



Firm Readiness to Internationalization of Thai SMEs towards the ASEAN Economic Community

Sakda Siriphattasophon

Email: sakda.sir@gmail.com

Khwunthicha Saiyasopon

Email: mink_ko5@hotmail.com

College of Graduate Study in Management (MBA)

Khon Kaen University at Bangkok, Thailand

Abstract

The regional integration of economic collaboration of the ASEAN Economic Community (AEC) in 2015 is a major propeller that opens great opportunities for freer trades and investment of the ASEAN country members. This research was aimed at surveying readiness for doing international businesses of small and medium-sized enterprises (SMEs) in Thailand towards the ASEAN Economic Community. Data was collected from June thru October, 2012. The questionnaire was used as the research instrument, and the sample of the study comprised 400 SMEs entrepreneurs. The results show that most entrepreneurs were moderately ready for the AEC when considering the overall perspectives of the anticipated factors. Medium enterprises show a higher average score of the internationalization readiness than small enterprises in terms of deploying dimension that motivates them for internationalization, competitive capabilities in domestic market, commitment of owners, and firm's experience and training. Hence, in decision making to transact international businesses, entrepreneurs should continuously appraise their organizational and product readiness in order to know what weaknesses and strengths there are to be improved. Opportunities and threats should also be analyzed to understand external conditions affecting international businesses and organizations. Trading and investment information for entering foreign markets should be thoroughly studied so that entrepreneurs will have an appropriate means to accommodate arising situations. Preparation for readiness increases opportunities to strengthen competitive capacity both in domestic businesses and foreign markets, very effectively leading towards becoming a successful part of ASEAN Economic Community in the near future.

Keywords: *Internationalization, firm readiness, competitive capability, Thai SMEs, ASEAN Economic Community*



INTRODUCTION

Small and medium-sized enterprises (SMEs) are the major components of the economic system, a principle mechanism in rehabilitation and enhancement of Thai economic progress by creating incomes and employment, and hence a means to mitigate poverty problems. According to the data of the Office of Small and Medium Enterprise Promotion (2012a), there were approximately 2.9 million businesses in 2011, with 99.8% being SMEs. SMEs employment accounted for 78% of the total national employment. Moreover, the growth of SMEs accounted for approximately 37.1% of the whole country's GDP while the export value of SMEs was 28.4% of the entire national export.

Presently, the world's international trading is interconnected owing to globalization and advancement of information technology. It has become easier for small and medium enterprises to reach the world market since costs dramatically decreased from what used to be in the past. However, because of the rapid changes in economy, trading, society, and technology; competition in the business and industrial sectors are directly affected. Business competition has been changed clearly from the past when Thai SMEs used to rely on abundances of natural resources and cheap labor costs that enabled low-cost manufacturing. On the contrary, these have become limitations that make the country face competitive recession due to depleted natural resources. At the same time, new foreign competitors continually emerge who are backed up by lower labor cost and greater resources, making the used-to-be-advantageous SMEs require development and capacity strengthening for business transaction and survival under the present-day competitive situation (The Office of Small and Medium Enterprise Promotion, 2012a).

Moreover, in this approaching future, development of cooperation among Asean country members towards the ASEAN Economic Community (AEC) in 2015 will bring about impact on various fields of businesses with direct effects on Thailand's economic structure and condition. Thus, during this remaining short period of time before full development of AEC, SME's entrepreneurs need to accelerate acquisition of knowledge related to various aspects of AEC and to prepare for the arriving opportunities and increasing competitiveness. As such, Thai SMEs will be able to effectively draw advantages from AEC (Department of International Trade Negotiation, 2011) because entering foreign markets of SMEs is a major factor towards corporate growth and Thai economic growth (Jaffe & Pastenak, 1994).

From the above discussion, studying of SMEs readiness for international market and ASEAN Economic Community is a very interesting issue. The findings can



be applied in planning of capacity strengthening of entrepreneurs and developing of competitive potential of SMEs towards the AEC in 2015.

