

## SUCCESS FACTORS OF DRIED LONGAN ENTREPRENEURS IN LUMPHUN PROVINCE

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### Abstract

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The aim of the research was to study operational and success factors of dried longan businesses. This research was done in a quantitative method. The population and samples were 48 entrepreneurs making dried longan who were registered with the Ministry of Commerce in Lamphun Province. A questionnaire was conducted to collect data. Several descriptive statistics were applied e.g, frequency, percentage, mean, standard deviation (SD). Inferential Statistics was Correlation Coefficient (Pearson's product moment correlation coefficient).

The result of the research indicated that (1) Average mean of level of importance towards internal factor were from outbound logistic ( $\bar{x} = 4.302$ ), production and operation activities ( $\bar{x} = 4.267$ ), inbound logistic ( $\bar{x} = 4.236$ ), infrastructure ( $\bar{x} = 4.208$ ), services ( $\bar{x} = 4.125$ ), marketing and sale ( $\bar{x} = 3.971$ ), human resource management ( $\bar{x} = 3.920$ ), and research and development ( $\bar{x} = 3.861$ ) respectively. (2) Average mean of level of importance towards external factor were from economic ( $\bar{x} = 4.222$ ), environmental ( $\bar{x} = 4.094$ ), legal and regulations ( $\bar{x} = 3.969$ ), technology ( $\bar{x} = 3.667$ ), political ( $\bar{x} = 3.646$ ) and sociocultural ( $\bar{x} = 3.615$ ) respectively. (3) Average mean of level of importance towards success factors were from customer perspective ( $\bar{x} = 4.250$ ), internal business process ( $\bar{x} = 4.049$ ), financial perspective ( $\bar{x} = 3.986$ ), and learning and growth ( $\bar{x} = 3.927$ ) respectively. Result of hypothesis showed that (1) internal factor in terms of production and operation activities had no positive relationship to all success factors, and (2) internal factor in terms of marketing and sales, research and development, and infrastructure had positive relationship to all success factors.

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**Keyword:** Balanced Scorecard, Dried Longan, Entrepreneurs, PESTLE Analysis, Success Factors, Value Chain

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## Introduction

Longan is an economic crop and popular among Thai and foreign consumers. Agriculturists are increasingly planting longan during August and early September which are considered as harvesting time. The plan has always been to flood the market by the ton but the overload will be too much for fresh consumption on part of the buyers, thus leading into the price being lowered for longan products. The processing of longan into various products, while being preserved for a long time and maintaining the original flavor, will help keep the price stable and increase agriculturists' income from the production. Moreover, the longan processing market has a greater role and can support up to 40% of longan production. The eight important planting areas are located in the provinces of Lampang, Lamphun, Phrae, Nan, Tak, Phayao, Chiang Mai, and Chiang Rai, which have provided the value of more than twenty billion Baht. (Office of Agricultural Economics, Online)

According to the situation of longan production, there was a demand for longan in the season of 2017; the northern region needed longan in the amount of 376,340 tons, and demand for processing was 255,881 tons. In the management of longan in 2017.

The Ministry of Agriculture and Cooperatives management of longan in 2017 had prepared approximately 194,522 tons of longan in the season, which had a lot of products coming to the market from 1 - 20 August 2017. All eight provinces had planned to manage the longan in accordance with the guidelines for fruit management in 2017,

that included quality and quantitative management, with a committee to solve agricultural problems from production. The committee is the main backbone of the institution overseeing the longan management plan. The processing of dried longan is about 60% due to the high demand with resources to support the fresh produce from agriculturists. The production of fresh longan for export and domestic consumption was going good together in the right direction at 30 percent and above, while the remaining 10 percent would process longan for adding value (Matichon, Online).

