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## Business Investment Strategy of SME Restaurants

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### ABSTRACT

The aim of this research is to develop a business investment strategy in support of SME restaurants in Yaowarach area, Bangkok, Thailand, using the qualitative method of in-depth interviews with key management personnel, such as business owners, managers. The key informants, for in-depth interviews, included thirty-one entrepreneurs--twenty-nine sole proprietorship business owners and two limited partnership owners, selected by purposive sampling of twelve entrepreneurs listed by Sampantawong District officials and Sampantawong District officials as well as the Crown Property Bureau official. Research Findings: Strategic investments improved investment efficiency on three levels: (1) Corporate strategy; Businesses used proactive strategies aimed to increase market share from diversification in which a business, limited by physical space would lead to branches elsewhere. Operators of two restaurants planned expansion and implemented expansion--a long-term strategy for growth, required in order to keep the businesses expanding market share. (2) Businesses strategy: Strategies were formulated aiming at differentiation focus with product diversification. Additionally, operators included strategies to rectify product development issues and differentiation by focusing on product diversification and developing innovative products or services, different from the competition. Cost management, including, strategies for analyzing production costs were implemented and grouped together to increase bargaining power with manufacturers, given lower raw material costs. The strategy included maintaining existing customers, given each restaurant SME existing client base. New marketing strategies included lower food prices and discount coupons for dining, the next time, etc. (3) Functional Strategy: The operational level is used to achieve the objectives of the organization. Furthermore, strategy must cover all departments within the organization to collaborate for success, by focusing on operational units. The China Town restaurants should have a financial plan. Investment plan analyze problems and determine financial investment responsibility in the future. According to the investment plan in place, monitoring, evaluation and improvement are continuous. The preparation of the income statement accounts control expenses using the budget as planned.

**Key words:** Financial investment, investment efficiency, investment business environment, investment strategy, SME, China town restaurants

### INTRODUCTION

Six Asia-Pacific and one European countries contributed more than one million visitor arrivals each, according to the Thai Ministry of Tourism and Sport, in 2013. China topped the chart at

4.7 million arrivals, followed by Malaysia at 2.99 million tourists, Russia at 1.73 million arrivals, Japan at 1.53 million tourists, South Korea at 1.29 million arrivals, Lao PDR at 1.1 million and India at 1.04 million visitors. By region, East Asia remains the largest contributor at 16.09 million arrivals, representing a 60.18% share of the overall visitor markets to Thailand. Europe is the second largest market by region at 6.3 million visitors (an 11.62% increase), followed by South Asia at 1.34 million arrivals and the Americas at 1.17 million tourists. In 2014, TAT expects to welcome 28.01 million international tourist arrivals through various tourism promotional activities under the Amazing Thailand: It Begins with the People campaign. In December, 2013, the number reached 1.59 million arrivals or 1.99% year-on-year increase (Tourism Authority of Thailand, 2013a). The Tourism Authority of Thailand and local government and communities joined hands in promoting tourism in Yaowarach. Yaowarach China town area is one of the most important tourist destinations in Bangkok Thailand, Yaowarach area in Thailand has been both a trading center of Chinese and Thai-Chinese in Thailand for 200 years, centered around a dragon-shaped Yaowarach road, as a center (Tourism Authority of Thailand, 2013b). Here, one can find many fine Chinese restaurants, gold shops and different traditional businesses descended from Chinese culture and ancestors. The area is clearly distinguished from the rest of Bangkok. The multicultural Yaowarach will also provide ASEAN tourists with cultural diversity, in a China town, where tourists' safety is emphasized. The city of Bangkok has campaigned to promote the restaurant business in Yaowarach area, to improve quality under the slogan that can roughly be translated as Thai food vendors moving/stepping into ASEAN level that corresponds with Thai government policy of Thai food global kitchen.

