

***Strengthening Characteristics of Outstanding Community Business in
Sakon Nakhon Province, Northeastern Thailand
– A Case Study on Ban Don Koi Weaving Group in Sakon Nakhon Province***

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Abstract

Over decades, Thai government has been supporting and empowering people in local areas to organize community business groups and creating unique local-based products. However, many groups have been still unsuccessful. To encourage those unsuccessful business groups to become more strength, study on operations of successful business groups is vital. An indigo dyed fabric is a traditional wisdom passed on from ancestors and spread widely especially in Northeastern part of Thailand. Therefore, this study aims to indicate strengthening characteristics of outstanding community business. This study employed both quantitative and qualitative research techniques to collect the data on Ban Don Koi Weaving Group. The group leader was purposively interviewed as recommended by the community development officer as an excellent community business group in Sakon Nakhon Province which was Ban Don Koi Weaving Group. Descriptive statistics was used to explain general information and strengthening characteristics of the group. The results displayed that the indigo dyed fabric group had established since 2003. There were 63 members in the group. There were totally 7 types of group products. The group earned 5 stars of OTOP award. The strengthening characteristics of the group in terms of producing, marketing, administrating, and financing were clear clarified. The government had been supporting the group some budgets, materials and knowledge since establishment. The results indicated that well planning process before producing, marketing, administrating, and financing activities were crucial and the group personnel working with systematic tasks and their discipline continuously were clearly strengthening characteristics of the group.

Keywords: Community Business, Indigo Dyed Fabric, Strengthening Characteristics, Northeastern Thailand

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Introduction

Over decades, Thai government has been supporting and empowering people in local areas to organize community business groups and creating unique local-based products (Khanson, Sreshthaputra, Limmirunkul & Na, 2015). As they will obtain the first supportive priority from government or other sectors. Although the government has attempted to promote the community business groups for several years, there are many groups have been still unsuccessful and failed in the end (Vianmana, Yasunobu & Elias 2016). As the study of Sakolnakorn & Naipinit (2013), they presented that the main problems caused unsuccessful condition in community businesses are composed of marketing, finance and accounting, production, management information systems, product design, and the cost of production. Likewise, Khanson, Sreshthaputra, Limmirunkul, & Na, (2015) revealed about strategies and actions related to develop community business group (silk weaving activity), which are standard production, marketing support and new information, a clear accounting system, product design, social networks, traditional weaving knowledge transfer, and practical and skillful training for members. As the previous studies, the problems related to community businesses' operations have still problematics. Furthermore, Vianmana & Makoto (2021) mentioned that the number of group members, amount of receipts, the number of group product types, and production or non-production of several group product types, influenced the number and percentage of committee members in charge of several types of functions. This issue relates to the process to operate the community business group. Thus, to encourage those unsuccessful community business groups to become more strength and study on operation in terms of successfulness in the kind of the group are necessary.

Objective

- 1) To indicate strengthening characteristics of outstanding community business.

Methodology

Selected Study Area

The area is located in Sakon Nakhon province, northeastern part of Thailand. Sakon Nakhon is one of Thailand's seventy-six provinces lies in upper northeastern Thailand also called Isan. Neighboring provinces are (from north clockwise) Nong Khai, Bueng Kan, Nakhon Phanom, Mukdahan, Kalasin, and Udon Thani. The capital is Sakon Nakhon. The total area is 9,580 km² (3,700 sq mi) with 1,153,390 inhabitants. The province is divided into 18 districts. The districts are further divided into 125 subdistricts and 1,323 villages (Wikipedia, 2023).

The statistic information from community development department (2022), in Sakon Nakhon, indigo-dyed fabric is the 3rd ranking, out of five GI products (GI stands for Geographical Indication). Indigo-dyed fabric products generated approximately 19,946,534.80 USD; 1 USD = 32.15 THB in 2021 (Bank of Thailand, 2021).