LITERATURE REVIEW

Pressures under free trading and different levels of investment both internationally and regionally occur continuously and have reached a powerful level at present. These bring impact on business transactions both domestically and internationally. The scope of businesses is widening, and competitors and customers are not limited within the country. With this reality, many business organizations have been attempting to seek opportunities to enlarge their operations, seek raw materials and resources, learn new technologies in production processes, and find new markets for their products and/or services in order to be able to expand their businesses in foreign countries. Internationalization, therefore, is defined as various organizations implementing their activities internationally across the border. This involves bartering, selling, purchasing, exporting, logistics of products, services, investment money, personnel, production, and international investment (Daniels, Radebaugh & Sullivan, 2009; Wild & Wild, 2012).

Significances and Limitations of SMEs in Internationalization

Entering international markets, besides being an important factor behind propelling the country's economy both in exporting and foreign direct investment (FDI), is a significant strategy seen as a major support for growth. Entering foreign markets builds tremendous benefits to a business. It distributes risk, increases sales, economizes, and builds good organizational images (Menendez, 2005). Cavusgil, Knight and Riesenberger (2008, p.16-18) compiled and concluded a lot of causative factors or major motivations behind decision of enterprises to enter international businesses, for example, searching new market opportunities, adding to business profits, searching knowledge in product and service development, following up services for clients abroad, establishing factories close to raw material sources, etc. Additionally, there are other environmental factors that motivate more enterprises to enter foreign markets, especially the economic cooperation at different levels that promotes member countries to open free trades and investment.

Doing international businesses, besides being a large firm such as multinational corporations, small and medium-sized enterprises (SMEs) can find their places in cross-country activities. Small and medium-sized enterprises (SMEs) as defined in the international business context may be classified differently. For example, in the United States and the European Union, small and medium-sized enterprises are defined as enterprises with fewer than 500 and 250 people, respectively. In Thailand, the Office of Small and Medium Enterprise Promotion (2012b), by virtue of the 2000 Small and



Medium Enterprise Promotion Act, categorized the following businesses as small and medium-sized enterprises:

- A manufacturing or service enterprise with total assets of not over 200 million baht and not over 200 employees; or
- A wholesale enterprise with total assets of not over 100 million baht and not over 50 employees; or
- A retail enterprise with total assets of not over 60 million baht and not over 30 employees.

Under the pressure of globalization, technological advances, and various supporting factors; SMEs have acquired more important roles in international businesses. OECD (1997) estimated that over one third of Asian export goods come from SMEs while over one fourth of export goods in Europe and North America also belong to SMEs. Moreover, in some countries (such as Italy, South Korea, China), SMEs have taken an important role in their economy, namely, SMEs entrepreneurs possess over 50% of exports in their respective country.

Risks in international business transaction have diminished from national country-opening and free trade policies, availability of relevant information and advanced information technologies. Notwithstanding this fact, however, many international businesses still rely on defensive strategy. When compared to large enterprises, a number of studies have shown that even European SMEs involved in international businesses still face a lot of constraints in entering foreign markets, e.g., shortage of investment money for expanding export products, lack of knowledge and experiences in conducting international businesses, lack of knowledge and capacity in analyzing foreign markets and environments, loss of administrative time when dealing with the expected foreign businesses and necessary activities, and shortage of experts in international businesses (OECD, 2008; OECD, 2009). In Thailand, more constraints may be found among SMEs, such as limitations in language preventing effective communication with the business counterparts, failure to maintain consistent product quality, and risk management problems in terms of currency value, which is only 20% among Thai small-sized enterprises (Bank of Thailand, 2011).

Organizational Readiness to Internationalization

Decision to enter world market involves many risk factors. Entrepreneurs must carry out elaborate studies to assess potentials and chances in expanding their businesses at an international level. The important initial strategy for entering international business is analyzing their own organizational readiness to internationalize by evaluating weaknesses and strengths to understand one's competitive competence and readiness before entering the global market.