Hitt *et al.* (2011) mentioned that investment strategies plan for decisions on what and how to invest in order to achieve long term business goals. Awareness of long term business goals helps in investing and investment strategies. Ansoff (1957) studied strategies for diversification, putting risks in many different places. Rockmore and Jones (1996) identified investment strategies through Return On Investment (ROI) And Earning Per Share (EPS), Schoeffler *et al.* (1974) studied the relationship between strategic planning and profit making. So, investment strategies would include, decision regarding investment planning. Knowing a long term business goal clarifies the priority of investment. Further, Stewart and Hitt (2012) mentioned that moving a one-owner business would require professionalism and optimal capital structure, which is important to achieve the targeted returns of investment. Planning is part of overall business objective setting-investment strategy. It can be concluded that the manager of finance, an important role in formulating investment business strategies. Such strategies are crucial to businesses in that they allow for achievement of long-term goals. Returns on investment will then lead to the formulation of strategies. Business organizations would continue to strive for competitiveness and manage for effectiveness to achieve goals (Keown, 2006). Such direction would require strategic management (Bergeron, 2004). Additionally, successful companies make talent strategy part of a strategic planning process and integrate it into daily operations. Strategic management is then the decision of executives with the survival of the organization in mind.

Further, developed by using existing investment strategies in the SME restaurant businesses, proven effective in China town. The aim of this research is to develop a business investment strategy in support of SME China town restaurants in Yaowarach area, Bangkok, Thailand. By: (1) Studying the financial investment of the restaurant businesses, (2) Studying investment efficiency performance of s restaurant businesses and (3) Analysis of the investment environment of SME restaurant businesses.

## **MATERIALS AND METHODS**

**Methods:** The study research methodology was qualitative methodology. The information of qualitative data was from in-depth interviews with top management levels, such as business owners, managing directors of SME restaurants in Yaowarach area, who proved willing to answer the study interview. The key informants for in-depth interviews, Yaowarachs restaurants, thirty-one entrepreneurs with twenty-nine sole proprietorship business owners and two limited partnership owner, selected by purposive sampling twelve entrepreneurs list from Sampantawong District officials, Bangkok, Thailand of the year, 2012 and Sampantawong District officials, as well as the Crown Property Bureau officials. All the derived information has been triangulated.

The criteria used for selecting the Yaowarachs restaurants were that the restaurants sold made to order dishes (only food and drinks) in Yaowarach area, owned by one person, were a limited companies and needed to be the business in the list of Sampantawong District officials, Bangkok, Thailand of the year, 2012. The interviews took time approximately 60-90 min and the conversations were recorded.

**Material:** The semi-structured interview was adopted to collect the information. The objectives of the interviews were to find out the real meaning of manager SME opinions related to the investment planning, implementation, evaluation, strategies and organization performance development. There were four main topics for the interview, which were; (1) Initial financial investment in the business organizations-operating capital investment, (2) Investment efficiency, such as investment planning as well as the implementation plan into action the monitoring and evaluation, (3) Investment environment of the business, including; strengths, weaknesses, threats and opportunities and (4) Investment strategies.

Once the interviews were completed, the recorded conversations were transcribed and organized into four categories; (1) Initial financial investment in the business organizations operating capital investment, (2) Investment efficiency, (3) Investment environment of the business and (4) Investment strategies. The translation of conversations were then completed and inductive reasoning was employed, including; a SWOT analysis to analyze the business investment environment of restaurant business: (1) Business strengths (S), (2) Weaknesses (W), (3) Opportunities (O) and (4) Threats (T) to determine investment strategy (Table 1). Then, data from a study of the businesses financial statements, investment efficiency, investments was analyzed, along with the investment environment of the restaurant business, China town. All the analysis were in the form of relationship matrix, using a Table 2 called TOWS Matrix to develop information that could then be further developed by using existing investment strategies in the SME restaurant businesses, proven effective in China town.

## **RESULTS AND DISCUSSION**

Financial interviews results were categorized regarding restaurants investments, organization structure, operating capital and business investment, as are detailed below.

**Financial investment of the business:** The interview results on financial investment of Yaowarach restaurants noted in organizational structure, operational funding and investment are as follow:

**Organizational structure:** Yaowarach restaurants that sold made to order dishes and were owned by an individual normally had the organizational structure, where the owner directly gave orders to the staff members, which is a type of centralized management. Weber *et al.* (2015) mentioned Small Business Owner (SBO) characteristics that influence strategic direction. The intended outcome was to create a strategic typology that resonates with the realities of small business owners, their advisors and policy makers. The staff would normally follow the owner SME orders well and received wages in return. Hankinson *et al.* (1997) mentioned that the key factors in profiles of small-medium enterprise owner-managers that influence business performance.