Figure 1: Sakon Nakhon province, Thailand

Table 1: Sales of OTOP products during 4 years (2018-2021)

No.	OTOP products	2018	2019	2020	2021
1	Fattening beef (Pon Yang Karm)	770,244,780	713,489,800	539,226,133	761,323,000
2	UHT/Pasteurized milk	570,551,689	1,089,209,756	1,022,271,215	1,165,957,994
3	Indigo-dyed fabric	342,331,013	667,266,012	613,034,902	641,281,095
4	Mao juice	55,220,675	114,830,832	104,787,013	177,087,092
5	Hang rice	40,110,337	63,918,768	63,374,500	78,152,720

Source: Community development department (2022)

General information of Ban Don Koi Weaving Group

Ban Don Koi Weaving Group is a community business which produces indigo dyed fabric products. The group has been started by Mrs. Pim Srikulkij. There has improved local wisdom about textile weaving and passed on to descendants. Then the group was formed to support each other since September 3rd, 2003 and received knowledge support and budget support from local government organization and governor.

The location of this group is house no. 58, moo. 2, Sawang sub-district, Pan Na Ni Khom district, Sakon Nakhon province 47130, Thailand. The group leader is Mrs. Ta-win Oop-ree

(being the group leader since group establishment in 2003). Telephone number is +66 (0) 87-091-2190. The group sell products at the group shop and only platform such as Facebook and LINE applications. The group has registered OTOP in 2004.

About the group products are unique with shiny and beautiful indigo-dyeing fabric colors. The fabric has long-lasting dye color, unique fragrance, also outstanding with beautiful antique and applied patterns. As the group's products which is called “mudmee” is tied/dyed process”, has obtained a 5-star OTOP product in 2019 until the present which is the highest ranking of the awards.



Figure 2: The place of Ban Don Koi Weaving Group

Group Structure

As Vianmana and Nohmi (2020), they revealed that the groups are composed of group committee members and general group members. Group committee members consist of executive and general committee members. The group structure consists of a leader, vice-leader(s), secretary(ies), treasurer(s), consultant(s), and general committee member(s) who have specific duties. The majority of the groups have fewer than 15 group committee members.

The group leader is responsible for the overall group activities, and he/she directs and supports the group members. He/she also facilitates coordination between the external players (government organizations, other supporters, or customers) and group members. The vice-leader assists the group leader in managing the group operations and is the key person that contacts government organizations or other supporters. The secretary records the information collected from group meetings or other events. The treasurer manages the group's finances.

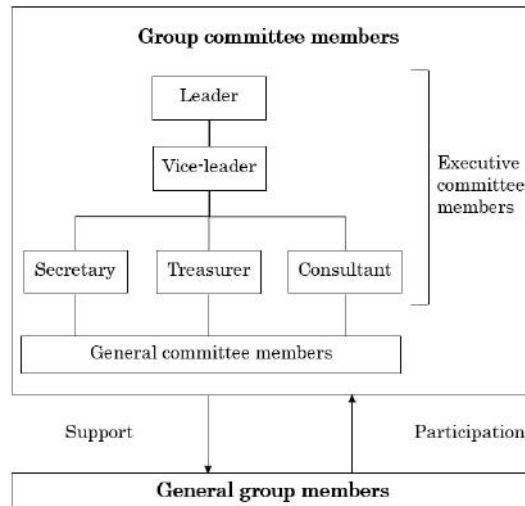


Figure 3: Group structure of community business (Vianmana and Nohmi, 2020)

This study employed both quantitative and qualitative research techniques to collect the data on Ban Don Koi Weaving Group. The group leader was purposively interviewed as recommended by the community development officer as an outstanding community business group in Sakon Nakhon province which was Ban Don Koi Weaving Group. Descriptive statistics was used to explain general information and strengthening characteristics of the group. Thus, we study about indigo dyed business group which is a traditional wisdom passed on from ancestors and spread widely especially in Northeastern part of Thailand. Furthermore, this group is an outstanding group in Sakon Nakhon Province suggested by the community development department.

