



## Business Development of Women's Community Enterprises in Chiang Rai Province

### การพัฒนาธุรกิจของกลุ่มสตรีวิสาหกิจชุมชนจังหวัดเชียงราย

Patteera Burasakwararit<sup>1</sup>

<sup>1</sup>Master of Science ( Project Management) Chiang Rai Rajabhat University

พัทธ์ธีรา บุรศักดิ์วรารุทธิ์<sup>1</sup>

<sup>1</sup>วิทยาลัยการศึกษาด้านบริหาร สาขาวิชา การจัดการโครงการ มหาวิทยาลัยราชภัฏเชียงราย

### Abstract

The objectives of this research aimed to study the business capability and factors influencing success or failure in business development of the women's community enterprises groups in Chiang Rai Province, Thailand. The data was collected by employing the structured questionnaires with the respondent groups who were drawn out of 50% from 60 women enterprises purposively. The structured questionnaires were divided into three parts: (1) business capability, (2) influencing factors, and (3) suggestions on the market expansion. The statistics used for data analysis were frequency, percentage, mean, standard deviation, and Pearson product-moment correlation coefficient.

The results of the research were revealed that the most types of community enterprise were textile and clothing; majority of membership comprised between 21 - 25 members; and group monthly income was between 20,001 - 30,000 Baht. The business motivation on establishment of the women's community enterprises became concrete with knowledge and training provided by the government and other agencies, and also exposure through communication media especially television, books and magazine.



The capability building process in business development was tested correlation with elements of basic characters of the groups and found that training factor influenced on income factor. In addition, the overall business operation on business plan including marketing plan, financial plan, and human resource management plan was found at medium level which implied that the women's community enterprises in Chiang Rai Province could continue the business activities and in the meantime they should consider improving in marketing plan and financial plan. The result of correlation test among variables of business plan was proved that marketing plan affected on income factor. The result of correlation test for sub-variables of marketing plan was indicated that promotion which was the inner sub-variable of marketing plan was brought success to the business operation.

The proposed suggestion on the market expansion for distribution of goods and services of women's community enterprises in Chiang Rai Province should maintain the success factor of training which was proven by the evidence of income increasing.

**Keywords :** Business Development, Women's Business, Community Enterprises, Chiang Rai Province

### บทคัดย่อ

วัตถุประสงค์ของการวิจัย เรื่อง การพัฒนาธุรกิจของกลุ่มสตรีวิสาหกิจชุมชนจังหวัด เชียงราย มุ่งศึกษาสมรรถนะทางธุรกิจและปัจจัยอิทธิพลที่มีต่อความสำเร็จหรือล้มเหลว ในการพัฒนาธุรกิจของกลุ่มสตรีวิสาหกิจจังหวัดเชียงใหม่ประเทศไทย การจัดเก็บข้อมูลใน กลุ่มสตรีวิสาหกิจชุมชนร้อยละ 50 จากจำนวน 60 กลุ่ม โดยวิธีการคัดเลือกเฉพาะเจาะจง ใช้แบบสอบถามที่มีโครงสร้าง ซึ่งจำแนกข้อมูลออกเป็น 3 ส่วน ได้แก่ (1) สมรรถนะทาง ธุรกิจ (2) ปัจจัยอิทธิพล และ (3) ข้อเสนอแนะการขยายตลาด สถิติที่ใช้การวิเคราะห์ข้อมูล ได้แก่ ค่าร้อยละ ค่าความถี่ ค่าเฉลี่ย ค่าเบี่ยงเบนมาตรฐาน และค่าสัมประสิทธิ์สหสัมพันธ์ แบบเพียร์สัน (Pearson Product-moment Correlation Coefficient)



ผลของการวิจัย พบว่า ประเภทวิสาหกิจชุมชนส่วนใหญ่ ได้แก่ กลุ่มเสื้อผ้าและการทอผ้า จำนวนสมาชิกกลุ่มส่วนใหญ่ระหว่าง 21-25 คน โดยรายได้ของกลุ่มระหว่าง 20,000-30,000 บาทต่อเดือน มูลเหตุจูงใจในการจัดตั้งกลุ่มเกิดจากการแนะนำการให้ความรู้และฝึกอบรมจากหน่วยงานของรัฐและองค์กรอื่น และการเปิดรับสื่อการสื่อสาร โดยเฉพาะวิทยุ โทรทัศน์ หนังสือ และนิตยสาร

