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STRATEGIC PLAN

1986 - 1990

**Institute for
Management
Education for
Thailand Foundation**

Bangkok, Thailand

PN-ABT-132

isn 91250

IMET

LONG - TERM STRATEGIC PLAN

1986 - 1990

INSTITUTE FOR MANAGEMENT EDUCATION FOR THAILAND FOUNDATION

Thai Farmers Bank Building (Floor 5) 142 Silom Road Bangkok 10400

A

BACKGROUND

The Institute for Management Education for Thailand (IMET) was founded in 1982 and supported by a grant from the U.S. Bureau for Private Enterprise (PRE) of US \$1,000,000 for operations through 1985. The grant required that IMET raise at least US \$400,000 in matching funds from the Thai private sector.

The primary purpose of IMET, as enunciated in the 1982 Grant Agreement, is to conduct intensive private sector middle management training programs and faculty development symposia in Thailand. To accomplish this goal, IMET coordinates program activities of four institutions :-

National Institute of Development Administration (NIDA)
Chulalongkorn University (Chula)
Thammasat University (TU)
Thailand Management Association (TMA)

In December 1982 The Board of Directors approved a "bold and different" approach for the IMET program, that is, IMET is to focus on raising management standards in rural areas of Thailand where there are special training needs. Three of the four institutions, Chula, TU, and NIDA, concentrate on developing programs for rural businessmen, while only one, TMA, provides training for middle management in Bangkok. The main premise for the rural approach is that most small and medium businesses in the provinces are family businesses operated within the limited business experience of the family members. Most scientific methods of management - accounting methods, inventory control, marketing techniques, financial management - are unknown. Although individual business may be operating at a profit, it is felt that profits could be enhanced by exposure to IMET management training program. And most important, the managers could be made alert to opportunities for expansion outside their present activities, thereby contributing to overall growth of economic activities in rural areas.

In July 1985, a project Evaluation Report was prepared to assist PRE in a decision on additional funding of the IMET program. The findings of the evaluation team were positive, and subsequently, PRE decided to provide U.S. \$400,000 to support 1986 and 1987 operations. USAID is preparing a project which would provide additional funds to IMET after 1986.

The Evaluation Report refers to IMET in 1985 as being "at the crossroads." The report mentions a Corporate Plan that was approved by the IMET Board in February 1985 in which broad objectives for IMET in the future were articulated. The Evaluation Report considers the Corporate Plan to be not yet a finished product, indicating that the statement of problems facing IMET is incomplete. Two specific problems are noted : First, IMET's uncertain financial future, and, second, the difficulty in securing a permanent Managing Director (given the uncertain financial future).

The Evaluation Report recommends that the Corporate Plan be completed by preparation of a long-term strategic plan following a suggested outline included in the Report. IMET has reviewed the Report and agreed to prepare the five years strategy for the benefits of both IMET's operations and a response to the recommendation.

5 YEAR STRATEGY

Mission Statement

During the next five years IMET plans to achieve self-sustainability and independence. In addition, IMET will continue to pursue the final goal of developing the modern management of the private sector in Thailand. Specifically, the instrumental goals of IMET during 1986-1990 will be to continue the thrust of the first three years and to capitalize on opportunities to enlarge and enhance the program that have been identified. Specifically, the objectives of IMET will be :

- o to continue to provide a package of management programs to improve skills and general awareness of rural businessmen.
- o to enlarge the program to encourage civic leadership among rural businessmen by promotion of public-private cooperation through training programs within provincial Chambers of Commerce.
- o to enhance the program by educating members of university business faculties in the real problems of the rural business world, i.e. training the trainers.

This decision to continue and expand precludes need for analysis herein as is based on experiences of the first three years and continuation of interest with IMET alumni and organizations concerned. Thus, IMET is of confidence to improve its effectiveness and coverage of activities.

