Design of Empowering Model for Small and Medium Enterprises

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ABSTRACT

The present article aimed at presenting a model for the improvement of the performance of small and medium export enterprises in middle Asia. A descriptive-correlation method was adapted. The statistical population included 1201 small and medium exporting industrial enterprises in 2011-2012. 292 people out of the population were selected randomly. A researcher-made questionnaire was used to gather data. To investigate the reliability of the questionnaire Cronbach's Alfa was employed. The estimated reliability of 0.79 confirmed the reliability of the questionnaire. To analyze the data Confirmatory and explanatory factor analyses were used. The results indicated that seven factors (internal, external, relations among the countries, changes in the export development policies, the national export approach, the abilities of the agencies, and the exporting performance) have been able to determine 83% of changes in total variance by obtaining the special mark of more than one. On the other hand, factor analyses of the Confirmatory conceptual model indicated that the improvement of the power of small and medium enterprises can exert a positive and meaningful effect on their export performance.
KEY WORDS: Empowering, Small and Medium Enterprises.

INTRODUCTION

Many changes have happened in global markets in recent two decades. The tendency to localization and globalization has speeded up. In parallel to that, the period of production – Centeredness has ended and the period of customer - Centeredness is emerging. [1] Large industries have many tendencies to exclude the production processes, because the change of global demand and the increase in the variety – seeking of consumers, they lack the flexibility to respond to the new needs of the global markets. Particularly, the reduction of certainty about the process of market and the high costs of keeping various sections persuaded the large enterprises to vertical integration and separation of the unnecessary sections. These changes paved the way for the growth and expansion of the small and medium enterprises in the global level. [2] Small companies play an important role in the industrial activities of various countries. These industries create remarkable number of jobs and facilitate the industrial activities because of geographical flexibility and performing the decentralization program. Meanwhile they can serve large industries as additional industries. Small and medium enterprises possess important potentials which double their necessity. These enterprises provide good grounds for the training of marketing for industrial people and train them the technical knowledge which is necessary in the market. [3]

These enterprises enjoy variety of activities among the members of developing and cooperation countries, for example. It is worth mentioning that these enterprises have succeeded in the increase of export of production crops in the eastern Asian countries (Taiwan 56% china, 40%, India 31%) [4]

In Iran as a developing country which seeks to escape its dependence on the oil and increase its non-oil exports, industry enjoys special importance, since the activity of other sections is dependent on this vital section. The small and medium enterprises had a remarkable share of industrial production in the industrial section of Iran, hence they should be supported by the government. The small and medium enterprises in Iran suffer much structural, legal, technological, financial, and marketing problems and are not able to produce competitive crops and export in global markets. [5] What matters most is to pay attention to this fundamental point that exporting and seeking goods in foreign markets is so delicate and sensitive that ignoring them will lead to the waste of financial and human investments. [6] There are a large set of factors which influence exporting; factors such as experience, growth, type of the firm and export behaviors. [7] Moreover, external phenomena such as environmental changes can influence the exports indirectly-[8]. This paper seeks to design a model for the empowering of small and medium industrial enterprises for exporting to middle Asian countries by identification of the involving factors in their export performance.

Theoretical foundation and framework of the study

There are many similarities among small and medium enterprises in different countries, yet it is not possible to provide a single and similar definition. Each country has its own definition based on its specific

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situation. Normally, some criteria are used to define the industries, small and medium enterprises such as; number of employees, amount of capital, volume of property, total selling and the capacity for production.

Definition of small and average industries in Iran

Based on the definition of the ministry of industry and mining, small and medium enterprises include those city and village industrial and service units which have less than 50 workers. The cooperative ministry also uses this definition. The statistical center of Iran has classified the jobs and firms into four groups. Companies which have 1-9 workers or 10-49 workers, 50-99 workers and more than 100 workers. Although apparently it resembles European countries classification, but the statistical center of Iran considers enterprises with less than 100 workers as small or medium and the rest are considered as large enterprises. This study has adapted the definition by industrial organization based on which small and medium enterprises have less than 149 workers.[9]

Internal environment

Internal environment refers to a set of procedural factors in the actualization of the goal of the company related to the internal factors and pave the way for export facilitating the export process. These abilities provide the situation for rapid response to the change in the market and the flexible structure of the management. [10]

External environment

It refers to a set of factors related to the borders of the host country and facilitates the growth of export in companies such as; inexpensive work force, and abundant natural resources. [11]

Middle Asian Countries

It refers to central Asian Countries, such as; Turkmenistan to Tajikistan, Kazakhstan Kyrgyzstan, Uzbekistan and the local countries of southern Caucasus including Armenia Georgia and Azerbaijan. [12]

LITERATURE REVIEW

The present study aimed to design a model for the improvement of the industrial performance of small and medium enterprises. Therefore, the literature has been studied in two areas of internal and external environment.

