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Efficacy the business sectors' logistics performance in The Asean Economic Community

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Abstract—The main purpose of this research paper was preparation of the agencies responsible for research funding towards the AEC is to find the combination of contextual information theory to get the knowledge. This knowledge will support (enabler) the development of transport and logistics in the country if the policy makers and decision makers make use of it, or put it into action as a push strategy. Or, it will not affect the development.

Keywords—Measuring ,Business ,Logistics ,Asean Economic Community

I. INTRODUCTION

LOGISTICS play important role in organizations because of high competitive environment. Organizations are trying to find ways and continue bringing new and innovative strategies, used in their organizations, in order to be more competitive in capability. Logistics, taking an active role in helping organizations, manage the system more efficiently (Sheridan, 1993). If logistics system is not good enough, the management of the organization is not good as well. And that affects the ability to answer the needs of customers at the lowest cost, within the shortest time possible. Also the quality of the product must meet the customer's requirement, to make the organization a competitive advantage. Due to the numbers of manufacturers and retailers, customers have choices of suppliers who can provide products of their requirements at the lowest prices, and deliver them right on time (Stalk and Hout, 1990; Azzone and Masella, 1991; Adobor & McMullen, 2007).

ASEAN aims for The Economic Community by the 2015, to be single market and single production base. Allowing flow of goods, services, investment, financial and skilled labor freely, help increase the competitiveness of ASEAN in the global

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market. Transport and logistics section is one of the services that ASEAN pushes into action, to achieve free flow of services in order to reach the set economic goals of unlimited on the terms of trade in services in ASEAN, both in transportation and logistics.

Integration AEC (ASEAN Economic Community: AEC) is a consortium who creates bargaining power against the economic power group in the global trade. Markets integration into larger group will build wealth of trade within the region, as well as standard of integrated infrastructure and amenities, and transportation. It also stimulates sustainable development in the area. The ASEAN Economic Community is a great challenge for Thailand in 2015. It is necessary to study and prepare for transport and logistics urgently, focusing on the prevail of development and preparedness infrastructure.

The development of transport and logistics, in order to support the international transport, borderless under AEC, must include the development of three-dimensional parallel. They are network connections (Interconnectivity). And when it is connected to the network, it's important to have a link in between the management system, the ability to work together (Interoperability) because each country is different in regulations. So all must have been built to blend (harmonize) as a single system. This will lead to a push for true market access (market access). The ability to serve transport and logistics, from one country to another country, which in this case consists of 4 series of services (mode of supply). Mode 1 refers to a cross-border (cross border supply), mode 2 refers to consumption abroad (consumption abroad), mode 3 means the business (commercial presence), and mode 4 refers to the movement of personnel (movement of natural persons).

There are 2 main important factors in the flow of goods and services between countries, manufacturer and provider of logistic (Logistics Service Provider: LSP). Manufacturers are always looking for quick shipping. Producers may benefit from lower costs and delivery product quickly. What if logistics service provider lose their market according to the rules of the flow of goods and services, they can not stay in business. As one may say "Doesn't matter the color of the cat as long as it can catch a mouse" would result in a situation where the logistics service provider of the developing country can not compete with logistics service provider of the developed

countries who have a comprehensive transportation network, and may also own the product brands. These issues will need to be considered the true benefits of double handling at border may be redundant (double handling) to the benefit of international shipping routes or not, especially when problems or restrictions have not been resolved, such as the size of the logistics service provider in different countries and insurance of goods across the border.

Preparation of the agencies responsible for research funding towards the AEC is to find the combination of contextual information theory to get the knowledge. This knowledge will support (enabler) the development of transport and logistics in the country if the policy makers and decision makers make use of it, or put it into action as a push strategy. Or, it will not affect the development.

II. PURPOSE OF THE STUDY

A. To study the logistics direction of Thailand's entry into ASEAN in the business sectors.

B. To study the development of a competitive advantage in terms of logistics management's good.

III. LITERATURE REVIEW

The strategic plan to develop logistics system (Article ... Tanit Sorat)

The goals of the strategic plan (Objective & Goal) are to update and develop the management system to increase efficiency (Efficiency) and increase the competitiveness of the industry, in order to response to the challenges of the external environment. Logistics development strategy, may not exist alone by itself or be an isolated process to ensure that any welding process. It will need all the collaboration, in efforts of all employees. In process of strategic plan developing, the target (goal) must be decided. The organization's employees understand the purpose and intent to support the development of logistics. However, the goal should be determined by external conditions. The strengths and weakness of organization are analyzed (SWOT Analysis) through process or by a system of race or Benchmarking.

