

# STRATEGIC MANAGEMENT PLAN: A CASE OF SMALL BUSINESS

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## ABSTRACT

In fact, strategic management, in a large perspective, was developed mainly for large organizations because of its complexity. However, the majority of business which are the driving force of economy in Thailand are small businesses. Moreover, the government also have a national plan to promote the growth and the success of small business and small firms. Therefore, it is imperative to consider strategic management in a small scale and in the limited application for small business and small firms. The aims of this research were to understand the concepts and scope of strategic management for small business and small firms as well as to offer a suggestions for a sustainable growth for small business and small firms.

In order to find the answers for this research objectives, a qualitative research study was conducted which was done by using an in-depth interviewing with 12 informants. Six of them were the managers of small business and another six of them were academic and policy makers who involved with the work of small business and government policy. Participants were asked to provide information on strategic growth and success for small business, demographic information, their comments and opinions of strategic growth and success for small business. Contextual analysis and both primary data and secondary data from focus group and findings of many researches were used for data analysis and generated findings. The result of this study revealed that the strategic growth and success of small business include key success indicators of each type of small business. However, key success indicators often related to the characteristic traits of the owner or entrepreneurship of small business. The key success indicators included leadership, communication skills, risk-taking, people skills, and hard working. In addition, the strategic management plan must be built on an organization's unique purposes.

**Keyword:** Small Business, Strategic Management, Key Success Indicators, Policy

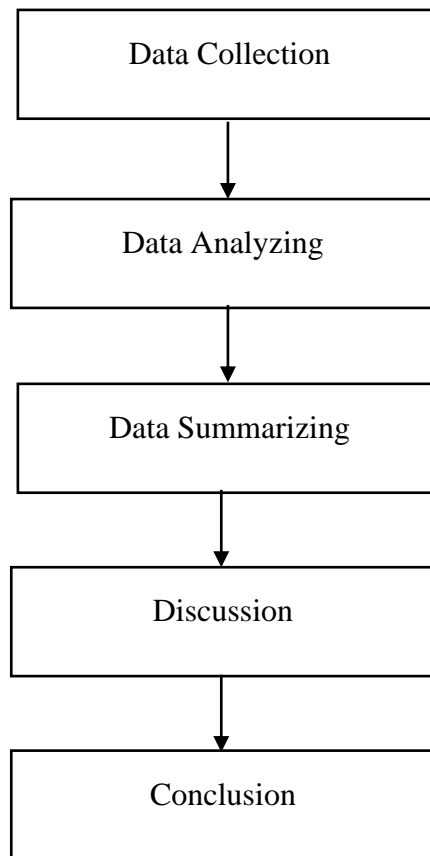
## Introduction

For many decades, small business is a very important part of Thai economy. Most of many managers have been learning to play by its set of rules. Small business must be flexible to respond rapidly to competitive and high speed of market changes. They need to benchmark regularly to achieve best practice. For small business nurture, only a few core competencies to stay ahead of its rivals. But the fact is that small business competition, rivals often can copy any products and services easily. Therefore, any competitive advantage the small business may have will be temporary. Moreover, small business in the modern world of business needs to be lean and be able to move and change as quickly as possible. Small business in Thailand have been known for high rate of failures. The problem of failure means there may be the real need for proper strategic management plan. In the past, operational effectiveness and leadership of entrepreneurship is often enough for their success. Nowadays in the highly competitive world of business, small business competes with not only domestic competitors but also regional and international competitors. Small business needs to quest for productivity, quality, and speed. Michael E. Porter (2011) explained that operational effectiveness is necessary but not sufficient.

## Research Methodology

In order to offer the vital answers for this research, the use of a qualitative research study was utilized. The study was conducted by using an in-depth interviewing with 12 important informants who were the experts in this areas with a long experience. In fact, six of them were the selected from a pool of managers of small business while another six of them were selected from a pool of academics and policy makers who were involved with the work of small business, growth if economy, and government economic and business policy. Participants of this study were asked to provide information, comments, and their views on strategic growth and success for small business, demographic information, their comments and opinions of strategic growth and success for small business. Also, contextual analysis and both primary data and secondary data from focus group, concepts, and ideas of many researches were used for data analysis and generated findings.

Fig. 1 Research Framework



## Findings

The important result of this study revealed that the strategic growth and success of small business include key success indicators of each type of small business. However, key success indicators often related to the characteristic traits of the owner or entrepreneurship of small business. Success of strategic management is vital to social and economic success of Thailand. The ramifications of the success will mutually benefits stakeholders and organizations. To be sustainable of its success, strategic management must be implement with an uncommon commitment responsibility of the organization to protect and enhance the social welfare. The key success indicators included leadership, communication skills, risk-taking, people skills, and hard working. In addition, the strategic management plan must be built on an organization's unique purposes.

In fact, the aims of operational effectiveness and strategic management are essential to superior performance, which is the main focus of small business as well as large business. Small business enterprises can outperform its rivals if it can offer difference products and services that make customers satisfied with greater value to customers and also if small business enterprises can preserve the difference. With superior strategic management and perform business activity more efficient than rivals, there will be superior performance and finally superior profitability. Small business needs better but smaller strategic management technique that can help them to perform many similar activities today better than that of the past. Differences in success of small business can be the results of many different factors. Many different small business can have different keys of success and faces with many different kinds of competitors and different environments.

In fact, strategic management, in many different perspectives, was actually developed to implement mainly for major companies due to its sizes and its complexity. However, the majority of major industries which are the driving force of prosperity and social economy in Thailand are small and medium businesses. Therefore, it is to create vital strategic management that work for these small and medium businesses. Moreover, the Thai bureaucratic and government official policy also need to develop and enhance a national economic and social plan to promote the growth and the success of small business and small firms. Therefore, it is vital to develop and promote strategic management in a small scale and in the limited application for small business and small firms successfully. It is necessary to understand the concepts and scope of strategic management for small business and small firms in order to offer conclusive implement for strategic management for small business.

## Suggestions

One of the important focus of successful small business is to understand that strategy for small business is a deliberate search for a proper plan of action that will develop competitive advantage and compound it to the future. Competitive can be considered as being better and being differences. Then, the different between your organization and your competitors are the basis of your advantages. Whereas the similarity between your organization and your competitors are the basis of your improvement which means you need to be better in the similarity. Effective strategies for small business may center on low-cost leadership, best quality services, technical uniqueness,

and focus on something valued to customers. Different types of small business may require different effective strategies for small business. Therefore, it is vital to search for the best strategic management that can apply to its own environment, problems, and solutions.

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