Strengths and Weaknesses

Strengths : The strengths of IMET that make attaining its objectives feasible include :

- o The acceptance of the IMET program by its targeted participants. Appendix A shows a breakdown of IMET training programs through Nov 30, 1985, in which there were 2791 participants. Appendix B shows the courses provided by type and institution. There were a total of 58 courses offered through Nov 30, 1985.
- o The success experienced in raising funds from the private sector. Appendix C is a breakdown of funds raised through 1985 - a total of US\$ 770,185.
- o The caliber of the people who are involved with the program. Appendix D shows the current Board of Directors of IMET and their primary affiliations.

- o The support of the four cooperating educational institutions- Chula, TU, NIDA, and TMA.
- o Government support: IMET is a tax-exempt institution.
- o Financial support of the U.S. Government via PRE at the beginning and USAID through the next critical years.
- o Interest in the program by other foreign agencies.

Weaknesses: The weakness that must be addressed, as alluded to in the Evaluation Report, include:

- o Financial insecurity
- o Difficulties in building adequate management and staff

Planned Activities and Financial Projections

Appendix E shows details of activities planned by IMET for the period 1986-90. Projected number of trainees, average expense per trainee.

Table E-1 shows the five programs planned to fulfill IMET's main role, that is, to provide a package of training programs for rural businessmen to meet their differing needs. Programs range from seminars for leading businessmen to special programs for managers of small and medium-sized businesses to technical training in such areas as accounting and computers.

Table E-2 shows programs that will enlarge IMET's role by promotion of civic leadership, organizational management of Provincial Chambers of Commerce, and committee training for the Joint Public and Private Consultative Committee.

Table E-3 shows programs that will enhance the quality of all activities by focusing on training the trainers, that is, programs for faculty members of business educational institutions to provide courses based on actual experience with business operations in rural areas of Thailand.

Table E-4 summarizes the numbers of trainees by activity through 1990. Program size is scaled to activities for around 1300 trainees per year.

Appendix F, shows cost projections for the planned activities plus estimated operating expenses for IMET. Program expenses are expected to be between US\$ 414,000 and US\$ 534,000 per year.

The table, also, summarizes financial projections by source:

- o PRE will phase out after 1987.
- o USAID will support the program with grants of between US\$100,000 and US\$ 474,000 between 1987 and 1990. However, the pattern of support will be declined in 1989 and 1990.
- o The Center for International Private Enterprise (CIPE), an arm of the U.S. Chamber of Commerce, will contribute to the 1986 and 1987 programs for training in provincial Chambers of Commerce.
- o Grants from other foreign agencies are anticipated, annually, at least US\$ 50,000. These projections reflect interest that has been shown by various agencies that operating in Thailand and expected positive results of an aggressive fund-raising program planned by IMET management.
- o Trainee contributions are voluntary contributions made by the trainee's company after the trainee has completed his course and has experienced its benefits. The contributions of the trainees were varied by the size of the trainees' business and the training programs. However, IMET expect to increase the amount of contribution both from the trainees and its alumni, as projected.
- o Private sector contributions reflect the support of the Thai businesses that are not, in most cases, directly involved with the program.

- o Training fees are paid directly by trainees.

The fund raising plan as it was agreed by the Financial Committee are as followed:-

- o The training programs for those provincial leading businessmen and district businessmen will aim for the contribution. The approach is corresponding to Thai social system and usually generate a larger amount as it was experienced from the past leading businessmen seminar executed by NIDA.
- o The training programs for small business and those business techniques will be operated by gradual increasing fee for training and finally attain the self-finance activities.
- o The foreign agencies, the business coporations and banks will be approached to sponsor the training projects either partially or fully financing the training expenses.
- o The private sector will be persuade to pledge for contribute one year ahead so that those companies can do the financial plan.

