

Exploring the Value Addition Strategies to Access Standards of Products of Micro, Small and Medium Entrepreneurs in Jaffna District

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Abstract

After the local war, micro, small and medium enterprises (MSMEs) have been facing huge problems in Jaffna District and they have poor quality of product and services. The purpose of this paper is to explore the meaningful value addition strategies to access standards for products of micro, small and medium entrepreneurs (MSMEs) for establishing a competitive advantage. Coconut is vital sector of SMEs and also one of the major resources in Jaffna district. This sector has the greatest prospects for growth and development. Value addition for coconut based productions leads to more quality and creates adequate demand for the products. Thus researcher scoped coconut sector among the MSMEs. The research is qualitative in nature with exploratory narrative research. Under purposive sampling technique, the owners or managers of enterprises and stake holders of MSMEs were interviewed by using unstructured questions to explore the value addition. The author proposed two momentous models; they are model of values addition strategies to access standards as a tool for competitive advantage and collaborative institutional model to access standards with the participation of government and non-government organizations. The findings are; first model induces MSMEs to access standards and second model explains the means to achieve the standard. Especially this research expresses the essential of sincere collaborative work of institutions towards the quality productions and development of MSMEs. Further this research points out that the notion of value addition practices has been evolved and is increasingly understood consideration for economic development of Sri Lanka.

Keywords: value addition, micro, small and medium enterprises, coconut based productions, quality standards

1. Introduction

Globally sustainability of business is questionable and challengeable the competitive and dynamic environment. Small and Medium Enterprises (SMEs) are the prime business sector for all nations. The Government of Sri Lanka recognizes SMEs as the backbone of the economy, as it accounts for more than 75% of the total number of enterprises, provides 45% of the employment and contributes to 52% of the Gross Domestic Production (National policy Framework for SME Development, 2015). Local war created devastating experience for the Jaffna District. There are many efforts to reconstruct and rehabilitate the school, banks, roads, power and energy and other key infrastructure in Jaffna District. SMEs were highly affected by the local war and they have been facing huge problems. Further they are unable to manage the problems and ultimately left from the businesses. Coconut is the one of the major raw material source and sector of SMEs in Jaffna district. Most of the coconut plants were destroyed in the war time and after the war they were replanted some extent. Coconut fiber and coconut based productions have high demand in local, national and international markets and further these products are very healthy and environmental friendly products, hence this sector has high opportunity to grow. There is huge responsibility to develop this sector of SMEs for the growth and development of Nation. This sector of SMEs are in the embryonic stage and haven't essential product quality and differentiation in Jaffna district, they can't compete with the national and international brands and prices. Further any coconut based organizations were not accredited for any standards in Jaffna district. There is essential to improve quality value of coconut based products. Coconut based producers have been facing huge problems and challenges for value addition of products. Any research has not been conducted regarding the value addition strategies for access standards of product of SMEs in Jaffna district. The purpose of this paper is to explore the value addition strategy to access standards for the coconut based productions in Jaffna district.

2. Significance of the Study

SMEs play a vital role for the blossoming development of the nation and they are significant forces in world economy. Poverty and unemployment are the persisting problems in those economies in developing countries. SME sector of Sri Lanka has not achieved desired level of contribution when compared with other developed and developing countries (Gamage, 2003). Coconut based productions are major part of SMEs. Particularly coconut coir and coir based production is considered as specific economic activity of manufacturing industry (Economic Census, 2013/2014). Despite Sri Lanka being the best source of coir in the world, this valuable resource is still underutilized and local coir mills were processing only a fraction of available husks (Economic Census, 2013/2014).

Coconut is the major plantation in pre-war environment of Jaffna district. Coconut fiber and coconut based productions have high demand in national and international level. There is very good nature and environment for the coconut plantation in Jaffna district. Export data shows the increasing trend of export of coconut based productions over the eight years. The top 10 districts on ranking were listed and Kurunegala, Matara and Gampaha were first three (Economic Census, 2013/2014), but Jaffna district was not fallen in any significant position.

Even though coconut is the major plantation, these productions have not been getting any important contribution. This low contribution displays the problematic situation in the value addition of coconut based productions. So it is essential to explore value addition strategy and to produce suitable value addition models, which will lead to the development of post war Jaffna district, increase income, and reduce poverty and ultimately lead to growth and development of nation. In addition industrial development board, department of industries and other institutions were formed with the purpose of development of industrial sectors. They must be induced to contribute effectively towards SMEs. This proposed model clearly describes the contributions of government and nongovernment organizations participation for the development of SMEs.