Results

General Information

The results displayed that there were 63 group members in 2023. The group had established since 2003 with 9 group members. The group composed of 17 committee members. There were totally 7 types of group products which were handkerchief, scarf, shawl, a set of fabrics, multi-purpose fabric, ready to wear clothes, and bags (pre- order). The group earned 5 stars of OTOP award which is the highest ranking of the awards and rewarded an industry production standard to guarantee that the product has high quality.



Figure 4: Group structure of Ban Don Koi Weaving Group

Production Planning

Inside the group building, there are 34 handlooms to weave fabrics. Based on seven types of the group's products, a set of fabrics was the bestseller. This set is included by two fabrics in order to make cloth and skirt or trousers. The price per set is around 1,800 -2,600 THB; 1USD = 34.96 THB in 2023, (Bank of Thailand, 2023). The group also produce the products regarding to orders from customers.

About production capacity and its value, the group could produce a set of fabrics about 2,200 sets per month and its value was 840,400 THB, which were the highest number of production capacity and its value compared to other product types. Therefore, the capability to produce high quality products and production capacity are important.

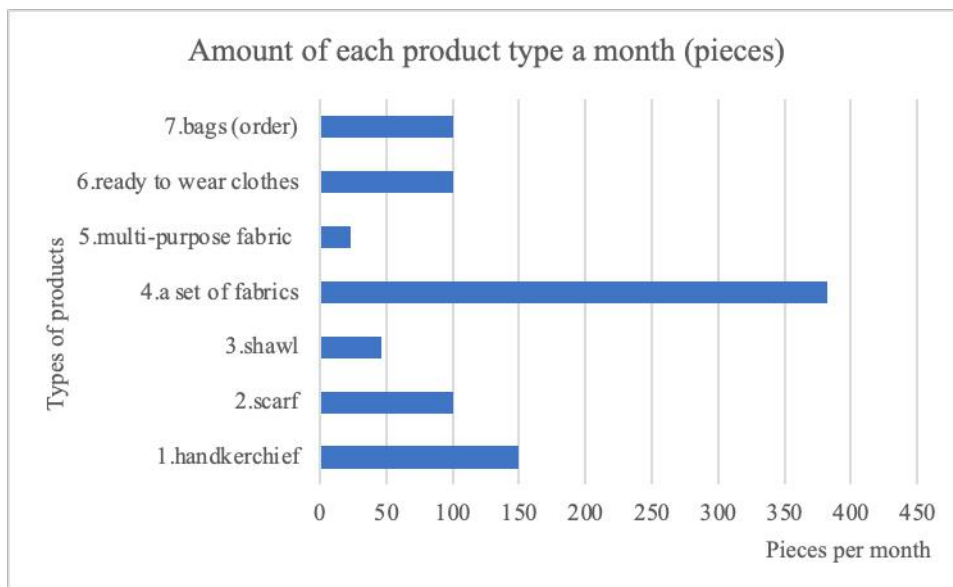


Figure 5: Amount of each product type a month