Internal factors

A: Expert human force

The managers of the organization have found out that human resource has the highest importance in achieving constant competitive and effective preference.

Forkey (2002): by using a big sample including 750 business agencies concluded that the action of more human resource is one of the important indices of organization performance and companies which have better human resources are more productive than those who have weaker ones. [13]

Addition of the physical investment and human investment (specialized work force) and non-specialized work force will increase the added value 11, 29 and 34 percent respectively. [14]

Agimirgian and Asterio conducted a research under the title "Human resource and industrial growth". In this study the effect of human resource on the industrial growth in 93 countries was studied. The results indicated that the combinatory data has a positive and meaningful effect over the economical growth in the long-ran than the transitory data. The degree of education is also influential over the productivity of organizations and economical growth. [15]

Baisey believes that people in each organization possess great capabilities. No single leader can influence the organization. It is the people and human resources who guarantee the success and abilities of the organization or bring about its failure. The quality of a product presented and provided by an organization is equal to the quality of its human resources.

B: Marketing and selling skills

Intensification of the global competition forced the small and average businesses to pay attention to the philosophy of marketing and the application of these concepts in these agencies. Lack of attention to the marketing concepts and stressing the return of investment in the short period due to losing local markets, and the share of global markets by the producers, have been blamed. [17]Kotler believes that marketing is a human activity to satisfy the needs and wants by the process of exchange. It involves indices such as employing electronic business, using a better trade mark, selling and after selling services, recognizing the chances and features of the market, [18] dividing the market and determining the proper target market, gaining appropriate share of the market [19]. Designing continuous marketing program, [20], proper speed in delivery, using suitable pricing policy, proper distribution of the products and services, processing competitive preferences, [21] pricing products, proper speed in providing new products to the markets, customer tendency and attracting the attention of the customers.

C: The influence of the capital in flow

One of the most important issues for the managers of the business units is the flowing capital which plays a basic role in the growth and survival of the business unit. This section includes the current properties of the unit. It is of utmost importance to balance the current properties and current liabilities, since decision in each will influence the other.

Shine and Soenen (1998) have investigated the efficiency of managing the capital inflow. They studied 58985 companies from 1975 to 1994 in which the network income of the period was considered as a criterion for the efficiency of the management of capital. The results found by α and Terrinerry index and regression analyses showed that there is a reverse meaningful relation between the cycle of changing cash and the profitability of the companies. [22]

Anand and Prakashgupta (2002) investigated the performance of capital managers of the companies between 1991 to 2001. 427 companies were selected as the sample. To evaluate the management of the capital, they used criteria such as efficiency of the cycle of changing cash, the operational cycle, and the movement of the flowing capital. The results indicated that the chosen criteria to evaluate the performance of the capital management are not only useful in evaluating the performance, but also contributes in the analyses of the risk and the output of the firms. [23]

Another study was conducted by Lazaridis and Trifonidis (2006) along with the study of Mark Delaff(2005) in Greece. 131 companies were investigated between 2001-2004. The results showed that there is a reverse meaningful relation between the cycle of changing the cash and the profitability of the companies. The managers can increase the period of gaining the profits. The period of cash flow and the period of paying the liabilities by preserving a desirable level of cash changing cycle and its components.

