Modified SWOT as a Tool for Formulating Strategies of Rural People Business Organisations in Northeast Thailand

Nuntiya Hutanuwatr
Yap Kioe Sheng

Abstract

The SWOT process - a systematic strategy formulation procedure which is generally employed by business organisations - was modified and introduced for formulating the strategies of Thai Rural People Business Organisations (RPBOs) which belong to farmers who are poor, having primary education, and being in a disadvantaged position. This study, through an action research approach, demonstrated that at least three Thai RPBOs were able to successfully use the SWOT process (Strengths, Weaknesses, Opportunities, and Threats) as a tool for formulating their strategies with certain limitations, conditions, and techniques. Leaders of all the RPBOs, based mainly on their own initiative and decision making, were able to pursue the whole process of the SWOT actively and consistently. This study also has found that the SWOT process is a potential fool for formulating strategies of Thai RPBOs.

Introduction

Since 1961, Thailand has successfully developed its economy through National Economic and Social Development Plans: In 1994 GNP per head was about US$ 2,400. The proportion of the poor reduced from 26.3 per cent in 1986 to 13.7 per cent in 1992. The World Bank no longer considered Thailand a 'poor' country. However, when income distribution is considered, the average household incomes among regions or among occupations are quite different[1]. Rabibhadana[2] confirmed that "income disparities between those employed in the agricultural sector and other sectors are not small, and the gap is widening". The population of the poor in Thailand is still high. It was 6.6 million in 1994 and 5.5 million or 84.2 per cent of them live in rural areas.[3]

There are two ways that Thai villagers have tried to cope with the situation. First, they do it on an individual basis, particularly by going to work in a city either temporarily or permanently to make additional earnings[4]. Second, they try it co-operatively by forming rural people organisations to combat their common problems. Forming and strengthening rural people organisations can therefore

be an essential tool for rural development tasks.[5] Besides its many other benefits, it can alleviate one very important problem of Thai farmers - the lack of the power to campaign economic and political issues. Their voice will be heard only when they present themselves collectively.[6]

However, when looking back in the past, the problems of the development of rural people organisations have been recognised for some time. These problems are lack of efficiency in administration and management, lack of ability in raising funds and poor financial management, lack of coordination and co-operation among members, lack of continuation of the activities, lack of technical knowledge; heavy dependence on subsidies of government, and state interference.[7] In addition to these problems, another critical issue which has been rarely revealed is the lack of good strategies.[8] Particularly, the rural people organisations that run their businesses (called rural people business organisations - RPBOs) must have good strategies because they have to compete directly with private enterprise.

In order to enable most RPBOs, which have become significant in rural development in Thailand, to have sound strategies, a body of knowledge relating to the strategies for RPBOs must be established. Therefore, the objective of this research is to investigate the current strategies employed by the RPBOs, to investigate an externally introduced formulation process for formulating the future strategies of the RPBOs through a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) and to investigate its implications. In this article, the researcher presents only part of strategy formulation - the SWOT process for formulating the strategies of RPBOs.

Research Design

The research design of this study was based on a qualitative approach using action research and case studies. Business strategies, business organisational perspectives, and relevant Thai rural contexts are examined to construct the conceptual framework and to identify relevant variables to be used in this study. The SWOT process commonly employed by business organisations is slightly modified to make it suitable to RPBO context. The resultant process is used to formulate the strategies of the selected RPBOs. The process is carried out in an action-research manner. The field research was done during the year of 1997 before the occurrence of the economic crisis of Thailand.

Target groups of this study are RPBOs located in Northeast of Thailand. Having selected the RPBOs, key people were chosen as the respondents and/or participants. The three selected RPBOs are

Prae Pan Group (PPG) - producing native, hand-weaving, naturally-dyed colour cloths, Rice Mill of Naso Farmer Association (RFA) - producing jasmine milled rice, and Tasang Credit Union Cooperative (TCC) - providing saving and loan services.