กระบวนการเสริมสร้างสมรรถนะในการพัฒนาธุรกิจจากการทดสอบค่าความสัมพันธ์ระหว่างองค์ประกอบตัวแปรด้านข้อมูลพื้นฐาน พบว่า ปัจจัยการฝึกอบรมมีอิทธิพลต่อปัจจัยรายได้ ในภาพรวมการประกอบธุรกิจที่มีองค์ประกอบแผนการตลาด แผนการเงิน และแผนการจัดการทรัพยากรมนุษย์อยู่ในระดับปานกลาง ซึ่งหมายความว่ากลุ่มสตรีวิสาหกิจชุมชนจังหวัดเชียงราย สามารถดำเนินธุรกิจต่อไปได้ ขณะเดียวกันควรทำการปรับปรุงแผนการตลาดและแผนการเงินพร้อมกันไปด้วย ส่วนผลการทดสอบระหว่างกลุ่มตัวแปรในแผนธุรกิจพบแผนการตลาดมีอิทธิพลต่อปัจจัยรายได้ ผลการทดสอบตัวแปรย่อยในแผนการตลาดพบการส่งเสริมการขาย ซึ่งเป็นตัวแปรย่อยภายในของแผนการตลาดมีผลต่อความสำเร็จในการประกอบธุรกิจ

การเสนอการขยายตลาดเพื่อการกระจายสินค้าของกลุ่มสตรีวิสาหกิจชุมชนจังหวัดเชียงราย ควรรักษาปัจจัยความสำเร็จด้านการฝึกอบรม ซึ่งมีผลต่อปัจจัยอิทธิพลด้านรายได้

**คำสำคัญ :** การพัฒนาธุรกิจ ธุรกิจกลุ่มสตรี วิสาหกิจชุมชน จังหวัดเชียงราย

### Definition of Operational Terms

**The Community Enterprises** mean business to improve the life of the community. They are different from private enterprise because their business activity is undertaken as a means of achieving community benefit, not private gain. Community enterprises have the potential to be larger scale, generate more jobs and return benefit to the community beyond those directly employed. They can be run as a whole owned cooperative or as a member-based association. In Thailand, community enterprises means that people of a rural community are involved and participate by sharing money and to set up the business, including production and sales, and that they use local materials in production (Petprasert & Wongkul, 2002 : 1-11).



Community enterprises are owned by people in the community and have knowledge sharing in all aspects of management, such as production, marketing, finance, and operations, and they are responsible for the effects of their management (Sakolnakorn, 2013).

**Women Entrepreneur:** Female entrepreneurs are defined as those who use their knowledge and resources to develop or create new business opportunities - whether this be informally in a home environment without formally registering their business or formally via business registration, hiring office premises, etc. - who are actively involved in managing their business, are responsible in some way for the day-to-day running of the business, and have been in operation for longer than a year

**Business Development** means the creation of long-term value for an organization from customers, markets, and relationships. Business development comprises a number of tasks and processes generally aiming at developing and implementing growth opportunities within and between organizations. The business developer is concerned with the analytical preparation of potential growth opportunity. Both in the development phase and the implementation phase, the business developer collaborates and integrate the knowledge and feedback from the organization's specialist functions, for example, research and development, production, marketing, and sales to assure that the organization is capable of implementing the growth opportunity successfully. The business developers' tools to address the business development tasks are the business model answering "how do we make money?" and its analytical backup and roadmap for implementation, the business plan. Skill sets and experience for business development specialists usually consist of a mixture of the following (depending on the business requirement):

- Sales
- Finance
- Marketing



- Mergers and acquisitions
- Legal
- Strategic management
- Proposal management or capture management

**Business Capability** is the expression of the articulation of the capacity, materials and expertise an organization needs in order to perform core functions. Enterprises architects use business capabilities to illustrate the over arching needs of the business in order to better strategize solutions that meet the business needs. Business capabilities are sometimes confused with other concept in business process management such as business process and business functions. Business process describes the methods and organization employs in order to provide and leverage business capabilities. Business functions describe the roles that individuals and units within the business play in regards to meeting business objectives. Therefore, a business capability defines "what" a business does at its core.