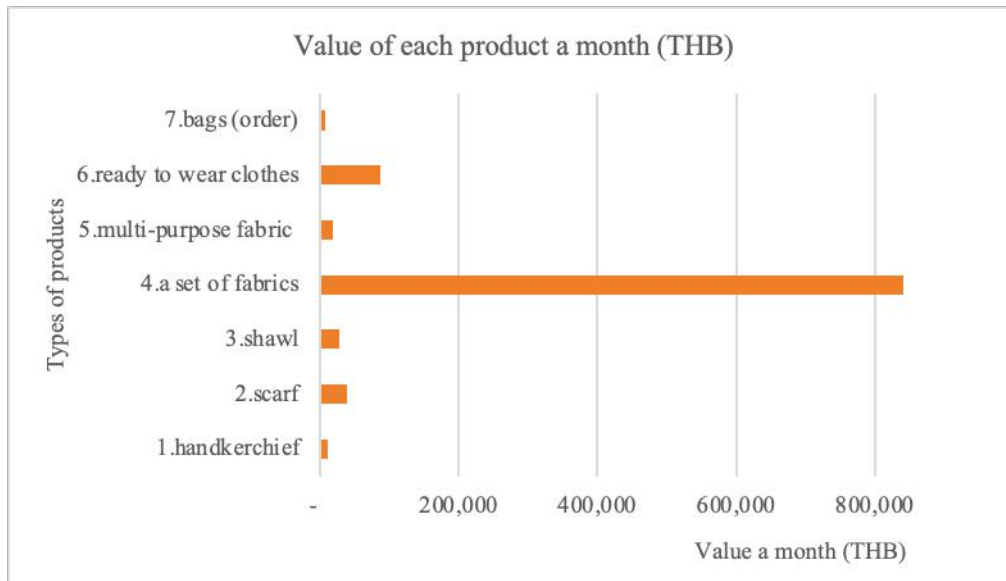


Figure 6: Value of each product a month



Figure 7: Handlooms

Marketing Planning

The group ordered cotton threads from Bangkok 300-400 Kg. per month (200 THB/ kg.) to produce all group product types. Threads were tied/dyed in indigo colors and dried.

First stage was started by supplying thread from shop in order to produce primary stage by the group members. After that, middleman inside Sakon Nakhon province will come to take the group products at the group place or the group deliver the products to customers using online and transportation service in the country and overseas. Thus, pre-order, market channels, and a credit to finish work intime are important things to strengthen the group.



Figure 8: Indigo color



Figure 9: Drying cotton threads after indigo dyed process

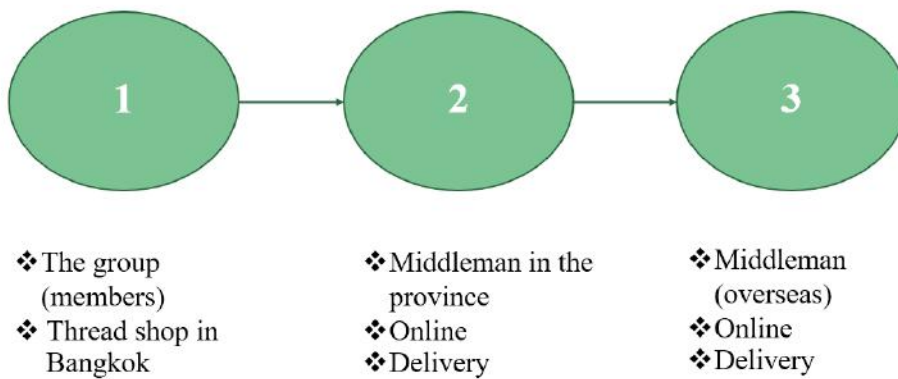


Figure 10: Marketing stages

Administrating Planning

The group distributed responsibilities to all group members. The group members understood their duties very well. They could finish the work intime following orders from customers. There also had a record for working hours of all group members in order to earn income every month based on the group profit. The group had a group meeting every month to update the group information, orders, responsibilities, and planning, these activities are well strengthening the group operation.

