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DEVELOPMENT OF COMMUNITY ENTERPRISE FOR SUSTAINABLE SUCCESS: LESSONS FROM THE THA SAP COCONUT SHELL GROUP IN YALA, THAILAND

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Abstract

This study aimed to investigate the management conditions, factors affecting the development of community enterprise, problems, obstacles, and development guidelines for community enterprise. Key informants included the chairman and members of the Tha Sap Coconut Shell Group in Yala, Thailand. The findings revealed that in the management of community enterprise, there is appropriate division of duties, selection of quality raw materials, established channels for transporting goods, bookkeeping practices, fair allocation of benefits, and utilization of both offline and online sales channels. Factors influencing the development of community enterprise include internal factors such as capable group leaders, a diverse range of products, clear group management, goal-oriented planning, and knowledge development in human resource management to enhance operational efficiency and systematic financial management. External factors include the use of local raw materials to reduce production costs and support from government agencies. Development guidelines for community enterprise to achieve success include leveraging strengths, addressing weaknesses, and fostering partnerships with government and private agencies to enhance knowledge and access to funding. The community enterprise must prioritize self-development to foster group strength and sustainability.

Keywords: Community Enterprise, Group Management, Group Development, Value Chain

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Introduction

In developing countries, social innovation is gaining increasing attention. Community-based entrepreneurship, or community enterprise, involves the operation of businesses related to the production of goods, services, or other activities by a group of people who share a bond and a common way of life. They come together to generate income and achieve self-reliance for their families and communities (Sitthipol, 2022). Businesses play a crucial role in unlocking community potential and uplifting society. Community empowerment contributes to poverty eradication by enabling households to improve their well-being through local resources (Kusumastuti & Juwono, 2022). Examples from the United Kingdom, Newfoundland, and Canada affirm that community enterprise is essential for successful cross-sectoral partnerships addressing sustainability and inequality (Stott et al., 2022). In 2022, community enterprise in Thailand contributed significantly to the economy, with a GDP value of 449,046 million THB., accounting for 2.6 percent of the country's total GDP and employing 5,446,192 people, representing 30.25 percent of total employment (Trade Policy and Strategy Office, 2023). This highlights their importance to the national economy. The development of the basic economy under the National Strategy master plan focuses on promoting structured agglomeration and creating rules for equitable income distribution within the community economy (Master Plan under the National Strategy 2018-2037). Promoting access to capital and necessary resources is crucial for a community enterprise to develop products and transition to business entrepreneurship. The COVID-19 pandemic has impacted community enterprise by reducing income and member benefits. To adapt, community enterprise should diversify revenue through new business models and expand online sales channels to enhance liquidity, increase member income, and bolster resilience and sustainability (Trade Policy and Strategy Office, 2022).

The development of community enterprise to achieve sustainable success involves building business skills within communities, preserving traditional crafts, and empowering communities to make autonomous decisions (Wanniarachchi et al., 2024). These processes are critical for effective business operations. Collaborating with the private sector and local organizations enables access to resources and opportunities to generate income and add value to the community sustainably. The Tha Sap Coconut Shell Group Community Enterprise in Yala, Thailand has been active since 2016 as part of the Tha Sap Model Project, a local development initiative. Yala Rajabhat University has contributed by utilizing waste to create value-added products, diversify offerings, and enhance the area's identity. This initiative has resulted in job creation and increased income within the Ban Tha Sap community (National News Bureau of Thailand, 2023).

Given the importance of community enterprise in promoting sustainable development, researchers are interested in studying the management conditions, factors influencing development, challenges, and guidelines for achieving sustainable success for the Tha Sap Coconut Shell Group. They aim to foster career opportunities, generate income, reduce social inequality, and achieve long-term sustainability.

Literature Review

The literature reveals that sustainable success in community enterprise depends on several factors, including leadership, group members, management, learning promotion, and finance. Government support for products aligns with the factors that influenced the success of outstanding community enterprise from 2017-2019. Product or service development has the greatest impact on the success of community enterprise groups, followed by organizational management. Improvements should also focus on leadership, production management, economic aspects, finance and accounting, member participation, and market support (Faicharoenmongkol & Chiangchana, 2020). Furthermore, the development of community

enterprise must adhere to guidelines promoting sustainable development, which include external environmental factors such as policies, government agency support, and knowledge promotion. Internal factors, such as community leaders, community capital, and activity expansion, are also crucial. Promoting operational processes like communication and awareness-building, setting output targets like job creation and community economy promotion, implementing incentive measures such as knowledge and skill enhancement courses, grouping and networking, and building the identity of community products are essential (Roadkaew et al., 2021).

