

# The Effect of Internal and External Factors on the Business Success of Agri-based Exporting Small and Medium Scale Enterprises in Thanh Hoa Province, Vietnam

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**Abstract** The purposes of the research are to determine the main factors affecting the business success of agri-based exporting firms in Thanh Hoa Province. To achieve these research objectives, quantitative and qualitative method were used concurrently. 275 questionnaire survey was sent out, but only 180 respondents replied suitably for the quantitative analysis through SPSS 20.0 software. Cronbach's Alpha, EFA, and regression are taken to confirm the research result further. The research finding shows that external factors have much more affecting than others internal one on the business success of exporting SMEs, in which external factors have much effect on the Business Success of Agri-based Exporting Small and Medium-Sized Enterprises in Thanh Hoa Province than internal factors.

**Keywords:** factor, affecting, business success, agri-based exporting, SMEs

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## 1. Introduction

Strong export performance is usually known as one of the critical factors in driving a country's economic growth [1] since exports can improve a firm's production efficiency to overcome higher trade barriers and address different market tastes in competitive international markets. Agricultural product exports are considered to be the critical export sector of Vietnam, contributing 25 – 30% of gross domestic products [2] and 17-20% total export value of the country [3]. From a country facing the food shortage, Vietnam has emerged as an exporter of agricultural products and, in particular, we have become one of the 15 major exporters of agriculture products in the world with 30 billion USD per year over the last five years 2011-2015. Exporting firms, which directly introduce agricultural products introduced to the world, play a vital role in these successes of export activities of agricultural products. In Thanh Hoa, localities have great potential for agricultural development, but the value of export products is not commensurate with their potential and strengths. The reason is that there is no suitable direction to crop development, lack of international trade promotion activities, and lack of strong enough enterprises of participating genuinely in the global of the agricultural export market. With the desire to find out solutions to promote the development of agricultural export enterprises, contributing to increasing

the output and export value, the author has studied the factors affecting the business success of agri based exporting enterprises in Thanh Hoa province, Vietnam.

## 2. Overview of Small and Medium Scale Enterprises (SMEs)

Because of the critical contributions, Small and Medium Enterprises (SMEs) always received particular attention from the leaders and the local authorities [4]. According to statistics from 132 countries around the world, many classifications of different enterprises for developed countries, they are based on the size of capital, revenue, and profitability, for developing nations based on the division of labor, some countries based on the contribution budget year [5]. Specifically, in the world, there are about 1/3 of enterprises identified small and medium with a number of employees that is less than 250 people.

Typical characteristics of SMEs are difficult to access capital, market access and also vulnerable when leaving the market because of the barrier of large enterprises and binding economic policy [6].

In Vietnam, SMEs are classified based on two criteria; they are capital and labor. Under Decree No. 90/2001/ND-CP defines small and medium enterprises as "production base of independent businesses, with registered business under current legislation, has registered capital of no more

than 10 billion copper or the average annual labor not exceeding 300 people. Article 03, decree 56/2009 regulates "Small and Medium Enterprises are enterprises which filed for business registration under current laws and divided into three levels including microenterprises, small enterprises and medium enterprises relying on criteria of annual total capital and labor (appreciate criterion of total capital resource relying on data in yearly statement of financial position of enterprises), specifically.

SME plays a vital role in the development of the national economy, which is a catalyst for the growth of the economy [6]. SMEs generate more than 60% of the labor force annually, contributing nearly 50% of the country's GDP, supplying 55% of the goods and services to the market. For developed countries the proportion of SMEs is 80-95%, meanwhile the developing countries like Vietnam, SMEs account for 97-98% [7]. SME is also the main force for star-up revolution, job creation and boosting the local economic development.

### 3. Overview of Agri Based Exporting SMEs in Thanh Hoa Province, Vietnam

The total export value in 2016 was estimated at 1,719.189 million USD, equal to 160% of the plan, up 13.4% over the same period. In which formal export was estimated at 1,535.599 million USD, equal to 139.4% of the plan, up 26.7% over the same period; informal export and enterprises outside the province were estimated at 74 million USD, equal to 85.9% of the plan and 103.5% over the same period; foreign currency revenue reached 109,6 million USD, equal to 111% of the plan and 13.7% over the same period. The period of 2012-2016 the export value as following in Table 3.