Cavusgil, Knight and Riesenberger (2012) recommended that in analysis for readiness to internationalize, entrepreneurs should scrutinize their own organizational elements, including resources, motivation, necessary capacity that will lead to successful internationalization. They need to analyze the target and objectives in the planning, for example, evaluating if the company possess adequate resources for the business both in terms of quantity, quality, skills, and competency. If any of the resources is weakening, it should be acquired before proceeding to the next stage. Supporting agencies should also be evaluated in terms of their potentials. The following dimensions in an organization are recommended to be evaluated for readiness to internationalize:

Competitive capabilities in domestic market - The capabilities to carry out businesses efficiently can build advantages over foreign competitors and overcome them. This means organizational potentialities to compete in businesses (Cooper, 2005), the capabilities that lead to superior performances measurable by market share and profit-making competency (Bharadwej et al., 1993). Profit levels are strengths that better support internationalized business management (Moini, 1995). Many academicians such as Burpitt and Rondinelli (2000) believe that sales, revenues, profits, organizational growth, and success in foreign market management are important factors contributing to internationalization success. Cavusgil, Knight and Riesenberger (2008) stated that success in foreign market competition is an important factor for an enterprise to internationalize rapidly.

Motivation for going international – This comprises factors stimulating a company to need to internationalize; for instance, requirement to utilize the remaining production power to the fullest extent, expansion of product life cycle, or reduction of operational risks by exporting goods to other countries. Bartlett and Ghoshal (2000) conducted a study on motivation to internationalize and found that motivation is motivated by novel economic patterns and technologies that are ever changing, and social, cultural, and environmental development which necessitate a firm to internationalize for survival and reducing risk of operation at one place.

Commitment of owners – Entrepreneurs must make it evident of their commitment to truly internationalize. SMEs entrepreneurs, in particular, have to make decision if they want to enter international businesses. Studies on the past revealed the tendency to internationalize correlated positively with capacity in accepting risks of entrepreneurs since foreign business implementation is more likely to be risky than domestic businesses (Wiedersheim et al., 1978). Leonidou, Katsikeas and Piercy (1998) reported that 8 out of 10 of research studies supported the positive association between export level and risk accepting capability. Entrepreneurs who can accept risks well tend to internationalize their businesses and have more chances to become



an entire export agent than those who do not accept risks. Besides, a study by Manolova, Brush, Edelman and Greene (2002) also showed that entrepreneurs who decided to internationalize perceived the surrounding in a more positive way than entrepreneurs in companies that had not enter international businesses.

Product standard for foreign markets – This refers to products that have been certified of their standards according to international principles, with indications for major characteristics, uses, and other important information. Or else, these products have been specifically authorized to sell in foreign markets. Holm-Olsen (2008) suggested that knowledge of advantages and drawbacks of a product enable producers to know what to develop and improve so that the product becomes standardized and outstanding, leading to its success as an export product.

Skill, knowledge, and resources of the firm – Entrepreneurs should have knowledge and understanding in transacting businesses with foreign countries. They should be informed of agreements on taxes and laws, up-to-date and complete information resources related to domestic and international markets. They should also be able to manage financial sources that adequately support their international businesses. Westhead, Wright and Ucbasaran (2001) said that entrepreneurs competent and skillful in knowledge management will be able to lead their businesses into an export business faster than their competitors. This finding correlates to a study by Manolova et al. (2002), which stated that skills, knowledge, abilities, and experiences accumulated from management with international business organizations; together with perception of the surrounding conditions are important foundations for a firm's success in internationalization.