Rahman and Naser (2007) investigated the relation between management of the flowing cash and the profitability of the companies. 94 companies were investigated from 1999-2004. They used the cycle of changing cash, the flow of stocks, period of payment by creditors period of relieving the profits, current ratio, network performing benefit, the size of the company the ratio of liability, and the ratio of financial properties. The results which were based on Pearson correlation and regression analyses showed that there is a reverse meaningful relation between the cycle of changing money and its components, the period of stock exchange, period of payment by creditors, period of relieving profits and the profitability of the companies. It also revealed a reverse meaningful relation between the cash of the companies, their liabilities and profitability. Moreover, it was found out that there is a meaningful relation between the size of the company and the profitability of the company. [25]

D: The amount of budget for research and development

Today, Development and research are regarded as the key to the competition and achieving to the modern technology in the world. Technology and its progress can change the nature of production and the quality of the crops in various countries. It can improve the competitive power of the products and increase the exports. Mensfild (1986) estimated the output rate of the research budget of oil and industrial agencies of the USA by using the function Production approach. The results showed that the output rate of the internal investment research for the oil companies has been more than 30 percent by the change of range between 1 to 99. The estimation of the output on the industrial agencies in the range of 2 fluctuated to 33.8 percent which is more than 30 percent and in industries such as home facilities, paper, food, and clothes is more than 100 percent. In 1980, Mensfild investigated a production model for 119 industrial agencies for USA. The results showed that investment in research and development had a positive and meaningful relation between research investment and added value in industrial section, moreover the degree of applied research and development has been more than basic research. [26]

Dolors (2003) studied the importance of investment in the research and development section for the improvement of industries in England in eight industries from 1970 to 1977. The results showed that there is a positive and meaningful relation between the amount of investment in this section and the increase of efficiency in the organization. [27]

Liu and Zou (2008) studies the effects of foreign investment acquisition mixing the companies and trade with innovation in industries in china using the panel data analysis method. The results showed that foreign research and development through multi-national organization has had a remarkable effect on the innovation of the internal agencies. [28]

E: The amount of investment of national environment

There are 3 outlooks about the effect of government investment in private investment. The first view claims that government can increase private investment by providing the essential infrastructures. The second view believes that increasing governmental investment decreases the resources of private section and it also decreases private investment. The third view considers the effect of the long-term governmental investment. The result of the balance between positive and negative forces.

Sandra Jan and Thakur (1980) have studied the relation among investment, saving, and growth simultaneously in South Korea and India using a flexible model. The results showed that a both short-term and long-term effect of the governmental investment over private investment is positive in Korea, while in India, just the short-term effect is positive.

Blijer and khan (1984) estimated the function of private section in 24 developing countries between 1971-1979 by using Least squares approach. The results showed that any attempt to dedicate credits by government leads to the decrease of the Bank credits to the private section. [29]

Hojabrkiani (1381) has investigated the relation between the governmental investment and private investment and compulsory replacement in Iran. The results show that foreign exchange income, the consumption cost of the governmental section and the investment cost of the governmental section are appropriate variable for which in ARDL approach their meaningfulness can be confirmed in relation to the long-term demand of the private investment with rather high adaptation speed. [30]

F: The infrastructure of electronic trade

The application of innovative technology has exerted remarkable influences on electronic trade. It is a kind of change in procedures and components of the trade system which exerts a positive effect.

Kooper (2001) introduced three steps for the application of interest trading by small and medium enterprises by MIKA Model. These three steps include: promotion, provision and processing. Kin Avanz introduced the concept of electronic life cycle. This cycle shows the growth of trade over time. According to him, this cycle includes brochures, electronic trade, electronic jobs and electronic company. Lingder believes that two sets of internal environment and external environment factors which influence the electronic trade should be taken into consideration. [31]

Verji (2004) classified the influencing factors on the electronic trade among small and average enterprises as follows: a) characteristic of decision-makers including age, instruction and globalization. b) Characteristic of the innovators including relative preference, adaptation, complexity and effectiveness. C) Environmental characteristics including the motivation of providers, competitive intensity, the pressure of the buyer and consumer. [32]

Dirkson and colleagues (2006) classified the influencing factors on the electronic trade and electronic profession dependent on the internet technology by small and medium enterprises as follows: [33]

Environmental factors: Markets, competitive pressure, the rules and regulations of government, suppliers, sellers, partners and consumers.

Knowledge factors: The experience and knowledge of the executors the expert of the employees, identification of needs, Chances and experiences.

Organizational factors: Degree of availability, application of internal resources, (The extent of organization and number of staff)

Technological factors: Technology, cost, gaining interest, variety of jobs, security.