3. Literature Review

3.1 Value Addition

Porter (1985, p. 3) defined value as "what buyers are willing to pay". By adopting either a cost leadership or a differentiation strategy, firms create value for their customers by either lowering their costs or raising their performance. Kotler & Keller (2009) produced five product level, explains the value that consumers attach to a product. The organizations consider what its "core" and "non - core" elements to allocate resource. The customers are satisfied when the specified value is identical or higher than the expected value. Naumann (1995) defined value as meeting or exceeding customers' expectations in product quality, service quality and value-based prices. Value is the relative worth of a product based on utility and importance to the buyer, it attract buyer and create awareness and interest. It is delivered by the seller's company as a marketing tool to incentivize buyers and to gain a competitive edge. The traditional role of added value was to distinguish brands from commodities (De Chernatony, Harris, & Dall'Olmo Riley, 2000). Later a more competitive framework emerged which is stressing superior customer value through operational excellence, customer intimacy or product leadership (Treacy and Wiersima, 1993). The focus also shifted to the processes that enabled organizations to deliver superior customer value (Slater and Narver, 1994). Added value thus moved from being a means for differentiating an offer to a basis for choice, by means of cues that enables customers to recognize superior value and be more confident in their choice (Bloom and Reve, 1990; Hansen, 1972; Schmitt and Simonson, 1997). Product innovation no longer offers sufficient competitive advantage in differentiating successful companies (McGrath, & O'Toole, 2011). Competitors are quickly able to copy innovations, product life cycles are becoming shorter and competitors from low wage countries have considerable cost and price advantages. At the same time, information and communication technologies (ICTs) offer unprecedented opportunities to rearrange value creation activities in new and different ways (Teece, 2010).

Value addition is the process of changing the product's value by changing its current place, time and form characteristics more preferred in the market place. Adding value to products can be accomplished in a number of different ways, but generally fall into two main types: innovation and coordination (De Chernatony, Lharris & Dall'olmo Riley, 2000. The value

addition has been widely advocated as a strategy for achieving competitive advantage in an increasingly hostile commercial environment and creating customer value (Nagarajan, Mohanty, & Misra, 2013). Value addition is bundling, combining, or packaging features and benefits that result in greater customer acceptance. Further it is packaging, services, advertising, advice, delivery arrangements and other things that can be of value to consumers". It is extreme packaging, surprising advertisements, customer-oriented service and affordable payment terms. Porter (1985) suggested that activities within an organization add value to the service and products that the organization produces, and all these activities should be run at optimum level if the organization is to gain any real competitive advantage. Value Addition is a deliberate activity which changes the form of the raw material produce into a more refined or usable form thus increasing its value (Mary Akinyi Orinda, 2013). Value addition leads to increase the quality standards of product.

3.2 Quality Standard

Quality is defined as fitness for purpose and superiority of something. The quality measured by support personnel are based on the degree of reliability, maintainability or sustainability of the commodity (Chiu, Chen, Tzeng, & Shyu, 2006). In other words, an item that has quality has the ability to perform satisfactorily and is fit for its intended purpose. In business context there are five aspects of quality: Producing, Checking, Quality Control, Quality Management and Quality Assurance (Tsai & Chou, 2009). In many business sectors, quality management has a precise meaning that not only ensures good quality but also make sure that the organization or commodity is consistent. Quality management has four components: quality planning, quality control, quality assurance and quality improvement (Isaksson, 2006). Quality management not only focuses on commodity and its quality, but also shows the way to achieve it. The organizations achieve more consistent quality by using quality assurance and control of processes. The original versions of quality management system standards those were eventually merged to ISO 9001 were designed to contract manufacturers to produce better products, consistently and were focused on producing, checking and quality Control (ISO, 2000). Later, shift of the quality sector towards management systems can be clearly seen by the aggregation of the product quality requirements into one eighth of the current version of ISO 9001. The customer's wants and needs are defined by the quality management system (QMS) that is a collection of business processes focused on achieving quality policy and quality objectives (Karapetrovic, & Jonker, 2003). The organizational structure, policies, procedures, processes and resources are needed to implement quality management in an organization. Generally, the management approach to long-term success through customer satisfaction is known Total Quality Management (TQM) (Karapetrovic, & Jonker, 2003). An organization constantly improves its ability to convey high-quality products and services to customers using TQM that set off organization-wide efforts to install and make a permanent climate that leads to quality output. The efforts of TQM were dependent typically on the previously-developed tools and techniques of quality control.