As for marketing, fresh longan had prices risen continuously since the beginning of the season. The starting price begins in early July and kept on increasing from that time period. When prices have been determined for the market to sale the products are released in large quantities. The price remains cheap, but at a satisfying price level for agriculturists to make ends meet. At the end of the harvest season, the quality of the products begin to decline and become extremely ripe, however, the price of goods bought from the factories or traders was still considered to be higher than the previous year. It can be seen that longan is the economic fruit of the north in mass quantity. Longan business entrepreneurs are involved with the market system and longan price mechanism. The government should have a policy to support the working capital for Thai entrepreneurs in operating in longan businesses for reducing the monopoly of foreign entrepreneurs, and should create cooperation between the government sectors and entrepreneurs in labor-management ( Office of Agricultural Economics, Online).

**Table 1** Exports of Fresh Longan and Processed Products 2015 - 2018

<b>Export (Ton / Million Baht) / Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Jan - May 2018</b>
Quantity of fresh and frozen longan	357,252	415,895	726,428	258,369
Value of fresh and frozen longan	9,753	11,616	20,971	8,571
Dried Longan	196,666	125,518	213,981	98,735
Value of Dried Longan	5,426	8,440	11,110	1,994
Partner countries				
Fresh longan	Vietnam 53%		China 25%	
Frozen longan	Hong Kong 64%		Japan 36%	
Dried longan	Vietnam 64%		China 31 %	
Transformation rate	Fresh longan 100 kilograms: Dried longan with shell 33.33 kilograms		Fresh longan 100 kilograms: Dried longan flesh 10.00 kilograms.	

*Source: Department of Internal Trade Ministry of Commerce. (2018).*

Table 1 shows the quantity and value of Thailand's longan exports, which exported more than 500,000 tons per year and generated a revenue of over 40,000 million Baht per year. The top two major export markets were Vietnam and China. The volume of fresh longan exports to Vietnam was 53%. The volume of dried longan exports to Vietnam accounted for 64 percent, while China's volume of fresh longan exports was 25 percent. The number of dried longan exports to China was 31 percent of the total export volume.

Office of Agricultural Economics, and Ministry of Agriculture and Cooperatives disclosed the study results on the impact of Thai longan entrepreneurship in 2018 to analyze the operating characteristics, management model of entrepreneurs, packing house for fresh longan, and drying the whole longan with its shell to analyze the market margin and profit proportion affecting the economic

system of the Thai longan export business. It was found that entrepreneurs in the packing house (Lhong) to buy longan for export in the production facility were certified by the GMP, and operates business and management in the form of a (1) packing house of Thai entrepreneurs; (2) packing plant that Thai entrepreneurs share with foreign entrepreneurs; (3) packing plant owned by foreign entrepreneurs (Office of Agricultural Economics, Online).

The annual longan production generates income for Thailand and many agriculturists. The number of households planting longan as economic crops as of 2<sup>nd</sup> June 2020 is 110,164 households. This number of households has a direct impact on the economy of longan growers. The big data from the Ministry of Agriculture and Cooperatives (<http://agri.oae.go.th/bigdata/dashboard/productlongan>) points out the income from the dried longan exported to foreign



countries has increased every year. The value of dried longan exports beginning from January to May, 2020 was 1,082.9366 million Baht, even though the season has not yet been reached and did not have many off-season longans.

The researcher is therefore interested to study the business model and management of the dried longan business entrepreneurs in Lamphun province by applying the Balanced Score Card theory as an indicator to know what important factors lead to the business operations successful, the problems and obstacles encountered, and the working guideline for other entrepreneurs to study further and applying it to be more successful for the benefit of entrepreneurs and agriculturists as a whole.

## Objectives of the study

1. To study the operational model and success factors of dried longan businesses
2. To provide a guideline for being successful in the operation and promotion of the dried longan business.

## Review literature

### Demographic concepts

People with different demographic characteristics will differ in psychological characteristics (Satavatin, 1990) by analyzing from the following factors: (1) Gender differences make people behave, communicate differently and in different ways of thinking about values and displaying their attitudes; (2) Age is a factor causing differences in thought and behavior. Young people

tend to have liberal ideas, meanwhile older people tend to have conservative ideas; (3) Education is a factor that causes people to have very different opinions, values, attitudes and behaviors in terms of being a knowledgeable and understandable person; (4) Socioeconomic status, occupation, income and social status of a person have a significant influence on the reaction of the messenger. According to the mentioned concepts and theories of demography, the researcher has thereupon brought this concept to be applied as a guideline in the study and considered this as the basis for determining the personal factors of entrepreneurs.