With the approaches IMET will be able to accumulate the endowment as illustrated by Table F-2

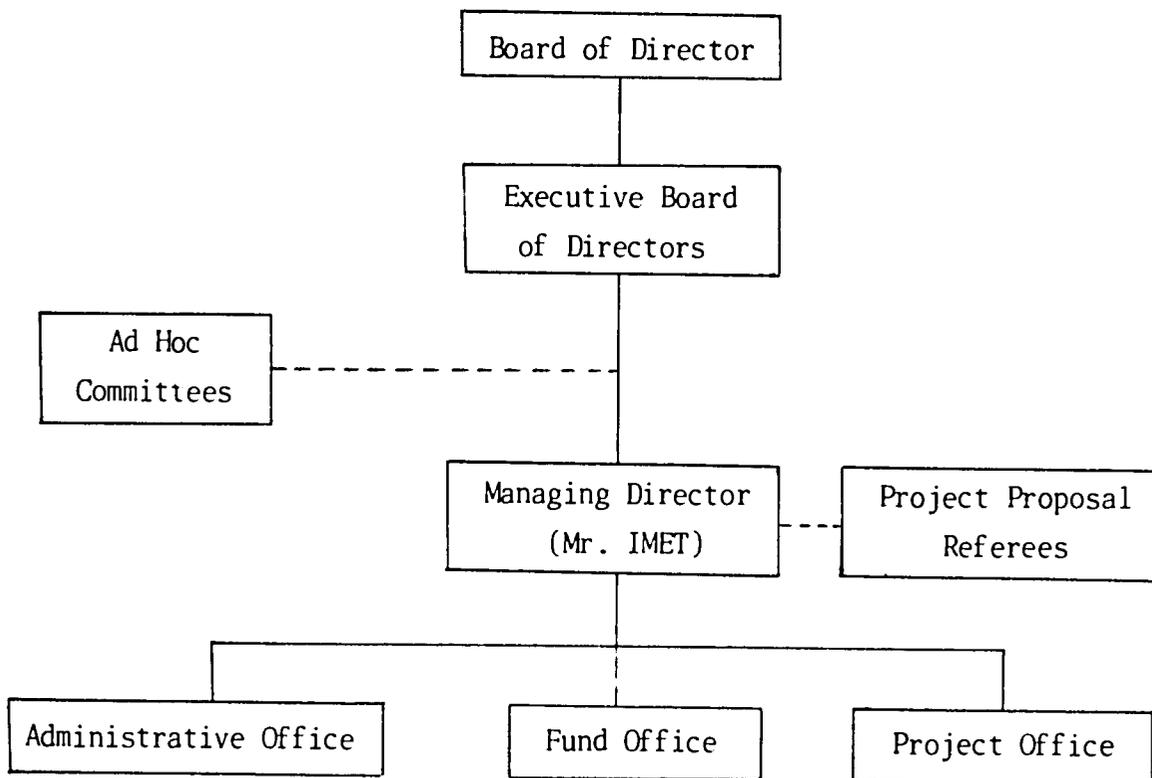
The endowment fund is the cornerstone of the IMET plan to achieve financial self-sufficiency in the foreseeable future. The goal is an endowment fund of US \$5,000,000 which, at 9% interest, would generate annual income of US \$450,000. This income, plus income from other sources, is expected to be sufficient to carry on the program indefinitely without depending on PRE or USAID. As shown in Table F-2, the endowment is projected to reach US \$2,138,000 in 1990. Though the amount will not reach the goal above, yet, IMET would be able to continue the programs without external support. In short, IMET could be self-sustaining in 1991, even if the growth of the Endowment Fund would cease. This cessation of the growth of the Fund is why IMET will continue to seek external assistance, but this in no way deminishes the fact that self-sustainability at certain level.