International experience and training – Entrepreneurs should have experiences and/or have been sufficiently trained in in-depth international business management. They can utilize the knowledge to organize training for their employees to strengthen the capacity in international business management. A study by Herrmann and Datta (2002) showed that internationalized skills occur through foreign marketing management such as previous job in a foreign firm. Moreover, knowledge of foreign markets will increase opportunities to expand export and promote strategic utilization in international investment. This also results in positive impact on internationalization (Reuber & Fischer, 1997).

Assessment of an organization's readiness to internationalize is a continual process. Entrepreneurs should regularly check their organizations' capability levels. SWOT analysis can be conducted which includes analysis of chances and threat from external conditions that arise in international businesses.



RESEARCH METHODOLOGY

In order to respond to the research objectives, this research was designed to apply the quantitative method emphasizing a survey in which field data was collected. The cross-sectional method was used as explained in the following procedures.

Sample and Data Collection

The population of this study included small and medium enterprises (SMEs) in Thailand as listed in the database of the Ministry of Industry. The sample group was obtained by non-probability and purposive sampling according to the type of businesses, divided equally between small and medium-sized enterprises. Data was purposively collected from entrepreneurs who attended seminars or training on internalization of businesses organized by both the government and private sectors from June to October, 2012.

Since the data analysis unit was at an organizational level which cannot directly answer the questionnaire, the enterprise owners or decision makers were asked to give information. These owners or managers had power, responsibility, and were able to set business policies for their organizations. The questionnaire returned was checked for completeness and a total of 400 sample units (200 medium enterprises and 200 small enterprises) were classified according to organizational characteristics into business types, annual revenues or sales, and operation time. The baseline data of the sample group is given in Table 1.

Table 1 Descriptive Statistics of the SMEs' Sample

	No. of sample	Percentage
Business registration form		
Company limited		72.00%
Partnership	112	28.00%
Business size		
Medium	200	50.00%
Small	200	50.00%
Revenues/Sales (per year)		
Less than 11 million baht	93	23.25%
11-50 million baht	201	50.25%
51-100 million baht	53	13.25%
101-150 million baht	18	4.50%
151-200 million baht	35	8.75%
Time of operation (Age)		
Less than 5 years	70	17.50%
5-10 years	163	40.75%
11-20 years	110	27.50%
More than 20 years	57	14.25%



Measures

The research tool used in this study was the questionnaire developed from the question set of CORETM (COmpany Readiness to Export) made by Tamer Cavusgil (globalEDGE; Diagnostic Tools, 1990s) for testing company's readiness for business internationalization. Nowadays, this questionnaire is being used widely among business consultants and the Ministry of Commerce of the United States (Cavusgil, Knight & Riesenberger, 2012). The questionnaire is suitable to use because it aims at the readiness in export and is in line with the business sizes of most potential SMEs that were looking for opportunities to export their goods. The questionnaire is divided into three parts as follows:

Part 1 - Questions on basic business data of entrepreneurs;

Part 2 - A set of questions for evaluating readiness of the organization in the following dimensions: (1) competitive capabilities in domestic market, (2) motivation for going international, (3) commitment of owner, (4) product standard for foreign markets, (5) skill, knowledge, and resources of the firm, and (6) international experience and training; and

Part 3 Open-ended questions for respondents to show their opinions and suggestions.

Validity and Reliability Testing

The questionnaire made was pre-tested with 40 small and medium-sized enterprises in order to check wordings, language use, and efficiency in communication that enables respondents to understand and answer the questions appropriately. The second part is the Likert scale questions with 5 levels of answer choices; from mostly agree (5 points) to mostly disagree (1 point). The quality of scale checking of collected data showed the Alpha coefficient of questions on readiness in different dimensions being in the range of 0.69 0.88.

Data Analysis

Since the principle aim of this research was to survey the readiness of SMEs to internationalize their businesses, the statistics used was descriptive statistics comprising frequency, mean, and standard deviation, which were used to analyze the data and classify enterprises' characteristics and their readiness to internationalize in different dimensions. Besides, an inferential analysis was performed to test the hypothesis, compare the difference of business and readiness to internationalize in different dimensions by means of Independent-Sample *t*-test, with statistics significance at the level of 0.05.



