

# Knowledge and Understanding Problems of the Business Plan in the Small Entrepreneurship in Muak Lek Municipal Area, Muak Lek District, Saraburi Province

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## Abstract

The objectives of this research were 1) to study the knowledge and understanding of the business plan in small entrepreneurship, 2) to study the level of knowledge and understanding of the problems of business plan in small entrepreneurship, 3) to study a variety of knowledge and understanding of the problems of the business plan in small entrepreneurial categorized by personal factors. The samples were 86 entrepreneurs in Muak Lek municipal area, Muak Lek district, Saraburi province. Data were gathered through a survey questionnaire. The analytical tools were frequency, percentage, mean, standard deviation, t-test, and One-Way ANOVA. The results revealed that 1) the respondents' level of knowledge and understanding of the business plan was low. 2) The study of the problems revealed that respondents' lack of knowledge and understanding of the business plan was the major problem ( $\bar{X} = 3.48$ ) and whereas the least problem ( $\bar{X} = 3.21$ ) was the respondents' lack of ability to analyze and use the information in business administration in managing the business. 3) There was statistical significant difference at 0.05 in gender differences of respondent in terms of the lack of analyze and use the information in business administration in managing business, lack of knowledge and understanding of the business plan and lack of ability to predict the future situation of the business. The difference in gender and position in business differed significantly at 0.05 in terms of lack of knowledge and understanding of the business management. For the experience the study found that the differences in experience were significantly differ at 0.05 in terms of lack of knowledge and understanding of the business management. However, there was no significant difference for the comparison analysis. The difference in age, education level, and level of investment fund did not yield significant difference at 0.05 in terms of knowledge and understanding problem of the business plan.

**Keyword:** Business Plan, Knowledge and Understanding, Small Entrepreneurship

## I. Introduction

**S**mall and Medium Enterprise: SME is all over Thailand totaled of 2.74 million, representing 98.5 percent of all enterprises. Mainly in the sectors of wholesale and retail trade, repair of motor vehicles. There are 1,193,038 cases, representing 43.6 per cent. Followed by the services sector with a total of 1,035,089 cases, representing 37.8 percent. And the production of 511, 015 cases, representing 18.7 per cent. The small and medium-sized enterprises contributes to the employment of 11,783,143

people, representing 80.4 percent of total employment. Economic value added which can be seen from the GDP in 2012, the total of value was 4,211,262 million baht or 37.0 percent of the total GDP of the country. (Office of Small and Medium Enterprises Promotion (OSMEP), 2013., para. 1). Furthermore, it also found that a small business has many advantages, such as the freedom of assembly, Do whatever a person like to do, The opportunity to get higher returns, being the owner of business, and create jobs and income for the family (Chompunuch, 2005). But the study found that many SME still having problems and

restrictions in many respects. One major limitation is the limited management because SMEs often lack of the knowledge of the system management or administration. Using the experience of learning the wrong lessons were learned as well. Family members or relatives living assistance within the administration. Thus causing problems for SMEs to expand and improve the management of the system. (Problems and constraints of SMEs as a whole, 2014). Entrepreneurs will start from either side, or often lack of management skills. No management system (Leelawattananun, 1999).

From the above problems and limitations. Is the origin of the concept of this research. The objectives of this research were to study the level of knowledge and understanding of the business plan in small entrepreneurship. Business plan is essential for operators to be better prepared to take on the management of their own business. The results are important information to assist entrepreneurs to develop insights about the business plans for SMEs entrepreneurs in Muak Lek municipal area, Muak Lek district, Saraburi province. To enhance their knowledge, skills and potential in the management of enterprises, small businesses, to manage the business effectively and sustainably in the future.

#### Objective

1) To study the knowledge and understanding of the business plan in small entrepreneurship in Muak Lek municipal area, Muak Lek district, Saraburi province.

2) To study the level of knowledge and understanding of the problems of business plan in small entrepreneurship in Muak Lek municipal area, Muak Lek district, Saraburi province.

3) To study a variety of knowledge and understanding of the problems of the business plan in small entrepreneurship in Muak Lek municipal area, Muak Lek district, Saraburi province.

## II. LITERATURE REVIEW

### I. Cognition Theory

Wangpanich (1983, p. 105) said that understanding means the ability to improve cognitive adaptation to captivate the complete short stories, reviews the facts. It also describes and compares what it looks similar and is similar to the original. Individuals who have an understanding of what can be interpreted or construed elaborating on what was. Bloom et al (Bloom et al., 1956, p. 271) said that understanding means the ability to expand Recognition farther away from the original sensibly. Divided into three stages: 1) Understanding 2) interpretation, and 3) a brief or extended. Jaturongkul (1998, p. 185-189) said knowledge refers to information stored in memory. From the definition of cognitive foregoing conclusion. Cognition refers to information that has been modified in memory so that people can understand, through interpretation. Interpret and summarize or clarify what it is.

