

Development of SMEs clusters into a sustainable community in Nakhon-Pathom province, Thailand

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ABSTRACT

The research on the development of SMEs clusters into a sustainable community in Nakhon-Pathom province is aimed to study in some areas as follows; 1. To study the development of a networking of the SMEs clusters and how they can sustain themselves. 2. To study problems and obstacles of the community enterprises in Nakhon Pathom province that willingness to upgrade themselves to be SMEs.

In this research, the samples used in this study were the Community Enterprises located in Bang-Lane district, Nakhon Pathom Province for the total of 30 community enterprises and involved with the 3 professional in the district. The instruments used in the evaluation were the structured interview question to ask to the samples and the experts then analyzed the data using the participatory action research analysis. The results showed that the analysis of the management factors of the four community enterprises 1. Factor of management, the average score was 4.15 2. Factor of marketing was found to have a high level of feedback with the overall average was 4.09 3. Factor of implementation and technology found that the opinions expressed are at a high level and have the average score at 4.02 4. Factor of financial aspects showed that the opinions of the samples were at a high level which have the overall average at 4.23.

Problems and obstacles in the operation of community enterprises. The community enterprises were lack of the knowledge of marketing, management or marketing processes to analyze the real target groups of the community enterprises. Furthermore, in every community enterprises does not have a systematic accounting system in the financial and accounting issues.

However, the analysis of factors in the management of community enterprises related to the development of SMEs clusters into a sustainable community in Nakhon-Pathom province is at a high level.

Keywords: sustainable development, community enterprise, SMEs.

1. INTRODUCTION

Community is the first trading platform of the country (community is a special feature of Thai society) is a learning platform in the form of community stores (grocery stores) extended to the community market. The potential of the unique wisdom of the local characteristics. If the government has been empowered, promoted, protected, and enforced by the law it leads to the trade that extends the market to the world market.

Thus, the economic community, which can exist in its own right Even without the word "value or currency" as a lure. It can be eaten from the economy to conserve local wisdom within the community do not wait for imports from overseas. It is a solid foundation in the fiercely liberal capitalist war. This is a good and honorable weapon of Thailand, in the midst of a competitive market and many factors (cheap labor). Economic and social development may lead to an increase in the dynamics of international trade in terms of local identity, leading to the bargaining power of small countries. Sufficiency, balance, sustainability, and good immunity are the keys to sustainable economic development.

Potential for community management is important to have a direct impact on the lives of people in the community. The community is strong, it must start with the self-reliance of the people in the community. One way of being self-sustaining of the community is Enterprise. This is because community enterprises are engaged in community-based businesses. This will create income and a career for the community as well as help the society seize the straps. The fact is that families and communities to join together to share the responsibility I share mutual pleasure. Through the process of community. The development of community enterprises to become small and medium enterprises.

Therefore, the researcher has realized the importance of this so it proposed on the development of SMEs clusters into a sustainable community in Nakhon-Pathom province in a case of the community enterprise in Bang-lane district, Nakhon-Pathom province as a guideline to solve problems and defects. And find ways to improve the standard of community products in the near future.

2. RESEARCH OBJECTIVES

With the study of the development of SMEs clusters into a sustainable community in Nakhon-Pathom province, the searchers set the objectives as follows:

1. To study the development of a community enterprise cluster and can sustain themselves of the community enterprises in Nakhon-Pathom province.
2. To study the problems and obstacles of community enterprises in Nakhon-Pathom to upgrade to be the SMEs in near future.

3. RESEARCH METHODOLOGY

3.1 Research Method

The study of the development of SMEs clusters into a sustainable community in Nakhon-Pathom province is the Qualitative Research which using research and development (R&D) approach and participatory action research (PAR) techniques (Jarg B. and Stefan T., 2012). These are the approach to study the development of a community enterprise cluster and can sustain themselves. In addition, to study the problems and obstacles of community enterprises in Nakhon-Pathom to upgrade to be the SMEs.