### Concept and theory of general environment analysis: PESTLE Analysis)

Aguilar (1967) stated that the General Environment Analysis consists of Politics, Economic, Social/culture, Technological, and Ecological. PESTLE Analysis is consistent with Francis J. Aguilar's PESTLE analysis in 1967 (Bright hup PM project management, 2011) and PESTLE analysis history and application, CIPD. (Retrieved 2020-6-30). PESTEL analysis is a useful tool for analyzing and understanding the "overview" of the environment in which the business is about to operate and to think about the opportunities and threats within the new business area for understanding the environment in the new area. Also, one must plan to seek for opportunity and reduce the threats.



## Concept and theory of value chain

Michael E. Porter, from of Harvard Business School, introduced the concept of a value chain in his book "Competitive Advantage: Creating and Sustaining Superior Performance" (<https://www.investopedia.com/terms/v/valuechain.asp>)

Yanyong Srisom (2010) said that the value chain refers to two activities related and connected to add value to production factors as the following:

1. Primary Activities involve production or service, marketing, and freights or services to consumers consisting of: (1) Procurement of raw materials, conveyor, transportation, inspection, storage, and distribution of raw materials. (2) Production and conversion of raw materials into products or services (3) Product distribution, collection, and distribution of furnished products to customers. (4) Marketing and sales, advertising activities, and distribution channels. (5) Services to add value or maintain products with regards to after-sales service.

2. Support Activities consist of: (1) Infrastructure, planning, and system construction. (2) Human resource management, and training and development of knowledge and skills. (3) Technological development that is adding value to products and services. (4) Procurement of production factors, machinery, equipment, and establishing good relationships with suppliers.

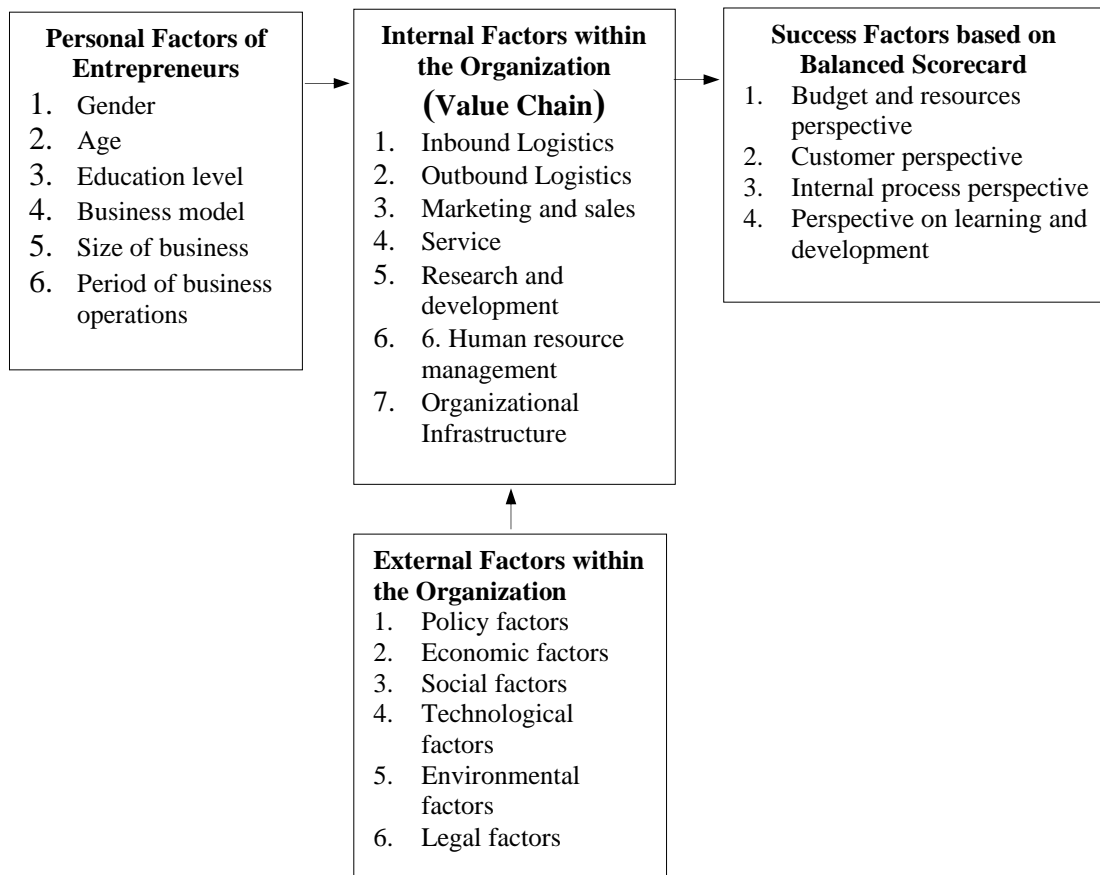
## Concept and theory of balanced scorecard: BSC