### II. Definition of Business Plan

Ouon (2008) noted that the business plan meant to define the concept or business practices of operators in the business. Boonmapichaikorn (1999) said that a business plan is a document that shows the details. Business planning it comes from the author or business. Klinhom (2010) mentions the starting point for the business plan. Details are as follows: 1) the product or service to sell 2) a prospective 3) strengths and weaknesses of the business 4) marketing policy, 5) methods or processes in manufacturing and 6) financial figures on income. The cost income amount invested. And cash flow forecast.

The analysis of the concepts and theories of cognition and the business plan mentioned above. A description of the meaning and importance of knowledge and understanding of the business plan. Thus, interested in understanding the business plans of

entrepreneurs, small businesses, and the conditions of the study. These factors characteristic of entrepreneurial business experience in age, education. Status in Business and the amount invested Used to study with a deep understanding of the business plans of entrepreneurs, small businesses.

### III. METHODOLOGY

#### I. Population and Sample

The population in this study were entrepreneurs, 108 small businesses registered in Muak Lek municipal, Muak Lek District, Saraburi Province (Municipal Office of Muak Lek, 2557) was calculated using the formula of Taro Yamane (Yamame, 1973, as cited in Teeravut Ak-kakul, 2000). If you know the size of the population. At the level of sampling error of 5% is required sample size is 85.04 or 86 people.

#### II. Variables

1. Independent variables are personal factors of entrepreneurial small businesses in Muak Lek municipal area, Muak Lek district, Saraburi province. There are experienced in business, education, age, gender, status in business and type of business.

2. The dependent variable is the knowledge about the business plan and cognitive problems of small business entrepreneurs in Muak Lek municipal area, Muak Lek district, Saraburi province.

#### III. Research Tool

The tool used in research is the questionnaire is made up of documentary research. Related characteristics were closed (Closed-end question) is divided into three steps:

Part one: personal factors of entrepreneurial small businesses in Muak Lek municipal area, Muak Lek district, Saraburi

province; experienced in business, education, age, gender. Status in Business and the amount invested.

Part two: insight on the business plans of entrepreneurs, small businesses in Muak Lek municipal area, Muak Lek district, Saraburi province.

Part three: cognitive problems regarding business plans of entrepreneurs, small businesses in Muak Lek municipal area, Muak Lek district, Saraburi province.

Questionnaire Part 1 is a multiple choice question for 7 Questions Part 2 is a two words (Dichotomous) question for 19 questions. The third is the question of rating scales with 5 levels Likert Scale questionnaire was created which could carry the confidence test in the query by analyzing the reliability of Cronbach alpha coefficient is the reliability of the questionnaire was 0.95, which is acceptable. And the retention period is between October - November 2014.

#### IV. Data Analysis and Statistic

The data were analyzed using computer software in data processing and data analysis. By the interpretation offered.

1. Measurement of cognition. Data were analyzed by using descriptive statistics to explain the cognitive include frequency and percentage F was used to measure the Cognitive Levels. (Kitpreechaborisut, 2006, p. 59-61) set the scoring like correct answered, the point weight equal one. Wrong answer, the point weight equal zero and not sure the point weight also equal to 0, with the following criteria Proficiency Rating (Chalermprasert, 2001).

Score level of 80.00 to 100.00  
understanding level is the most  
knowledgeable.

Score level of 70.00 to 79.99  
understanding level is very  
knowledgeable.

Score level of 60.00 to 69.99  
understanding level is a moderate

knowledge.

Score level of 50.00 to 59.99  
understanding level is a little  
knowledge.

Score level of 0.00 to 49.99  
understanding level is a minimal  
knowledge.

2. To measure the cognitive problems associated with the business plan. By defining the level of cognitive problems associated with the business plan. Analyzed by statistical analysis of the frequency, percentage, mean, Standard Deviation (S.D), statistical test (t - test) one-way analysis of variance (One - way ANOVA) if the difference was statistically significant, that need to test by the difference pairs with Scheffe's Method defines the scoring. The rating scale are highest, high, much, moderate, low and minimal. Using the same criteria all over the levels (Srisaad, 1992, p. 100) as follows.

Average score of 4.21 to 5.00  
represents the highest level.

Average score of 3.41 to 4.20  
represents a high level.

Average score of 2.61 to 3.40  
represents moderate.

Average score of 1.81 to 2.60  
represents a low level.

Average score of 1.00 to 1.80  
represents the minimum level.