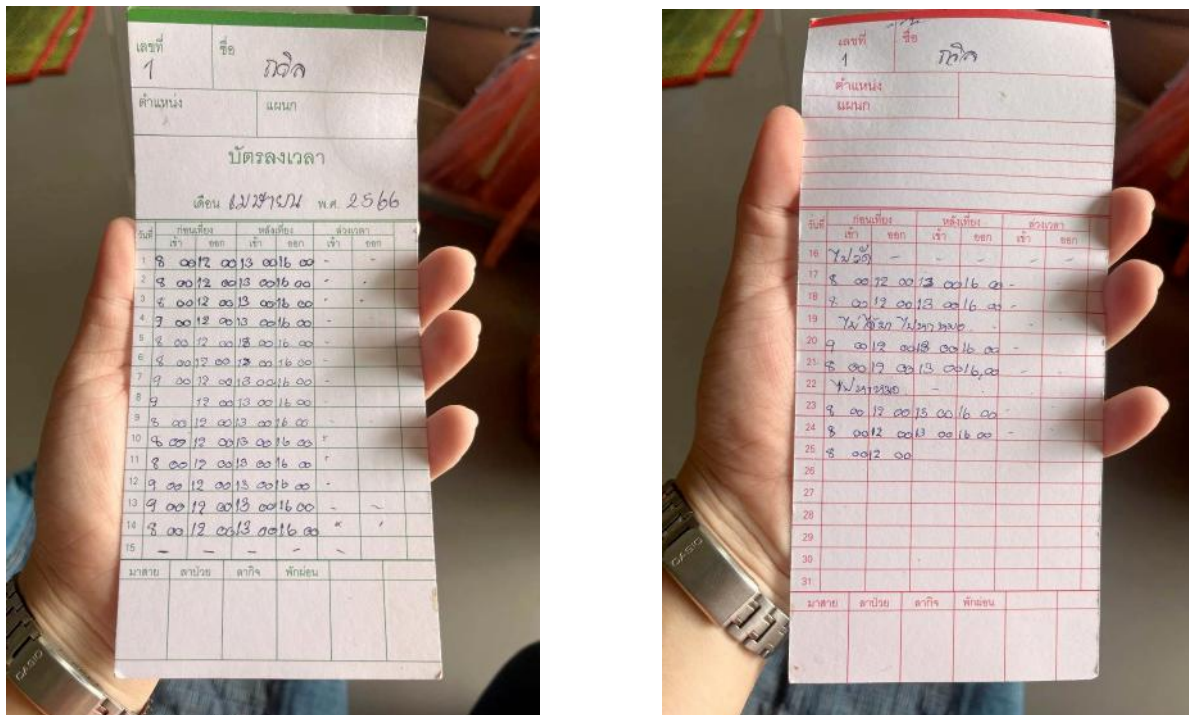


Figure 11: Record for working hours

Financing Planning

The group committee member will calculate earning for group members every month based on the number of record working hours of each and the group profit. The group will have a meeting to plan for working capital every 3 months.

About subsidies that the group have obtained since 2004. From 2004 to 2006, the groups received 27,500 THB a year. After that, from 2007 to 2022, the group obtained 7,500 THB from subdistrict Administrative Organization (SAO). In addition, in 2023, the Ministry of Interior provided new building, equipment and tools for the group, about 12,000,000 THB. Therefore, the subsidies are important to strengthen for the group’s operation in early stage until present. In summary, financial support from government is precious. Likewise, the group financing process such as the group has provided earnings to group members every month based on its profit.

Conclusion

The results of descriptive statistics; firstly, displayed that the Ban Don Koi Weaving Group has longevity which been operating about 20 years. As for the planning process, it showed

that the group has pre-order, market channels, and a credit to finish work intime are important things to strengthen the group, high product quality, these could be well representing the outstanding and strengthening of the group background.

Secondly, the strengthening characteristics of the group in terms of producing, marketing, administrating, and financing were clear clarified. The government had been supporting the group with some budgets, materials and knowledge since establishment. These subsidies are important to strengthen for the group's operation in early stage until present.

Finally, the results indicated that well planning process before producing, marketing, administrating, and financing activities were crucial and the group personnel working with systematic tasks and their discipline continuously were clearly strengthening characteristics of the group. Especially, working hour record activity and earning income of group members every month, these activities are major keys to keep the strengthened group operation.

As the study, a group of outstanding community business was selected to clarify the strengthening characteristics of community business in Sakon Nakhon province, Northeastern Thailand. The characteristics might occur only inside this selected group. Therefore, this study remains a limitation. In the future, it will be great to enhance studying in other outstanding community businesses.

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