The concept of a Balanced Scorecard application tool to measure organizational performance is a concept introduced by Professor Robert S. Kaplan of Harvard University and David P. Norton in 1996. They presented the concept of measuring business performance in a new way that will enable top executives to better manage the business. The Balanced Scorecard tool application for measuring organizational performance support top executives in administrating business with better performance results. Kaplan () believes that "*If the work cannot be measured, then the executive cannot manage*", and "*when we measure something, that will probably happen.*" Consequently, performance measurement is significant. The proposed concept is to measure the performance of important issues and covers information in the related areas. Apart from financial measures, as the occurring operational results, there should be a measure of the administrative process creating customer satisfaction, as well as creating innovation and learning for the organizations to increase the competitive ability in creating their own future. The managers will be able to clearly assess the overall potential of the organization and its competitiveness and future with this concept (Kaplan and Norton, 1996). Additionally, Pasu Decharin (2004) said that "*the Balanced Scorecard as a strategic management system*" is the translation of the vision, mission, and organizational strategy into a set of successful measures defining the framework for strategic measurement and management systems. It stimulates organizational development and change management in measuring organizational success in two dimensions: financial

objectives and unbalanced finance. We will consider the scorecard as the following: (1) A tool for management to adjust the balance and focusing on both short-term financial aspects, and long-term perspectives on organizational learning and development. (2) A

customer perspective that reflects the organization's awareness of what customers expect or want. (3) A balance between increasing revenue and cost control. (4) A balance between rational indicators and effective indicators.

According to related theories and research, lead to the research framework as follows:



**Figure 1** Conceptual framework



## Research hypotheses

1. The differences in demographic characteristics as gender, age, education level, business model, size of the business, and duration of business operations have different mean levels of importance to factors within the organization.
2. External organizational factors have a positive relationship with internal organizational factors.
3. Internal organizational factors have a positive relationship with the success of the operation.

## Research methodology

### Population and sample

The population sample was 48 entrepreneurs involved in the dried longan businesses in Lamphun province that was registered with the Lamphun Commercial Office (Lamphun Provincial Commercial Office, 2018). Because of the small number of samples, the researchers chose to study from a total population of 100%. The duration to collect the data was from June 2019 - March 2020

### Research tools

A closed-ended questionnaire with a checklist was used for data collection. It was divided into (1) a general information of the questionnaire, (2) an information of entrepreneurs' opinions regarding the importance level of information about internal factors, (3) data, opinions about the business operating environment and external factors affecting the business operations, and (4) suggesting guidelines on factors

affecting business operations. The questionnaire was analyzed for content validity and had an IOC assessment of every question greater than 0.66. It showed that all questions were accurate in content and had a consistency between the questions and the characteristics of the research objectives that need to be measured. Moreover, it was tested for reliability with the Alpha Cronbach Coefficient by selecting questions with an Alpha value of 0.7 or more (Cronbach, 1984).