In the group of agricultural products of Thanh Hoa province, fishery product, shrimp, manioc products and vegetable & fruit account for the largest proportion, followed by pork, reed materials with 26%, 18%, 17% and 16% respectively.

**Table 1. Classification of SMEs worldwide**

Organization	Maximum Number of employees	Maximum value of assets (USD)	Maximum revenue (USD)
World bank	300	1,500,000	15,000,000
MIF – IADB	100	3,000,000	
African Development Bank	50	None	none
Asian Development Bank	(No official definition. Uses only definitions of individual national governments.)		
UNDP	200	None	None

(Source: Author collects from the WB data, 2016).

**Table 2. Category of small and medium enterprises in Viet Nam**

Area	Scale	Micro enterprise		Small enterprises		Medium enterprises	
	Total labor (people)	Total capital (billion VND)	Total labor (people)	Total capital (billion VND)	Total labor (people)		
<b>Agricultural, forest, and fishery</b>	Under 10	Under 20	From 10 to 20	From 20 to 100	From 200 to 300		
<b>Industry and Construction</b>	Under 10	Under 20	From 10 to 20	From 20 to 100	From 200 to 300		
<b>Services and commerce</b>	Under 10	Under 10	From 10 to 50	From 10 to 50	From 50 to under 100		

(Source: According to Article 3 of Decree 56/2009 ND-CP).

**Table 3. Export turnover and share by fields in the period of 2012 – 2016 (Unit: Million USD)**

Exporting Field	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016
Agricultural product	135.286	73.028	82.191	95.625	142.539
Industrial products	461.471	695.052	785.835	1,292.545	1,412.935
Minerals, construction material	50.654	72.644	88.380	58.481	54.126
Foreign exchange receipts	83.265	85.306	86.470	102.961	109.589
Total	730.676	926.030	1,042.876	1,549.612	1,719.189

Source: General statistic Organization and Department of Import-Export Management, Thanh Hoa Department of Industry and Trade, 2017.

**Table 4. The value of agricultural exports of Thanh Hoa compared with the total value of agricultural exports of Vietnam (Unit: Million USD)**

Year	Export value		Thanh Hoa share in total
	Vietnam	Thanh Hoa	
2005	7,570	102	1.35%
2010	19,152	78.3	0.41%
2011	22,227	104.54	0.47%
2012	24,040	135.286	0.56%
2013	27,500	73.028	0.27%
2014	30,540	82.191	0.28%
2015	30,140	95.625	0.32%
2016	32,400	142.359	0.44%

Source: General statistic Organization and Department of Import-Export Management, Thanh Hoa Department of Industry and Trade, 2017.

The summarized results show that the value of agricultural export of Thanh Hoa is minimal compared to Vietnam's total export turnover with only 0.3-1.35%. Besides, the share of agricultural export turnover tends to decrease compared to the total export turnover of the province for the last three years. This proves that the agricultural export capacity of local enterprises is limited and need adjusting accordingly. Regarding agriculture sector, the agricultural export value accounts for only 6-10% of the total production value of the province. This rate is meager compared to that of industry and mineral sectors. There are many reasons for this limitation such as weak linkages in the formation of product value chain, limited production materials and land for agricultural cultivation; incomplete farmers' awareness and cultivation towards sustainability and safety, resulting in an insufficient quantity of agricultural products for export. Another critical factor is the difficulty in finding export markets because of SMEs lack capital and capacity and experience weaknesses in approaching the international market.

#### 4. Review the Related Literature to Research

To date, there are a lot of scientific researches about the factors affecting the business success of the firm in general and exporting firms in particular. Therefore, abundant of related literature was built. There are a considerable amount of factors that can be affecting the performance of firms in different ways. In this research uses critical success factors (CSF) and five success factors of E. W "Bruck" Lawrimore as support literature to study.

- **Internal factors**

Internal factors are the group of inside effecting directly on business performance such as manager's competency, human resource, business culture, capital result, business strategy, product and service, vision and mission, business know-how. In this research, six internal factors are chosen to measure their effect on the business success of agricultural exporting firms as follows:

**Manager's capacity:** Characteristics of manager play a vital role in the export success of SMEs. When analyzing the export performance of the firm, one must consider another component of the management is the decision maker [8]. Laguna et al. [9] showed that general and particular managerial skills are significant predictors of success in running a business. Specific managerial competencies proved to be a mediator between general competencies and SME success.