3.3 Coconut Based Productions

Coconut is one of the major plantation crops in Sri Lanka, which accounts for approximately

12% of the country's agricultural produce. The total land area under cultivation is 395,000 hectares and about 2,500 million nuts are produced per year. Sri Lanka is in the fourth position among the other coconut producing countries in the world (EDB, 2015). The three major coconut product sectors are coconut kernel products, fiber products and shell products. Coconut kernel products are desiccated coconut, coconut cream and milk powder, coconut water and coconut oil. Coconut fiber products are coir twine, doormats, geotextile, and rubberized coir products for horticultural and agricultural industry and coco peat products. Coconut shell product is charcoal. The supply of coir fiber and fiber-based products has been a widespread cottage industry in Sri Lanka for centuries. Government bodies; Coconut development authority, Coconut cultivation board and Coconut research institute are responsible for product, quality improvement, management, supply development and research respectively (EDB, 2015). Even though, the coir industry is a subsector of "textile, wearing, apparel, leather, and related products", it is worthwhile to study the industry separately considering its importance to the Sri Lankan economy. Coconut fiber falls into two categories; brown and white fiber, which contribute to 80% and 20% respectively. Contribution of coconut based products is 4.89% and the average growth rate of exports is 10.45% from 2007 to 2016 (ESBA, 2011). The SMEs have all played key roles in the transformation of developing to developed countries in Asia. ADB planned to prepare the SMEs sector development program II in Sri Lanka. They identified six sectors for strategic growth for development based on the demand conditions. These major SMEs sectors are leather products, fisheries, coconut coir, dairy processing fruits and vegetables and spices. Sri Lanka is the largest supplier of coir in the world market (ADB, 2007). Number of SMEs in Jaffna District is 56,279 (Economic census, 2013/2014). According to the records of industrial development Board, there are 95 coconut based producers in Jaffna District. In which micro producers are 93 and small producers only 2. The coconut based productions in Jaffna District are in very few categories as handmade doormats, fiber brush, broom and coir twine. Coconut fiber of Jaffna district had high demand in national and international markets.

4. Method

Researcher conducted qualitative exploratory research for exploration of the existing certain phenomena. This research describes the "subjective reality" of a system; it is the study of a phenomenon. This study was conducted in Jaffna districts of Sri Lanka. The unit of analysis in this study is the managers or owners of the coconut based producers and government and non-government officers in Jaffna district. This research followed the purposive sampling method. The sampling units are owners of the coconut based productions and government and nongovernmental officers. The detail of coconut producers were collected from Industrial development board. There are fifteen divisions in the Jaffna district. Initially three respondents from each divisions of Jaffna District were considered to collect data. Altogether forty five owners of coconut based producers were considered for this research to collect data. But forty producers only gave valuable data. Further twelve government officers were interviewed to get ideas regarding the value addition to access standards. Under the Primary data collection method, structured interviews were conducted for each respondent about thirty to fifty minutes. Already researcher informed to the owners of institutions and got appointments over the phone.

Researcher visited to the institutions directly and collected information. Further researcher utilized the ideas of previous research to identify the strategy (Gamage, 2003; Perera & Wijesinha, 2011). Secondary data was gathered from Journals, articles in newspapers, books, SMEs publication and reports, central bank reports and publications, and government organizations' data banks and publications.

Narrative research analysis method was employed to explore the value addition strategy by using NVivo software of QRS international. Interview was conducted using audio recording, then it was translated and transcribed. After transcription, narratives may be coded according to categories deemed theoretically important by the researcher (Riesman, 1993). Initially the themes were pointed as observed or recorded. Then open code and axial coding were applied to code the data. The open coding is the researcher identification and then second order coding by using Nvivo called as first order coding. Then the axial coding was revealed the themes of second-order from first coding categories. The second order themes were revealed as emergent framework base on Corley and Gioia (2004).