### Data analysis

Descriptive Analysis is used to explain the performances or characteristics of the variable data distribution by statistical package program for the measurement set to be used for statistics, namely Frequency, Percentage, Mean, and Standard Deviation. Hypothesis testing was applied with Pearson's product-moment correlation coefficient ( $r$ ) (Kanlaya Vanichbancha, 2006).

## Research findings

### Demographic data of the respondents

Findings showed that most of the respondents were 24 females, equal to 50 % and 24 males as 50% in the same proportion, aged between 41 - 50 years, a total of 27 people, representing 56.30%. They were 29 undergraduates, accounting for 60.40%. 29 people had a limited company business accounting for 60.40% with small enterprises. The number of employments was less than 50 people: a total of 27 employees, representing 56.30%. The duration of

running a business was between 6 - 10 years as 21 people, accounting for 43.80 percent, respectively.

### **Information about internal factors (Value chain)**

The overall opinions on outbound logistics were at the highest level ( $\bar{x} = 4.302$ , S.D. = 0.541). When scoring each item in descending order, it was found that there was a warehouse for storing dried longan ready to be sold ( $\bar{x} = 4.438$ , SD = 0.580), there is a systematic process for storing dehydrated longan with systematic distribution ( $\bar{x} = 4.333$ , SD = 0.724), the control of the quantity of ready-to-use dried longan ( $\bar{x} = 4.271$ , SD = 0.736), and the preserving process of the dried longan for distribution ( $\bar{x} = 4.167$ , SD = 0.753).

The overall opinions on activities related to production and operation were rated as the highest for the importance level ( $\bar{x} = 4.267$ , S.D. = 0.518). The order of ranking score from highest to lowest for each subject are as followed:

1. Standardized control of ready-to-use dried longan processing ( $\bar{x} = 4.313$ , SD = 0.512).
2. Management methods in the production or processing of ready-to-sell dried longan ( $\bar{x} = 4.292$ , SD = 0.582).
3. Method to control the quantity and quality of the ready -to- sell dried longan ( $\bar{x} = 4.292$ , SD = 0.651).
4. Process of storing the ready -to- sell dried longan ( $\bar{x} = 4.250$ , SD = 0.786).
5. Packaging format of dried longan ( $\bar{x} = 4.188$ , SD = 0.867).

According to inbound logistics, the overall important level was at the highest level ( $\bar{x} = 4.236$ , S.D. = 0.663). Considering the scores of each item in descending order found that there was a focus on the inspection and control of raw materials in terms of quality and quantity ( $\bar{x} = 4.292$ , SD = 0.713), a selection of suppliers and sources of raw materials ( $\bar{x} = 4.292$ , SD = 0.824), and a control criteria for the efficient transportation of raw materials from various sources such as transportation control of time ( $\bar{x} = 4.125$ , SD = 0.866).

In the overall opinions on organizational infrastructure, the importance level was at the highest level ( $\bar{x} = 4.208$ , S.D. = 0.683). As scoring from highest to lowest, it indicated that there was a systematic allocation of funds for audition ( $\bar{x} = 4.250$ , SD = 0.786), financial and accounting management ( $\bar{x} = 4.188$ , SD = 0.762), and good financial planning for both short-term and long-term ( $\bar{x} = 4.188$ , SD = 0.867).

As for services, the overall opinions showed the level of importance was at a high level ( $\bar{x} = 4.125$ , S.D. = 1.008). When scoring the items from high to low, it was found that there was process of product liability handling if an error occurs ( $\bar{x} = 4.146$ , S.D. = 1.091), and a delivery service of the dried longan implemented for customers ( $\bar{x} = 4.104$ , S.D. = 1.016).

With marketing and sales, the overall opinions revealed that there was a highest level of importance level ( $\bar{x} = 3.971$ , S.D. = 0.749). When ordering each item the scores from high to low presented that there were regular sourced for selling dried longan ( $\bar{x} = 4.292$ , SD = 0.874), the price setting for dried longan followed the marketing mechanism ( $\bar{x} = 4.125$ , SD



= 0.914), individuals have their own distribution channel ( $\bar{X} = 4.042$ ,  $SD = 1.010$ ), there are methods to inquire and make contact with customers ( $\bar{x} = 3.833$ ,  $SD = 0.834$ ), and offering discounts or promotions to customers ( $\bar{x} = 3.563$ ,  $SD = 0.943$ ).