The respondents and/or participants of each selected RPBO are classified (according to their major roles in their organisations) into three categories - the staff, the leaders, and the members. The two former categories served as the key informants of this study but only the leaders were participants in the SWOT process. The latter served as the respondents of the field survey. They were stratified according to their village boundaries and randomly sampled.

The guidelines and questionnaire were constructed as tools for collecting the data needed for studying the organisational profile and environment. The tools used during the SWOT workshop are field notes, flip charts and colour cards, and analytical files. Three steps of collecting the relevant data of the SWOT process were used. They were the data collection during the process, the discussion of the daily results at the end of each day, and the adjustment and improvement of the process for the next days. The collected data was systematically processed by classifying, grouping, and sequencing based on the analytical framework. Statistical analysis was used only when it is appropriate. The majority of the analysis was based on qualitative approach.

Results

As the businesses of the RPBOs grow and become more complicated, the common sense and trial-and-error procedure which they used to formulate their former strategies · may be insufficient for the strategy formulation. The SWOT process, through action research, was therefore introduced for formulating their future strategies. Three outcomes were identified from the action research:

1. Support for the modified SWOT process as potential tool for strategy formulation of other Thai RPBOs
2. A procedure for the modification of SWOT to the nature and characteristics of RPBOs, and
3. Limitations/conditions and needed additional techniques of the modified SWOT for RPBOs.

The modified SWOT process as potential tool for strategy formulation of other Thai RPBOs

At least three sets of evidence from the action support the

application of the SWOT process as a potential tool for formulating strategies by Thai RPBOs.

First, the participants from the three selected Thai RPBOs had proved in this study that they were able to use the SWOT process as a tool for formulating their strategies. They, based mainly on their own initiative and decision making, were able to pursue the whole process actively, consistently, and successfully. This implies that other Thai RPBOs can possibly use the process.

Second, comparison of the future strategies with the current strategies of the selected RPBOs indicated that most of the relevant existing strategies remained in the revised strategies. Furthermore, new strategies for solving hidden weakness or urgent problems were added.

Third, the SWOT process had demonstrated that it had the following desirable characteristics of a planning tool.

Active participation

This process enabled all leaders within the RPBOs to have a clear holistic view of their organisations and to take parts in deciding the directions of their organisations. The process allowed the members of each RPBO to contribute relevant ideas through the field survey that was an early step of the process. Furthermore, it also allowed them to actually participate in parts of the process. Consequently, it indirectly enabled them to better understand the directions of their organisations.

Formulation logic

The SWOT process was a well-planned systematic approach based on sets of relevant information and active logical thinking. It can be concluded that the SWOT process enables its users to formulate strategies more systematically and thoroughly.

Use of information

Besides making use of the information or experience accumulated by key personnel, the SWOT process was based on following relevant information: results from the field survey, ideas from all participants, and knowledge from invited authorities. The latter, therefore, used broader and deeper information for planning. This is essential for considering the opportunities and threats of their organisations.

Thought stimulation and revealing hidden issues

The SWOT process employed was a very thought stimulating

process because of its participant-centred nature. This process stimulated discussion among all participants in order to reach a decision. Consequently, it did initiate some new dimensions of thinking and revealed some hidden issues of the organisation.

Educational process

The SWOT process also served as an educational process. The process provided the participants with the holistic view of their organisations and other information relevant to planning. At the same time, it stimulated its participants to systematically transform this information and their careful thoughts into sound strategic plans for their organizations. This forced the participants to think critically, to present their ideas to the group, to discuss and exchange ideas with the rest of the group, and to choose alternatives. Also, this process can be considered as a practical classroom for teaching them ways to plan as a team effectively. Besides, the process provided a platform for the junior participants to learn from the more experienced participants. In other words, it was an effective educational process for both senior and junior leaders of the RPBOs to understand their organisation.

Sense of belonging and commitment

During the SWOT process, the mission and objectives of the organisations were re-defined by all participants who were the persons actively involved the organisations. Also, they formulated the strategies for achieving the objectives. This involvement automatically created the sense of belonging and commitment among the participants. This is evidenced by the expressions they used in the discussion. Many participants used the term "our plan" to refer to the strategic plans of their organisations.