RESEARCH RESULTS

Analysis through descriptive statistics as shown in Table 1 reveals the baseline business information of SMEs entrepreneurs in the sample group. It was found that most of the SMEs (72%) registered their organization form in the company limited category. The small and medium-sized enterprise samples were divided into two equal groups in order to avoid bias in data analysis which could lead to deviation from reality. In terms of revenues or sales, it was found that most (50.25%) received from 11 to 50 million baht annually (or approximately 0.36 2.50 million US dollars), whereas most enterprises (58.25%) had conducted their businesses for not more than 10 years.

The obtained data was computed using the CORE™ program to measure the readiness levels of each SME to internationalize. The results are shown in Table 2. As can be seen, the organizational readiness of most SMEs sample (64.75%) was at a medium level, while only 26.75% was at a low level and only 8.50% was at a high level. Statistical analysis at the reliability level of 95% showed a higher proportion of medium-sized enterprises being ready to internationalize at a high and a medium level when compared to small enterprises. A significant lower proportion of small enterprises were found ready to enter international businesses.

Table 2 : Comparison of Organizational Readiness to Internationalize between SMEs

Size of enterprises	Organizational readiness						Total
	High level		Medium level		Low level		
	Number	Percentage	Number	Percentage	Number	Percentage	
Medium enterprises	32*--	8.00	146*	36.50	22	5.50	200
Small enterprises	2	0.50	113	28.25	85*	21.25	200
Total	34	8.50	259	64.75	107	26.75	400

* Statistically significant at the $p < .05$ level (2-tailed)

Analysis of international readiness of SMEs in Thailand in different dimensions is shown in Table 3. It can be seen that readiness of medium and small-sized SMEs to internationalize their businesses differed both overall and dimensionally. Medium-sized SMEs showed a higher mean of factors measuring readiness to internationalize than small enterprises in terms of motivation for going international, competitive capabilities in domestic market, commitment of owner, and experience and training.



Table 3 : Means, standard deviations, and reliabilities among dimensions of firm readiness of the SMEs

Dimension of Firm Readiness	Cronbach's alpha	Medium-sized Enterprise		Small-sized Enterprise		Overall	
		Mean	S.D.	Mean	S.D.	Mean	S.D.
Competitive capabilities in domestic market	.78	3.41*	0.92	2.86	0.87	3.13	0.95
Motivation for going international	.83	3.80*	0.89	3.41	0.82	3.60	0.89
Commitment of owner	.78	3.16*	1.20	2.63	1.06	2.89	1.17
Product standard for foreign markets	.79	3.70	1.03	3.66	1.07	3.68	1.05
Skill, knowledge, and resources of the firm	.69	3.33	.85	3.18	.76	3.25	.81
International experience and training	.88	3.33*	1.10	3.06	.97	3.19	1.05
Overall		3.46*	.99	3.13	.92	3.29	.98

* Statistically significant at the $p < .05$ level (2-tailed)

Additionally, the following suggestions were given by entrepreneurs answering the questionnaire:

- Training and seminars should be held to educate SMEs in investment and internationalization of their businesses. Approaches to tackle the present world economic crisis should also be introduced.
- Seminars should be held to provide knowledge on impacts, advantages, cautions and preparation for entering ASEAN Economic Community (AEC) in 2015.
- Training should be organized to provide knowledge on taxation, levy, currency exchange rates, international business laws, etc. in order to prepare entrepreneurs of SMEs before the arrival of AEC.
- Economic, social, cultural, law, and technology databases of Asean countries should be made for benefits of those involved in preparation of SMEs before entering AEC.
- Government should support in different possible aspects such as reduction of interest rates, or setting special interest rates and provide financial support to small and medium-sized enterprises in order to strengthen their competitive capacity before entering AEC.