**Operational funding:** China town restaurant businesses, most are entities that are owned by one person alone or acting as investment decisions makes. Thus control of all operations, the company achieved a profit or loss for one person. When operations continuing from generation to generation over a period of more than 20 years, even limitation of space in the business, in terms of expansion, the business renovation or expansion can not serve the business. There were some operators, who plan to expand their business to open in the mall. But there are many entrepreneurs, who upgrade from one business sector to another restaurant business to comply with a Chinese food, a long time famous, funding, it was found that the operator of the restaurant business, most China town. Funds are managed by learning from the experience of career life-times. Lack of knowledge of financial management and investment that is essentially academic. Since, they do not have and have not been academically trained and have not time to learn.

**Investment:** Initial found for each enterprise, China town restaurant business total initial investment of 3-10 million baht of capital resources. Personal finances were involved without any help from financial institutions. This is not in line with best practices in selecting structures of investment also supported by Yartey (2011), examined how unlisted companies in Ghana finance their growth and to what extent, they rely on internal finance relative to external sources of finance. The Ghanaese model contrasts with SME Restaurants, Yaowarach area, Thailand.

**Investment efficiency:** The effective management of investment would normally involve 3 factors including; (1) Investment planning, (2) Plan implementation and (3) Evaluation and control. The following are the interview results of Yaowarach restaurants interviews.

Investment planning found that food business operator in developed planning policies for return on investment. Investment plans have been prepared by analyzing financial problems and situations. The business investment analysis will affect items, such as business financial problem analysis, politics and current economic conditions, such as food and fuel prices, etc.

Research found implementation of the investment plans to conduct business was essential, entrepreneurs of Yaowarachs restaurants were given the responsibility of a clear investment in the future, according to the investment plan that has placed and continues.

Evaluation and control were found by entrepreneurs of Yaowarach restaurants and tracked and evaluated periodically. Then, continuously used to improve investment plans. The income statement is prepared using the accounting control of the capital budget, as planned daily, including a review of the investment plan. If the investments do not go as planned, the investment plan must be updated in line with the changing situation by monitoring and evaluating.

In SME Restaurants, Yaowarach area, most income was derived from food sales, with expenditures largely from rental expense. This is because, Yaowarach was a major dynamic trading area, meaning that the net profit, in line with Kasikorn Thai research center 2006 study, has high

investment return, as supported by Rockmore and Jones (1996), who noted that return on investment and earnings per share are the important factors in formulating investment strategies and increasing the investment risk.

**Investment environment of business:** Information on organizational environment was used to conduct SWOT analysis to specify investment strategies.

A SWOT analysis of restaurants to analyze the environment and the potential of strategic business investments include four areas: (1) and strengths (S) (2) and weaknesses (W) (3) opportunities (O) and. (4) threats (T) detailed, as follows.

**Strength:** It was found in restaurants business with strengths in information noted below.

- **S1: World-wide restaurant reputation:** It has been inherited from generation to generation and is well know throughout the world. Chinese food with authentic recipes are acceptable and essential. Chinese meals are evaluated by many aspects, such as the environment, quality and authenticity of taste. China cuisine has a long culture with Chinese food sold in places other than China town. Chinese foods taste different and with selling food all day, from 8:00 am-11:00 pm. As noted above, food carts will be sold only at night, with skill and expertise, especially in cooking. Owners, with thirty-year experience are recognized internationally, even as businesses expand locations
- **S2: Customer (Thai and foreigner):** Since, Yaowarach is world famous for tourists, both Thai and foreign, visited it either individually or as a group. Group tourists would come through tour agencies either in Thailand or in their country. They also bought the packages arranged by the hotel in which they stayed to see Yaowarach and eat at certain restaurants. This collaboration between the hotels and the restaurants allowed for certainty in orders, making it easier to plan the supply for the restaurant. Non-group or individual tourists included foreign and Thai tourists as well as business
- **S3: New business develop with substantial difficulty:** The new businesses entrance to the industry, competition in the industry. This new competitors to enter the restaurant business, SME in China town is difficult, because there is less space to operate. Difficult to do business, because there are no empty shops. The restaurant are inherited from ancestors. The newcomers to the industry have difficulties and impact existing businesses. The cost disadvantage, if a competitor with experience and expertise into opening a restaurant in China town is lessened by minicking competitors can make cooking easier