G: The national system of innovation

The national system of innovation is a concept whose interpretation range is larger than few innovations of the products and procedures in a specific country. The national system of innovation encompasses not only the innovation process, but emphasizes the main determining factors and organizing an innovative activity. Therefore, the national system of innovation includes the whole innovative procedure on the national level.

According to some theoreticians, the most important and the major use of every innovative production is to expand and use innovation, but a close look will stress the factors that influence the development, expansion and application of innovation. These are called the determining factors of innovations, cases such as creating knowledge by research and development or providing finance for the development of innovations. On the other hand, the organization for cooperation and economical development has set seven applications for the national system of innovation. [35]

a- Policy-making (setting and directing general framework, collecting the innovation and technical policies, coordination, supervision and evaluation)

b- Providing financial resources, facilitating innovation and research (supporting investment and providing financial resources in innovation. System, standardization and supporting the rights of intellectual properties)

c- Conducting research (fundamental research, applied research, experimental development, inverted engineering)

d- Expansion of technology (supporting the professions and localization of specific technologies, improving the general potentialities in companies, creating and increasing the potentials of innovation in companies, providing communicative technical services, providing consultation service in needs-analysis, source-finding and exchanging technology).

e- Development of human resources (providing financial supports to companies working with technology, supporting managerially and officially the new companies, and job-creators).

f- Producing goods and services

H- Supporting investment funds

To move from under-developed economy to a developed one, investment is an original necessity. Without doubt, to direct the capitals of the interested people, we need to attract them. At present, the investment funds are the basic core of capital market in the majority of developed countries.

Arugaslan and his colleagues (2007) investigated the adjusted performance of 20 investment funds in USA during 2000-2004. They used a new standard which is provided by Modigliani. The results show that common investment funds may lose their attraction in the period in which the degree of risk is attached to the analysis. Conversely, some investment funds may be attractive when the risk of low performance is attached to their performance.

Sowinkels and Rzezniczak (2009) evaluated the performance of investment funds in polish market. Their study included three classes of investment funds, i.e. share safes, balanced safe and stock safe. The results show that there is a meaningless positive relation between one of these funds and better choice of managers and timed skills.

METHODOLOGY OF RESEARCH

The present study is applied and its method is descriptive-correlational.

The goals of research

Generally the goals of the study include the followings:

1- Providing and empowering model of small and average companies for the improvement of industrial export to the middle Asian countries.

2- Determining the internal and external environmental factors which influence the power of small and average agencies.

3- Investigating the extent of the existence of empowering factors (internal and external environment) in small and average companies of the country.

The conceptual model of research

This research has studied the influence of various factors on the industrial export performance of the small and average companies. To achieve these factors after reviewing the theoretical foundation and studies of some experts including (Bilki, 1978) (Madsen 1987), Minzberk & kert (1988), Zou & Stan (1989), Heltmoler & Stutinger (1992), Aby & Slater (1998), Lorense (2000),Walter(2000),James(2001),Leonidou(2001),Deschamps (2002), Stealers & Ambler (2004), Lewisa (2006), Song Hane (2008), Hosseni (2008), Haghighi & Associates (2008), Amid & Associates(2009), the empowering model of small and medium enterprises in the development of export are presented by paying attention to the above-mentioned studies and theories and considering the faults in them and attempting to solve them which are present in the first chart.