For the overall opinions towards human resource management there was a high level of importance ( $\bar{x} = 3.920$ ,  $S.D. = 0.747$ ). Ordering the high to low scores was revealed as having compensation and various benefits for employees ( $\bar{x} = 4.021$ ,  $S.D. = 0.758$ ), having human resource management, such as assigning workloads, administration during labor shortage or during the off production period ( $\bar{x} = 4.000$ ,  $SD = 0.975$ ), doing a follow-up evaluation of the employees' performance ( $\bar{x} = 3.958$ ,  $SD = 0.824$ ) for production and management ( $\bar{x} = 3.896$ ,  $SD = 0.857$ ), having methods to manage human resource issues in the organization ( $\bar{x} = 3.833$ ,  $SD = 0.753$ ), and offering staff training ( $\bar{x} = 3.813$ ,  $SD = 1.085$ ).

Research and development for overall opinions had a high level of importance ( $\bar{x} = 3.861$ ,  $S.D. = 0.810$ ). When ranking the scores from high to low it showed that there was an application of technology using the processing of dried longan ( $\bar{x} = 4.063$ ,  $SD = 0.836$ ), an application of technology for administration such as database storage or communication system ( $\bar{x} = 3.979$ ,  $SD = 0.812$ ), and utilizing technology in transportation processes such as online product sign-up, and tracking delivery vehicles via GPS ( $\bar{x} = 3.542$ ,  $S.D. = 1.202$ ).

## Information about external factors

As economic factors, the overall opinions were rated as the highest level ( $\bar{x} = 4.222$ ,  $S.D. = 0.577$ ). When having the descending scores from highest to lowest, it presented that the current economic situation in Thailand has affected the business operations ( $\bar{x} = 4.292$ ,  $S.D. = 0.651$ ), business was affected due to the current global economic downturn, especially in big markets such as the United States, European Union and China ( $\bar{x} = 4.271$ ,  $S.D. = 0.765$ ), and increase of entrepreneurs currently having an effect on the business ( $\bar{x} = 4.104$ ,  $S.D. = 0.881$ ).

For environmental factors as the overall opinions, the importance level was at a high level ( $\bar{x} = 4.094$ ,  $S.D. = 0.589$ ). When ranking each item scores from high to low it was found that environmental changes and disasters probably had an affect agricultural products, resulting in loss of balance between demand and supply of the product and having an effect on the business ( $\bar{x} = 4.291$ ,  $S.D. = 0.683$ ), and taking into account the preservation of natural resources and environment affects the business, such as the use of firewood causing pollution or the usage of chemicals in fresh longan as raw materials for production ( $\bar{x} = 3.900$ ,  $S.D. = 0.778$ ).

As legal factors, the overall opinions of the importance level were at a high level ( $\bar{x} = 3.969$ ,  $S.D. = 0.821$ ). Considering the scores from highest to lowest revealed that labor laws, government policies (such as paying a minimum wage of 300 baht/day) affecting the business ( $\bar{x} = 4.083$ ,  $S.D. = 0.846$ ) and trade laws of Thailand are consistent,



modern, benefiting the business ( $\bar{x} = 3.854$ , S.D. = 1.072).

The overall opinion of technological factors on the importance level was rated at a high level ( $\bar{x} = 3.667$ , S.D. = 0.794). Scoring from high to low showed that the advancement of technology and convenience in information accessibility and online shopping can have an impact on the business ( $\bar{x} = 3.688$ , S.D. = 0.903), and when there is insufficient labor market it resulted in the increase of labor costs, labor substitution with robots or automation can help the business increase productivity ( $\bar{x} = 3.646$ , S.D. = 0.956).