Once goals are clearly defined, the mission plan has to be determined (mission plan). The mission of the business is to conduct the direction, defined by the organization (goal), emphasis on the practice of excellence (best practice) and to manage, persuade (Motivative) staff, eager to achieve the mission and goals of the plan (Goal), which will be coordinated with the strategic plan. This will create and change logistics systems to "Just in Time Value" of whole organization, serving creativity and deliver value (Value) to the customer. This organization's mission will drive force that causes the continuing of activity.

Strategic Plan (Strategic Plan) is a strong selective event that is beyond the organization (Strength), leading the

development of logistics in the practical implementation system. The content must be consistent with the goals of the Strategic Plan, different (Differentiate) and increase competitiveness significantly, along with KPI, bringing to their organizations ability to create better competitive service & product value (Value). The emphasis is on developing strategic map (Strategic Map) as a framework or guidelines in response to the direction of development of the organization, providing better communication and put employees at all levels into action. The process must be carried out and enhanced the knowledge and skills of employees (Skill Building) by learning and training (Learning & Training) as well as transferring of knowledge between organizations (Knowledge Transfer) and team work. Actual intention from lower-level employees to senior management will be added to the chain of value (Value Chain) to joint, modify and prepare a plan to improve their work and to retain the strengths, minus weaknesses, using management system maintaining sustainable business performance.

Supply chain systems must be specific and planned accordingly (Specifying Requirements & planning Supply.) by finding the real needs of customers. Enable production and services to meet requirements of customers. Demand and supply planning must be decided, also specific quantity and delivery. The process is managed by giving priority to the latter. The supply market must be understood. Price discrimination, how to, is supported by data analysis. The information will be prepared and forms strategy. The model of the system, the strategy routine, strategic solutions to the congestion are to be created together with crisis solvent strategy.

Logistics development strategy in organization realizes value added to goods and services, Value Added (Goal of value added building) with factors of excellence.

A. Real Perfect: focus on achieve better customer response (ECR).

B. Non Defect Systematic: elimination of defects systematically to achieve Best Practice Organization.

C. Value Chain: create value chain to achieve Customer Loyalty.

D. Differentiate: Make a difference that is difficult to copy for competitive advantage (Competitiveness).

E. Surplus Utility: the utility surplus increases the sustainability (Sustainable Business).

The logistics strategic plan needs to be prepared as the organization's plan. It should be a link or modify the organization goal. The plan must be consistent with the working goals of the employee. Excellent plan is not worth, as long as employees are not willing to cooperate or not to apply. The most importance is to operate system for excellence or Best Practice Management and use it to support the institutional structure. Measurement indicators are to be set to help create competitiveness (Competitiveness), contributes to

the satisfaction of the customer (Core Satisfaction) and focus on providing value added to products and services (Value Added) which then result in profitable return and a sustainable business (Business Sustainable). All mentioned above are the main objective of management in logistics.

Results of Logistics Operations (Logistics Performance)

To achieve success in logistics operation, a good organization must meet the needs of customers, rapidly (Responsiveness) in shortest possible time and at minimum cost (Sheridan, 1993; Moskal, 1995). It is important to manage the supply chain to respond quickly (Responsiveness). The organization must have the ability to work with the shortest possible time (speed), must be able to respond better to order (Order fill capacity) and be flexible (Flexibility) in the delivery process. Organization should have the capacity to adapt and modify the model (Adaptability), confirm the delivery (delivery dependent) that meets the needs of customers (Moskal, 1995). The manufacturer must take into consideration, the rapidly changing needs of customers (Willis, 1998) and this is a factor integrates the organization to success.

Meanwhile, a good result of logistics operation must describe the relationship of the various systems in organizations such as logistics system, marketing system, production system, organization operation, inter-communication, including respond to customer satisfaction (Kim, Cavasgil and Calantone, 2006) in order to analyze and modify the results of logistics operations and can be modified by (Tracey, 1998; Kim, Cavasgil. and Calantone, 2006). These results affect the marketing operation and build success and ability to compete at a higher (Tracy and Vonderembse, 2005).

Collaboration within an organization (Internal Collaboration)

The study shows that the cooperation (Collaboration) working is key factor to make the organization successful as per a study of working together of the supply chain from the beginning of the business until the end. If the suppliers (supplier), supplier (manufacture), the courier (Distributor), retailers (Retailer) until the customer (Customer) are working at the same organization, will provide seamless supply chain to create value (Value Added) to the customers, and the success that the chain has achieved a successful result and be able to meet the needs of their clients. Any organization fail to perform own duties, with no assistance and co-operation in the previous work, the current and future issues arise may not be resolve. (Lambert et al., 1998; Gimenez and Ventura, 2005).