DISCUSSION

The major purpose of this research was to survey the level of organizational readiness of SMEs to internationalize their businesses in order to prepare for the arrival of AEC in 2015. Investigation of differences of firm size and the effect of the level of readiness in different dimensions was also performed. The findings reveal that organizational readiness of most SMEs in Thailand (91.50%) was at a medium and a low level (Table 2). This is really a concern for Thai SMEs in terms of competitive capacity in the coming free trade condition. From the report made by European Commission (2007), major obstacles of SMEs can be classified into 3 major categories, namely: (1) insufficient allocation of time for management and/or insufficient skills necessary for international business transaction; (2) shortage of financial resources; and (3) lack of knowledge in international marketing, which results from the first two constraints. Among these three drawbacks, the European Commission saw management as the most vital element, especially when considering strategies in entering the world market of SMEs, which is the most important problem in international businesses.

Comparison of sizes of SMEs affecting the level of readiness to internationalize showed that the internal organizational readiness levels of medium-sized SMEs were higher than small enterprises in nearly all aspects. This finding correlates to the European Commission (2007), which suggested that SMEs administration skills depend on the business sizes. Smaller businesses tend to require more management capacity building. Small organizations usually have uncomplicated administrative structure and unsystematic strategic decisions. In this report, the European Commission stated that well-structured management system is a strong basis towards a chance for success in international businesses and a major component to propel SMEs into the world market more effectively.

Table 3 clearly shows superior competitive capacity of medium-sized enterprises over small enterprises as a result of the former's good coverage of marketing activities and distribution of products. Their products are also outstanding in terms of prices and usefulness. They have had professional administrators assisting their businesses and good cash flow during the recent period. This is associated to a study by Burpitt and Rondinelli (2000) and a report by Cavusgil et al. (2008) that revealed success in domestic transaction of businesses as the factors supporting chances of and propeller for successful and internationalization.

The data in Table 3 also demonstrates that medium-sized enterprises have a higher level of motivation to internationalize than small enterprises. Medium-sized business entrepreneurs see international businesses as a means to strengthen their competitive capacity. Exporting is seen as a strategy for expansion of market and



prolonging of product life cycle. Bartlett and Ghoshal (2000) believed that motivation to internationalize businesses will deploy firms to enter the world market in order to survive and lessen risks from sole domestic operations. In addition, the findings in terms of determination and devotion of entrepreneurs reveal that when compared to small enterprises, medium entrepreneurs see the importance of leasing and entering agreements through decent consultant firms. They also pay officers dealing with international businesses higher than other officers. Administrators set higher targets and objectives for international businesses. Leonidou et al. (1998) and Manolova et al. (2002) explained that entrepreneurs who have decided to internationalize their businesses perceive the environment positively. They see the opportunities and importance of international businesses as a path leading to growth, more market share, and more profits.

When considering experiences and training in international businesses, medium-sized enterprises scored higher than small enterprises (Means = 3.33 and 3.06, respectively). The difference can be explained on the most part by previous experiences in international businesses of medium enterprises managers. They had joined goods exhibition abroad, held memberships of many unions and associations that provide knowledge in international businesses, and possessed higher language skills. A research study by Athanassiou and Night (2000) stated that major potentiality of a firm in building difference in exporting, competing, developing, and in work outcomes emerges from administrators' existing experiences from their life abroad. These entrepreneurs acquired foreign cultures when staying, working, or sightseeing there and hence added to their world experiences. Buying an enterprise is the first experience made via an individual's status in a foreign market. A firm operates initially by the manager's tacit knowledge in internationalization.

On the other hand, the findings did not indicate difference between small and medium enterprises in product standards and management skills and knowledge. It is, however, noted that although the standards of products of small and medium enterprises are not different, the means of this component were high (3.70 and 3.66, respectively), denoting relatively appropriate standards of SMEs products in the world market. However, management skills and knowledge of both SMEs were quite low (3.33 and 3.18, respectively), showing that skills and knowledge are still important obstacles preventing SMEs to enter foreign markets. This is true anywhere worldwide. Businesses should have access to financial sources, adequate information for running businesses, taxation knowledge and tax rates, and information sources for international businesses (European Commission, 2007).