**Weakness found that entrepreneurs China town foods has weaknesses in matters below:**

- **W1: Limited space:** In the business district, China town, is mainly due to limited by physical space. The number of stores in the area are quite crowded. Restaurants are largely, inherited from ancestors. As a result, store expansion is difficult. Thus, new restaurant business openings in the neighborhood are limited
- **W2: High rent:** Restaurants in Yaowarach are located in central Bangkok--an area famous for culture and tourism--well known both in the country and abroad. The price of the land grows ever higher. This includes department stores and various commercial buildings as well as restaurant space. The rent expansion will vary depending on size and location. Located in the commercial district near traditional markets, prices are relatively higher than other areas of the city



- **W3: Consumer groups high bargaining power:** Customers have high power to negotiate with the restaurants due to the number of customers who visit Thailand with tour companies. Package tour companies, must have the power to negotiate/collaboration with vendor business-to-business relationships are ever-more critical and now at a high level, in terms of price and quantity of food
- **W4: Production factor low bargaining power:** Ingredients for all foods, spices, etc., come from the nearby food market, Ratchavongse Pier, Bangkok. The new stores and shops in China town do not have the bargaining power to enter negotiations/arrangements with suppliers because, each store has to individually purchase at higher cost. With separate ordering no power is available to negotiate with suppliers resulted in higher product/menu prices, key factors in successful new restaurant operation and survival

**Opportunities:** This research found that the business opportunities in Yaowarach area results are as follows:

- **O1: World economic growth:** The world economy has grown exponentially, especially in the BRIC countries, namely Brazil, Russia, India and China. So, the tourists in this group traveling in a foreign country bring major tourist traffic to Thailand, especially to Bangkok, but also to Pattaya to Chiang Mai, to Phuket, BRIC tourists are interested in leisure travel, such as natural attractions and cultural tourism. The Chinese and Indian tourists traveling to Thailand have increased steadily each year for a number of years and create opportunities for business entrepreneurs in China town, as well as the attractions listed here
- **O2: Thai-Multi social environment:** Thailand is deserve ethnically, religiously and culturally, the better to attract tourists to visit Thailand
- **O3: Continually promote tourism:** The Government of Thailand has facilitated the tourist via, aiming to continually foster and promote the tourism, as Thailand is already known to tourists worldwide. Bangkok is the capital and a major hub for tourists traveling to other provinces of the country before making major businesses welcome tourists, China town foods such groups
- **O4: Multi technology environment:** With environment technology today, making advances in technology and communication, enables travelers to access travel information and planning easily. As Web facilities have very much advanced, tourist more the ever before--large number of tourists from around the world, making a great opportunity for business entrepreneurs, e.g., China town restaurants

**Threats:** Found that entrepreneurs in China town have difficulty operating successful businesses.

- **T1: Political unrest situation:** The Thailand political situation remains an occasionally stability. Also, the issue of protesting steadily since the year 2006 until the year 2014 has had a steady impact on safety concerns, causing the number of foreign tourists to diminish. The above factors, directly affect the restaurants in SME restaurants in Yaowarach area, Bangkok. Usually the tourists, who come here an eat in this neighborhood less, as difficulties become more apparent. The tourists, who understand the situation do not seem to worry, so much and continue to dine in the area

- **T2: New business entrance:** The food vending carts, promoted by Sampantawong District Office, offer more choices to the customers, served as more varied choices of Chinese food, Thai food and sea foods attracting night-time buyers, especially. More diverse than China town restaurants, which sell mostly Chinese food restaurants, the restaurant cart program with Samphunthawong district office, added numerous new dining choices. The project is co-sponsored by DTAC and the Agency Research Office, aimed at attractive food sources including Bangkok China town. The street food hawker points the way during the night. Participating stores are exempt from the rent space sales in the period, 6.00 pm-11.00 pm. Originally, such stores cost 150 baht per square meter rent and could not exceed store rental rates/square meters

**Develop a strategy for investment in s restaurants:** A study of the financial investment business, investment performance, business and investment environment was analyzed using SWOT strategy for s restaurants in Yaowarach area with a view to assessing the internal and external environment. Environment scanning is done through the use of information on organizational environment, to conduct SWOT analysis, relating the SWOT analysis to specify investment strategies, to see their business strengths, weaknesses opportunities and threats.

