

SMALL AND MEDIUM BUSINESS IMPROVEMENT IN THE ASEAN REGION

Production Management

Edited by

KENNETH JAMES

Institute of Southeast Asian Studies

and

NARONGCHAI AKRASANEE

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CONTRIBUTORS

Chang Zeph-Yun, Ph.D., is Senior Lecturer at the School of Management, National University of Singapore.

Kenneth James, Ph.D., is a Fellow with the Institute of Southeast Asian Studies.

Narongchai Akrasanee, Ph.D., is Managing Director of the Industrial Management Co. Ltd., Thailand, and Senior Vice-President of the Industrial Finance Corporation of Thailand.

M. Dawam Rahardjo is Director (Special Programmes and Consultancy), Lembaga Penelitian, Pendidikan Penerangan Ekonomi dan Sosial (LP3ES).

Melito S. Salazar, Jr., is Director of the Institute of Small-Scale Industries, University of the Philippines.

Pharadorn Sestakupt is Research Associate at the Industrial Management Co. Ltd., Thailand.

Sieh Lee Mei Ling, Ph.D., is Associate Professor, Faculty of Economics and Administration, University of Malaya.

Sunee Kultravut is Research Associate at the Industrial Management Co. Ltd., Thailand.

Yeong Wee Yong, Ph.D., is Senior Lecturer at the School of Management, National University of Singapore.

PREFACE

Development policies in the countries of the ASEAN region have in recent years reflected an increasing awareness of the significance of the small and medium-sized business enterprise in economic development. This has manifested in official action, initially hesitant but now increasingly vigorous, to develop and support small and medium businesses (SMBs), financially and otherwise.

The ASEAN Small and Medium Business Improvement Project seeks to contribute to this awareness of the significance of SMBs in a direct and practical manner: through the examination of SMBs at ground level, and the dissemination of findings for policy action. The project is the collaborative effort of research teams in each of the ASEAN countries (except Brunei; the project was formulated before that country joined ASEAN), co-ordinated centrally at the Institute of Southeast Asian Studies (ISEAS). The general objectives of the project are:

- (1) to collect, develop and organize information relating to the role and potential of small and medium-scale enterprises in GNP formation, employment creation and industrial growth;
- (2) through overall analysis of problems involved, as determined through primary (field surveys and case studies) and secondary research, to identify and recommend economic policies and measures (institutional, educational, commercial) geared to the improvement of the small and medium business sector in ASEAN countries; and
- (3) to disseminate the findings and recommendations of the project in a readable and easily comprehensible form.

The first phase of the project focused on financial (including fiscal) factors affecting the improvement of ASEAN SMBs, while the second phase studied issues and problems relating to the marketing of SMB products. The third and final phase examined the remaining major aspect of SMB operation, namely, production, and focused on

problems relating to *production management*. As with the first and second phases, the research teams in each country obtained primary data from surveys they carried out. Furthermore, secondary data was also used by some teams for estimates of technical efficiency within and between industries.

Early drafts of the country studies were revised in the light of valuable feedback from several experts in SMB marketing, from both the public and private sectors. This interaction between academicians and practitioners helped ensure that recommendations were as realistic as they were innovative.

The present volume is the distillation of the substantial output from the third phase. (Readers interested in the original papers should contact the respective writers.) The country studies are preceded by an Overview chapter which places the problems of production management in the context of technical efficiency, describes the analytical approaches followed by the research teams, looks at similarities and differences in findings, and summarizes the conclusions and recommendations. We hope that this publication, and its companion volumes on Financial Factors and Marketing, will contribute to an increased understanding of SMBs and their potentially powerful role in the economic development of the region.

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Kenneth James
Narongchai Akrasanee