#### IV. RESULTS AND DISCUSSION

Number of respondents of 86 people. 35 of them have had five years or less of experience in the business (45.5%) 60.4% was aged 30 to 49 years old. 56 of them were females (65.9%). 40 people had education back ground of high school / vocational certificate or lower (47.1%) 76 people were business owners (91.6%) and 22 people had investment of about 100,001 baht to 500,000 baht (37.3%).

Results from the survey showed that

respondents are knowledgeable about the business plans of entrepreneurs, small businesses overall at a low level (Average score of 52.36%). The respondents understand the business plan is a guide and tool for conducting business. Taking into account the nature and size of the business rationale (Average score of 76.7%). The business plan must include factual information. To able to communicate with stakeholders to clearly understand (Average score of 74.1%). The business plan must cover the operation of each in previous acquisitions (Average score of 73.3%). The business plan Publishers need detailed knowledge and understanding (Average score of 67.1%). Companies must evaluate the success of the business plan regularly annually (Average score of 67.1%). Used the business plan as part of the Strategic Plan (Average score of 61.9%). The business plan does not require analysis of the company's strengths, weaknesses opportunities and threats (Average score of 60.5%). Person in charge for the preparation of a business plan must be a graduate in business administration only (Average score of 58.1%). The business plan has similarities to the planning process for the marketing plan (Average score 57.6%).

Business plans are important for manufacturing businesses only, other business no need to plan (Average score of 57.6%). Small Business Implementation at the local level and no any plan for expansion, do not need a business plan (Average score of 46.5%). The business plan is designed to be useful for business applications for loans from financial institutions only (Average score of 45.3%). The business plan was not necessary for the business. The cost of a business plan is high (Average score of 44.2%). The business plan prepared by the forecast or prediction data, cannot be used to operate it (Average score of 44.2%). A business plan is for registered businesses or a large business with an

operational system, not suitable for small businesses (Average score of 41.9%). Who is responsible for the preparation of a business plan must be a business owner/executive only (Average score of 29.1%). The business plan is complicated and informed business planning difficult (Average score of 26.7%). And a business plan for a period of implementation of the plan until completion. It covers a period of approximately 3 years to 5 years (Average score of 9.5%).

| Owner<br>(n=75) |      | employee<br>(n=7) |      |
|-----------------|------|-------------------|------|
| $\bar{X}$       | S.D. | $\bar{X}$         | S.D. |

When compare the level of knowledge and understanding about the business plans of entrepreneurs, small businesses, by level of study. Entrepreneurs who have a Master's level has understood about the business plans of entrepreneurs, small business at a high level. (Average score of 72.0%). Entrepreneurs who have a Bachelor's level has understood about the business plans of entrepreneurs, small businesses, at a low level. (Average score of 55.67%). Entrepreneurs who have high school / vocational certificate or lower level had knowledge about the business plans of entrepreneurs, small businesses at a minimum (Average score of 48.29%). And entrepreneurs with high vocational certificate or Diploma level have understood about the Table 1.

business plans of entrepreneurs, small businesses at a minimum level (Average score of 43.23%).

The findings cognitive problems in preparing the business plan showed that small business entrepreneurs. No knowledge of the business plan with the highest level ( $\bar{X} = 3.48$ ). Followed by with no knowledge about the process or processes a business plan at a high level ( $\bar{X} = 3.42$ ). No knowledge about business management at a moderate level ( $\bar{X} = 3.22$ ).

Not able to predict or forecast the future business situation is moderate ( $\bar{X} = 3.22$ ). And not able to analyze or use the administration fact for managing at a moderate level ( $\bar{X} = 3.21$ ), respectively.

The study of Knowledge and Understanding Problems of the Business Plan in the Small Entrepreneurship in Muak Lek Municipal Area, Muak Lek District, Saraburi Province by gender and marital status in the sample group by the T-test. The test found that Male and female have not had knowledge about business management. Cannot analyze or use administration in business fact in management. And they cannot predict or forecast the future business situation is significantly different at 0.05. However the owners and employees have had a better understanding about business management significantly different at 0.05 as shown in

**Table 1: A comparison of cognitive problems associated with the business plan by gender and status in the business.**

| Cognitive F  | Male (n=28) |           | Female (n=56) |           | P problems |      | S.D.      |
|--|-------------|-----------|---------------|-----------|------------|------|-----------|
|  | $\bar{X}$   | $\bar{X}$ | $\bar{X}$     | $\bar{X}$ | S.D.       | S.D. |           |
| 1. No knowledge about business management.                                       | 3.07        | .94       | 3.30          | 1.20      | 6.73*      | .01  | Cognitive |
| 2. Cannot analyze or use administration in business fact in business management. | 3.04        | .92       | 3.29          | 1.26      | 6.46*      | .01  |           |
| 3. Not able to predict the situation or forecast future business.                | 2.71        | .94       | 3.48          | 1.21      | 4.45*      | .04  |           |

F P problems

1. No knowledge about business 3.27 1.15 2.86 .69 4.13\* .05 management.

The mean difference is significant at the 0.05 level.

