THE RAISE STANDARDS FOR PRODUCTION MANAGEMENT THAT CECONOMIC GROWTH FOR OTOP GROUP ON LOCAL WISDOM

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Abstract- This paper presents the Model of successful small village entrepreneurs whose products received 3-5 stars under the One Tambon One Product (OTOP) committee. The OTOP entrepreneurs from four border province; Samutsakhon, Samutsongkhram, Petchaburi andPrachuapkhirikhan 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 OTOP 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.

Keywords- Successful Small Village, Entrepreneur, One Tambon One Product (OTOP).

I. INTRODUCTION

OneTambon One Product(OTOP) project in Thailand adopted from One Village One Product(OVOP) project of Japan. The main objectives of the projects are to create jobs and income communities, to promote the communities development using local wisdom and self-reliance. OTOP product is based on localmaterials and creativities. Under this project, therewere totally 37,840 OTOP producers and 13,970 products in the products championship contest in 2006 (MicroEnterpriseStrategiesDepartment,2009). The government have been a major supporter of the products from provincial product development to global product distribution. The product standard is classified as1-5 level. The qualitylevelisratedas3-5stars which have 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 OTOP 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. The objective of this study is to investigate the common characteristic of successful OTOP entrepreneurs and business related-community using four central provinces as an investigation object. The finding of the study would provide an inside knowledge and serve as a guide line to develop the same trait in other areas.

II. METHODOLOGY

The study focused on the successful small village entrepreneurs whose products were rated3-5stars. The products are divided into five categories; food, beverage, fabric, decorative items and souvenirs, and herbal products. The 19 of 245 entrepreneurs in four central border provinces, Samutsakhon, Samutsongkhram, Petchaburi and Prachuapkhirikhan were selected using the stratified and omsampling. Toobtain details about their Model, the group 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 within-depth interview. The topic of interviewing consisted off our sections; business background, business and community relationship, product development approach and success factor. The data were analyzed to find out theModel ofsuccesscase thatrelated to the originalcommunity.

III. RESULTS AND DISCUSSION

3.1. Overview of the Respondent

Business Background: The respondents were selected from the registered OTOP entrepreneurs whose productswereratedas3-5starsin2009. The frequency and percentage of respondents in each product categories were shown intable1. The majority product categories are food(41.5%), decorative items and souvenirs(25.2%), herbal products(14.7%), followed by beverage and fabric(9.5%). In term of the business type, there are 36.8% of community based-enterprises (CBEs), followed by 31.6% of single owner enterprises and private company or partnership enterprise. For the financial source of respondents, there were 3type of capital as private(52.7%), partnership (36.8%)and private and loan (10.5%). The term of operation were 6-10years, 1-5 years, 11-20 years and over 20 years length accounted for 36.8%, 26.3%, 21.1% and 15.8% respectively. For the length of registered and engaged under OTOPproject,therewas11-20 years (42.1%),1-5 years(31.6%) and6-10years(26.3%). in Table 1.

Table 1: Business Profile

Province	**(%)**
Samutsakhon	26.3
Samutsongkhram	47.4
Petchaburi	15.8
Prachuapkhirikhan	10.5
Total	100
Type of Business	
Single owner enterprise	31.6
Community based-enterprises (CBEs	36.8
Private company / partnership enterprises	31.6
Total	100
TermofOperation	
1-5 yrs.	26.3
6-10 yrs.	36.8
11-20 yrs.	21.1
>20 yrs.	15.8
Total	100
Type ofProduct	
Food	41.5
Beverage	9.5
Fabric	9.5
Decorative items and souvenirs	25.2
Herbalproducts	14.7
Total	100
FinancialSource	
Private	52.7
Partnership	36.8
Private and loan	10.5
Total	100
Length ofRegisteredOTOPProject	
1-5 yrs.	31.6
6-10 yrs.	26.3
11-20 yrs.	42.1
Total	100

Business and Community Relationship: To study character is tic 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 (89.5%). Regarding product and community relative it was 94.7% of product distinctive when 47.4% both product and community were distinctively. About47.4% still maintain the production process as previously.Considerthemotivationforstartingnewbusiness;itisdividedto5types,relatedexperiences, family business,previousjob,trainingandspecialinterested.Itwasfoundthatthenewbusinesswas established because of related experiences and family business (63.2%), special interested (47.4%), training (31.6%) and previous job (21.1%). It was noticed that there was one entrepreneur got all types of the starting business.

Table 2: Business and Community Relationship

PhysicalCharacterofCommunity	**(%)**
More than50%	89.5
Less than50%	10.5
PhysicalCharacterofCommunity	10.5
Total	100
ProductMethodology	
To remain the process less than50%	52.6
To remain the processmore than50%	47.4
Total	100
Productand CommunityRelative	
Distinct Product	94.7
Distinct community	0.0
Product and community Distinction	5.3
Total	100
Business Starting	
(Respondent can select more than 1 choice)	
Related experiences	63.2
Familybusiness	63.2
Previous job	21.1
Training	31.6
Special interested	47.4

Production and Marketing: In the product development, most entrepreneurs, 47.3%, investigated and processed by themselves, 42.1%, self-development and further development from others and 10.5%, only further development from others. The number 15 out of 19 cases or 78.9% used the fifty percent of raw materials from local. With regard to labour, it was found that about half of entrepreneurs or 52.6% hired workers. For marketing, all entrepreneurs used the official channels as OTOP city and marketing by themselves.



Fig 1. OTOP Product

Success Factor: Factors affecting success were divided into3 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 (84.2%), followed by creativity (68.4%), diligence (68.4%), and patient and attempted (63.1%). In the production, most entrepreneurs concerned about quality control (84.2%) and continuity of new product development (68.4%). All entrepreneurs have been receiving support from the government.



Fig 2. Focus Group

3.2 Success Case 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 OTOP projects. The period time of business operation was excess10 years. Nevertheless, all business was a first generation orpioneerage.

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 labour and product raw material. One case, there was only group of skill labour in the family for setting the community-based enterprise.

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. Toconsider 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 success ful are often located in or nears ources 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 maybe raised by members. After business grown, the funding is required. It was found the loaning from financial institutions.

In the case of a success story, all of them focused on quality through out the production process since the selection of raw materials, production and delivery to customers andtakinginto accountboth 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. They also had understood in the product position and its market. The market did not come from learning about marketing or marketing management courses. It was learned by experience and continuous improvement. Moreover, the marketing experiences were received by exchange between group in exhibition show and trade fair. All entrepreneurs agreed that the government driven particularly in the OTOP City fair, which is significant support and promote products.

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.

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.

Goals and The Goals for the Future: All entrepreneurs are enthusiastic and never stop doing business. Nevertheless, along-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.

Characteristics of Entrepreneurs: The findings in the entrepreneurs were a strongly experience through all the hard ship sin life. All of them have a good relationship, creativities, to accept the changes and does not stop with their business.

ACKNOWLEDGMENTS

The authors have to thanks for the Office of Small and Medium Enterprises Promotion (OSMED) for fund this research project.

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