Management Organization

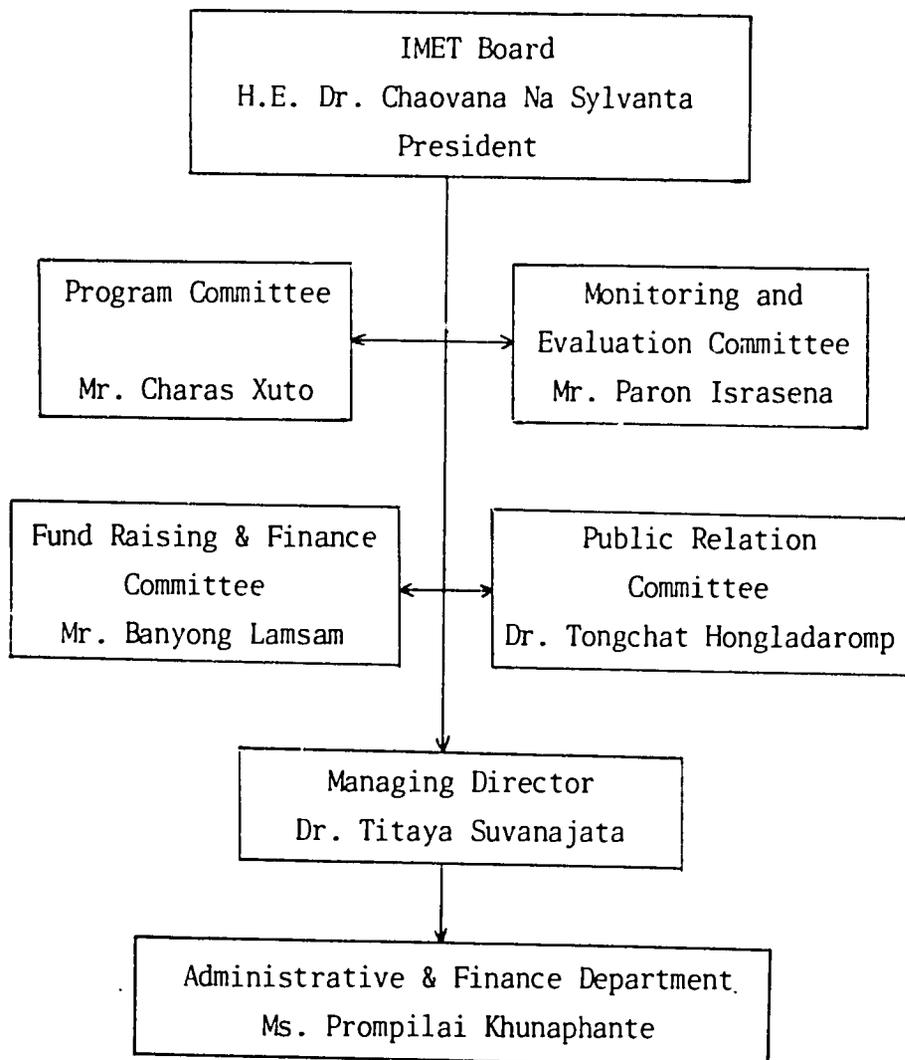
IMET, in its Corporate Plan, proposes to reorganize its structure to be better able to attain the program and financial objectives discussed above. The reorganization would include :

- o An expanded Board of Directors to reflect better the composition of the Thai economic community.
- o A 5-person Executive Committee of the Board for policy planning.
- o The new functional offices under the Managing Director : an Administrative office; a Fund office; and a Project office.

However, this reorganization will result in greater operating costs. To fully implement successful reorganization, a larger endowment fund is needed. It is estimated that the endowment must reach US \$5 million in order to generate income for management and project costs. With the achievement of the above financial prerequisite, the IMET organization will be :



Because of financial limitations and the need to minimize overhead costs, IMET decided on an intermediate reorganization, selecting new Board members and not including operating agencies on the Board. Also, four Committees were set up : the Program Committee, Project Evaluation Committee, Financial Committee and Public Relations Committee. Representatives from Chulalongkorn University, NIDA, TMA, Thammasat University and Kasetsart University are members of the Program Committee. All chairmen of the committees are Board members, while the IMET managing director and executive secretary serve as secretary of these committees. At the same time, IMET recruited additional new committee members to join IMET committees. The new reorganization connotes a clear division of function and the close linkage between the Board and Committees. In short, the organizational structure at the present time is :



At the present, IMET staff consists of three types of personnel, namely, full-time, part-time and project personnels. Due to the fact as mentioned elsewhere that IMET aims to minimize the overhead cost, thus IMET manages with few permanent staffs. Those part-time personnels were selected from universities to work as project coordinator. As for the project personnels, they are the faculties of the university that perform the trainers' role. It is expected that IMET will work with the full-time staffs before 1990 when IMET is more attractive in mission and financially sound.