SWOT analysis will identify specify investment strategies of SMEs restaurant in Yaowarach area, Thailand. The in-depth interview instrument was used to collect data from research participation. Environment scanning is done through the use of information on organizational environment to conduct SWOT analysis (Wheelen and Hunger, 2012) as follows:

- External environment consists of opportunity and threat, which business executives cannot control in the short run
- Internal environment consists of strengths and weaknesses, organizational structures, culture and resources, which business executives cannot control in the short run

A basic model of strategic management consists of four elements (Pride and Ferrell, 2012) including environment scanning, strategy formulation, strategy implementation and evaluation and control. The various external, moderating and internal factors that may influence the implementation of an environmental management system within a limited sample of small and medium-sized enterprises (SMEs) (McKeiver and Gadenne, 2005).

Therefore, all data was analyzed in the form of relationship matrix using a Table 2 called TOWS Matrix for information as has been developed to study strategic investment in businesses and their efficiency.

The analysis of patterns of relationship matrix using square TOWS Matrix to develop a strategic investment in SME restaurants business efficiency was divided into three levels.

In Strategy formulation, entrepreneurs who aim to increase competitiveness will need strategic planning that is according to an organizational trend, which is affected by external and internal environments. This will help guide an investment plan of an organization. Bateman and Snell (2006) and Porter (2008) mentioned that strategy formulation is the allotment of resources in the way that will achieve an organizational goal. According to Rue and Lloyd, (2000) strategies can be: (1) Corporate strategy, which is the general strategy of a business, (2) Business strategy, which is for achieving a business plan, (3) Functional strategy, which is to translate strategies into an operational level. Singh and Pandey (2008) mentioned that the decision on prioritizing resources of an organization to each of its business depends on the planners' availability of information.



Table 1: SWOT analysis

| SWOT                 | Helpful  | Harmful  |
|----------------------|--|--|
| Internal environment | <b>Strengths (S)</b><br>S1 : World-wide reputation<br>S2 : Customer (Thai and foreigner) Repeat customer<br>S3 : New business came develop with substantial difficulty | <b>Weakness (W)</b><br>W1 : Limited space<br>W2 : High rent<br>W3 : Consumer groups high bargaining power<br>W4 : Production factor low bargaining power |
| External environment | <b>Opportunities (O)</b><br>O1 : World economic growth<br>O2 : Multi social environment<br>O3 : Continually promote Tourism<br>O4 : Multi technology environment       | <b>Threats (T)</b><br>T1 : Political unrest situation<br>T2 : New business entrance  |

Table 2: TOWS analysis

|                                   |   |   |
|-----------------------------------|---|---|
|                                   | Internal environment                                  |   |
|                                   | -----   |   |
| External environment              | Strength (S)  | Weakness (W)                                |
|                                   | S1 : World-wide reputation                            | W1 : Limited space                          |
|                                   | S2 : Customer (Thai and foreigner) Repeat customer    | W2 : High rent                              |
|                                   | S3 : New business develop with substantial difficulty | W3 : Consumer groups high bargaining power  |
|                                   |   | W4 : Production factor low bargaining power |
| <b>Opportunities (O)</b>          | <b>(SO)</b>   | <b>(WO)</b>                                 |
| O1 : World economic growth        | S1 S2 S3 O1 O2 O3 O4                                  | W1 O1 O2 O3 O4                              |
| O2 : Multi social environment     | SO1 : Extent investment                               | WO1 : Product development                   |
| O3 : Continually promote Tourism  |   | W2 W3 O1 O2 O3 O4                           |
| O4 : Multi technology environment |   | WO2 : Cost management                       |
| <b>Threats (T)</b>                | <b>(ST)</b>   | <b>(WT)</b>                                 |
| T1 : Political unrest situation   | S1 S2 T1  | W1 T1 T2                                    |
| T2 : New business entrance        | ST1 : Sale increase                                   | WT1 : Consumer retention                    |
|                                   | S3 S4 T2  | W2 W3 T1                                    |
|                                   | ST2 : Product differentiation                         | WT2 : Reduce Cost                           |