5. Findings

The findings of this study structured in two ways: descriptive study and coding output. Forty five organizations were selected for data collections. Only forty are applicable for this research. All types of coconut producers are micro producers. No one organization has fallen under small or medium. Three category of products; coconut kernel products, fiber products and shell products are contain 13%, 59% & 28% respectively. Further all micro producers only scope local customer to sell their products. The most of the micro producers (65%) did not register their business, 95% of producers have their own house to conduct their manufacturing, all micro producers have invested below than 5 million, 72% of productions have been conducted by family members, 89% of producers were involved in these productions by raw material availability in their own place, and 11% entrepreneurship was developed by family business. In addition 12% of productions has been made with two employees and 88% are with the employees below eleven ($3 < 11$). Regarding the age of organization, 56% are below 10 years and 44% are above 10 years. Further 99% of owners have ordinary and secondary educational qualification and 64% of owners are women entrepreneurs and 46% female entrepreneurs. No coconut producers have not any quality or standard accreditations for their manufactured products.

There are many standards adopted by the institutions to fulfill their different requirement. They are Sri Lankan standards (SLS), Goods manufacturing process (GMP), HACCP and international standard organizations (ISO). Value addition increases value of products. The coconut based producers didn't achieve any standard requirement; quality is basic requirement for producers. This research covers the quality standards only in this study. Value addition strategy towards the quality standards are considered to develop structured interview for data collections. Concepts of value addition and quality standards are linked and model was produced with NVivo coding.

Respondents were interviewed regarding customers need and wants. The respondent (coconut coir based products) answered about customers:

“We are producing with our existing raw material, we didn't think about customer needs and want. We sell our product to local shop in our places”

Another respondent of coir based products answered:

“Yes, we identified the customer needs for this product, so we produce them in different styles, different sizes and different models.”

Another question regarding the opportunities (demand) of their product was asked, the coconut oil producer answered:

“I don't think about the demand for my product, I produce whatever I can”

“Yes I know some extent, but I desire to know more about the demands and I wish to get more demand”

Coconut coir producer answered

“I have huge demand for coir, but I face raw material, labour and finance barriers”.

Then researcher interviewed regarding the raw material availability for the coconut based productions. The respondents gave answer about raw material:

“I have been producing coconut fiber, I have high demand but I can't get enough raw material”

“Salt water is good for the quality raw material of fiber but we haven't salt water, it is only available at seashore or we want to use huge amount of salt, it will be expensive”

From the reports of coconut cultivation board:

“The availability of raw materials from existing coconut cultivated land and newly plated land. The report says that there will be sufficiency of raw materials in year 2020”.

Another important question regarding the quality of products, the subjects gave answer:

“We manually produce traditional productions, few categories, haven't any differentiation and we try to sell to local shops”

“I can produce different product but it will take more time to produce manually”

“I have machine and can produce different types and categories but I don't know how I can get quality accreditation”

From the information of coconut cultivation board:

“We haven't coconut development authority to facilitate research and development and quality accreditation in Jaffna district”

In addition researcher asked the technological equipment to produce their product. Coir based producers answered:

“We are producing our product manually with some basic tools only”

“We are using old type of machinery for oil productions”.

“We are using small machineries, I know the excellent machineries, I can’t buy them because it is expensive”

Based on the answers of coconut based producers, the value addition strategy for access standard were produced, then these model were linked with the development facilitators and finally an effective model was developed for the achievement the quality standards for the coconut based productions.

6. Result and Discussion

Based on the answers of respondents, the 1st coding and 2nd coding were made and finally value addition strategies were produced to access the standardization with NVivo coding. The questions and coding is given in annexure. In discussing the questions, subjects have given most valuable information of this study. The fruitful model for value addition strategies was produced (see Figure 1)

This model in figure 1 consists of five dimensions for value addition strategy; value based quality planning, value based production and checking, quality control and assurance, value based process and leadership and value based quality improvement. It is a cycle process, ensures continuous improvement and innovation for value addition strategy with quality standards.

