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Abstract

Economy and its development within a country and the region largely depends on the development of its SMEs as SMEs provide job opportunities to a large population and act as backbone to an economy.

Understanding the problems faced by SMEs and finding a relevant solution will work as a tool and help to develop rural areas and backward towns more profoundly in developing nations. This paper focuses on the identification and understanding of various problems faced by the SMEs in a developing nation.

The study research attempts to analyze the problems of the SMEs in Lampang and find business solutions to those problems. This study employed mixed method concept, by combining qualitative and quantitative methods. Data were obtained by two mediums: (a) Quantitative data collection through questionnaires, (b) qualitative data by conducting face-to-face interview with principals in eight manufacturing firms, and with representatives of supporting institution. Conceptual framework was drawn by the Porter's diamond model and various literatures from OECD.

Understanding the problems faced by SMES and finding a relevant solution will work as a tool and help to develop rural areas and backward towns more profoundly in developing nations. This paper focuses on the identification and understanding of various problems faced by the SME and a relevant business solution in a developing nation

Key words: SMEs Problem, Business solution for SMEs

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