

The Characteristics of SME Entrepreneurs who are Successful in the Lower Northeastern Area 2*

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Abstract

This research aims to 1) study characteristics of successful entrepreneurs in the manufacturing sector, the trading sector, and the services sector in the lower northeastern area 2, 2) study correlations between characteristics of entrepreneurs and the business success. The samples used for this research are entrepreneurs of small and medium enterprises (SME) in the manufacturing sector, the trading sector, and the services sector in the lower northeastern area 2: Ubon Ratchathani, Srikaket, Yasothon, Amnatcharoen provinces. Moreover, 244 SME entrepreneurs are selected. Results of this research are found that 1) characteristics of entrepreneurs that support their successes are in the highest level. The first three respectively successful characteristics are clearly own business concepts, self-confidence, and determination to success. For discussing each sector, it is found that entrepreneurs in the manufacturing sector have characteristics which encourage the success at the highest level. Followed by entrepreneurs in the trading sector and the services sector have characteristics which encourage the success at the high level. 2) All ten characteristics of SME entrepreneurs in the lower northeastern area 2 have the positive relationships with the success included both an overview and each aspect at the significant level of .01.

Keywords: Characteristics of Entrepreneurs, Success of Entrepreneurs, Small and Medium Enterprises, Lower northeastern area 2

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Introduction

SME entrepreneurs are the important key to operate the business success. The business success measurement can be appraised with various ways such as the increased customer satisfaction, the expanded market, the increased variety of goods, the better organizational system, the good management system, and the good financial administration system (Martin, 2010; Anderson, 1996). Studying concepts and research related to characteristics of entrepreneurs that affected the success of SME. Arasawai et al. (2012), Chalermthai (2009), and Zhao (2005) attempted to justify the importance of an innovation affecting entrepreneurs. Entrepreneurs played a crucial role for the innovative development process, and it was likewise an innovation played a key role for being successful entrepreneurs. As a result, entrepreneurs developed creative behaviors and business management guidelines (Byrd, 2001). In addition to an innovative ability, entrepreneurs had to have characteristics of a teamwork leadership, an organizational leadership, and a social creator (Lin, 2000; Scarborough, 2003). It indicated that characteristics of entrepreneurs were often visionary, opportunistic, innovative, the risk management that comprised a mastery experience, a vicarious experience, and a social experience (Chamonman et al., 2000; Chamchanchanok, 2011; Kaweera, 2011; Ubolsri, 2003). Characteristics of successful entrepreneurs had to dare the risks, to strive own successes and goals, to create new ideas, to convince people, to be diligent and work hard, to learn from previous experiences, to be a good leader and have administrative abilities, to be self-confidence, to be wide visions (Rungrerdkriangkai et al., 2003; Ophasanon, 2000), to be responsibility, to have internal control abilities, to be enthusiasm, to get continually additional knowledge, to dare the decision making, to have abilities of thinking and analyzing, to utilize opportunities and resources in the business context (Maojai, 2008; Ophasanon, 2000), to be a work independence, to be self-sufficiency, to have ability of dealing with alliances, to save for the future, and to be honest. However, it notices that the research relating to characteristics of entrepreneurs in Thailand and other countries often studies an overview. Such related research in the provincial group has not been studied yet. To study the relationship of characteristics of entrepreneurs in the lower northeastern area 2 and the business success can be a guide line for government organization to prepare appropriate supporting for SMEs. Whereas, there are few researchers study the relationship between characteristics of entrepreneurs in the lower northeastern area 2 and the business success.