CONCLUSION

This research enables us to know the potentiality and levels of readiness for entering the world businesses of SMEs in Thailand. Over 90% of entrepreneurs in Thailand showed medium to low readiness to internationalize. Considering factor by factor, medium-sized enterprises have highest motivation propelling them to enter the world markets, whereas small enterprises showed highest standards of their products. Small enterprises' determination to enter the world businesses was lowest and is similar to medium-sized enterprises. When testing statistically, medium enterprises have greater internal organizational components supporting them to enter the world market than small enterprises, especially in domestic competitive capacity, motivation to internationalize, commitment of enterprise owners, and high experiences and training.

The fact that international readiness of Thai SMEs is low or medium while competition across the borders is becoming more and more violent is a real concern. Small enterprises now are ready at only 0.50%. Thus, entrepreneurs should expedite adjustment of executives' time management, which scored lowest, so that they have more time to allocate on internationalization. In terms of commitment of owners, it is vital that executives make it evident that they intend to perceive and accept arising risks. They should produce planning of work, budget, and set objectives for internationalization clearly both for short and long terms.

Moreover, entrepreneurs should regularly analyze the readiness of their own businesses to see what aspects or skills are missing or what weaknesses there are in order to accelerate improvement and add to the readiness to enter the world market and AEC in 2015. International business transaction is an important factor behind deploying of Thai economy. The greater the readiness to internationalize of Thai small and medium enterprises, the more capacity in competitiveness in the coming AEC.

Externally, there are both private and governmental organizations that provide knowledge in internationalization of businesses. Hence, SMEs entrepreneurs should participate in the training organized by them in order to expedite their acquisition of knowledge and information in investment and businesses in foreign countries, along with knowledge about taxes, levies, customs and exporting of goods and services abroad, exchange rates, laws of international business transaction, partnerships and world markets. The programs provided also offer knowledge in risks of international businesses, information concerning investment, economy, social culture, laws, and technologies of different countries in the AEC, and how to prepare for the present world economic crisis and ever-changing economic conditions and be ready to accept any emerging situations. As such, they will be able to prepare themselves and strengthen their competitive capacity both domestically and internationally.



REFERENCES

- Athanassiou, N. and Night, D. (2000), "Internationalization, tacit knowledge, and the top management team of MNCs", *Journal of International Business Studies*, Vol.31No.3, pp. 471–487.
- Bartlett, C.A. and Ghoshal, S. (2000), *Transition Management: Text, Cases, and Readings in Cross-border Management* (3rd ed.), Irwin McGraw-Hill, Singapore.
- Bharadwaj, S. G., Varadarajan, P. R. and Fahy, J. (1993), "Sustainable competitive advantage in service industries: A conceptual model and research propositions", *Journal of Marketing*, Vol. 57, pp. 83–99.
- Bank of Thailand. (2010), "Why do SMEs not protect the currency risk", *Focus and Quick, 12: (December 6, 2010)*, Economic Research Department, Bank of Thailand, available at http://www.bot.or.th/Thai/EconomicConditions/Publication/FAQ_documents/FAQ_12.pdf (accessed December 12, 2011).
- Burpitt, W.J. and Rondinelli, D.A. (2000), "Small firms' motivations for exporting: To earn and learn", *Journal of Small Business Management*, Vol.38 No. 4, pp.1-14.
- Cavusgil, S.T., Knight, G. and Riesenberger, J. R. (2008), *International Business: Strategy, Management and the New Realities*, Pearson Prentice Hall, New Jersey.
- Cavusgil, S.T., Knight, G. and Riesenberger, J. R. (2012), *International Business: the New Realities (2nd ed.)*, Pearson Prentice Hall, New Jersey.
- Daniels, J. D, Radebaugh, L. H. and Sullivan, D. P. (2009), *International Business (12th ed.)*, Pearson Education Inc, New Jersey.
- Department of Industrial Promotion. (2011), "Enhancing SMEs Competitiveness Through IT", available at <http://www.dip.go.th/ECIT.aspx> (accessed 12 November 2011).
- Department of Trade Negotiations. (2011), *"Creation the ASEAN Economic Community"*, Ministry of Commerce, Bangkok, Thailand.
- European Commission. (2007), "Supporting the Internationalisation of SMEs: Final Report of the Expert Group", Brussels: European Commission Directorate-General for Enterprise and Industry, available at http://ec.europa.eu/enterprise/policies/sme/files/support_measures/internationalisation/report_internat_en.pdf (accessed 12 November 2011).
- Herrmann, P. and Datta, D. (2002), "CEO successor characteristics and the choice of foreign entry mode: An empirical study", *Journal of International Business Studies*, Vol.33 No.3, pp. 551–569.
- Holm-Olsen, Finn. (2009), *Best Practices in Determining Export Readiness*, United States Agency International Development (March 2009).