One of the critical factors for organizational management is using an 8-point quality management system, which includes: 1) Customer-centricity, 2) Leadership status, 3) Employee involvement, 4) A systematic view of all processes, 5) Principles of systemic management, encompassing main processes such as market processes, production processes, and product delivery processes, and secondary processes such as marketing planning and analysis and marketing activity management, 6) Continuous Improvement based on Cycles PDCA (Plan Do Check Action) cycle, 7) Using facts to make decisions, and 8) Maintaining good relationships with suppliers. These principles are the cornerstone of effective business management (Hilson, 2023) and are crucial for upstream, midstream, and downstream activities within the value chain. This approach is essential for reducing costs, increasing profits, and eliminating unnecessary procedures. Activities can be divided into two main groups as follows: 1) Activities related to the production of goods or services: These generate income and profits for the organization, including marketing activities and transportation of goods to consumers. The main activities consist of five parts: imports, production, exports, marketing, sales, and services. 2) Supporting activities: These enable the business to run smoothly and are divided into four main parts: procurement of raw materials, product research and technology development, human resource management, and other developments (Packhai, 2023).

Research Conceptual Framework

This is qualitative research. The researcher formulated a research conceptual framework based on the management principles and theory as follows:

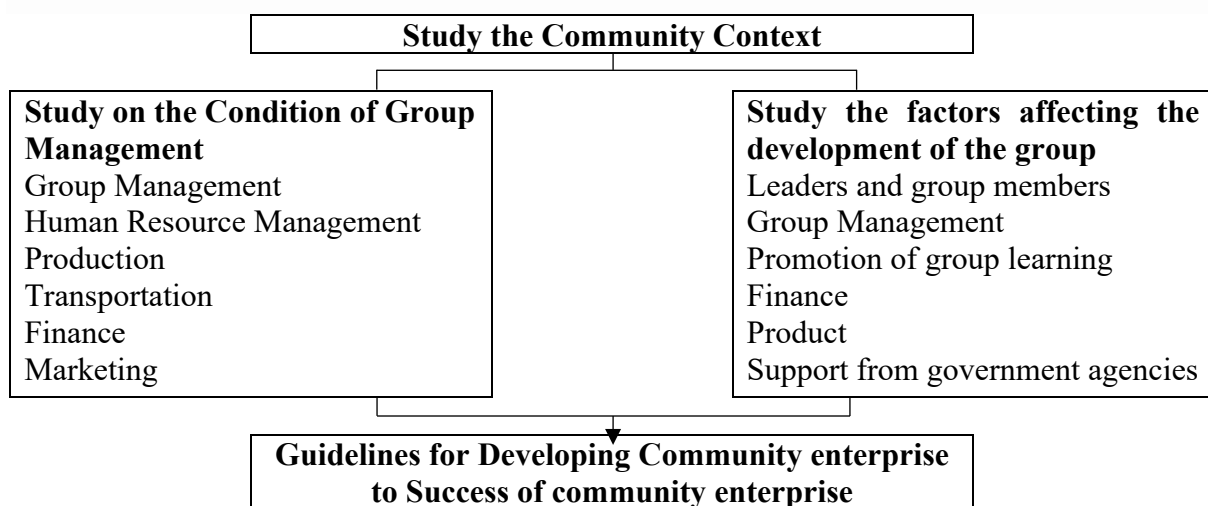


Figure 1 Research Conceptual Framework

Research Methodology

Population and Sample

In this study and data collection, a sample was selected through a purposive sampling method. Key informants included the Chairman and members of the community enterprise group of Tha Sap Coconut Shell Group, Yala, Thailand, totaling 15 people.