Implementation

The SWOT process has revealed a number of hidden problems. When the participants realised that some problems were urgent, they wanted to solve them quickly. This process, therefore, led to immediate implementation of some strategic plans.

Procedure of the SWOT modified for fitting the nature and characteristics of RPBOs

The SWOT procedure - the organisational analysis and the SWOT

workshops - was applied to the three RPBOs in the same manner but in different business contexts. Before conducting the SWOT workshops, the current strategies, the organisational profiles, and the environment of the RPBOs were studied to reveal the current position of the organisation. Similar preparatory steps are suggested by Johnson and Scholes[9], Paul[10], Gull[11], and Molka-Danielsen[12]. The analysis of the current strategies, the organisational profiles and environments were essential for the SWOT analysis. Three consecutive SWOT workshops[13] were carried out to complete the formulation of the future strategies of each RPBO.

First workshop: formulation of the future functional strategic options

The first workshop was conducted for formulating the future functional strategic options. This workshop needed about 9-15 leaders as its participants and lasted two to three days. It consisted of five steps to reach the future strategic options.

Step 1: preparing the participants

This step made the participants aware of the current position of their organisation. It persuaded them to realise the importance of making plans. Also, it motivated them to actively think as planners should,

1. The researcher presented the following results to the participants: the current mission, the current objectives, the achievement, and the current strategies employed by the group.
2. Afterwards, the participants were asked to suggest those factors that brought about the past achievement of the group. They were motivated to think deeply about the involving factors and write their thoughts on small pieces of paper. When they had finished the thinking work, each proposed their ideas to the other participants by posting the written paper and explaining the thought. After all thoughts were presented, they were organised and concluded by the researcher.
3. At the end, the participants came to understand the situation of their organisation - what did they do, why did they act that way, and how did they achieve the objectives. At this point, they were emotionally and knowledgeably ready for making their future plans.

Step 2: analysing internal factors - strengths and weaknesses

This step persuaded the participants to look into the performance of their organisation; what they did well and where they could improve, which included;

1. Encouraging the participants to identify the strengths and weaknesses of their organisation.
2. Stimulating each participant to propose and discuss ideas with the rest of the participants, before classifying those ideas as either strengths or weaknesses.
3. Proposing another set of strengths and weaknesses drawn from the field study (the organisational profiles). Some of these factors were discarded because the participants justified that they did not affect the organisation significantly.
4. Classifying significantly strong items and putting them in a list of strengths.
5. Weighting the strengths in terms of "potential impact" and "relative importance" as "low", "medium", and "high". Then, converting the "low, medium, high" score to a "0-10" score (low = 3.3, medium = 6.6, high = 9.9) and calculating the average score of each item.
6. Classifying significantly weak items and putting them in a list of weaknesses.
7. Weighting the weaknesses in terms of "potential impact" and "relative importance" as "low", "medium", and "high". Then, converting the "low, medium, high" score to a "0-IO" score (low = 3.3, medium = 6.6, high = 9.9) and calculating the average score of each item.

Step 3: analysing external factors - opportunities and threats

The researcher related the studied results of their current strategies to the changes of socio-economic situations and demonstrated them to the participants. The participants were encouraged to think about the changes and to predict the opportunities and threats of their organisation, by:

1. Proposing the external factors obtained from the results of the analysis of the organisational environment.
2. Relating these factors to the foreseeable socio-economic changes.
3. Encouraging the participants to predict socio-economic changes that will occur in their villages and in their society in

the next five years.
4.   Stimulating each participant to propose and discuss their ideas with the rest of the participants.
5.   Classifying significant positive items and putting them in a list of opportunities. Some factors were discarded because the participants justified that they did not significantly affect the organisation.
6.   Weighting the opportunities in terms of "potential attractiveness" and "probability of success" as "low", "medium", and "high". Then, converting the "low; medium, high" score to a "0-10" score (low= 3.3, medium= 6.6, high= 9.9) and calculating the average score of each item.
7.   Classifying significantly negative items and putting them in a list of threats.
8.   Weighting the threats in terms of "potential severity" and "probability of occurrence" as "low"; "medium", and "high". Then, converting the "low, medium, high" score to a "0-10" score (low = 3.3, medium = 6.6, high = 9.9) and calculating the average score of each item.