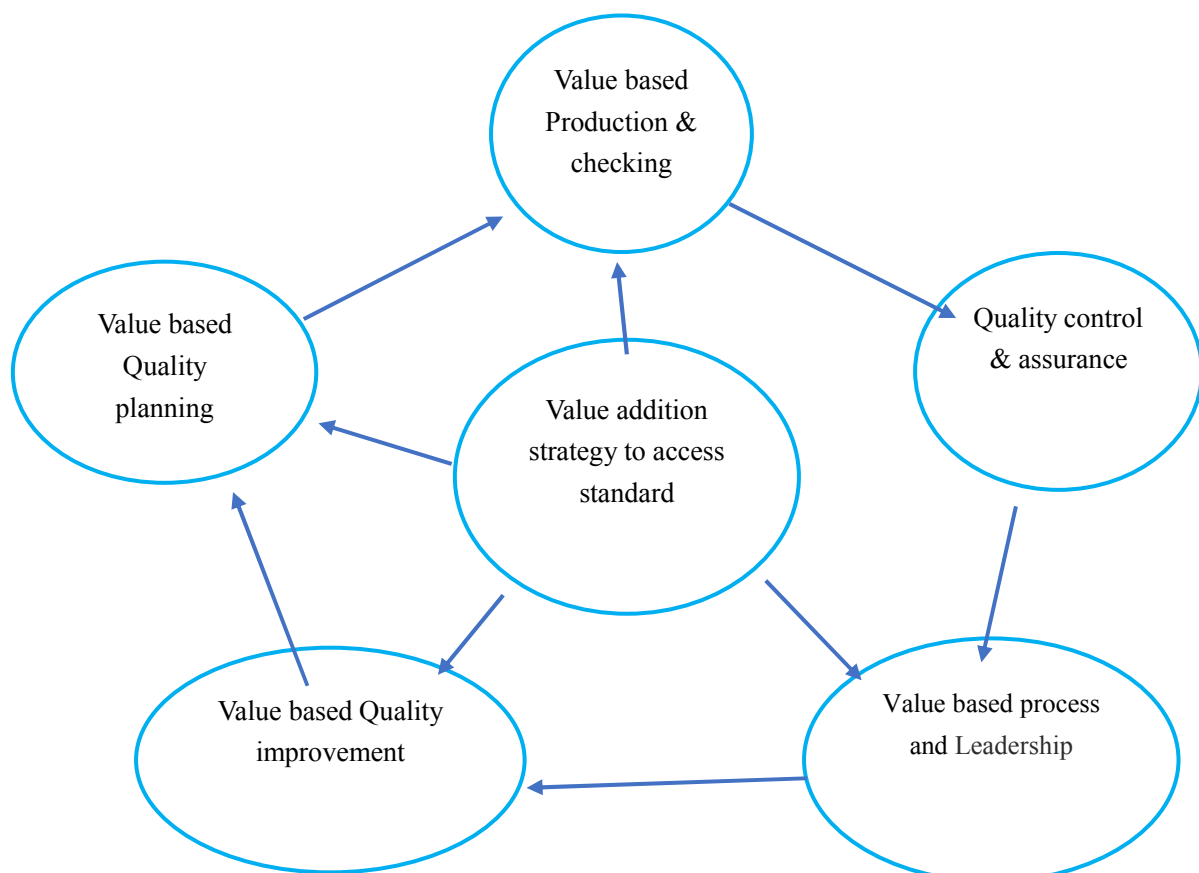


Figure 1. Model of value addition strategy to access standards

Value based quality planning: quality is a vital factor for the organization's success and long-term sustainability. From the Nvivo coding, the following dimension was identified under quality planning: market research, quality policy and objectives and organizational requirement plan. Market research on customer needs and wants, demand opportunities, competitive information and quality requirements must be conducted by productive organizations. Further, quality objectives must be determined for each product. The quality policy must be formulated and regulated throughout the organization to achieve the quality objectives. All essential requirements must be planned and facilitated well to achieve the quality objectives, such as developing the structure, setting organization-wide direction, ensuring the needs of the organization and the needs of its customers, provision of technical, investigation and resources contribution.

Value based production and checking: under the manufacturing process, the capability of manufacturing the product up to the standard and the capability of the manufacturer to maintain the standards in the long run with the essential input resources and production process must be considered as two dimensions. Further, the products must be checked to ensure the quality level. These variables are explained by the quality input access: raw material, skilled and experienced employees, innovated technological equipment, proper processing, warehousing and quality inspection. Further, it includes laboratory testing facilities, research assistance for university students for projects related to coconut industry, testing services to consumers, sellers and buyers as a testing laboratory, microbiological and physico-chemical testing for process improvement, corrective actions, preventive actions, labeling and lowering costs.