The overall opinions on political factors indicated the importance level was at a high level ( $\bar{x} = 3.646$ , S.D. = 0.707). In the order of each item scores from high to low it showed that the current political situation in Thailand affected the business ( $\bar{x} = 4.125$ , S.D. = 0.761) and the government has a policy to support the dried longan entrepreneurs ( $\bar{x} = 3.167$ , S.D. = 1.209).

According to social factors, the overall opinion on the importance level was at a high level ( $\bar{x} = 3.615$ , S.D. = 1.213). It was found that the popularity of the new generation of consumers paid more attention to the choices affecting the business ( $\bar{x} = 3.708$ , S.D. = 1.184). There is progress towards an aging society with health consideration, such as abstaining from consuming high-sugar fruits affects your business ( $\bar{x} = 3.521$ , S.D. = 1.368).

### **Information about factors contributing the operational success (Balanced scorecard)**

The overall opinions on customer perspectives on the importance level was at the highest level ( $\bar{x} = 4.250$ , S.D. = 0.508). However, the order of each item scores from highest to lowest found that dried longans were fresh, in good quality, and served the needs of customers ( $\bar{x} = 4.417$ , SD = 0.577). The products could be delivered to customers with convenience and speed ( $\bar{x} = 4.229$ , SD = 0.592), and there is a convenient distribution location for customers ( $\bar{x} = 4.104$ , SD = 0.881).

For the internal process perspective, the importance level was at a high level ( $\bar{x} = 4.049$ , S.D. = 0.638). Scoring from high to low showed that the business had staff to be prepared for work ( $\bar{x} = 4.208$ , SD = 0.824). The business had an efficient working system ( $\bar{x} = 4.042$ , SD = 0.713) and the business had ongoing operational measurements and assessments ( $\bar{x} = 3.896$ , SD = 0.722).

From a financial perspective, the overall opinions had a high level of importance level ( $\bar{x} = 3.986$ , S.D. = 0.781). Scoring from high to low indicated that there is sufficient working capital and reserves to fund the operations ( $\bar{x} = 4.083$ , SD = 0.942). All financial problems could be effectively solved with all of the business steps ( $\bar{x} = 3.979$ , SD = 0.758), future profits could be anticipated and financial plans could be adjusted to streamline the business operations at all times ( $\bar{x} = 3.896$ , SD = 0.973).

Perspective on learning and organizational growth showed overall opinions with the importance level being at a high level ( $\bar{x} = 3.927$ , S.D. = 0.812). Considering each item scoring from high to low presented that the business had staff training to increase knowledge and



understanding of work ( $\bar{x} = 3.938$ , S.D. = 0.836), and the business had introduced new techniques and technologies for regular business development ( $\bar{x} = 3.917$ , S.D. = 0.895).

## Summary of hypothesis testing

The results of the hypothesis testing of internal factors within the organization positively correlated with factors affecting the success of operations. The study found that (1) internal factors, as production and operation activities, had no positive relationship with all success factors. (2) internal factors as marketing and sale, research and development, and infrastructure had a positive relationship with all success factors.

## Discussion

### Internal factors within the organization (Value chain)

The work showed that the factors of outbound logistics relating to production and operations, inbound logistics, and organizational infrastructure were crucial for organizations to conduct their business affairs. A high level of importance included services, marketing and sales, human resource management, and research and development. The study is consistent with the findings of Wisitnithikitja et al. (2016) research on "Successful Factors of Crain Business in Thailand" which showed that marketing overview was at a high level, followed by management, human resource, and finance respectively. Tonson (2016) research on "The Approach to Develop Value Chain to Enhance the Management

Efficiency of Thai Tour Operators to Support Free Trade within the Framework of ASEAN Cooperation" prioritized the activities of value chain that included; (1) human resource management, (2) marketing and sales, (3) customer services, (4) company infrastructure, (5) technology development (6) input factors, (7) procurement for services, (8) operational processes, and (9) quality of work before delivering services to customers, were all aligned with the results. Moreover, with Johan's (2012) previous study on the success factors of small and medium business entrepreneurs, in the Gnosjo municipality area, the research findings also had some compatible values based on the internal factors, the operations of the company, and external factors which influenced the success of the SMEs in the Gnosjo municipality.