The study of Knowledge and Understanding Problems of the Business Plan in the Small Entrepreneurship in Muak Lek Municipal Area, Muak Lek District, Saraburi Province by business experience, age, education, number of employees, amount invested and heading of samples group by testing One - way ANOVA found that the experience of different businesses. Cognitive problems in the preparation of business plans of entrepreneurs and small businesses have no knowledge about the business plan is based on a different significance level of 0.05. But an average of cognitive problems in different business plan to test the differences the pair by using Scheffe's Method found that there are a couple of factors that are different and that the average age of the study. And a number of different investments. Cognitive problems in the preparation of business plans of entrepreneurs, small businesses do not differ significantly at 0.05. The results of One - way ANOVA tests and the test of different pairs of Scheffe's method are shown in table 2.

Table 2: The results of One - way ANOVA tests and the test of different pairs of Scheffe's Method

| Variables                 | No.1 | No.2 | No.3 | No.4 | No.5 |
|---------------------------|------|------|------|------|------|
| 1. Experience in business | .44* | .22  | .38  | .74  | .56  |
| 2. Age                    | .69  | .08  | .61  | .27  | .45  |
| 3. Education              | .53  | .39  | .81  | .53  | .22  |
| 4. Investment             | .94  | .64  | .42  | .19  | .11  |

\*No differences were found in pairs.

## V. CONCLUSION

1. Basic information of 86 respondents are 35 of them have had five years or less of experience in the business (45.5%). 60.4% was in age group of 30 to 49 years old. 56 of them were females (65.9%). 40 people had education back ground of high school / vocational certificate or lower (47.1%) 76 people were business owners (91.6%) and 22 people had investment of about 100,001 baht to 500,000

baht (37.3%). And found that that the respondents are knowledgeable about the business plans of entrepreneurs, small businesses overall at a low level (Average score of 52.36%). This is consistent with a research of Saengadsapaviriya (2008) studied the business operations of OTOP Group in Sankampaeng district, Chiang Mai Province: Case Study of Textile Group, Household Utensil Group and Decorative Item Group. A Case Study of textiles and appliances. Decorations and ornaments has found that most of entrepreneurs have a business plan for the year (50%). Only 50% of households had been training in business plan. And problems of entrepreneurs is lack of knowledge of the business plan.

2. Knowledge and Understanding Problems of the Business Plan in the Small Entrepreneurship in Muak Lek Municipal Area, Muak Lek District, Saraburi Province. Results from the research showed that respondents are knowledgeable about the business plans of entrepreneurs, small businesses overall at a low level (Average score of 52.36 percent). The respondents understand the business plan is a guide and tool for conducting business. Taking into account the nature and size of the business rationale (Average score of 76.7%). And a business plan for a period of implementation of the plan until completion. It covers a period of approximately 3 years to 5 years (Average score of 9.5%). When compare the level of knowledge and understanding about the business plans of entrepreneurs, small businesses, by level of study. Entrepreneurs who have a Master's level has understood about the business plans of entrepreneurs, small business at a high level. (Average score of 72.0%). And entrepreneurs with high vocational certificate or Diploma level have understood about the business plans of entrepreneurs, small businesses at a minimum level (Average score of 43.23%).

3. Cognitive problems in preparing the business plan, this research showed that small business Entrepreneurs have not had knowledge of the business plan with the highest average at a high level ( $\bar{X} = 3.48$ ). And not able to analyze or use the administration fact for managing had minimal average at a moderate level ( $\bar{X} = 3.21$ ) Studied by personal factors of entrepreneurial small businesses in Muak Lek Municipal Area, Muak Lek District, Saraburi Province. Found that gender and status in different issues

affecting cognitive problems. The lack of knowledge about business management. Cannot be analyzed or used in business administration in management. And you cannot predict or forecast future business scenarios vary significantly at 0.05 in the status of different results in cognitive problems. And you cannot predict or forecast future business scenarios vary significantly at 0.05 in the status of different results in cognitive problems. No knowledge about business management significantly different at 0.05. The study other personal factors found the experience different business resulting cognitive problems. No knowledge of the business plan is different. But when put to the test the average difference the pair showed no significant difference. It also found that age Education And a number of different investments result in cognitive problems are no different.

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