Appendix A

PARTICIPANTS IN IMET TRAINING - UP TO NOVEMBER 30, 1985

CATEGORY OF PARTICIPANT	INSTITUTIONS PROVIDING TRAINING					TOTAL	%
	CHULALONGKORN UNIVERSITY	NIDA	THAMMASAT UNIVERSITY	TMA	KASETSART UNIVERSITY		
University Faculty	-	-	-	133	-	133	5%
Urban:							
Top Mgmt - small business	-	-	-	24	-	24	
Middle Mgmt - large business	-	-	-	97	-	97	
Urban total	-	-	-	121	-	121	5%
Rural:							
Owners of medium to large business	-	298	-	1	-	299	
Owners of small business	715	57	137 ^{1/}	-	-	1,302	
Agricultural Coops/Assoc. Farmers	43	-	412	-	-	455	
Special	-	-	280	-	-	280	
Special	-	-	-	-	80	80	
Rural total	1,151	355	631	1	80	2,218	87%
Government Employees	-	-	94 ^{2/}	1 ^{3/}	-	121	4%
Grand Totals	1,151	355	949	256	80	2,791	100%
Percentages of Totals	41%	13%	34%	9%	3%	100%	

- 1/ Largely private farmers, plus some paid Co-op staff
- 2/ RTG Co-op Officers as observers
- 3/ RTG Management Trainer

Appendix B

TYPE AND NUMBER OF IMET-FUNDED MANAGEMENT TRAINING COURSES

COURSE TYPE AND TARGET GROUP	CHULALONGKORN UNIVERSITY	NIDA	THAMMASAT UNIVERSITY	TMA	KASETSART UNIVERSITY	TOTAL
Business Management Educ.				<u>1983-84</u> 11		11
Medium-Large Business						
1) Management		<u>1983-85</u> 3		<u>1983-84</u> 6		9
2) Marketing (Agri-Business)		<u>1983-85</u> 3				3
Small Business						
1) General Management	<u>1983-85</u> 20	<u>1984</u> 1	<u>1984-85</u> 3			24
2) Agri-business	<u>1984</u> 1					1
3) Special					<u>1985</u> 1	1
Agricultural Co-op and Association Management ¹	<u>1984</u> 1		<u>1983-84</u> 5			6
Farmers			<u>1984</u> 3			3
Total	22	7	11	17	1	58

Appendix C

MATCHING FUNDS - CONTRIBUTIONS BY FY IN US \$

FY	FROM SEMINAR PARTICIPANTS		FROM COMPANIES & INDIVIDUALS				TOTAL
			UNDESIGNATED		DESIGNATED (mainly GIBA)		
	Cash	Kind	Cash	Kind	Cash	Kind	
82/83	46,637	-	41,421	-	187,718	-	275,776
83/84	130,616	2,620	28,646	7,836	87,568	110,018	367,304
84/85	74,350	-	4,220	2,620	45,915	-	127,105
TOTAL	251,603	2,620	74,287	10,456	321,201	110,018	770,185

Appendix D

CURRENT AND PAST BOARDS OF DIRECTORS
AND COMMITTEE MEMBERS

I. Current Board of Directors of IMET

1. His Excellency Dr. Chaovana Na Sylvanta Chairman
Privy Councillor and Chairman of the Board,
Petroleum Authority of Thailand (PTT)
2. U.S. Ambassador to Thailand (ex officio)
3. Mr. Somboon Nandabhiwat Treasurer
President, Laem Thong Bank Ltd.
4. Mr. Banyong Lamsam
President, Thai Farmers Bank Ltd.
5. Dr. Som Jatusipitak
Director, Berli Jucker Co.
6. Mr. Tawat Yip In Tsoi
Owner, Yip In Tsoi & Jacks Co., Ltd.
7. Mr. Pong Sarasin
Chairman, Thai Nam Thip Co., Ltd.
8. Mr. Vichien Techapaibul
Director and Senior Executive, Vice President
Bangkok Metropolitan Bank Ltd.
9. Mr. Chatri Sophonpanich
President, Bangkok Bank Ltd.