Collaboration within an organization can be successful with the principles and best practices. This can lead to the effective operation of the organization, including working together, exchange of knowledge and information, having a good team and planning to work together to find

ways to reduce operational costs. Giving priority to the issue of cooperation with one another in organization can result in both direct and indirect impact on the operations of the organization, also on the logistics and competitiveness in the market (Holmstrom, Smaros, Disney and Towill, 2003; Gimenez and Ventura, 2005; Green, Whitten and Inman, 2008).

Collaboration with external organizations (External Collaboration)

Successful business firm give significant priority to the operation of the organization as a sequence of the first results of operations resulting from the cooperation between the organizations of the trade share (Quinn., 1998; Handfield and Nichals, 1999; Gimenez and Ventura, 2005). And with the desire to find a way to avoid the problems that may be caused by a combination of such work, operation shall be based on the principles of cooperation that is good for working together as a team. The use of sharing information develops processes in logistics. Planning the problems together, cooperation between the organizations, not only allow results of operations and logistics but also more ability to compete in business too.

Research collaboration between organizations in a business perspective results in many aspects. Studies in the United States found that the importance of the quality of raw materials alone did not make better operation, but the organization must give priority to the issues of cooperation between organizations (Fisher, 1997). For example, an issue of raw material needs to be coordinated between the relevant departments of the organization and the supplier. The U.S. food industry has given priority on this issue substantially, setting very high budget for development cooperation with these agencies. In practice, to determine the appropriate of the accuracy of the material on the quality you want, the speed of the order, a good relationship with each other and the ability of suppliers resolve problems (Kim, Cavasgil, and Calantone, 2006). A major issue is that joint planning, operational plan. Need to be treated and improve operational processes (Paulraj & Chen, 2007). The good cooperation with external agencies will result good operations of organizations in the field of logistics, marketing and competitiveness (Gimenez and Ventura, 2005; Green, Whitten and Inman, 2008).

Performance marketing (Marketing Performance)

Most marketing operation approach focuses on an overview of the results in the long run. The company can accept the results of their operations base on the three principals; increasing market share, increasing of sales and increasing in total sales. Typically an organization's success will be considered in the period of 3 years (Tracy and Vonderembse, 2005). The performance of the market is good or not depends on the organization's internal management and system practice for logistics. All of these contribute to the performance marketing success. Marketing principals, used to control the

successes of operation has to come from organizational co-operation between the functional areas of the organization to add value to its customers (Day, 1994; Narver and Slater, 1990).

The results of operations of the enterprise competition (Competitive Performance)

Capability of handling the organization has made a significant advantage over competitors. Sensitivity to changes, in order to meet customer demand, which typically measured by four aspects (Sheridan, 1993); the growth in sales, the growth of market share, the growth of the property, and competitiveness as a whole (Ghosh and Murthy, 2006). A competitive advantage in the race must be created from the result of logistics management (Swafford, Ghosh and Murthy, 2006.), such as fast delivery, reliable data management with high accuracy (Lages and Lages, 2005. Organizations who want to create a competitive advantage are based on the principle of cooperation between organizations, exchange of supply chain information in between, targeting on working together (Cavusgil and Zou, 1994; Lages, Lages and Lages, 2005).

IV. EXPECTED BENEFITS RECEIVED

Uses of Theory (Theoretical Contributions)

The study focuses on the literature and related research concerning competitiveness. The variable (Antecedence Variable) of competitiveness consists of cooperation within and outside that influences the market and the competitive operation. Consequence variable (Consequence Variable) is the direction of the country's logistics to support ASEAN's business sectors.

V. HOW TO CONDUCT RESEARCH

Population and sample: in depth with logistics enterprises and government agencies in Thailand. Introduce research application into logistics business. Create a competitive advantage to support the ASEAN Community in 2015. Contributors include the logistics operators in the Thailand and government departments in concern such as the Department of Commerce and Department of Transportation.

VI. STATISTICS

Research Statics;

- 1) Component analysis (Factor Analysis): to extract and do variables grouping
- 2) ANOVA (Analysis of Variance: ANOVA): to compare results between data provider
- 3) Variables relationships analysis (Correlation Analysis)
- 4) Variables regression analysis (Regression Analysis): to determine the influence among variable

VII. CONCLUSION

The research study is the Conceptual Research, aiming toward Thailand logistics directions, entering into ASEAN, on behalf of the business sectors. The literature review focuses on the variable's (Antecedence Variable) competitive advantage, consisting of cooperation within and outside that influence of the market and the competitive variables (Consequence Variable). It is the direction of logistics of Thailand to support ASEAN's business sectors.

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