**Corporate strategy:** Because it operates continuously from generation to generation over a period of more than 20 years, as known to the world, there are repeat/regular customers both in Thailand and abroad. Such continuity offers customers a unique service. China town is a neighborhood of famous Chinese cuisine. The tourists, both Thai and foreign maintain interest in Bangkok China town dining. The restaurants have been operating at a continuous high level. The restaurant economy expands and contracts as does the global economy. Area environmental, social/cultural dimensions are dedicated to promoting tourism. The facilitation of tourism, the environmental dimension is ever critical to the tourist 'draw'. To thrive the area, should take a proactive strategy (SO strategy) toward expanding markets as spatial expansion is limited. A long term strategy for growth (Growth strategies) to provide businesses with expansion or a market share more consistent with Ansoff (1986) studies and resulting strategies for diversification found a way to thrive in basic business. Thus, increase market share by developing or changing the product diversification will remain critical as part of a continued growth plan, especially in the long-term development. However, due to limitations in terms of expansion, renovation or expansion can not serve the area as would be most beneficial. The operators of some of the planned expansion may have no option but to open elsewhere. Stanworth (2011) The article should hold considerable interest, not only for academics interested in franchising, but also for those examining fields such as small business strategic management, innovation and intangible asset growth and continuing family business in China town, from generation to generation, honoring excellence. The family business expanded into Hong Kong style noodles, dumplings and superb customer youth work by opening branches in Department stores (Siam Square Soi 10, Future Park Rangsit Major Ratchayothin, Central, Bangkok. etc.) (Manager Online, 2013). After doing business for almost

30 years, planed to market in 2012 was capped by selling franchises under the company SME management HKN NHKSME limited franchise. Majumdar (2008) mentioned that a model on growth strategy in small entrepreneurial organizations is presented and three propositions are made: (1) Attitudes and vision of the entrepreneurs drive growth of small organizations, (2) Entrepreneurs of small organizations conduct early search for strategic fit in the market and the environment and (3) Entrepreneurs of small organizations persist in their search for better fit in the market.

**Business strategy:** Business focus strategy is aimed at a certain and limited group of customers. The thing that was most influential to Yaowarach SME restaurants was Sampantawong district's food vending cart project that was implemented in Yaowarch area. It required a low start-up cost. The food selection was however, larger, giving more choices for customers. Coupled with the support from both government and private sector, night-time customers were more attracted. Yaowarach restaurants were still not united, such as in the form of association, leaving them lacking business leverage in many ways, be the price of supplies and raw materials or price of the finished dishes. WO and ST Strategies were then formulated in response. These included products development and differentiation, which was focused on product differentiation, certain product development and distinguished product presentation and cost management, which was based on a cost analysis and group buying to increase their leverage with the suppliers. This in turn drove the cost down, which was on the business plan of Yaowarach noodle shops. It was found that Yaowarach noodle shops was optimally priced and could compete well (Cost Leadership Strategy). They actively reduced costs, increased sales and differentiated their products. Noodle shops also employed WT Strategies, which included maintaining the customer base, price reduction and giving out price reduction coupons for the later times customers visit.

**Functional strategy:** A strategy used at the operational level to achieve the objectives of the organization can be evaluated clearly. Such strategy must cover all departments within the organization to collaborate for success. By focusing on operational units such as production, marketing, finance, human resource management, etc., China town restaurant business, must develop cooperative financial investment for the plan analysis to pinpoint problems and determine financial responsibility in a clear investment focus for the future, according to the investment plan that has placed in ongoing use, and, necessarily including monitoring and evaluation as well as plan improvement. Results are similar to the description of Schermerhorn *et al.* (2002) that strategy formulation for investment would involve average implementation and evaluation and corresponds with functional strategy. Vaughn (1996) state where importance was attached to financial planning for entrepreneurs, whose stated importance was attached to financial planning for a family business from implementation and how strategies made the business fail or succeed, using a basic model of strategic management (Wheelen and Hunger, 2012). The basic model of strategic management consists of four elements (Pride and Ferrell, 2012) including environment scanning, strategy formulation, strategy implementation and evaluation and control. In strategy formulation, entrepreneurs who aim to increase competitiveness will need strategic planning that is according to an organizational trend which is affected by external and internal environments. This will help guide an investment plan of an organization. Bateman and Snell (2006) mentioned that strategy formulation is the allotment of resources in the way that will achieve an organizational goal. According to strategies can be: (1) Corporate strategies, which are the general

strategies of a business include, (2) Business strategy, used for achieving a business plan and (3) Functional strategy, used to translate strategies into an operational level. Singh and Shishir (2008) mentioned that the decision on prioritizing resources of an organization to each of its businesses depends on the planners' availability of information. Finding the planning in financial planning an integrative framework for strategy-making by financial planner (Yeske, 2010).