Therefore, the researcher is interested in studying characteristics of entrepreneurs in the specific areas in order to explicitly get characteristics of successful entrepreneurs in the lower northeastern area 2: Yasothon, Sisaket, Amnatcharoen, and Ubon Ratchathani provinces. In addition, the discovered knowledge from this study is appropriately suggested to entrepreneurs in these areas. From literature reviews and such related research, the researcher can summarize characteristics of entrepreneurs that support to be most successful with the first ten characteristics: 1) determination to success, 2) self-confidence, 3) clearly own business concepts, 4) systematic approach, 5) financial management ability, 6) marketing ability, 7) visions for future competition, 8) good support, 9) coordinated skills, and 10) good organization and also study the relationship of characteristics of entrepreneurs in the lower northeastern area 2 and the business success.

Objectives

1. To study characteristics of entrepreneurs in the manufacturing sector, the trading sector, and the services sector that are successful in the lower northeastern area 2
2. To study correlation of characteristics of entrepreneurs in the lower northeastern area 2 that affect the business success

Conceptual Framework

Independent Variables

1. General information of enterprises: 1) types of enterprises, 2) the operational duration, and 3) current investment values
2. Characteristics of successful entrepreneurs consist of: 1) determination to success, 2) self-confidence, 3) clearly own business concepts, 4) systematic approach, 5) financial management ability, 6) marketing ability, 7) visions for future competition, 8) good support, 9) coordinated skills, and 10) good organization

Dependent Variables

The operational abilities for successful enterprises comprise five aspects:

1. Profits that continuously increase
2. Debt payment that continuously increases



3. Sales that continuously increase
4. Amount of new customers that increase in the past three years
5. Employment that increases in the past three years

Research Methodology

1. Population and Samples

Population used for this study is 116,822 SME entrepreneurs in the manufacturing sector, the trading sector, and the services sector in the lower northeastern area 2: Ubon Ratchathani, Srisaket, Yasothon, and Amnatcharoen (Office of SME Enterprises Promotion, 2012: 39). The sample size is computed by using a formula (Srisa-ard, 2000), and then 240 samples are selected by the purposive sampling that is the data gathering from SME entrepreneurs with defined business characteristics of Department of Industry Promotion in 2000.

2. Tool

Tool used for this study is a questionnaire divided into three parts. The first part, the general information of enterprises consists of types of enterprises, the operational duration, types of registration, the registered capital (excluding land), investment values, employment, and the annual report in the last year. The second part, a questionnaire about characteristics of successful entrepreneurs comprises ten characteristics. The answers are divided into five rating scales: 5 means 'most', 4 means 'often/more', 3 means 'often/moderate', 2 means 'not much', and 1 means 'least'. The last part, a questionnaire about the success of running their own businesses comprises five rating scales: 5 means a 40% increase or more, 4 means a 31-40% increase, 3 means a 21-30 % increase, 2 means a 11-20% increase, and 1 means a 1-10% increase. In addition, tool used for this study is evaluated by trying it out with 50 non-samples. As a result, its confidence value for successfully operational ability is 0.9326, and an entire confidence value is 0.9206.

Data Analysis for Testing Hypotheses

The Hypotheses Testing

Ten characteristics of SME entrepreneurs in the lower northeastern area 2 correlate to the business success with five aspects: 1) profits that continuously increase, 2) debt payment that continuously increases, 3) sales that continuously increase, 4) amount of new customers that increase in the past three years, and 5) employment that increases in the past three years.

Results

The First Part, General Information of Samples, the general information analysis of 244 samples is found that most of the samples live in Ubon Ratchathani, 104 cases (42.6%). There are 90 cases (36.9%) in the manufacturing business type, 84 cases (34.4%) in the services business type, and 70 cases (28.7%) in the trading business type. Most of the samples have run their own businesses for more than ten years, 109 cases (44.7%). Moreover, most of the enterprises are the general registration, 175 cases (71.7%), and enterprises are the registered capital with no more than 50 million Baht, 220 cases (90.2%). Enterprises have the current investment values between 1 and 5 million Baht, 44 cases (18.0%). Enterprises have employed with no more than 3 employees, 75 cases (30.7%), and in the last year, enterprises could obtain the profits, 224 cases (91.8%). The results are as follows:

Table 1 An average of characteristics of entrepreneurs classified by the business types

Characteristics of entrepreneurs	The business type (\bar{x})			
	Manufacturing	Trading	Services	Total
Determination to success	4.0767	4.1143	4.0794	4.0847
Self-confidence	4.3259	4.2000	4.2460	4.2623
Clearly own business concepts	4.2778	4.3429	4.3690	4.3279
Systematic approach	3.9000	3.9048	3.8135	3.8716
Financial management ability	3.9815	3.8714	3.8452	3.9030
Marketing ability	3.9296	3.9667	3.8651	3.9180
Visions for future competition	3.8185	3.8190	3.7143	3.7828
Good support	3.7889	3.7000	3.6627	3.7199
Coordinated skills	4.0778	4.0333	4.0556	4.0574
Good organization	3.8852	3.8667	3.8532	3.8689
Total average	4.0062	3.9819	3.9504	3.9796

From table 1, an overview of characteristics that supports to be successful is in the highest level. The first three characteristics are clearly own business concepts, self-confidence, and determination to success (The averages are 4.3279, 4.2623, and 4.0847 respectively). According to the business type, characteristics that help to be successful are in a high level



('often/more'). Total average is 3.9796 and sorted by the business type as follows: the manufacturing business type, the trading business type, and the services business type (Total averages are 4.0062, 3.9819, and 3.9504 respectively). Moreover, discussion of the business type can inform details as follows:

The manufacturing sector, an overview of characteristics of entrepreneurs that supports to be successful is in the highest level ('most') with an average of 4.0062. The first three characteristics are self-confidence, clearly own business concepts, and coordinated skills (The averages are 4.3259, 4.2778, and 4.0778 respectively).

The trading sector, an overview of characteristics of entrepreneurs that supports to be successful is in a high level ('often/more') with an average of 3.9819. The first three characteristics are clearly own business concepts, self-confidence, and determination to success (The averages are 4.3429, 4.2000, and 4.1143 respectively).

The services sector, an overview of characteristics of entrepreneurs that supports to be successful is in a high level ('often/more') with an average of 3.9504. The first three characteristics are clearly own business concepts, self-confidence, and determination to success (The averages are 4.3690, 4.2460, and 4.0794 respectively).

Table 2 An average of characteristics of entrepreneurs classified by the current investment values

Characteristics of Entrepreneurs	Current Investment Values (Million Baht) (\bar{X})				Total
	<1	1- 5	5 -10	>10	
Determination to success	4.0995	4.0606	4.0267	4.0976	4.0711
Self-confidence	4.2488	4.1667	4.1867	4.4553	4.2644
Clearly own business concepts	4.3308	4.2121	4.2267	4.5041	4.3184
Systematic approach	3.8557	3.7273	3.9733	4.0163	3.8932
Financial management ability	3.8657	3.7500	3.8000	4.2520	3.9169
Marketing ability	3.8682	3.7045	4.0800	4.2114	3.9660
Visions for future competition	3.7786	3.6439	3.8400	3.9106	3.7933
Good support	3.6716	3.5455	3.8533	3.9837	3.7635
Coordinated skills	4.0075	4.0152	4.1333	4.2195	4.0939
Good organization	3.8383	3.7879	3.8400	4.0732	3.8849
Total average	3.9565	3.8614	3.9960	4.1724	3.9966

From table 2, characteristics of SME successful entrepreneurs that are the samples in the lower northeastern area 2 are found that an overview of characteristics of successful entrepreneurs classified by the current investment values is in a high level ('often/more') with an average of 3.9966. The current investment values respectively are 1) more than 10 million Baht, 2) between 5 and 10 million Baht, 3) no more than 1 million Baht, and 4) between 1 and 5 million Baht. Moreover, details of current investment values are as follow:

The current investment value that is more than 10 million Baht, an overview of characteristics of entrepreneurs that supports to be successful is in the highest level ('most') with an average of 4.1724. The first three characteristics are clearly own business concepts, self-confidence, and financial management ability (The averages are 4.5041, 4.4553, and 4.2520 respectively).