**Capital resource:** Lack of financing is considered a significant challenge to the growth of SMEs, and it has accounted for high rates of failure among those SMEs. According to Shah et al. [10], the export success of SME come from its source and capital. In a study in Australia, McMahon [11] discovered that greater dependence upon external finance associated with better business growth. In a more recent study, in Indonesia, Kristiansen, Furuholt, & Wahid [12] found that financial flexibility significantly correlates to business success.

**Human resource:** Human resources capacities form one of the most significant factors for the development of

SMEs [13]. Chandler and McEvoy [14], indicate that human resource capacities have a positive effect on the growth of small firms, which increase employee skills and motivation and eventually result in improving the productivity and long-term sustainability of small firms. The research about export success factors of SMEs in Chile state that, the human resource has actively effecting exporting SME's business success [15]. According to Aaby and Slater [16] export performance is determined by human resource and technological capabilities of firms. Loan [17] showed that government support policy, market, infrastructure, human resource are the main factors affecting agri based exporting SME's development and performance. Elahe Kinai Harchegani [18] points out that human resource has a significant relationship with business success of exporting firm.

**Business strategy:** Business strategy and marketing strategy can define as the mean by which a firm responds to the interplay of internal and external forces to meet the objectives of export performance [19]. In the research of Julian C. and Aron O'Cass [20] find out that export strategy is the critical determining factor affecting marketing strategy and the decision factors adapt to the conditions of the foreign market.

**Linkage:** The business linkage has an impact on the likelihood of successful entrepreneurial endeavor. The study of entrepreneurship has increasingly reflected the general agreement that entrepreneurs and new companies must engage in networks to survive [21]. Base on the review of Nurul Indarti [22], the business linkage represents a means for entrepreneurs to reduce risks and transaction costs and also to improve access to business ideas, knowledge and capital [23]. The business linkage consists of a series of formal and informal ties between the central and other actors in a circle of acquaintances and represents channels through which entrepreneurs get access to the necessary resources for business start-up, growth, and success [24]. [25] found that exporting SMEs have business linkages definition perform better than those who do not. The research of Nazrul Islam & Mukit [26] points out that business network has positively affected the business success of the firm.

**Product and service:** Product and service is factor decides the success of import-export enterprises [27]. According to Leonidoua *et al.* [28], studying the relationship between export marketing strategies and export performance showed that, the product design, style, and branding have a significant positive effect on export performance. Similarly, the pricing strategy, product deference are positively associated with export performance too [29]

- **External factors**

External factors including outside indicators which have a substantial impact but out of firm's control [26].

**Market and customer:** Market and customer refer to the size of the market, the physical distance, and demand. So the selection the match with the exporting firm in term of demand, feature, potential can consider as critical factors for business success because these market need a little money for internal marketing and another cost [17].

**Government support and Political:** According to Nazrul Islam & Dewan Muktadir - Al Mukit [26] Philip [30],

Chittithaworn [31] stated that government support (political and policy) is a critical factor for the business success of exporting firms. [17] showed that government support policy, market, infrastructure, human resource are the main factors affecting agri based exporting firm's development and performance.

*Natural resource:* is one of the basic elements of the business life [32]. This is one of the essential factors affecting agriculture file thus directly cause agri based exporting firms. A country with favorable natural conditions will help to develop the agricultural production, thus facilitating other developmental areas such as agricultural exports, processing, and tourism as well [27]

*Technology:* The development of science and technology creates the best conditions for the production, purchase, and preservation of agricultural products, thereby increasing the value and efficiency of the business. Besides that, the development of information technology helps businesses to be more active in the global connection through e-commerce, fan page, website [17]. However, technology is also a challenge for exporters of agricultural products because most of them are small in size and limited in the capital, so they cannot invest in technology equipment for storage [33]. According to Justus & Daniel [34], the survival and growth of firms depend on the continued and expanded use of the technology vintage that was new at the time when the firm was created. Enterprises with modern technology have advantages over other firms in the same field [7]. Information technology is a necessary complementary factor for the operation of enterprises, especially

enterprises operating in the international environment. Good information technology provides a solid foundation for the implementation of corporate governance [33].