3.2 Research Tools

Interview questionnaire as structured interview was constructed by the researcher were used to collect data on production process and product development of the community enterprise in Bang-lane district. The interview questionnaire constructed with the open-ended question were divided into 3 parts as 1. Personal information 2. Basic information of the respondents. 3. The problems and obstacles of the community enterprise and also the solutions to the problems. Furthermore, the study used an observation to collect further information. The participant observation is based on the context and the basic information in the general condition of the community enterprise in Bang-lane district, Nakhon-Pathom province (Jarg B. and Stefan T., 2012).

3.3 Research Populations and Samplings

The research population and sampling for this study is the main samples of this research from 30 community enterprises in Bang-lane district, Nakhon-Pathom province (Office of Community Development, Nakhon-Pathom, 2013).

4. CONCEPTUAL FRAMEWORK

With the study of the development of SMEs clusters into a sustainable community in Nakhon-Pathom province, the searchers set the conceptual framework for analyzing as follow:

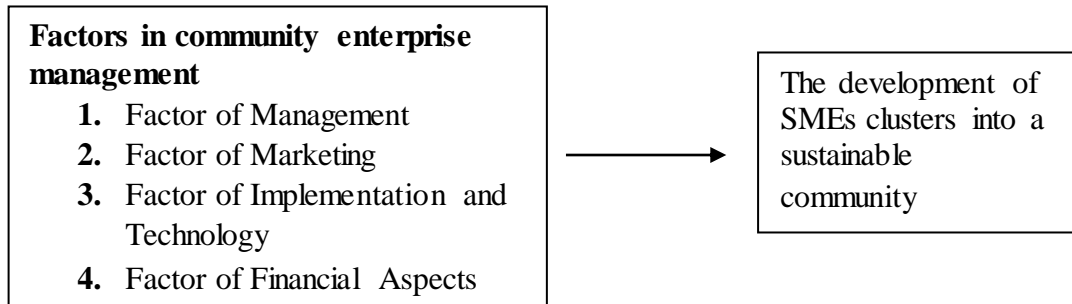


Figure 1. Conceptual Framework

4.1 Research Processes

- 1) Reviewed literature to study the concept and theories findings from books, journals, and related research papers to define issues and create the research framework.
- 2) Drafted the interview questionnaire followed the purpose of research by using the concept of enterprise management and evaluation system throughout the organization to guide and create an interview questionnaire. Then, presented to the experts to consider. This study suggest that the validity of the index of consensus (IOC) is greater than 0.05 (Prasopchai P., 2010).
- 3) Revised the interview questionnaire by pilot tested for 10 people and found that the reliability of the Cronbach's alpha coefficient was 0.925 which was close to 1, indicating that the reliability of the questionnaire was high (Sorachi P., 2006).
- 4) Used the validated interview questionnaire and confidence to collect data 30 sample community enterprises.

4.2 Factor Analysis

1. The closed-end questionnaire and the structured interview were used to collect data on production process and product development of the community enterprise in Bang-lane district and the open-end questionnaire which used are divided into 3 parts as;

Part 1. Personal information including name, surname, occupation, and income.

Part 2. Factors in community enterprise management.

Part 3. Problems and Obstacles of the community enterprises including solutions to the problems.

2. The participants' observation, the researcher used participant observation by studying the context and basic information including the general condition of the community enterprise in Bang-lane district, Nakhon-Pathom province.

4.3 Data Analysis

The data were analyzed by SPSS program using the qualitative statistics which contributed with frequency, percentage, mean, and standard deviation (SD).

4.4 Data Interpretation

The interpretation of the mean of the question areas in each aspect of the interview questionnaire, the researcher used the interpretation criteria of Prasopchai P. (2010) as 1.) Score 4.51 - 5.00 is the highest score. 2.) Score 3.51 - 4.50 is the high level. 3.) Score 2.51 - 3.50 is the medium level. 4.) Score 1.51 - 2.50 is a low level and scores 1.00 - 1.50 is the lowest level.