Step 4: revising missions and objectives

The current missions and objectives of the organisation were reviewed and revised to fit the expected socio-economic changes during the next five years (1998 to 2002). The revision of the missions and objectives was proceeded as follows:

1.   Encouraging the participants to think about what position their organisation can take or would want to be in after visualising the changes in the future.
2.   Encouraging the participants to rewrite the mission statement.
3.   Encouraging the participants to adjust their objectives.

Step 5: generating the first version of the future functional strategic options

To formulate the future functional strategies is to find the approaches to achieve the organisation's objectives within the context of opportunities, threats, strengths, and weaknesses. The method employed in formulating the future functional strategies used the SWOT matrix:

1.   Classifying the strength, weakness, opportunity, and threat factors (each item has the average score of weight calculated

from step 2 and 3) into three groups of inputs for formulating three corresponding groups of functional strategic options. These were strategic options of group development, strategic options of production or service providing, and strategic options of marketing.

2.   Sorting the average scores in descending order of each group of inputs under each heading.

3.   Creating functional strategies by using the strengths to take advantage of the opportunities. This was done by matching each strength with each opportunity and recording the identified strategies. In some situations, one strength was used to match several opportunities. However, not all the matched pairs yielded strategies.

4.   Creating functional strategies by using the strengths to avoid the threats. This is done by matching each strength with each threat arid recording the identified strategies. In some situations, using more than one strength to match several threats. However, not all the matched pairs yielded strategies.

5.   Creating functional strategies for overcoming the weaknesses by taking advantage of the opportunities. This is done by matching each weakness with each opportunity and recording the identified strategies. In some situations, using more than one weakness to match several opportunities. However, not all the matched pairs yielded strategies.

6.   Creating functional strategies by minimising the weaknesses and· avoiding the threats. This is done by matching each weakness with each threat and recording the identified strategies. In some situations, using more than one weakness to match several threats. However, not all the matched pairs yielded strategies.

7.   Reaching, through the SWOT matrix, four types of strategic options; namely, SO strategic options, ST strategic options, WO strategic options, and WT strategic options.

Second workshop: revision and evaluation of future functional strategic options

It was found from the first workshop that the participants were unable to perceive the relevant future well enough. They could not sufficiently identify the opportunities and threats that might affect their business in the future. Therefore, the second workshop started with providing additional information on the opportunities and threats by some invited authorities. It was then followed with revising and evaluating the future functional strategies. This

workshop lasted two days and consisted of the same group of the participants attending the first workshop.

Step 1: providing additional information

The invited authorities provided additional information on opportunities and threats relating to the expected future of the business of the organisation.

Step 2: revising future functional strategic options

A discussion forum for the participants was opened to discuss what they had learned from the invited authorities. This discussion led to many new ideas relating to their strengths, weaknesses, opportunities, and threats. After considering the new views obtained from the discussion, the future mission and objectives were revised and new functional strategic options were formulated. Then, all functional strategic options, old and new, were put together and all participants were encouraged to reconsider these options and check their relevance against the revised mission and objectives.

Step 3: evaluating future functional strategic options

All revised functional strategic options from the previous step were evaluated based on the following criteria - suitability, feasibility, and acceptability. Those functional strategic options that passed this evaluation became the future functional strategies of the organisation.

Step 4: rating the priority of future functional strategies

The researcher encouraged the participants to rate the priority of importance of each future functional strategy in each strategic group - group development, production, and marketing. In the process of priority rating, all the future strategies in each strategic group were compared to each other, one pair at a time. Of each pair of the comparison, the more important counterpart was marked. Then, the total marks of each future functional strategy were calculated. The functional strategy with the highest mark had the highest priority.