• **Measure the business success of exporting firm**

Although several measures have advocated for conceptualization and operationalization of export performance, there is not a consensus on this point. The measures of export success are grouped into two categories representing financial and non-financial indicators. Financial indicators include sales, profit, and growth rate [26] Moreover, non-financial including customer's satisfaction, employee's growth, goal achievement, new markets, increasing the number of export markets and export products, gaining advantages over competitors, responding to domestic competitive pressure and gaining the prestige [35].

From the review of literature and studies, regarding factors influencing the business success of Agri based exporting firms, each research focused on specific factors. Most of them examined the factors in the context of developing countries, therefore, in general, this is suitable for the research finding. In the context of this research, we based on the finding of a study in the same field of Thailand, Indonesia, Bangladesh, countries have the same economic and resource condition to Vietnam while taken suggestions from the qualitative study into account. There are ten factors were selected, including Manager's capability, Human resources, Products, Capital resource, Business strategy, Linkage, Market, and customers, Political and government support, Natural resource and Technology strongly affecting export performance, from that determine the business success of Agri based exporting firms.

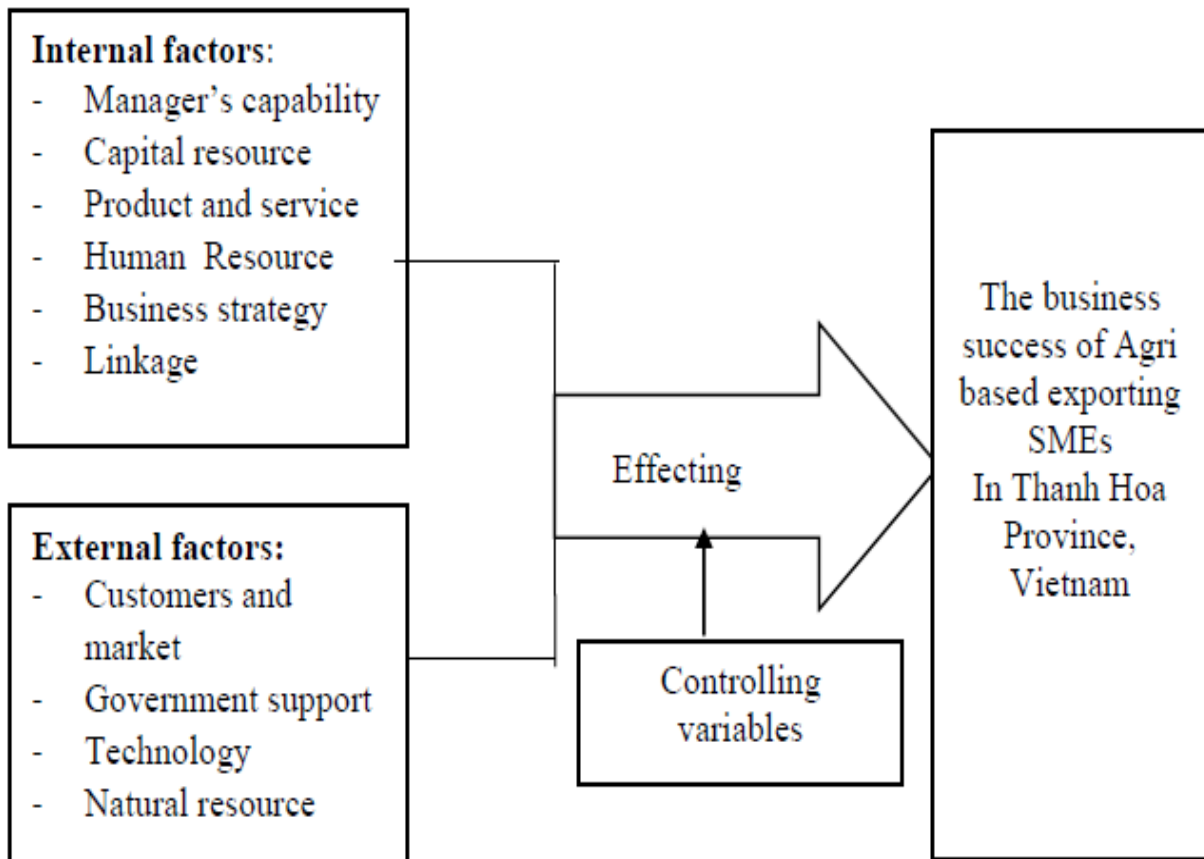


Figure 1. The research mode

## 5. Research Model

To get the research goal set out, the study utilized both quantitative and qualitative approach of research combined with the descriptive method which depicts the state of affairs as it exists at present. The optimal sample size is chosen to depend on the expectation of reliability, the method of data analysis, the estimation method used in the study, the parameters to be estimated. To conduct the best regression analysis, according to Tabachnick and Fidell [36] the sample size  $n \geq 8m + 50$  ( $m$  is the independent variable in the model); Also according to Aprimer  $n \geq 104 + m$ . According to Slovin's formula, the number of observations in the sample can estimate as following formula:  $S = \frac{N}{(1 + Ne^2)}$  (Where:  $N$  the

population,  $e$ : Error). To test the scale, the researchers did not give a specific figure on the sample size needed but gave the ratio between the required sample size and the number of parameters to be estimated. For factor analysis, the sample size will depend on the number of variables included in the factor analysis. Hair [37] suggests that the sample size is five times the number of variables [37]. Meanwhile, Hoang Trong [38] stated out that sample size needs four or five times the number of variables. There are 11 variables and 49 observation variable in this research. Base on Slovin's formula, Hair, Hoang Trong, and Tabachnick sample method total observations are must bigger than 150 with error 5%. To meet the targeted research 275 questionnaires were taken as respondents, but only 192 answer sheets were responded and collected and only 180 respondents are suitable for research analysis.