Chart (1): The conceptual model of research
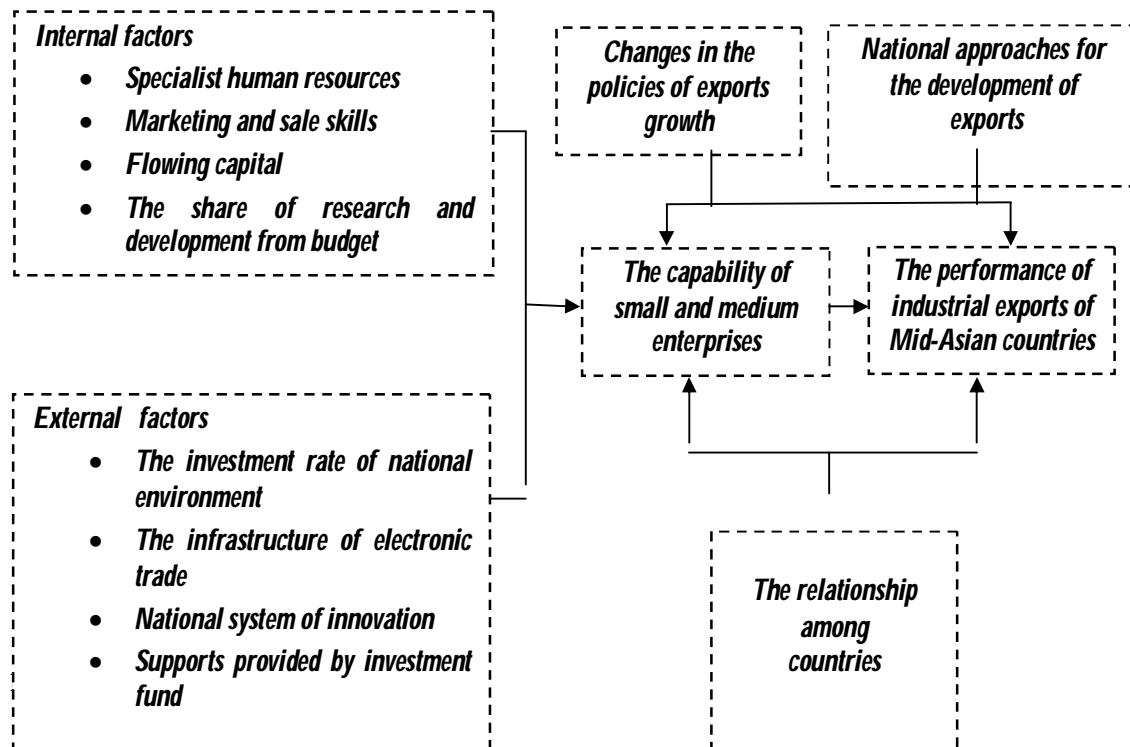
The research hypotheses are as follows:

     1- The applied variable in the model have favorite situation.

     2- There is relationship between internal factors and the power of small and medium enterprises .

     3- There is relationship between external factors and the power of small and medium enterprises.

     4- There is relationship between change in the export development policies and the power of small and medium enterprises.

     5- There is relationship between export development and the export performance of the small and medium enterprises.

     6- There is relationship between the national approach of export development and the power of small and medium enterprises.

     7- There is relationship between the national approach of export development and the export performance of small and medium enterprises.

     8- There is relationship between the variable of relations among countries and the power of small and medium enterprises.

     9- There is relationship between the variable of relations among countries and the export performance of small and medium enterprises.

     10- There is relationship between the power of small and medium enterprises and their export performance.

Statistical population

     The statistical population includes 1201 small and medium enterprises which had exports to middle Asia in 89-90.

The size of the sample and sampling

     292 companies have been selected randomly from this population by using sampling size formula.

Data gathering instrument and its reliability

     To gather data a questionnaire was designed based on the dimensions of the designed model. The content validity of the questionnaire was reviewed by experts. To validate the structure a factor analysis was conducted. To estimate the reliability, Cronbach's Alpha formula was used. The mean and standard deviation was estimated and shown in table 1.As shown, the estimated liability in all cases is more than the defined index of 0.7. Therefore it is satisfactory.

Table 1: The reliability coefficients of questionnaire and its dimensions

Factors	Number	Reliability Cronbach's Alpha
1. The whole scale	70	0.793
2. Specialist human resource	5	0.801
3. Marketing and sales skills	5	0.758
4. Flowing capital	4	0.885
5. The share of research and development from budget	4	0.805
6. The investment rate of national environment	7	0.725
7. Infrastructure of electronic trade	4	0.891
8. National system of innovation	4	0.769
9. Support of the investment funds	4	0.802
10. Relations among countries	7	0.765
11. The national approach of export development	5	0.796
12. Changes in the export development policies	7	0.893
13. The export performance of small and medium enterprises	7	0.774
14. The power of small and medium enterprises	6	0.723

The findings of the study

     In the first stage, 70 variables recognized by the experts and professors will be classified. To do that a factor analysis will be used. Before that, Kaiser-Mayer-Olkin measure of sampling adequacy and Bartlett test of sphericity were employed to investigate the adequacy of the sample. The KMO coefficient in the tables shows the correlation among factors. Bartlett test of sphericity is also reported to be statistically significant.