**Market Expansion** means the process of offering a product or service to a wider section of an existing market or into a new demographic, psychographic or geographic market. Given a fixed marketing budget the firm must also divide how to relocate its efforts among different markets served. One can conceive of two majors and opposing strategies for making these decisions: market diversification and market concentration. The first strategy implies a fast penetration into a large number of markets and diffusion of efforts among them. The second strategy is based on concentration of resources in a few markets and gradual expansion into new territories. In expanding the market of the Women's Community Enterprises in Thailand, several issues need to be addressed such as accounting knowledge, packaging design, and marketing management skills, which all are prerequisite as a condition especially provision of training for improving business capability of the Women' groups.



## Introduction

While appreciating that the global inter-connectedness of all societies is vital, it is equally important to understand the imperative of acting at the local level. Value creation and innovation through local business development are essential means for the alleviation of poverty and preservation of the natural environment. But the employment of business development as a means to overcome poverty requires an understanding of the specific socio-economic environment in which that development is to take place (Peterson 1998, Ana Maria Peredo & James J. Chrisman, p.3).

A community enterprise is a type of business development to meet a need in a community. While a mainstream business seeks to maximize profit for owners and shareholders, a community enterprise aims to deliver social outcomes through its activities in a way that is financially sustainable (Introduction to Community Enterprise, 2011).

Ascending to Zaharah Hassan and Abu Daud Silong (2008), women have long been the mainstay of communities and are heavily involved in community initiatives in various forms. Though often the unsung heroes of community action, women's role in community development has become increasingly important. In some communities, they have established themselves as leaders in community development and acquired the skills that have brought positive change to their communities.

### **THE COMMUNITY ENTERPRISE IN THAILAND**

During the late 1980's, the National Social Economic Development Plan of Thailand had been extended towards diversification of economic activities including non-agricultural activities such as handicrafts and agricultural related business. Despite the fact that three leading departments from Ministry of Industry, Ministry of Agriculture and Agricultural Cooperatives and Ministry of Interior had involved in setting up women's groups and



farmers' housewives groups, the community group business were not yet strongly emphasized during the late 1980's (Panthasein and Zuzuki, 2003; NESDB, 2005). After economic crisis in 1997, the Thai government reconsidered the rural sector as a sector to absorb urban unemployed laborers on their returning home. Several policies and measure were realized for economic recovery based on the grass-root economy concept. To restore employment, production of micro, small and medium enterprises (MISMEs) as well as rural community ones was targeted (Sriboonchitta & Wiboonpongse ID 1010, p.5-6)

Over the last ten years, community enterprise has gained momentum as a strategy to assist in the development of sustainable communities, particularly in disadvantaged neighborhoods in need of renewal. Individuals and groups in rural communities across Thailand have established community enterprises in response to identifiable community need.

#### **WOMEN'S COMMUNITY ENTERPRISE IN CHIANG RAI PROVINCE**

The women's enterprise groups in Chiang Rai Province were still conformed with the Government Act of Promotion of the Small and Medium Community Enterprise (SMCE), (2005) that community enterprise refers to the integration of community members forming into group comprising seven or more people to work on activities related to consumption, resource management and community management. The ultimate goal of consumption, resource management and community management is to generate revenues and achieve self-reliance in families, communities, and between communities, in order to foster a sense of initiatives and creativity.

Chiang Rai is the province located in the northern part of Thailand, Chiang Rai province is divided into 18 Districts, 124 Sub Districts and 1,751 villages, with 1,227,317 total population. As of B.E 2552, there are 2,625 groups registered as community enterprises which had been categorized into 2 major functional groupings; Products grouping and Services grouping and



both are at present in operational on-going 23 activities comprising food processing products, textiles and clothing products, wickerwork products, artificial flowers products, herbal products, beverages and other products. (data from Chiang Rai Agriculture Office; Overview of the province). The potential 2,229 groups or 84.91% (as of registered).