## 6. Result and Discussion

### • Descriptive statistics

The age of the administrators in the enterprise of 35 or more accounts for over 70% of which the number of people aged 40-60 accounts for over 40%. 73% of

executives are male, 27% are female, this is in line with the gender ratios of provincial and national directors. Regarding qualifications, 100% graduated from high school, 70% graduated from university, 30% had master's degree, but only 23% graduated from economics, management, and business. Business governance experience is relatively low, with only 22.6% having 10-15 years of experience and almost 24% having more than 15 years of management experience. Of which, those having over ten years of experience in import-export activities account for only 16%; The managers having more than ten years of experience enjoy a higher success rate than those having less than ten years (see Table 5).

Most of the small and medium enterprises (over 90%), the number of enterprises with turnover over 500 billion VND accounts for nearly 20%. The agri-based exporting enterprises in Thanh Hoa have not established for a long time; the number of enterprises established under nine years accounts for nearly 80% of the total; 92% were private enterprises, 63% operated as joint stock companies. For essential export items, vegetables, sedge, fish, shrimp, cassava and meat, the meat account for the most significant share by nearly 70%, followed by sugarcane, rice, and other agricultural products. Currently, China, Korea, Taiwan, USA, India are the most significant export partners of Thanh Hoa in general and agri-products in particular with a market share of 53%. Concerning sales, agri-products ranked second in export product categories with a value of \$ 142.539 million in 2016, equivalent to 10% of the province's export value and 1.3% of the total export turnover. Over the past years, the export turnover of agri-products tends to go up steadily with the increase rate from 8% -15% per year.

### • Research discussion

**Cronbach's Alpha analysis:** The reliability of the scale is evaluated by the internal consistency method using the Cronbach's Alpha coefficient. The Cronbach's Alpha coefficient of reliability method used before analyzing the exploratory to reject unsuitable variables as these junk variables can create false factors [39]. To find the results of the study, we conducted Cronbach's Alpha analysis on each scale and observed variables.