5. RESULTS

After collecting data, the data collected from the questionnaire and the interviews from the community enterprise in Bang-lane district were analyzed and the results were as follows.

1. Most of the respondents were female (60.0%), aged between 41-50 years (53.3%), the level of education was bachelor degree (33.3%), almost are being a group of advanced community enterprise (76.7%), the age of the community enterprise was established 6-10 years (30.0%), has amount of membership for 1 - 10 people (43.3%), and has equal percentage of the income of community enterprises for 200,001-300,000 baht per year and the income of community enterprises more than 400,001 baht per the year (33.3%).

2. When analyzing the factors affecting the management of 30 community enterprises were found the result in 4 main factors as 1) Management factors, 2) Marketing factors, 3) Implementation factors and technology, and 4) Financial aspect factors. Details are shown in Table below.

Table 1: Factors in community enterprise management - Management factors

| Factors in community enterprise management | Level of Agreement | | | | | \bar{X} | S.D. |
|--|--------------------|-----------|-------------|----------|-------------|-----------|------|
| | Highest 5 | High 4 | Medium 3 | Low 2 | Lowest 1 | | |

| Management factors | | | | | | | | |
|--|--------------|--------------|-------------|------------|------------|--|------|------|
| 1. Your community enterprise is planned to operate as a clear step in every process. | 2 (6.7) | 23 (76.7) | 5 (16.7) | 0 (0.0) | 0 (0.0) | | 3.90 | 0.48 |
| 2. Your community enterprise is divided into jobs that make it easy to supervise. | 6 (20.0) | 21 (70.0) | 3 (10.0) | 0 (0.0) | 0 (0.0) | | 4.10 | 0.54 |
| 3. You can solve specific problems in a timely and effective manner. | 8 (26.7) | 20 (66.7) | 2 (6.7) | 0 (0.0) | 0 (0.0) | | 4.20 | 0.55 |
| 4. You can supervise and control operations in the process. | 10 (33.3) | 20 (66.7) | 0 (0.0) | 0 (0.0) | 0 (0.0) | | 4.33 | 0.47 |
| 5. You see the opportunity for success of your community enterprise. | 11 (36.7) | 15 (50.0) | 4 (13.3) | 0 (0.0) | 0 (0.0) | | 4.23 | 0.67 |

Table 2: Factors in community enterprise management - Marketing factors

| Factors in community enterprise management | Level of Agreement | | | | | \bar{X} | S.D. | |
|--|---------------------------|--------------|-------------|------------|-------------|-----------|-------------|------|
| | Highest 5 | High 4 | Medium 3 | Low 2 | Lowest 1 | | | |
| Marketing factors | | | | | | | | |
| 1. Products in your community enterprise are of good quality to meet the needs of customers. | 6 (20.0) | 18 (60.0) | 6 (20.0) | 0 (0.0) | 0 (0.0) | | 4.00 | 0.64 |
| 2. The products in your community enterprise have a reasonable price. | 3 (10.0) | 27 (90.0) | 0 (0.0) | 0 (0.0) | 0 (0.0) | | 4.10 | 0.30 |
| 3. Your community enterprise has a convenient distribution channel for its customers. | 10 (33.3) | 18 (60.0) | 2 (6.7) | 0 (0.0) | 0 (0.0) | | 4.27 | 0.58 |
| 4. Your community enterprise has managed to promote marketing to customers. | 6 (20.0) | 18 (60.0) | 6 (20.0) | 0 (0.0) | 0 (0.0) | | 4.00 | 0.64 |
| 5. Your community enterprise is keeping your customers consistently. | 5 (16.7) | 23 (76.7) | 2 (6.7) | 0 (0.0) | 0 (0.0) | | 4.10 | 0.48 |