Third workshop: completion of the future strategies

The third workshop enabled the SWOT process to gain the members' participation, to finalise the future strategies, and to

synthesize the future strategies at functional level into the "competitive strategies".

Step 1: rating the priority of future functional strategies by the members

The participants presented the future functional strategies obtained from the previous workshop to the members of their organisation and let them ask questions to make sure that the members understood the strategies. Later, the participants persuaded the members to propose their ideas, Afterwards, the researcher encouraged the members to rate the priority of importance of each future functional strategy. The process of priority rating of the members was done in the same way as that used by the participants. This step helped the participants to explain the future functional strategies of the organisation to their members. It also served as a platform for the members to discuss the strategies and to take parts in the planning process.

Step 2: reconsidering the priority of future functional strategies

All the future functional strategies with their rated priorities of importance were presented to the participants to be reconsidered and finalised.

Step 3: finalising the future strategies

Since the resultant future strategies from the previous step were of functional nature, the researcher synthesised them into the "competitive strategies" and presented them to the participants for final approval.

Limitations/conditions and needed additional techniques of the modified SWOT for RPBOs

This study, through action research approach, demonstrated that at least three Thai RPBOs were able to use the SWOT process as a tool for formulating their strategies. Based mainly on their own initiation and decision making, the participants were able to pursue the whole process of SWOT actively and consistently.

It was found that the resultant strategies of these three Thai RPBOs were derived from hidden or unrecognised issues, revealed by the SWOT process, and to meet the needs of their organisational growth. These strategies were defensively constructed based mainly on addressing their weaknesses. This can be a reflection of

their difference in socio-economic backgrounds. The rural people who have grown up peacefully in peasant fanning culture of rural society are more generous and less competitive[14] when compared with businessmen who have to struggle in a more aggressive competitive environment.

This study also found that the process was used by all selected RPBOs successfully when some conditions were considered, some limitations were avoided, and some techniques were added. This was due to the fact that even though the SWOT process is an effective planning tool, it was initially developed for business organisations. The process was complicated for the RPBOs to fully understand in the first instance, since systematic planning was very new to them.

Conditions and limitations of the SWOT process

The conditions and limitations in handling the SWOT process for the three RPBOs should be recognised. These results also reflect the similarities and differences of the SWOT process applied to the three RPBOs. They are shown as follows.

Realisation of the need for significant change by the key leaders

The realisation of the need for significant change of the organisations by the key leaders was the first condition for the success of the SWOT process. It was found that although the business performance of the three RPBOs was relatively good based by the result of effectiveness assessment₁ the key leaders of each organisation had certain issues in their mind that required significant changes of their organisations. After they knew the potential of the SWOT process from the researcher at the beginning of this study, they believed that this tool could help them with these issues. This led to good co operation from key leaders in the SWOT process.

Good perception of the key leaders and relevant external information from invited authorities

It was found that the key leaders of all RPBOs were relatively smart and perceptive. They were constantly alert to acquiring relevant knowledge and understanding. They had also been exposed to the outside world extensively through training and through conversation with visitors. These factors expanded their ability to think critically and assimilate different ideas. This is a required condition for the

success of the SWOT process since planning is an intellectual activity.[15] However, their existing knowledge was insufficient. They were unable to perceive the future socio-economic situation well enough. They could not sufficiently recognise the opportunities and threats that might affect the business competition of their organisation in the future. This was solved by providing them with needed knowledge from some invited authorities. Therefore, providing relevant information of the external environment by invited authorities was considered as a necessary condition.

Adaptation to the rural socio-cultural context

The SWOT process applied had to be adapted to fit with the rural socio-cultural context, language, timing, place, gender, familiarity, and farming orientation.

Language can be a problem in handling the SWOT for the RPBOs. The problem occurred in two aspects. First, it was caused by the native language of participants. This can be an obstacle in running the process if the facilitator can not understand its real meaning. Second, there was some difficulty in translating technical terms to native dialogues so that they can follow the process effectively.