Table 5. Frequency and Percentage Distribution of Respondents to demographic

Items	Frequency	Percentage	Items	Frequency	Percentage
Gender			Graduate		
Male	125	69.4%	Graduate	25	13.89%
Female	55	30.6%	Under graduate	137	76.11%
Age			Master	18	10.00%
under 20	3	1.67%	PhD	0	0.00%
From 20-<34	50	27.78%	Year of experience		
From 35-<44	70	38.89%	Under 5 year	59	32.78%
From 45-60	51	28.33%	5 - 9 years	76	42.22%
Over 60	6	3.33%	10 -15 year	33	18.33%
			Over 15 years	12	6.67%

Table 6. Frequency and Percentage Distribution of Respondents to firms

Items	Frequency	Percentage	Items	Frequency	Percentage
<b>Number of employer</b>			<b>Revenue</b>		
Under 10	45	25.00%	Under 10 Billion VND	12	6.67%
10 - 49	97	53.89%	10 - 50	35	19.44%
50 - 99	32	24.00%	50 - 100	65	36.11%
100 - 200	6	7.00%	100 – 500	33	18.33%
over 200	0	0.00%	Over 500 Billion VND	35	19.44%
<b>Capital resource</b>			<b>Year of experience</b>		
Under 10 Billion VND	44	24.44%	Under 5 years	65	36.11%
10 - 50	103	57.22%	5 - 9 years	81	45.00%
50 - 100	22	12.22%	10 - 15 year	25	13.89%
Over 500	11	6.11%	over 15 years	9	5.00%

Table 7. Cronbach's Alpha analysis (first time)

Variables	Number of observation	Cronbach's Alpha
Manager's capability	5	.781
Capital resource	3	.912
Product and service	4	.909
Human Resource	5	.848
Business strategy	5	.888
Linkage	5	.778
Natural resource	4	.325
Customers and market	3	.865
Government support	5	.917
Technology	3	.404
Finance indicators (FI)	3	.860
Non -finance indicators (NFI)	4	.815
Total observation variables	49	

Cronbach's alpha analysing show that, two variables are rejected out research model such Natural resource (.325) and Technology (.404) due to Cronbach's Alpha <0.5. There are three (3) observation independent variables and one (1) observation dependent variables were rejected out of research model due to Corrected Item-Total Correlation < 0.3 such as MC3 - manager's educational/training level

is high, HR4 - employee's loyalty skill is higher as export performance is higher, LK5 - joining associations improves export success, NFI3 - The market share is increasing in three recently years. After doing Cronbach's alpha, there are 32 independent observation variables with grouped in 8 independent variables in research model. The summary of Cronbach's alpha result as following:

Table 8. Cronbach's Alpha analysis (second time)

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
<b>MC- Manager's capacity</b>	<b>Cronbach's Alpha = .834</b>			
MC1	11.26	5.208	.752	.748
MC2	11.10	5.901	.605	.816
MC4	11.29	5.067	.823	.714
MC5	11.16	6.657	.492	.859
<b>CR (Capital resource)</b>	<b>Cronbach's Alpha = .912</b>			
CR1	7.14	2.918	.854	.851
CR2	7.24	3.166	.861	.842
CR3	7.23	3.685	.769	.919
<b>PS (product and service)</b>	<b>Cronbach's Alpha = .909</b>			
PS1	11.18	5.622	.809	.876
PS2	11.18	5.398	.837	.866
PS3	11.03	6.005	.762	.893
PS4	11.02	5.782	.767	.891

Code	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
<b>HR (Human resource)</b>				
<b>Cronbach's Alpha = .848</b>				
HR1	10.68	7.616	.722	.920
HR2	10.83	7.089	.815	.888
HR3	10.72	7.408	.836	.881
HR5	10.72	7.366	.861	.872
<b>BS (Business strategy)</b>				
<b>Cronbach's Alpha = .888</b>				
BS1	14.16	10.337	.716	.866
BS2	14.29	10.899	.638	.883
BS3	14.17	9.950	.845	.836
BS4	14.19	10.668	.657	.880
BS5	14.28	10.338	.793	.849
<b>LK (linkage)</b>				
<b>Cronbach's Alpha = .778</b>				
LK1	10.95	5.925	.498	.837
LK2	10.93	4.934	.727	.740
LK3	10.99	4.547	.751	.725
LK4	10.93	4.872	.626	.788
<b>CM (Customer and market)</b>				
<b>Cronbach's Alpha = .865</b>				
CM1	7.01	3.218	.776	.780
CM2	7.22	3.701	.691	.857
CM3	7.13	3.475	.768	.789
<b>GS (Government support)</b>				
<b>Cronbach's Alpha = .917</b>				
GS1	15.31	10.785	.824	.891
GS2	15.33	10.570	.809	.895
GS3	15.25	11.105	.824	.891
GS4	15.26	11.255	.790	.898
GS5	15.18	12.225	.696	.916

All independent variables have a high Alpha Coefficient above 0.6, and Corrected Item-Total Correlation was higher than 0.3. This also demonstrates that the observed variables in the affecting factors determining the business success of exporting firms have a very strong correlation in the research model and guarantee the inclusion of the EFA factor analysis.