10. Mr. Kasame Chatikavanij
Chairman, Sayam Bank Ltd. and
Chairman, Thai Oil Refinery Co., Ltd. (TORC)
11. Mr. Paron Israsena
President, Siam Cement Co.
12. Mr. Staporn Kavitanon
Deputy Secretary-General,
Board of Investment (BOI)
13. Mr. Apilas Osatananda
Deputy-Supervisory,
Office of the Prime Minister Secretary to the Prime Minister office
14. Mr. Sukri Kaocharern
President,
Industrial Finance Corporation of Thailand, (IFCT)
15. Mr. Charas Xuto
Chairman, Siam Cement
16. Mr. Tarrin Nimmanhaeminda
President, Siam Commercial Bank Ltd.
17. Dr. Tonchat Hongladarom
Governor,
petroleum Authority of Thailand (PTT)
18. Mr. Sukum Navapan
owner
Navathoni Real Estate Development Company
19. Dr. Titaya Suvanajata
Managing Director, IMET

Appendix E

IMET Activities 1986 - 1990

IMET Activities 1986 - 1990

Table E-1

Objective	Target Group	Project	No. Trainees	Average Expenses
1. Improving Management Capability	1. Provincial Leading Business men	Seminar for Leading Business men	350 (72 Provinces)	\$ 1000/Trainee
	2. District Businessmen	Management Training for medium Business	1,250 (616 Districts)	\$ 400/Trainee
	3. Young and Small Business	Small Business Management Training Program	3,000 (5 Trainees from each district)	\$ 50/Trainee
	4. Managers and Businessmen in General	Business Techniques Training i.e. Accounting for business decision, computer for business	500	\$ 100/Trainee
	5. IMET Alumni	1. Business Diagnose 2. Thai Business Consulting Service 3. Business Information	1. 200 2. 180 (1987-1990) 3. Circulation for IMET Alumni	\$ 500/Trainee \$ 1000-2000/Case \$ 4000 annually

Table E-2

Objectives	Target Group	Project	No. of Trainees	Average Expense
2. Institutionalization of private organization and promoting cooperation between public and private sector for national development.	1. Provincial Chamber of Commerce	1. Leadership and Organization Training	70 Chambers	\$ 4,000/Chamber
		2. Organization management Training	70 Chambers	\$ 2,000/Chamber
		3. Consultation	40 Chambers	\$ 4,000/Chamber
	2. Joint Public and Private Consultative Committee (JPPC)	Committee Training	10-70 depend on the number of committees established	\$ 5,000/Committee

Table E-3

Objective	Target Group	Project	No.of Trainees	Average Expense
3. Developing Management Education Relevant to Thai Business	1. Department of Business Administration of State University and Private University	1. Workshop for Business Trainers	200	\$ 200/Trainee
	2. Teacher College Faculties that teach business subject	2. Case Study	100	\$ 300/Case
		3. Training of Teaching Business Administration	300	\$ 500/Trainee
		4. Subject-matter Training i.e. Marketing Research Organizational Behavior	200	\$ 500/Trainee

IMET's Program of Activities
1986 - 1990

Project	Number of Target Trainees of the project				
	1986	1987	1988	1989	1990
1. Leading Business	70	70	70	70	70
2. Management Development Program at District Level	250	250	250	250	250
3. Small Business Management Training	600	600	600	600	600
4. Business Techniques Training	100	100	100	100	100
5. Business Diagnose	40	40	40	40	40
6. Thai Business Consulting	-	40	40	50	50
7. Leadership and Organization Training	20	20	20	10	-
8. Organization Management Training	20	20	20	10	-
9. Provincial Chamber of Commerce consultation	-	10	10	10	10
10. JPPC Training, Seminar and Workshop	-	-	-	5	5
11. Workshop for Business Trainers	40	40	40	40	40
12. Case Study	20	20	20	20	20
13. Training of Teaching Business Administration	60	60	60	60	60
14. Subject-matter Training	40	40	40	40	40
TOTAL	1,260	1,310	1,310	1,305	1,285