Table (2): KMO & Bartlett coefficient for the dimensions of the designed model

Dimensions	KMO	Bartlett	sig
Internal factor	0.874	78.085	0.000
External factor	0.745	75.201	0.014
Dependent and adapting factors	0.807	75.142	0.021

Therefore, based on the appropriate quantities, the use of factor design is suitable.
To do factor design four steps are essential in sequence.

- Preparing matrix from all variables in the analysis and estimation of commonalities.
- Extraction the factor.
- Extraction and turning the factor.
- Interpretation.

To analyze the variable factors, the principle of component analysis and varimax rotation are used.

The commonality tables show that the questions of this area are suitable in the process of factor design. It should be mentioned that the commonality number equal to 0.5 minimum as acceptable. All the questions gained the required amount. The total table of variance shows that the existing variables can be changed into several factors and these factors cover and determine several percents of the given area. Accordingly, the results in table 3 show that seven factors cover 82928 percent of all variables by gaining a value more than 1.

Table 3: variance of total coverage of 7 factors

Component	Initial Eigenvalue	%variance	accumulative variance
1	2.521	19.369	19.369
2	2.362	17.236	36.605
3	2.207	12.321	48.928
4	1.963	10.632	59.558
5	1.587	9.267	68.825
6	1.785	7.746	76.571
7	1.473	6.357	82.928

Varimax rotation was employed to interpret the relation among data by components. The first figure is called scree plot. It shows the seven major factors which have the quantity of more than 1.

Figure 1: scree plot, the steep of the recognized factors
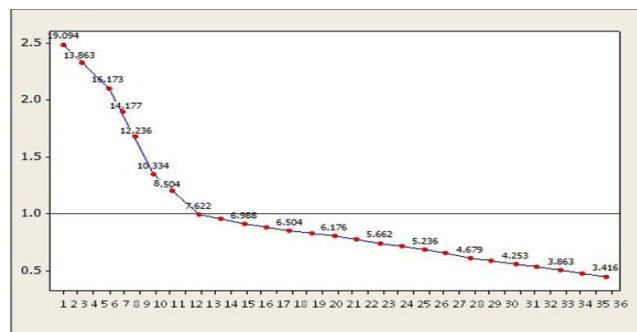
Based on the scree plot and considering the theoretical foundation and existing literature about the study we can name each factor which is inferred from factor design.

Table 3: Factors and the related item to each factor

Factors	variables	related items
Internal factors	Experts	1-5
	Marketing and sale skills	6-10
	Flowing capital	1-14
	The share of research and development from budget	15-18
External factors	The investment rate of national environment	19-25
	Infrastructure of electronic trade	26-30
	National system of innovation	31-34
	Support of investment funds	35-38
relations among countries	------	39-45
National approach to export Development	-------	46-50
Changes in export development policies	-------	51-57
Power of enterprises	-------	58-64
export performance of enterprises	--------	65-70

As it is shown, based on the results of the factor design, the internal factor depends on four variables. The four variables of investment rate of national environment infrastructure of electronic trade national system of innovation and support of innovation funds constitute the building stone of the external factor. The statistical analysis also represents 5 more variables in the presented model which plays the role of dependent and adapting variables.

Having identified the dimensions and the applied factors in co-central model we will study each variable in the research. To achieve this goal, t-test is employed which is summarized in table 4.

Table 4: The status of variables in the studied sample

No. variables quality	t-statistic	critical amount of t	sig	mean	H0	H1
1.specialist human force	-2.563	±1.96	0.015 3.654		*	less .average
2. marketing and sales skills	-3.365	±1.96	0.001 2.525		*	less .average
3.Flowing capital	-14.567	±1.96	0.000 6.541		*	less .average
4.The share of research and development	-11.521	±1.96	0.127 5.024		*	less .average
5. The rate of investment in national environment	1.123	±1.96	0.289 5.004	*		average
6. infrastructure of electronic trade	0.268	±1.96	0.021 6.856	*		average
7.national system of innovation	-2.965	±1.96	0.006 4.514		*	less .average
8. supports of investment fund	1.056	±1.96	0.147 5.015	*		average
9. relations among countries	-3.101	±1.96	0.025 3.657		*	less .average
10. changes in the export development policies	2.203	±1.96	0.014 3.847		*	more..average
11. National approaches for export development	-4.107	±1.96	0.035 1.528		*	less .average
12. The power of small and medium enterprises	1.145	±1.96	0.102 5.015	*		average
13. export performance of small and medium enterprises	-3.802	±1.96	0.041 2.541		*	less .average

As shown, the situation of specialist human resources, marketing and sale skill, the share of research and development in budget, the situation of national system of innovation, national approach to export development and finally the export performance of small and medium enterprises is not so acceptable.