In the mean time, data from Chiang Rai Community Development Office has divided the community enterprises into 5 groups according to the performing activities. These include namely; General Utilities, Beverage, Textile and Clothing, Herbs, and Food. There are 288 community enterprise groups and out of these are 60 women groups. (data online from [www.doac.go.th](http://www.doac.go.th), B.E. 2552)

Therefore, the researcher is interested to study how to develop the business capability of women's community enterprises and the factors influencing the success or failure in business of women's community enterprises in Chiang Rai Province, in order to provide possible suggestion for market expansion of women's community enterprises in Chiang Rai Province.

### Objectives

The title of this research is "Business Development of Women's Community Enterprise in Chiang Rai Province". The objectives (of the research) are as the following:

- 1) To study the business capability development of women's community enterprise in Chiang Rai Province.
- 2) To study the success or failure factors on marketing plan, financial plan, and human resource management plan that influencing in the business operation of women's community enterprise in Chiang Rai Province.
- 3) To propose suggestion on market expansion of women's community enterprise in Chiang Rai Province.



### Statement of the Hypothesis

- 1) The capability in business development factor has an effect on success of business operation of the women's community enterprises.
- 2) The business plan factor of the women's community enterprises has an effect on income as the successful business operation.

### The Conceptual Framework of the Research

There are several theories that could be formulated into this research conceptual framework as follows.

**A business plan has two primary functions :** (1) to provide a clearly articulated statement of goals and strategies for internal use and (2) to serve as a selling document to be shared with outsiders. The business plan tells a story that starts in the here and now and builds believably toward a better future (Justin G. Longnecker, Carlos W. Moore and J. William Petty, 2000). The business plan remains the standard for describing the business in detail. The business plan takes all the elements introduced so far and includes them in a complete description of the major elements of the business. When you going into an imitative business, your business plan can be shortened considerably. (1) helping people understand how it work, (2) showing them how they would use it, (3) estimating how many people would want it, and (4) estimating how much they would be willing to pay for it (Jerome A. Katz and Richard P. Green, 2013).

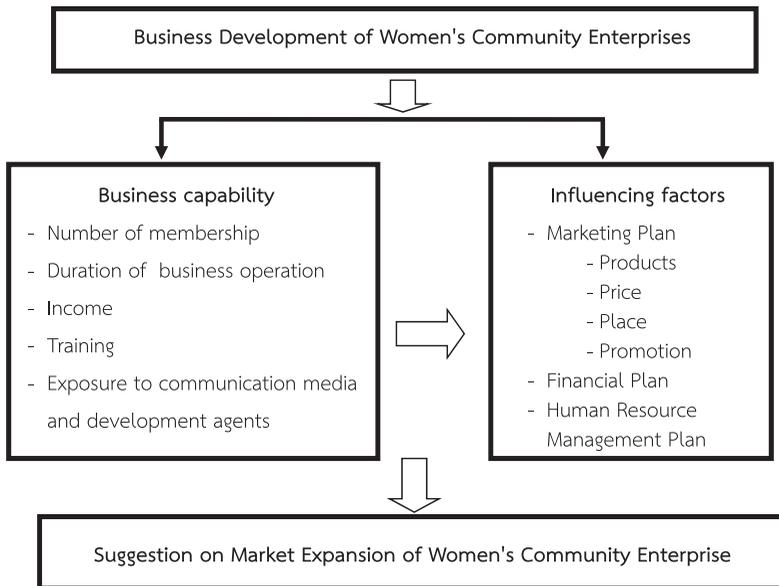
**The marketing plan,** A key aspect of marketing is the analysis and research phase, when marketers attempt to understand what it is that consumers want. The aim is to try and identify particular consumer segments whose needs can be met. However, marketing analysis runs up against intangibles such as consumer buying behavior, which can be understood in general terms but cannot be predicted exactly. Having defined a segment, the marketer must then develop a strategy to meet that



segment's needs. The classic four elements of marketing strategy are product, price, distribution channel and communication or promotion. All these need to be managed in harmony with one another. At the heart of marketing is the principle of consumer sovereignty, which insists that all marketing is focused towards meeting consumer needs (Malcolm Warner, 1977).