Quality control and assurance: actual quality products must be compared with the planned product specification, identify the deviation and finally take decision to reduce the gap. This variable includes the dimensions: quality specifications, quality output records and quality standards accreditation. Further, the organization must implement quality control work programme, internal audit and control of products to prevent its inadvertent use, delivery or processing. Compliance with the requirements of the specification is assured through regular monitoring of the quality assurance system through audits carried out by qualified Auditors of the Institution and product testing. In addition, Quality manual, procedures, instructions, and records are essential for the quality control.

Value based Leadership and engagement of people: Leaders establish quality objectives and direct people to engage in achieving these quality objectives. Further, they align objectives, policies, process and resources to achieve objectives. Leadership includes three components: competent, empowerment and engagement of people to create and deliver quality value for products. It is important to bring an environment to recognize talent, skills and experience, empower them to get involved in decision making and enhance competence of employees through training and development activities to increase value of products. Further, staff are trained to carry out analysis on all major coconut products, facilitating and identifying training opportunities, engaging staff, provide training programmes on laboratory testing for laboratory technicians, supervisors of coconut related industry, suitability of equipment, inspection and testing facilities, record keeping and provision of necessary resources.

Value based quality improvement: there is essential to improve quality of product to sustain their market. Quality improvement is transform unique features through physical and standardization of process. New innovative quality requirements and training to adopt new technologies are the dimensions of these variables. Quality improvements tend to be about learning, culture change and capacity building. Further improvement deals with handling audit results, communicating these findings to the employees and to develop new best practices.

Coconut producers have been facing huge problems and challenges for the value addition. The two types of problems are internal and external problems. The internal problems for value addition are: inadequate raw material, traditional based production and high cost, layout and factory facilities, inadequate machineries, inadequate capital, poor education and knowledge of entrepreneurs, poor attitude of entrepreneurs to develop, poor technology, no market research, consumer research and competitive analysis, inadequate labor, unskilled labor to handle innovative technology. External problems are: political, legal, economic, social, cultural, technological, environmental, and competitive problems.

Export databases shows that there are high demand for the coconut fiber and other products. The national demand for this product is also high. Now emerging issues of environmental problems are dissolved by this econ friendly coconut based product. The officers from universities, professional educational institutions, industrial development board, and department of industry, divisional secretariats, coconut cultivation board, coconut development board, research institutes, media and nongovernmental organization in Sri Lanka were interviewed regarding the coconut based productions. Based on their responses, collaborative institutional model for value addition strategy to access standards was developed (see Figure 2).