Since SWOT is a thinking and educational process, it needs high concentration from its participants. Time and place for running the process is important. The participants of the three RPBOs are farmers who are not familiar with the long formal workshop of an office environment Therefore the time and place has to be arranged to fit with the farmers' culture. Concerning the time aspect; instead of holding one long workshop, the process was divided into three separated workshops. Each workshop should not last longer than two to three days. Particularly, the workshop schedule must not conflict with the seasonal and daily farming schedule. The place of the workshops should be isolated enough to have sufficient privacy and should also make them feel at home. A village temple, for instance, is one of the suitable places.

The researcher noticed that gender could affect the discussion in the SWOT process. The leaders of RFA, who were all men, discussed and argued more freely than the leaders of PPG and TCC, who were mainly women. In the discussion process of women groups, the participants seemed to compromise their ideas frequently, while the argument among the participants in the men group led to decisive conclusions.

Familiarity developed from living in the same community can also affect the discussion in the SWOT process. The evidence from

the three RPBOs indicated that the participants living in the same village discussed more freely and openly than the participants coming from different villages.

Finally, the farming oriented career of the participants can also affect the way they formulated their: strategies. It was found that the participants of the three RPBOs formulated their future strategies based mainly on addressing their weakness. This was influenced in part by a long-standing defensive orientation in their own farming careers.[16]

Participants and numbers of participants

For the formulated strategies to be actually implemented, it was important to ensure that the key leaders, the members of the board, and the key working staff attended the SWOT process. It was found that 9 to 15 participants is a suitable size for the SWOT process which requires thorough discussion and critical thinking.

Self defensive mechanism

It was found that the leaders of the three RPBOs showed some self-defensive mechanisms when their weaknesses were revealed. They accepted their weaknesses but ranked them with relatively low scores of importance. Some of the weaknesses were discarded from entering the SWOT process. This can be due to having confidence in the success of their performance and out of concern for their organisations' image. This reflected that the SWOT method can be more effective if it is handled as an internal and confidential affair of the organisation.

Difficulty of the process

It was found that to handle the SWOT process properly was a difficult job by itself. The main difficulties are as follows:

- In identifying the strengths and the weaknesses, the participants had to be aware of the importance of digging out the real strengths and weaknesses of the organisation. If they are wrongly identified, they will mislead the participants.
- The participants, by themselves, had difficulties in identifying the real opportunities and threats. They needed a wide collection of relevant information to support their analysis of the external factors.
- The participants had difficulties in matching the SWOT matrix.

This can be due to the process itself which requires comprehensive understanding from the participants.

Facilitation team needed for the SWOT process

To formulate strategies of a RPBO through the SWOT process, the RPBO must have a team of facilitators to help it. This is due to the fact that those who will become the participants of the process are farmers with limited education. They are not familiar with such systematic planning. In other words, the strategic planning with the SWOT technique is too new and too complicated for them to handle. Therefore, a facilitation team for the SWOT process is another condition.

The make-up of the facilitation team should be considered carefully to fit with the nature and context of the RPBOs. The results of the action research on the SWOT process indicated that the facilitation team should have experiences in working with rural people organisations. The team should also have the business knowledge relevant to the activities of the RPBOs. Generally, it will need more than one person to fill these requirements.

Techniques supporting the SWOT process.

There were some additional techniques modified or developed by the researcher to be used in the SWOT process of this study. It was found that these techniques were useful.

Jotting down ideas on colour cards

Having the participants record their ideas on colour cards and then discuss them, was one good technique to gain active participation. The colour cards could be conveniently posted, grouped, and regrouped. Besides, it was generally found that this kind of presentation led to discussion and the discussion broadened their written ideas.

Stimulating discussion

Stimulating them to talk was one technique that made the participants remain active. If they kept quiet for a long time, they were likely to be bored and sleepy. Sometimes, the researcher had to ask the participants some leading questions to stimulate their thinking. Writing words or drawing pictures relating to what they said on a flip chart did stimulate discussion successfully.