Data Collection and Data Analysis

For this research, the researchers developed a tool based on the study, concepts, theories, and related research to guide the creation of interviews aligned with the study's objectives. The interview points are as follows: Part 1: Area Context Information, Part 2: The History of the Community enterprise of the Tha Sap Coconut Shell Group, Part 3: Management which includes group management, human resource management, production, transportation, finance, and marketing, Part 4: Questions on Factors Affecting the Development of Community enterprise in the Tha Sap Coconut Shell Group, Part 5: Problems and obstacles in the management of community enterprise in the Tha Sap Coconut Shell group, Part 6: Guidelines for the development of community enterprise in the Tha Sap Coconut Shell District to achieve success.

Data were analyzed using content analysis, beginning with identifying problems through document review and field interviews. The analysis involved identifying problems, discussing obstacles and management capabilities, and finding solutions to further develop and ensure success.

Findings

Results revealed that the group has been managed according to established guidelines for community enterprise management. The group has a clear structure, goals, and operating regulations. Group leaders have effectively transferred knowledge of community enterprise management to the members, ensuring a unified direction. Human Resource Management: Responsibilities are appropriately divided among members. There is pre-operation training and continuous knowledge enhancement to improve members' skills and abilities. Production: The group has its own production facility. Most raw materials are sourced from waste within the area, with additional quality materials purchased as needed. Production is order-based, with each piece checked for quality to meet group standards. Transportation: Products are delivered to customers through shipping companies. Most customers order through online channels, and bulk orders are delivered directly due to convenience. Finance: Clear accounting practices are in place. Costs are calculated, and benefits are allocated to members based on their contributions. Working capital is used for production and product development. Marketing: Products are sold both retail and wholesale through offline and online channels. Advertising is done via online media, and product pricing is determined by the characteristics of each piece.