The current investment value that is between 5 and 10 million Baht, an overview of characteristics of entrepreneurs that supports to be successful is in a high level ('often/more') with an average of 3.9960. The first three characteristics are clearly own business concepts, self-confidence, and coordinated skills (The averages are 4.2267, 4.1867, and 4.1333 respectively).

The current investment value that is no more than 1 million Baht, an overview of characteristics of entrepreneurs that supports to be successful is in a high level ('often/more') with an average of 3.9565. The first three characteristics are clearly own business concepts, self-confidence, and determination to success (The averages are 4.3308, 4.2488, and 4.0995 respectively).

The current investment value that is between 1 and 5 million Baht, an overview of characteristics of entrepreneurs that supports to be successful is in a high level ('often/more') with an average of 3.8614. The first three characteristics are clearly own business concepts, self-confidence, and determination to success (The averages are 4.2121, 4.1667, and 4.0606 respectively).

The Second Part, the correlative analysis between ten characteristics of entrepreneurs and an overview of success is found that it is a positive correlation with the significant level of .01 and the correlative level of 0.375. In addition, the correlative analysis between characteristics of entrepreneurs for each aspect and types of success can be explained in the table 3.



Table 3 The correlation value between characteristics of entrepreneurs for each aspect and types of success

Characteristics of entrepreneurs	Types of success (r value)					Overview of success
	Increased profits	Increased debt payment	Increased sales	Increased new customers	Increased employment	
Determination to success	.391**	.499**	.459**	.506**	.382**	.319**
Self-confidence	.456**	.425**	.408**	.507**	.389**	.392**
Clearly own business concepts	.384**	.405**	.440**	.499**	.420**	.351**
Systematic approach	.474**	.438**	.485**	.496**	.446**	.378**
Financial management ability	.466**	.479**	.450**	.472**	.433**	.361**
Marketing ability	.409**	.389**	.414**	.494**	.421**	.334**
Visions for future competition	.459**	.467**	.440**	.562**	.453**	.424**
Good support	.497**	.545**	.513**	.457**	.440**	.415**
Coordinated skills	.392**	.444**	.467**	.565**	.410**	.374**
Good organization	.408**	.500**	.453**	.514**	.400**	.355**

**The significant level of 0.01

From table 3, according to the correlative analysis, it is found that ten characteristics of entrepreneurs correlate to the success included both an overview and each aspect with the significant level of .01. The correlative value is positive from the level of .319 to .565. For each aspect analysis, it is found that the characteristic of visions for future competition mostly correlate to an overview of success ($r = .424$). Moreover, when discussing types of success, it is found that:

1. Profits that continuously increase correlate to good support ($r = .497$), systematic approach ($r = .474$), and financial management ability ($r = .466$) respectively.

2. Debt payment that continuously increases correlates to good support ($r = .545$), good organization ($r = .500$), and determination to success ($r = .499$) respectively.

3. Sales that continuously increase correlate to good support ($r = .513$), systematic approach ($r = .485$), and coordinated skills ($r = .467$) respectively.

4. Amount of new customers that increase in the past three years correlate to coordinated skills ($r = .565$), visions for future competition ($r = .562$), and good organization ($r = .514$) respectively.

5. Employment that increases in the past three years correlates to visions for future competition ($r = .453$), systematic approach ($r = .446$), and good support ($r = .440$) respectively.