With this theoretical framework, that importantly related to women especially the women solely are the entrepreneurs in operating community enterprises. Therefore, the researcher selected factors which were often found significantly related to Business Development of Women's Community Enterprises in Chiang Rai Province which is delineated as follows:

Figure 1. The Research Conceptual Framework



Source: Original Research, Patteera Burasakwararit, 2016



## Methodology

The research on Business Development of Women's Community Enterprises in Chiang Rai Province is focusing on the women's community enterprise influencing factors to business capability and the process of business development.

This research was based on the survey of women's community enterprise through the investigation into the capability in business development, and the factor that influencing success or failure in business operation in Chiang Rai province, Thailand. The questionnaires administered to the respondents were structured and divided into three parts; (1) Business capability, (2) Influencing factors, and (3) Suggestion on market expansion. The statistical tools for analyzing the data were frequency distribution, percentage, mean, standard deviation, and Pearson product-moment correlation coefficient. The acceptable levels of significance were set at 5 per cent (\*) and 1 per cent (\*\*). The measurement of Attitude Scale, the researcher used the Likert-Type Scale to determine the Business Development Scale of Women's Community Enterprise in Chiang Rai Province, Thailand.

The population and sampling size was purposively selected and the questionnaires were distributed to 150 committee were mainly comprised of 30 women's group. Table 1 shows selection of the group committee from four types of community enterprises in Chiang Rai Province.

**Table 1.** Type of Community Enterprises Operated by the 30 Women Groups Comprising Selected 150 Committee in Chiang Rai Province.

Type of Community Enterprises	Frequency
1. Food and food processing	30
2. Beverage	5
3. Textile and Clothing	85
4. Handicraft and Wood working	30
<b>Total</b>	<b>150</b>



The Business Development of Women's Community Enterprise of Chiang Rai Province is focusing on the woman's community in Chiang Rai Province, located in 7 districts in Chiang Rai Province are Muang district, Weang-Chai district, Phan district, Meachan district, Mea-Suey district, Weang-Pa-Pao district, and Meafahluang district.

### Conclusion

The following are concluded according to the direction of the research objectives:

**Objective 1 : To study the capability process in business development of women's community enterprises in Chiang Rai province.**

The research was conducted on purposively selected 30 women groups out of 60 groups operating community enterprises on active income generating activities. The majority of women groups were textile and clothing accounted for 56.7 percent, 70% of the group working from 7 years to over a period of 10 years, lumping into group of membership found members comprising between 16 to 25 members with 76.7% and about one-third of the entire groups earned monthly income between 40,001 to over 50,000 Baht. The motive in the business has been introduced to promote knowledge and training from the government and other agencies, and some have obtained knowledge through the media that majority can apply to the business especially television.

The results of tested the elements of the group's basic information that could enable the women's community enterprises has proven the evidence that Training Factor has an influence on Income Factor and also if the remaining elements had been brought into consideration for an increasing capability in the business development. These will be the supporting factors of the successful business operation of the Women's Community Enterprises in Chiang Rai Province.



**Objective 2 : To study the successful or failure factor in business of women's community enterprises in Chiang Rai province.**

The successful or failure factors in business of the Women's Community Enterprises had depended on 3 important elements comprising Marketing Plan, Financial Plan and Human Resource Management Plan.

The result of the study revealed the overall influencing factors as the determinant of success or failure in business operation of the women's community enterprises which was found that Human Resource Management Plan had shown the operation of business capability at high level ( $\bar{x} = 2.63$ ) and also found medium level at Marketing Plan ( $\bar{x} = 2.29$ ) and similar medium level at Financial Plan ( $\bar{x} = 1.78$ ). The overall business operation of the women's community enterprises was equated at medium level ( $\bar{x} = 2.23$ ), implying that to a certain extent the women's community enterprises in Chiang Rai Province could continue the business activities and in the meantime there should be some consideration for an improvement in marketing plan and financial plan, whether by rendering technical services from the involved government or other agencies.

