

Crisis is history, Thai business leaders say in survey

Published on August 9, 2010

Thai business leaders' confidence continue to rise, remaining firmly in the optimistic arena at 5.83 out of 10, according to the July 2010 Business Outlook Survey from Synovate Business Consulting.

The view from 146 respondents showed an improvement from 5.78 in January. Synovate said the results indicated that business leaders are optimistic about the future, with most anticipating growth in revenue and an improvement in their company's position over the next 12 months.

Furthermore, with six out of 10 business leaders having mechanisms in place to consult with stakeholders, there is every reason to believe that business in Thailand will strengthen over the coming months and years, the firm said.

"It is pleasing to see that business leaders are continuing to adopt an optimistic view of the economic outlook," said Colin Kinghorn, head of consulting. "This is a ringing endorsement of the strength and resilience of the Thai economy, which retains its status as the second largest economy in Southeast Asia and strategically important for business within the region."

As the economy develops and various free trade agreements come into full effect, it becomes even more important for companies in Thailand to make sure that they are effectively engaging with all stakeholders, he said.

This result has added significance given the recent uncertain economic environment that business has faced in Thailand. In what appears to be a positive statement about the country's economic outlook, business leaders have again expressed increasing optimism, from 4.0 out of 10 in May 2009 to 5.83 in July 2010 last month, Synovate said.

Sixty-three per cent of respondents believe that their business will be in a better position within 12 months, and a further 25 per cent see no change. Only 12 per cent believe that their business will be worse off in 12 months. This finding is validated by 68 per cent of respondents anticipating new investment within their business over the next 12 months.

The survey suggests that the economic gloom of 2009 has gone, with more than 79 per cent of respondents stating that they are anticipating growth in revenue in 2010. Fewer than 11 per cent expect their revenue to shrink by up to 5 per cent in 2010.

Asked about what was holding them back from growth, about 30 per cent of respondents believe that government bureaucracy holds back the development of their business, with one-fifth stating that their parent company is still placing restrictions on the growth strategy within Thailand.

Synovate said the clear message here was that business executives anticipate organic and inorganic growth in their respective businesses over the next 12 months and 2010 financial results should reflect good growth.

When developing the business model, Synovate says, the key task is to make sure that what it calls the "customer value proposition" is still relevant. A large risk for businesses is that they allow their CVP to be driven by the internal legacy systems that the company has invested heavily in. It is crucial that companies guard against this and put the needs, wants and demands of customers at the heart of the business, the consulting firm says.

Synovate says it is therefore reassuring to find that more than 60 per cent of respondents rank the customer as the top stakeholder within the business. Employees, shareholders and investors also feature prominently.

When it comes to the time to redefine the CVP, or develop an entirely new one, it is essential to have the policies and tools in place to engage with customers and all other stakeholders successfully, says Synovate.

The survey asked business leaders if they had effective policies in place for stakeholder engagement. Nearly 60 per cent of respondents said they had policies and procedures for engaging with the customer, with 55 per cent saying that they also engaged with their employees.

"The company that can successfully engage with their employees will be better positioned to succeed. Properly investing in the training, education and development and needs of employees will become an essential task in the very near future," Kinghorn said.

With four in 10 business leaders stating that they have no formal policies in place and do not fully understand the needs and expectation of customers, it is clear that business in Thailand has much to do to attain international standards for stakeholder consultation, he added.

<http://www.nationmultimedia.com/home/2010/08/09/business/Crisis-is-history-Thai-business-leaders-say-in-sur-30135404.html>