### External factors within the organization

Results showed that respondents rated the highest level of importance as economic factors, and the high importance for environmental factors, legal factors, technological factors, political factors, and social factors. It is not consistent with Changtang's (2009) work on "The Study of External Environmental Factors Affecting Real Estate Operators", which found that the factors affecting real estate entrepreneurs included political stability, government monetary policy, basic government utility policy, legal factors, economic factors and economic conditions, technological factors, and the form of consumers' demand for housing. Additionally, Wangbenmad and Bindulem (2014) work on "Business



Environmental Factors Affect Success of Small and Medium Enterprises(SMEs): Empirical Evidence from Hatyai, Songkhla", found that both internal and external factors of the business as personnel systems, financial systems, marketing systems, management systems, customer system management, competition systems, economic systems, political and legal systems, and technology systems were important to the external factors of SMEs which had an influence on the success of business operations registered with the Songkhla Business Development Office. Moreover, Prapakornwimol (2009) research on the "Adaptation of Thai industry towards green logistics" showed that the external factors mostly contributed in the adaptation towards green logistics customer and market factors, followed by legal factors, competitive factors, and social factors respectively.

### **Factors contributing the operational success (Balanced scorecard)**

The work showed that respondents valued the Balanced Scorecard at the highest level of feedback for the customer perspective, and there was a high level of feedback for the internal process perspective, financial perspective, and perspective on learning and organizational growth which is in line with Thanatharnchuchote (2018) research on "Effective business model of industrial plants in Pathum Thani Province" which found that there was an overall effectiveness of business operations with regards to applying the Balanced Scorecard method in all

aspects. The most effective aspect was customers, finance, learning and development, and internal operational processes, respectively. Meanwhile, Dissorn (2016) study on "Factors Affecting Successful Implementation of Balanced Scorecard of Companies In Bangkok Metropolitan" revealed that respondents retorted to the balanced evaluation of the organization at a high level for the internal process perspective, customer perspective, budget, and resource perspective. The highest level of opinions was the perspective on learning and development. According to the study by Suthipong (2015) on "Relationship between the Situation Factors and the Level of Indicators Usage in all 4 Aspects of BSC and the Performance of the Health Promotion Hospital in the Southern Border Provinces" the work found that customer operation and internal operations were at a high level. The financial aspect, and learning and growing aspects were at a moderate level.

### **Recommendations**

1. The entrepreneurs should focus on outbound logistics, activities related to production and operation, outbound logistics as well as the organizational infrastructure due to the mentioned factors having had the greatest impact on the success of any business. They will help promote the internal process of the business to become a more robust system. At the same time, there should also be a consideration for the aspects of service, marketing and sales, human resource management, and research and development, such as creating discounts or promotions, monitoring, and evaluation of employee performance;



which includes the use of technology in the transportation process to develop the organization's potential for higher growth in the future and to increase stability in internal processes.

2. The entrepreneurs should pay more attention to external factors in all aspects that are uncontrollable. However, they should monitor and be cautious in finding ways to prevent and develop their operations to avoid having a negative effect on the business, especially with environmental factors. They can prepare on preventing the effects of environmental changes and disasters that may affect agricultural products, spoil the balance of demand and supply of produce. Moreover, they should consider the preservation of natural resources and environment that may influence the business, such as the use of firewood causing pollution or the use of chemicals

in the production of fresh longan as raw materials.

3. As for the factors contributing to the success, the entrepreneurs should focus on the customer perspective and internal process perspective. Therefore, they should pay attention to the quality of dried longan that is fresh, in good quality that serves the customers' needs, and deliver products to customers quickly in order to improve the competitive position and being more reliable. From the process perspective, the entrepreneurs should focus on allowing employees to prepare for work as the beginning step and as quickly as possible for making the operating system more efficient. The aim is to assist on enhancing efficiency of the workplace and prevent the operating system from making mistakes or causing damage to the business.

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