Appendix F

IMET's Program of Activities
1986 - 1990

Project	Number of Target Trainees and Total Expenses of the project					Total
	1986	1987	1988	1989	1990	
1. Leading Business	No. 70 Expenses \$ 70,000	70 70,000	70 70,000	70 70,000	70 70,000	350,000
2. Management Development Program at District Level	No. 250 Expenses \$ 100,000	250 100,000	250 100,000	250 100,000	250 100,000	500,000
3. Small Business Basic Management Training	No. 600 Expenses \$ 30,000	600 30,000	600 30,000	600 30,000	250 30,000	150,000
4. Business Techniques Training	No. 100 Expenses \$ 10,000	100 10,000	100 10,000	100 10,000	100 10,000	50,000
5. Business Diagnose	No. 40 Expenses \$ 20,000	40 20,000	40 20,000	40 20,000	40 20,000	100,000
6. Thai Business Consulting	No. 40 Expenses \$ 80,000	40 80,000	40 80,000	50 100,000	50 100,000	360,000
7. Leadership and Organization Training	No. 20 Expenses \$ 80,000	20 80,000	20 80,000	20 40,000	20 40,000	280,000
8. Organization Management Training	No. 20 Expenses \$ 40,000	20 40,000	20 40,000	10 20,000	10 20,000	140,000
9. Provincial Chamber of Commerce Consultaion	No. 10 Expenses \$ 40,000	10 40,000	10 40,000	10 40,000	10 40,000	160,000

Project	Number of Target Trainees and Total Expenses of the Project					Total
	1986	1987	1988	1989	1990	
10. JPPC Training, Seminar and Workshop	No. Expenses \$			5 25,000	5 25,000	50,000
11. Workshop for Business Trainers	No. 40 Expenses \$ 8,000	40 8,000	40 8,000	40 8,000	40 8,000	40,000
12. Case Study	No. 20 Expenses \$ 6,000	20 6,000	20 6,000	20 6,000	20 6,000	30,000
13. Training of Teaching Business Administration	No. 60 Expenses \$ 30,000	60 30,000	60 30,000	60 30,000	60 30,000	150,000
14. Subject-matter Training	No. 40 Expenses \$ 20,000	40 20,000	40 20,000	40 20,000	40 20,000	100,000
Total Expenses of Project	No. 1,260 Expenses \$414,000	1,310 534,000	1,310 534,000	1,305 519,000	1,285 459,000	2,460,000
Operation Expenses	\$ 40,000	70,000	73,500	77,175	81,034	341,709
TOTAL	\$454,000	604,000	607,500	596,175	540,034	2,801,709

Table F-2

FINANCIAL PROJECTION (\$000)

	1986	1987	1988	1989	1990	Total
1. Project Cost <u>1/</u>	414	534	534	519	459	2460
2. Funding for Project Costs						
A. PRE	214	186	-	-	-	400
B. CIPE	90	50	-	-	-	140
C. USAID	100	238	474	469	399	1680
D. Other Donors <u>2/</u>	-	50	50	50	50	200
E. Trainee Fees	10	10	10	10	10	50
F. IMET Funds						
3. Operation Costs	40	40	40	40	40	200
4. Funding for Operation Costs (IMET Funds)	40	40	40	40	40	200
5. Endowment Funds Source						
A. On hand beginning CY <u>3/</u>	195	420	750	1141	1601	2138
B. Trainee Contribution	100	150	150	150	150	700
C. Private Sector Donation	75	100	125	150	175	625
D. Interest from Endowment @ 12%	40	70	106	150	202	568
E. Interest from Bonds	50	50	50	50	50	250

FOOTNOTES: 1/, 2/ Project Costs include a nominal amount for other donor support project has other donor contribution are also a nominal amount. Actuals may be higher or lower for costs and contributions.

3/ The amount on hand reflects a deduction of the amount for operating costs.