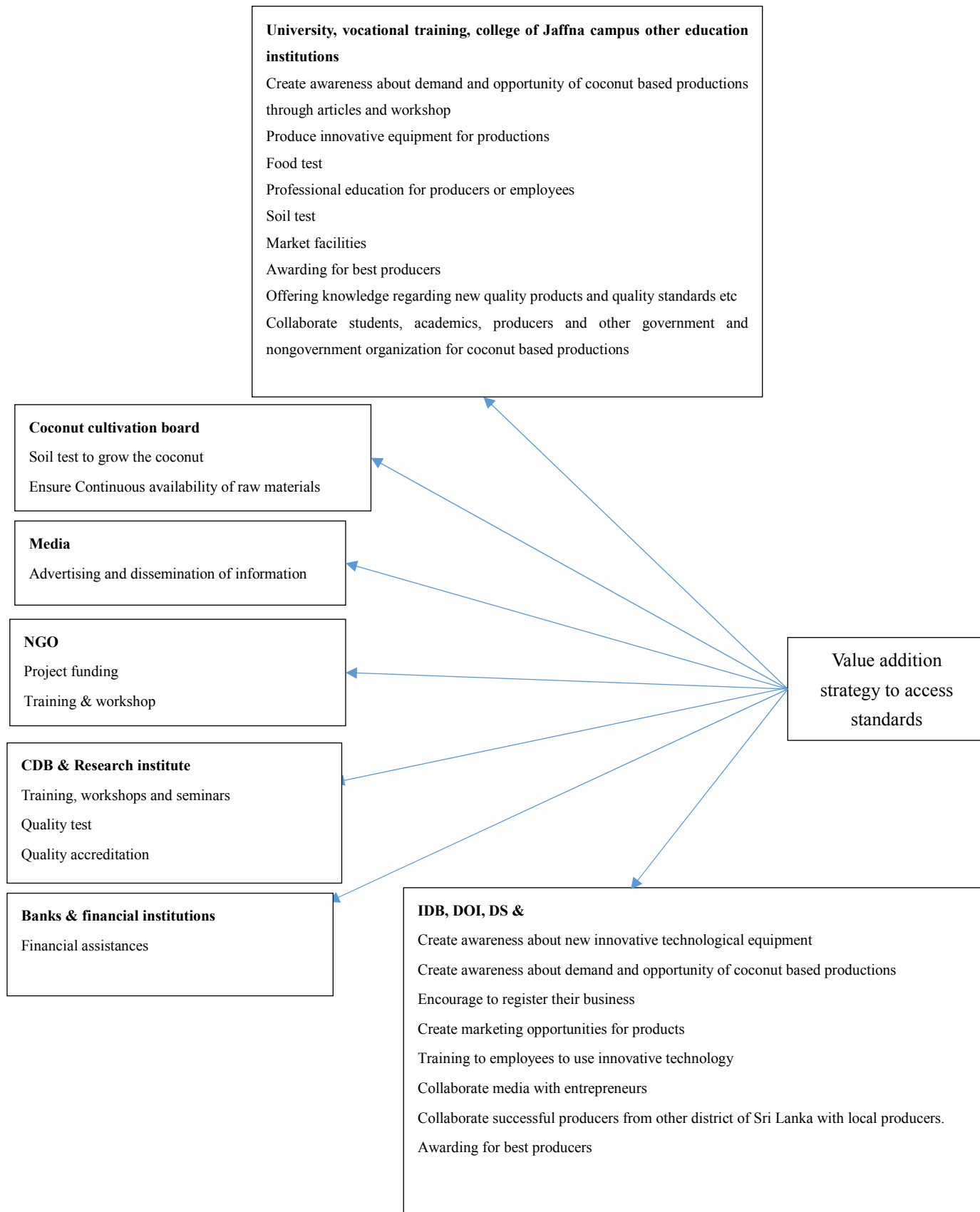


Figure 2. Collaborative institutional model for value addition strategy to access standards

Table 1. Institution collaboration with value addition strategy

	Value based Quality planning	Value based production and checking	Quality control and assurance	Value based process and leadership	Value based Quality improvement
University, Vocational training, University college of Jaffna and other education institutions	High	High	None	High	High
Coconut cultivation board	Medium	None	None	None	None
Media	Medium	None	None	Medium	None
NGO	High	None	None	High	High
CDB & Research institute	High	High	High	High	High
Banks & financial institutions	High	None	None	None	None
IDB, DOI, DS	High	High	High	High	High

Universities, technological institutes, Jaffna College, vocational training and other educational institutions are the prime and apex body in Sri Lanka. These institutions have numerous educational and professional courses, but their collaborations with manufacturing and business are very poor. There is essential need to collaborate these institution with the manufacturing organizations. Table 1 explains the collaboration of institution with value based activities. All institutions are contributed in value based quality planning in significant ways and production and checking, but media haven't any contribution to productions and checking process. Quality control and assurance can be initiated, developed and processed through CDB, research institutes, IDB, DOI and divisional secretariats. In addition, educational, media and NGO institutions, CDB, research institutes, IDB, DOI and divisional secretariats are highly involve in value based process and leadership. Ultimately continuous quality improvement can be induced by educational institutions, NGOs, CDB, research institutes, IDB, DOI and divisional secretariats. Hence this table reveals the CDB, research institutes, IDB, DOI and divisional secretariats are major contributors for Value addition and educational institutions and NGOs also come next to them.

All the students must be encouraged with projects, internship trainings, researches, assignment and practical to get involved in the SMEs. The example of contribution of Universities towards SMEs is described by the following table 2.