Business Plan factor of the Women' Community Enterprises has an effect to successful business operation. Importantly, if Marketing Plan factor has been taken into consideration in enhancing the capability in business development, it will have an effect on an increasing income of the group, implying that all other factors should have the capability to increase income accordingly.

The sub-variables of Marketing Plan which have an effect to successful operation of the Women's Community Enterprises, it was found that when controlling other variables to constant value, except Promotion sub-variable has shown an influence towards an Income with significant level at .01 by which Promotion sub-variable indicates an influencing value equal to 0.691. If increases Promotion to 1 standardized unit, it could have increased an



income to the business to 0.691. This implies that all other variables will be able to predict the increasing income up to 69.1 percent.

According to the aforementioned result of the study, it can be concluded that Promotion is the inner sub-variable of Marketing Plan and has brought success to the business operation of the Women's Community Enterprises. Therefore, all other variables should have a change to increase capability in order to be the supporting factors to the success of business operation.

**Objective 3: To propose suggestion on market expansion of women's community enterprises in Chiang Rai province.**

From results of tested Proposition 1 and Proposition 2, it can be predicted that Market Expansion of Women's Community Enterprises in Chiang Rai province should maintain the success factor of Training which has proven the evidence that has an influence on Income Factor. In the mean time, Promotion is the inner sub-variable of Marketing Plan which has an influence on Income Factor and has brought success to the business operation of the Women's Community Enterprises. Marketing Plan Factor, is very important and if has been taken into consideration in enhancing the capability in business development, it will have an effect on increasing income of the group, implying that all other major factors; Financial Plan Factor and Human Resource Management Plan Factor should have the capability to increase income accordingly. These all are successful factors, as mentioned, will lead to the market expansion of the Women's Community Enterprises in Chiang Rai province.

In overall conclusion, as gleaned over from the results of stated objectives had indicated that the women's community enterprises in Chiang Rai province could increase capability in the business development through provision of training. In the meantime, simultaneous improvement in



Marketing Plan and Financial Plan as were part of the services rendered by the involvement of government and other agencies should be brought for consideration. The suggestion on Market Expansion of women's community enterprises in Chiang Rai province should be emphasized on Promotion, the inner sub-variable of Marketing Plan, which is the significant factor for operation of successful business.

### Discussion

Strengthening the business capability was found in all three areas; 1) Marketing Plan, (2) Financial Plan, and (3) Human Resource Management Plan. The results of the research has found both success as well as failure with the overall was found at medium level in business operation, implying that there will be some consideration for improvement while working on business activities of women's community enterprises in Chiang Rai Province.

Propose suggestion on market expansion of women's community enterprise in Chiang Rai Province to training method should be encouraged to expand the market, market share and networking within the province and outside the province.

1) The entrepreneurial communities will require patience, diligence and integrity is important to work together in the form of business organization. Business relies on the integrity of operations, including the operation and integrity of consumer products to increase reliability and will result in increasing earning capability.

2) The entrepreneurial communities will need new strategies of how to promote and expand the market for market share and should find a way to set the positioning of the product to be more interesting.

3) The entrepreneurial communities are required to maintain the production of goods is always to reassure consumers increasingly with its competitors in the same manner and will have to look for new opportunities



to use the strengths of the existing grab the opportunity to get ahead of their competitors in order to continue growing and strong.

4) The entrepreneurial communities should be looking for opportunities to build a network of business, both within the province and outside the province by developing a network for collaboration between government, private and public organizations that provide the flexibility and professionalism management serves as the central coordinating link and push the movement to increase productivity. To promote the link between industrial production in the industrial training entrepreneurs in management technologies and increase investment in research development at the national level to a concrete and practical efficiency continuously.

### Recommendation

The followings are recommended subjects for further study:

1) The study of social expectations that limit opportunity for rural women to increase entrepreneurship and earning capability in Chiang Rai province and elsewhere in the Upper Greater Mekong Sub-region countries.

2) The study of rural women business owners a chance of access to formal credit and financial institutions in Chiang Rai province and elsewhere in the Greater Mekong Sub-region countries.

3) The study of innovative and leadership capability of the Women's Community Enterprises that located in clusters which are in the better positions to innovate than their dispersed counterparts.

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