Identifying key success factors

To identify key success factors, a weighting technique was modified from the technique proposed by Flavel and Williams.[17] The "potential impact" and "relative importance" of the strengths and weaknesses were weighted as "low", "medium" and "high" scores. Similarly, the "potential attractiveness" and "probability of success" of the opportunities were weighted in the same manner. The "potential severity" and "probability of occurrence" of the threats were also weighted in the same manner. After finishing the weighting, the scores were converted into numeric weights so that the arithmetic mean of each item could be calculated (low = 3.3, medium = 6.6, high = 9.9). Items with high weights were the key success factors.

Matching technique

To formulate the strategic options, a SWOT matching technique was modified from the technique proposed by David.[18] The weighted key success factors were grouped into three strategic groups, namely, "group development", "production", and "marketing". In each group of key success factors, matched (one pair at a time) one weakness or strength factor with one opportunity or threat factor and recorded a related strategic option. This was done by encouraging the participants to pick up one Strength or Weakness factor and then matching it to a row of Opportunity or Threat factors, one pair at a time. This helped them to formulate very detailed strategic options. Similar strategic options were then synthesized into one main strategic option.

Rating technique

To rate the priority of importance of a list of strategies is not always simple. A pair-comparison technique was developed for helping the participants to do the job objectively. All strategies in each strategic group were compared to each other, one pair at a time. Of each pair of the comparison, the more important option was marked. Then, the total marks of each strategy were calculated. The strategy with the highest total marks had the highest priority.

Relaxing environment

Providing a relaxing environment and some entertainment occasionally did release some of the stress and resolve boring problems.

Conclusions

The SWOT process, a systematic procedure which is generally employed by business organisations, was introduced for formulating the future strategies of the three selected RPBOs. However, it must be modified to fit the working environment of the RPBOs. First, instead of starting with formulating the "competitive strategies", it started with formulating the "functional strategies" (with new mission and objectives in mind) and subsequently synthesising them into the "competitive strategies". Second, an additional step, organisational analysis, was conducted before pursuing the SWOT workshop. Third, the SWOT workshop itself was modified and split into three consecutive workshops.

This study, through an action research approach, demonstrated that Thai RPBOs were able to use the SWOT process as a tool for formulating their strategies with certain limitations, conditions, and modifications. Leaders of all the RPBOs, based mainly on their own initiation and decision making, were able to pursue the whole process of the SWOT actively and consistently.

Among the limitations and conditions identified, limited ability in perceiving future socio-economic changes was the main limitation in identifying "Opportunities" and "Threats" in the SWOT process, particularly subjects relating to marketing and appropriate technology. Similar to business organisations, the realisation of the need for significant change within their organisations by the key leaders was an essential condition. In contrast to the business world, the SWOT process employed by the RPBOs had to be adapted to the rural socio-cultural context. Among the useful techniques identified, the modified SWOT matrix matching developed in this study, priority rating, and identifying key success factors were essential in enabling the RPBOs to use the SWOT process successfully.

Two findings support the view that the SWOT process is a potential tool for formulating strategies ·by Thai RPBOs. First, the participants from the three selected Thai RPBOs had proved in this study that they were able to use the SWOT process as a tool for formulating their strategies. They, based mainly on their own initiation and decision making, were able to pursue the whole process actively, consistently, and successfully. This implies that the process can be possibly used by other Thai RPBOs. Second, the SWOT process itself proved that it facilitated highly active participation, enabled systematic strategy formulation, made good use of information, stimulated thoughts of the participants, revealed hidden issues of an organisation, provided an effective educational process, created the sense of belonging and commitment, and resulted in immediate implementation *of* crucial issues.

Nuntiya Hutanuwatr is at the Department of Horticulture, Faculty of Agriculture, Ubon Ratchathani University, Thailand. This article is based on research conducted for the PhD degree at the Asian Institute of Technology. Yap Kioe Sheng is at the Human Settlements Program, School of Environment, Resources and Development, Asian Institute of Technology, Thailand.

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