lack of knowledge.
- 9) In order to promote the market. Lack of knowledge about the development of products and

packaging. And pricing There is not a business succession

Goals and The Goals for the Future: All entrepreneurs are enthusiastic and never stop doing business. Nevertheless, a long-term business plan has not found. Only short-term business plan (1-3 years) was provided that based on current market trends. However, all entrepreneurs have provided to transfer the business to their descendants. Planning, management plan and financial plan account. There are plans to review and update.

## **DISCUSSION**

They arranged training courses on the basic element of production technique development and supported the private business to participate in disseminating the product information. this concurred with Thammarak Srimarut (2015). They also monitored and followed up the operational evaluation of the accredited community enterprises consistently. Moreover, the members of the community enterprises were truly determined to develop the product's quality as they participated in attending the meetings, giving opinions, and initiating the new products resulting to the accreditation of Community Product Standard. skills development continued By Amit, R., & Schoemaker, P. (1993). Brunninge, O., Nordqvist, M., & Wiklund, J. (2007). The entrepreneurs of the community enterprises in Samutsakhon and Samutsongkhram Province confronted problems and obstacles in processing for the accreditation of Community Product Standard in several respects this concurred with Karl-Heinz Leitner. (2010). In terms of production, raw materials were inadequate and could not be stored for some time; products required for the new design development; and the production cost was increasing. this concurred Withthaya Mekhum (2007) the goods are counterfeit, this lack of knowledge. Regarding marketing, product pricing depended on the middleman; products were over supply; there was no support for sale promotion in an international market; there was a price war; and there was a product imitation.

With respect to the management, there was the lack of industry grouping; and the community enterprises were not competent to produce timely due to the orders. In personnel/labor aspect, they lacked the local laborers and product designers. this concurred Withthaya Mekhum, et.al. (2013). In terms of the capital, it was difficult to get the loan from financial institutes and the financial institutes had the high interest rate. With regard to other aspects, there was the lack of public relations and knowledge in design, production and new products development. Withthaya Mekhum (2007). Suggestions: There should be a study on other risk evaluation method which might be more suitable for accidents and environment at work. There should be a record and transfer of local wisdom. There should be another study on using local wisdom to produce metal handicraft using Rattanakosin local wisdom to prevent from extinction. The information from the interview should be published in journals or other types of publication. problems on lighting, noise, dust, and heat which affected the work results. Finding that there was a problem in work environment in household industry. The problem included work repetition, working posture, fatigue muscles, etc.

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