Table 2. Collaborative work of Universities and SMEs

	Faculties and Departments
Accounting, financial literacy, management techniques, motivations, labor rules and regulations and SLS, HACCP, GMP & ISO standards, advertising creations and marketing.	Management
Soil test, food test, raw material (coconut) availability	Agriculture
Coconut plantation places	Geography department
Machinery productions for local manufacturers	Engineering
Food testing, quality food productions, quality accreditations	Chemistry department
Dissemination of information to public	Media
Food productive ideas	Home economics department
New inventions of coconut products	Research centers
Conduct training, seminars, workshop and trade shows, and collaborate all department with SMEs to solve the problems	UBL & Incubation cell

There is huge responsible for educational institution to have effective contribution for SMEs as mentioned above.

Coconut cultivation board must ensure adequate and quality coconut raw material availability for producers. Identify the plantation area with soil test and plan high quality seeds and have continuous development plan for coconut.

Media: print, telecasting and broadcasting media must disseminate information regarding the raw material resources, its potentials, product demand, market opportunities for the productions, new product information, innovative technologies and advertising for productions. They must continuously allocate a page for the SMEs, give discount for advertisement of SEMs.

Coconut development board and research institute: these institutions are functioning in other provinces, but their branches are not created in Jaffna or Northern Province. Training, workshops, product innovations, quality accreditations and new products development ideas are provided by these institutions.

Banks and financial institution: finance is the major issues in the SMEs, financial institutions must be flexible in their procedures and rules for approval of loans, appoint consultants to

assist for utilizing funds and provide knowledge about budget preparation and financial literacy and assess the performance of SMEs.

Industrial development board, department of industries and divisional secretariat: these institutions were formed to develop of industries, particularly development officers were appointed to develop the SMEs. These institutions have been conducting training and workshops to use innovative technology and facilitating the services of registration of institutions and health inspection of organizations. In addition they want to inform about new innovative technological equipment and marketing opportunities for products, collaborate media with producers, and coordinate successful producers from other district of Sri Lanka with local producers and award for best producers.

7. Conclusion and Recommendation

The objective of this research is to identify the value addition strategies to access standards of products of SMEs. Coconut is the one of the major resource in Jaffna, district and this sector has huge opportunity and prospects to grow in coming year. Comparing with other districts value of coconut production in Jaffna district is in poor condition. So coconut based product related SMEs were selected to this research. Researcher collected data through structured interview and analyzed with coding by using NVivo. Export data shows there is high demand for coir and oil products from coconut (ESBA, 2011), ADB report shows poor value addition and standards for these product. In addition these products are environmental friendly products. Hence there is huge need to improve quality of product by value addition strategies. Two fruitful findings are: the model of value addition strategy and collaborative institutional model for value addition strategy to access standards of SMEs. With the concepts of value additions and quality standards and responses form coconut producers and officers from government and non-governmental organization, two models were produced. Value addition strategy to access standards of SMEs are value based quality planning, value based producing and checking, quality control & assurance, value based process and leadership and value based quality improvement. Local war in Sri Lanka experienced a devastating mark on society of Jaffna district. After the local war, SMEs are struggling to develop their business in Jaffna district. Large amount of coconut trees were destroyed by bomb in this district. Still most of the places are under the control of army in Jaffna district. All coconut productions are under micro entrepreneurship and have low quality products. Government and non- government organizations must deeply involve to develop this SMEs to capture the momentous prospects in the market. Quality of product is the major successful marketing tool of every organization, so among different standards, quality standard is suggested to add value for coconut based productions. Quality standard can't be achieved easily by poor SMEs. So all respective government and nongovernment organizations must be effectively collaborated with this value addition model. Based on the innovative idea, researcher produced a collaborative institutional model for value addition strategy to access standards. Further researcher explained the activities of all institutions towards SMEs (coconut based productions) in this research. Hence specialty of this study is two model creations, one is model of value addition strategies to access standards and another is collaborative institutional model for value addition strategy to access standards.

8. Implication of the Research

This research has two coin side implication, for owners of enterprises and other stakeholder to improve the productivity of organizations. One is that coconut based micro producers must increase their value towards quality standards. At the same time quality standards are not easily achievable. Many governmental and non- governmental organizations have responsibility to mend and develop these poor functioning SMEs. Another model explain the stakeholder collaborative model, this model try to stress two aspects: one is their responsibility towards development of SMEs and the collaborative work with one to another. Barriers of SMEs can be eliminated by the functions and collaborations of stakeholders and SMEs can progress towards quality standards.

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