Table 3: Factors in community enterprise management - Implementation factors and technology

| Factors in community enterprise management | Level of Agreement | | | | | \bar{X} | S.D. | |
|---|---------------------------|--------------|-------------|------------|-------------|-----------|-------------|------|
| | Highest 5 | High 4 | Medium 3 | Low 2 | Lowest 1 | | | |
| Implementation factors and technology | | | | | | | | |
| 1. Your community enterprise has a modern production process. | 9 (30.0) | 18 (60.0) | 3 (10.0) | 0 (0.0) | 0 (0.0) | | 4.20 | 0.61 |
| 2. Your community enterprise has quality control of raw materials and production processes at all stages to achieve quality products. | 3 (10.0) | 20 (66.7) | 6 (20.0) | 1 (3.3) | 0 (0.0) | | 3.83 | 0.64 |
| 3. The goods in your community enterprise are certified by the relevant governmental organization. | 4 (13.3) | 24 (80.0) | 1 (3.3) | 1 (3.3) | 0 (0.0) | | 4.03 | 0.55 |
| 4. You have a system to monitor and supervise members of your community enterprise. | 6 (20.0) | 19 (63.3) | 5 (16.7) | 0 (0.0) | 0 (0.0) | | 4.03 | .061 |
| 5. When there is a problem in the production process, you can quickly resolve | 4 (13.3) | 23 (76.7) | 3 (10.0) | 0 (0.0) | 0 (0.0) | | 4.03 | 0.49 |

| | | | | | | | |
|--------------|--|--|--|--|--|--|--|
| the problem. | | | | | | | |
|--------------|--|--|--|--|--|--|--|

Table 4: Factors in community enterprise management - Financial aspect factors

| Factors in community enterprise management | Level of Agreement | | | | | \bar{X} | S.D. |
|---|--------------------|--------------|------------|------------|------------|-----------|------|
| | Highest 5 | High 4 | Medium 3 | Low 2 | Lowest 1 | | |
| Financial aspect factors | | | | | | | |
| 1. Your community enterprise has sufficient working capital and reserves to operate its business. | 8 (26.7) | 20 (66.7) | 2 (6.7) | 0 (0.0) | 0 (0.0) | 4.20 | 0.55 |
| 2. Your community enterprise has a systematic and verifiable funding plan. | 12 (40.0) | 16 (53.3) | 2 (6.7) | 0 (0.0) | 0 (0.0) | 4.33 | 0.60 |
| 3. Your community enterprise is well planned for both short and long term. | 5 (16.7) | 23 (76.7) | 2 (6.7) | 0 (0.0) | 0 (0.0) | 4.10 | 0.48 |
| 4. Your community enterprise can anticipate pre-profits and adjust future cash flow plans. | 8 (26.7) | 20 (66.7) | 2 (6.7) | 0 (0.0) | 0 (0.0) | 4.20 | 0.55 |
| 5. Your community enterprise can solve all your financial problems efficiently. | 11 (36.7) | 18 (60.0) | 1 (3.3) | 0 (0.0) | 0 (0.0) | 4.33 | 0.54 |

6. CONCLUSION AND RECOMMENDATIONS

According to interviews and observations of 30 community enterprises in Bang-lane district, the problems and obstacles were as follows:

1. Marketing Problems. It is a problem for many community enterprises. As members of the community enterprise lack knowledge of marketing, sales management or marketing processes to analyze the real target groups of community enterprises.

2. Financial and accounting issues. Every enterprise in the community does not have a systematic accounting system because the sale of goods is routine. The capital used to sell is recycled. Without accounting, it does not make sense to find the true meaning of the enterprise community itself.

3. Problems with the use of information technology. Many community enterprises still lack of the technology and innovation in the production process. Some of them are used to develop goods and products of community enterprises. Because of the high cost of technology, the technology has been rethought in improving the production process.

In conclusion for the proposed problems and obstacles of the community enterprise. Researchers have organized business plan training for entrepreneurs of the community enterprises to develop the system of marketing, accounting, and also offering the business plan to enhance the business with financial institutions as opportunities for the expansion of community enterprises to be the SMEs in the systematic way in the near future.

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