Conclusion and Discussion

Results of this study are found that entrepreneurs, who are in the manufacturing sector and have the operational duration longer than others, have an overview of characteristics that supports to be successful more than others. Because the manufacturing sector has to highly invest, entrepreneurs must have a variety of knowledge, create innovations, dare risks, and emphasize the proactive management. Thus, they can run their own businesses longer than others. This is consistent with Phanee Ubonsri (2003), Prayud Saelim (2004), and Chan Rattanaphisit (2007), it is found that successful entrepreneurs must have clearly own business concepts, self-confidence, determination to success, abilities to convince people, diligence and hard work, abilities to learn from previous experiences, abilities of administration, being a good



leader, and wide visions. In addition, results of this study are found that ten characteristics of entrepreneurs correlate to the success included both an overview and each aspect with the significant level of .01, and discussing each aspect, it is found that:

1. Profits that continuously increase correlate to good support, systematic approach, and financial management ability respectively. This is consistent with the research of Antonicic (2000) which is found that if entrepreneurs are successful, they can make a lot of profits.

2. Debt payment that continuously increases correlates to good support, good organization, and determination to success respectively. Because the good supports such as private and public financial institutes, the government supported agencies, or relevant people including financial management ability and discipline are characteristics that help to be successful for explicit abilities of debt payment. This is consistent with the research of Chidapha Chamchun (2011), Phanee Ubonsri (2003), and Vai Chamonman (2000).

3. Sales that continuously increase correlate to good support, systematic approach, and coordinated skills respectively. This is consistent with the research of Pranee Tunprayoon (2010) and Chirawan Deeprasert (2009) which are found that innovative abilities and marketing abilities are the important components of characteristics of successful entrepreneurs.

4. Amount of new customers that increase in the past three years correlate to coordinated skills, visions for future competition, and good organization respectively. This is consistent with the research of Chan Rattanaphisit (2007), Pranee Tunprayoon (2010), and Chirawan Deeprasert (2009) which are found that increasing new customers is a characteristic that supports this success similar to the marketing.

5. Employment that increases in the past three years correlates to visions for future competition, systematic approach, and good support respectively. This is consistent with the research of Rattikorn Chongwisan (2008) which is found that a level of emotional intelligence quotient that is nice to make relationships to other people is a characteristic of successful entrepreneurs.

Suggestion

From results of this study, characteristics of SME successful entrepreneurs in the lower northeastern area 2 must be developed to entrepreneurs in the lower northeastern area 2 classified by findings of this study as follows:

1. Classifying types of entrepreneurs in the lower northeastern area 2 comprises the manufacturing sector, the trading sector, and the services sector. According to result of this study, it is found that the trading sector and the services sector need to be developed successful characteristics for several more aspects. Therefore, the development and training must define the curriculum, consistent and appropriate processes for each business type by promoting the network groups; the manufacturers, the trading entrepreneurs, or the service entrepreneurs, by assigning an exchange of experiences and concepts, by dealing with alliances in order to directly guide the development of continuously successful characteristics and achieve characteristics of successful entrepreneurs in the higher level.

2. From result of this study, it is found that the success of each aspect correlates to a specific characteristic in each aspect classified the success of each aspect as follows:

2.1 The success of profits that continuously increase correlates to the first three characteristics; good support, systematic approach, and financial management ability. Thus, if entrepreneurs would like to be successful for this aspect, they must strongly focus on the development of these three characteristics.

2.2 The success of debt payment that continuously increases correlates to the first three characteristics; good support, good organization, and determination to success. Thus, if entrepreneurs would like to be successful for this aspect, they must strongly focus on the development of these three characteristics.

2.3 The success of sales that continuously increase correlates to the first three characteristics; good support, systematic approach, and coordinated skills. Thus, entrepreneurs must develop the marketing ability as the first point to increase amount of sales.

2.4 The success of amount of new customers that increase in the past three years correlates to the first three characteristics; coordinated skills, visions for future competition, and good organization. Thus, entrepreneurs must develop these three characteristics as the first point to increase amount of new customers.

2.5 The success of employment that increases in the past three years correlates to the first three characteristics; visions for future competition, systematic approach, and good support. Thus, entrepreneurs must develop these three characteristics as the first point to increase number of employees.



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