- Jaffe, E.D. and Pastenak, H. (1994), "An attitudinal model to determine the export intention of non-exporting, Small manufacturers", *International Marketing Review*, Vol.11 No.3, pp.17-32.
- Leonidou, L., Katsikeas, C. and Piercy, N. (1998), "Identifying managerial influences on exporting: Past research and future directions", *Journal of International Marketing*, Vol.6 No.2, pp.74–103.
- Manolova, T.S. Brush, C. G., Edelman, L.F. and Greene, P.G. (2002), "Internationalization of small firms: International factors revisited". *International Small Business Journal*, Vol.20 No.1, pp. 9-13.
- Menendez, S. (2005), "Growth and Internationalisation of family Businesses", *International Journal of Globalisation and Small Business*, Vol.1 No.2, pp.122–133.
- Moini, A.H. (1995), "An inquiry into successful exporting: An empirical investigation using a three-stage model", *Journal of Small Business Management*. Vol.33 No.3, pp. 9–25.
- OECD. (1997), *Globalization and Small and Medium Enterprises (SMEs)*, Organization for Economic Co-operation and Development, Paris.
- OECD. (2008), *Removing Barriers to SME Access to International Markets*, Organization for Economic Co-operation and Development, Paris.
- OECD. (2009), *Top Barriers and Drivers to SME Internationalisation*, Organization for Economic Co-operation and Development, Paris.
- Office of Small and Medium Enterprises Promotion. (2012a). *The White Paper on SMEs of Thailand in 2011 and Trends 2012*, available at <http://eng.sme.go.th/Lists/EditorInput/DispFasp.aspx?List=15dca7fb-bf2e-464e-97e5-40321040570&ID=813> (accessed 12 April 2012).
- Office of Small and Medium Enterprises Promotion. (2012b), *SMEs Promotion Act, B.E. 2543 (A.D. 2000)*, available at <http://www.sme.go.th> (accessed 12 April 2012).
- Reuber, R.A. and Fischer, E. (1997), "The Influence of the management team's international experience on the internationalization behaviours of SMEs", *Journal of International Business Studies*, Vol.28 No.4, pp.807–826.
- Westhead, P., Wright, M. and Ucbasaran, D. (2001), "The Internationalization of new and small firms: A resource based view". *Journal of Business Venturing*, Vol.16 No.4, pp.333–358.
- Wiedersheim-Paul, F., Olson, H.C. and Welch, L.S. (1978), "Pre-export activity: The first step in Internationalization", *Journal of International Business Studies*, Vol.9 No.10, pp.47-58.
- Wild J.J. and Wild K.L. (2012), *International Business: The Challenges of Globalization*, (6th ed.). Pearson Prentice Hall, New Jersey.