Strategic formulation investment was average, corresponding with Bateman and Snell (2006) who believed strategy formulation was aimed at resource allotment for the success of the organization, through the attainment of business competitiveness. Porter (2003) in line with Hitt *et al.* (2011), who also postulated that business success requires strategies. Rockmore and Jones (1996) mentioned that business investment strategy and firm a comparative performance examination of accounting and market-based measures:

- Corporate strategies involved were SO strategies, aimed to increase market share in the way aligned with the study done by Ansoff (1957) on strategies for diversification in which a business is limited by physical space, leading to branches elsewhere, as exemplified by Jittiporn Piriyalertsak, an entrepreneur from Hong Kong. Dumpling noodles extended her noodle business to other areas and to new targets including teenagers and office workers (Manager Online, 2013)
- Business strategies were focus strategies, concentrating on a certain groups of customers. The food vending carts, promoted by Sampantawong District Office, however, offered more choices to the customers, attracting nighttime buyers. Entrepreneurs had no grouping, which significantly reduced their leverage. This is then formulated as their WO strategy, aiming at differentiation focus where products were diversified
- SMEs employed functional strategies to achieve organizational goals, as seen in average investment efficiency

## CONCLUSION

Strategic investments in SME restaurants in Yaowarach area, offer three potentially powerful levels, (1) Corporate strategy, should take proactive measures (SO Strategy) of expansion-a long term strategy for growth (Growth Strategies) to provide businesses with increased market share, in line with previous study, who studied the strategies for diversification and found a way to thrive in basic business growth. Increased market share by developing or changing the product diversification, as part of its growth plan, specifically in the long-term development mode. However, due to limitations in terms of space, renovation or expansion may not serve the area restaurants long-term financial stability adequately. The operators of some of the planned expansion businesses, to open the other businesses hold some promise. Use strategies editor (WO Strategy) and preventive strategies (ST Strategy), in the short-term strategy must include improved product development and differentiation. Differentiation Focus and developing specific product innovation, entrepreneurs can offer products or services that are vitally different or/better than area competitors. Cost management; including strategies for analyzing production costs are essential. And, grouped together to increase bargaining power with manufacturers, further restaurant beneficial results may occur, given lower raw material costs. This is consistent with studies of the Department of Business Development. The Ministry of Commerce studied the business plans for noodles, meat, fresh fish, China town, found that a strategy noodles, meat, fresh fish, SME restaurant will look to sell noodles on reasonable prices and cut costs (Cost Leadership Strategy)

and reduce the cost of preventive increased sales of products. The strategy would (WT Strategy) include maintaining existing customers. Each restaurant has its regular customers to maintain. For example with lower food prices, such as discount coupons for dining, the next time, etc., (3) Functional Strategy is a paradigms used at the operational level to achieve the objectives of the organization and strategies must cover all departments within the organization to collaborate for success. By focusing on operational units, The SME restaurants in Yaowarach area should have a financial plan, an investment plan and analysis of problems and financial responsibility in a clear investment model going into the future. According to the business plan, proposed here, potential growth occurs through the monitoring and evaluation and ongoing improvement plan:

- This research study was meant to develop an investment strategy for China town restaurant businesses only. But, other varied, possibly informative and related outcomes of interest to diverse area Chinese cultural/ethnic business development and branding. with possibilities, such as investment in additional authentic Chinese restaurants in Yaowarat area are responsible in the future
- This research has limited use in that it used in-depth interviews with top management, who level persons such as business owners, managing director of restaurants in Yaowarach, had limited time to interview. If data proves inadequate/unclear further research may be used in conjunction with telephone interviews with additional businesses. If the owners of a convenience store provide information over the phone, this could prove a useful adjunct to this research
- The results obtained in this research were conducted on SME restaurants in Yaowarach area, and do not cover all businesses. Further research/consultation should involve these other businesses, in China town, thus offering more comprehensive results
- The researchers developed capital investment strategies for China town restaurants from three studies, including the nature of the financial investment business, investment performance of businesses and the investment environment. This work is only the beginning stage of developing investment strategies. In reality, there may be other variables to be found, subsequent to this work. More paradigms/enhanced paradigms will likely arise from theory and research related to the developments, such as financial risk in situations, where such changes occur
- As noted, the research here used qualitative research methods to develop investment strategy insights. The quantitative study is a useful method for future research and may result in a more comprehensive result with the wider population
- A strategy was developed to make different focus on specific groups or specific products and different from competitors. Tourism Authority of Thailand (TAT) should play an active role, along with local governments and communities, to develop strategies supporting SME restaurants in Yaowarach area, Thailand

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