**Exploratory Factor Analysis (EFA):** Maximum factor loading coefficient for each scale system > 0.5, total Average Variance Extracted (AVE) > 50%, KMO coefficient > 0.5, and Bartlett's test of statistical significance.

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	4080.494
	df	496
	Sig.	.000

#### Rotated Component Matrix

Adjusted model testing						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.794 <sup>a</sup>	.631	.613	.430	1.430	
a. Predictors: (Constant), GS, LK, HR, MC, CM, PS, CR, BS						
b. Dependent Variable: The Business success of Agri based exporting firms						
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	54.085	8	6.761	36.507	.000 <sup>b</sup>
	Residual	31.667	171	.185		
	Total	85.752	179			
a. Dependent Variable: the Business success of Agri based exporting firms						
b. Predictors: (Constant), GS, LK, HR, MC, CM, PS, CR, BS						

The result of EFA analysis shows that the total deviation is 61.3% (>50%) and KMO is 0.837 (>0.5), and Bartlett is statistically significant (Sig. <.05), so EFA analysis is appropriate. The model is not different from the study model, and only a few observable variables were not reliable enough to be excluded from the study variable. Therefore, there are 8 group of factors be formed in the model and do not new factors created.

**Regression analysis:** Regression testing shows that Sig. = 0.000, Adjusted R Square = .631 This demonstrates the suitability of the research model, which means that over 50% of the business success of agri based exporting firm is explained by the eight proposed research variables in the model. The Durbin-Watson coefficient = 1.430 (> 1) indicates that there is no autocorrelation between variables. The results of multiple regression analysis are as follows:

Table 9. Result of Multiple regression analysis

Multiple regression analysis							
(Constant)	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
	-.254	.249		-1.019	.310		
MC	.130	.048	.145	2.717	.007	.755	1.324
CR	.149	.045	.190	3.330	.001	.661	1.513
PS	.135	.047	.153	2.850	.005	.750	1.334
HR	.125	.041	.161	3.077	.002	.786	1.273
BS	.112	.050	.129	2.245	.026	.655	1.526
CM	.148	.040	.189	3.670	.000	.813	1.229
LK	.151	.051	.160	2.980	.003	.753	1.328
GS	.155	.047	.185	3.325	.001	.698	1.433

Dependent Variable: Business success of Agri based exporting firms

Thus, according to the equation of all eight selected factors are important to influence the success of agricultural exporters. The regression equation as follows:

$$\text{SMEs} = 0.145\text{MC} + 0.190\text{CR} + 0.153\text{PS} + 0.161\text{HR} + 0.129\text{BS} + 0.189\text{CM} + 0.160\text{LK} + 0.185\text{GS}.$$

The importance of each factor depends on the standardized Beta (regarding the absolute value of the coefficient), or the factor with a larger standardized Beta has a stronger impact on the business success of the enterprise. Specifically, capital resource, customer and markets and government support policy have the strongest impact on the success of agricultural exporters.

## 7. Conclusion

To achieve the objectives of the thesis, quantitative and qualitative research methods were used concurrently where the qualitative method was conducted first to analyze secondary materials, to develop model, scale before carrying out quantitative research. There were ten factors proposed to have a decisive impact on the business success of agri based exporting SMEs. The 275 questionnaire was sent out, 180 questionnaires were collected, aggregated and cleaned before being included in the quantitative analysis. The research results show that eight proposed factors have a significant relationship to business success, in which external factors have much effect than some internal one. In specific, customer and market, government support, capital resource, human resources have the most substantial effect, following by leadership capability, business linkage, business strategy, product, and service. This result means that external factors have much effect the Business Success of Agri-based Exporting Small and Medium-Sized Enterprises in Thanh Hoa Province than internal factors.

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