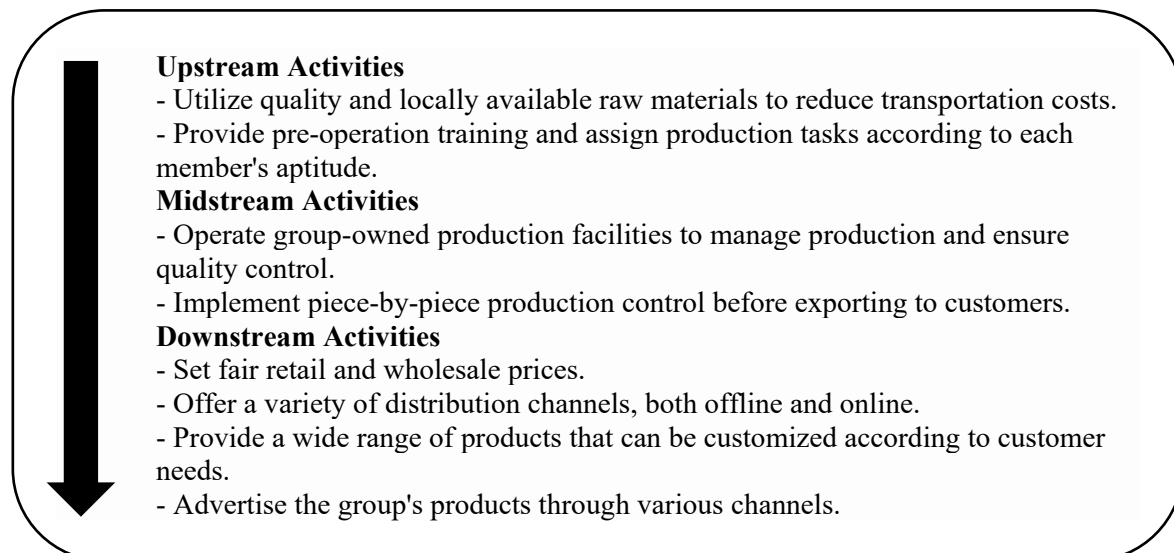


Figure 2 Value chain of community enterprise in the Tha Sap Coconut Shell Group

The results of the analysis of factors affecting the development of community enterprise in the Tha Sap Coconut Shell group from the management study of the Tha Sap Coconut Shell community enterprise, and the factors that affect the group's success include: The results of the study are as follows: Internal factors include group leaders, leadership, fairness, knowledge and ability to run a business, group members, people in the community, and preferences and aptitudes in handicraft production. It is difficult to use specialized expertise in the production of imitation. Group management has a clear organizational structure. The goal is for the group to become a community learning organization. Human resource management has been assigned tasks as appropriate by taking into account the potential of each individual. Promoting the group's learning, focusing on developing new knowledge to increase operational efficiency and increase ideas for creating new products, and finance. Rewards are fairly allocated to members according to their respective production capacities. External factors include raw materials. It uses locally available raw materials and has a source of quality raw materials, thus reducing production costs. The needs of customers are varied, which will be adjusted according to their popularity and personal preferences. Support from government agencies in various fields of knowledge training.

The study on the problems and obstacles to development for the Tha Sap Coconut Shell Group community enterprise identified several issues. The group faces challenges with narrow and inadequate spaces for group activities, making it inconvenient for visitors who wish to study or view the group's products. Weather conditions, especially the heavy rainy season in the southern region, hinder some stages of production, such as applying lacquer, which requires hot and dry air for quicker drying. Additionally, varying expertise among members creates difficulties when fulfilling large orders of the same type, as production times differ. To achieve successful development, the group should implement work training to standardize knowledge and techniques among members, enhancing their production capabilities. Marketing efforts should consider customer demand trends based on sales data and feedback from previous customers to improve product satisfaction. Developing products with a local community identity can make them more collectible. Support from local agencies is crucial for developing potential community enterprise into standard learning centers. This includes arranging separate exhibition areas from production sections and providing adequate facilities for study groups, thereby enhancing knowledge provision and organizational development. Expanding production capacity, improving products, sourcing more raw materials, attracting new

customer groups, and finding additional sources of capital are also essential steps for development.

Conclusion and Discussion

In conclusion, the management of the Tha Sap Coconut Shell Group community enterprise has been analyzed based on the principles of the value chain.

Upstream Activities: The use of quality, locally available raw materials demonstrate a consideration for cost reduction and support for the local economy. Pre-operation training and the division of production work according to individual aptitude show a commitment to member development and the utilization of individual potential. **Midstream Activities:** The presence of group-owned production facilities signifies stability and control over production quality. Piece-by-piece production control highlights the attention to detail and adherence to product standards.

Downstream Activities: Fair pricing, both retail and wholesale, indicates transparency and attracts customers. The availability of various distribution channels, both offline and online, demonstrates a wide reach and the ability to meet customer needs. Overall, this group covers upstream, midstream, and downstream activities effectively. This aligns with the findings of Thampramuan et al. (2018), who noted that the potential of community enterprise lies in creating unique products that meet customer needs, having good leadership, fair management, and comprehensive knowledge for group success. Somwethee et al. (2023) also emphasized that effective leadership involves communicating useful information, solving problems under pressure, and clearly explaining the vision.

Human Resource Management: Tailoring responsibilities to individual abilities and promoting knowledge enhancement ensures quality operations, consistent with Kamonthonthai (2018), who stressed the importance of training in human resource management. In general, this community enterprise has activities that cover upstream, midstream, and downstream.

External Factors: Using locally sourced raw materials reduces production costs, as noted by Soonjanda (2022). This approach also supports community productivity. Hunnak et al. (2020) highlighted that marketing plans based on customer needs, cultural values, and traditions are crucial.

Government Support: Support from government agencies in areas like innovation, marketing, and investment is essential. Amnatwipavee et al. (2020) emphasized this, and Cavite et al. (2023) identified the main challenges faced by community enterprise as member and labor issues, production, and product design.

Development Guidelines: For successful development, strengths should be promoted, and weaknesses improved. Government and private agencies play a key role in providing knowledge and financial resources, as highlighted by Hossain et al. (2023). The community enterprise should receive support to enhance business skills, production techniques, and customer satisfaction, as noted by Chummee & Khammadee (2021). Management based on the value chain principles and business administration principles in management, production, marketing, and finance can lead to successful community enterprise development. Continued support from government agencies in terms of knowledge and other resources is vital for enhancing the potential of community enterprise. Future research should explore the operations of various types of enterprise groups, both successful and unsuccessful, to identify the factors that influence success more clearly.

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Data Availability Statement: The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Conflicts of Interest: The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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