In the second stage, to confirm the inferred factors confirmatory factor analysis was conducted using LISREL 8.7 software. By this approach, it is possible to analyze the casual relationship which is not observable directly based on the errors and to show the correlation and the degree of influence of each factor.

Estimation of the fit index, including x^2, GFI, GFFI, CFI, NFI, and RMSEA was presented for all the measurement models. There are shown in table 5.

Table 5: The results of the goodness of fit index for measurement models

factor	x^2	$\frac{x^2}{d_F}$	RSMEA	GFI	AGFI	CFI
Internal factor	324.25	1.98	0.041	0.91	0.95	0.92
External factor	401.58	2.01	0.059	0.91	0.97	0.93
Relations among countries	8.654	1.73	0.047	0.93	0.91	0.95
National approach to export development	5.690	1.36	0.012	0.92	0.94	0.95
Change in the export development policies	9.540	1.90	0.004	0.92	0.97	0.96
The power of small and medium enterprises	11.690	1.68	0.049	0.97	0.93	0.96
The export performance of small and medium enterprises	13.870	2.77	0.067	0.94	0.96	0.98

As shown, the results of goodness of fit index for all measurement models is more than 0.9 and the amount of t-test shows good fit and meaningfulness of the quotient of model. It was noticed that the results of measurement model confirms that theory made in factor analysis. Factor analysis of the second stage, of the measurement model also indicated that among the internal factors the flowing capital has the highest relation with this factor, also the investment rate of national environment among the external factors has the highest

influence on this stage. The next stage is the estimation of the starchier model. By starchier model, we mean the casual relations among hidden variable. The aim of this model is the discovery of the direct influence and indirect external hidden variable on the internal hidden variable that is to say the presentation of the route of research model.

Figure (2) starchier model of study in the standard estimation status
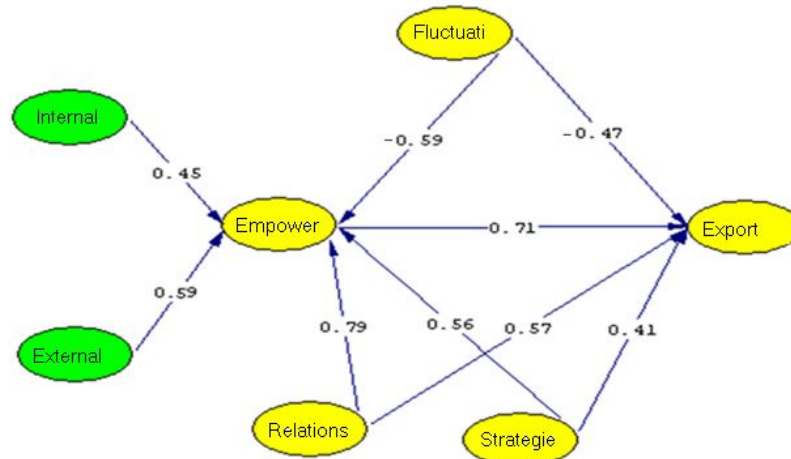
Investigating the starchier model shows goodness of fit index. Also, all the casual relations calculated among variable have been meaningful.

Tables 6: Coefficient of routes and amount of **t** in conceptual model

Item	route (research hypothesis)		quotient	t	hypothesis
1	Internal factor	Power of enterprises	0.45	4.56	Confirmed
2	External factor	Power of enterprises	0.59	7.41	Confirmed
3	Relations between countries	Power of enterprises	0.79	10.6	Confirmed
4	Relations between countries	Export performance	0.59	9.57	Confirmed
5	National strategy for export development	Power of enterprises	0.56	11.02	Confirmed
6	National strategy for export development	Export performance	0.41	10.26	Confirmed
7	Fluctuations in export development policies	Power of enterprises	-0.59	-7.41	Confirmed
8	Fluctuations in export development policies	Export performance	-0.47	-6.52	Confirmed
9	power of enterprises	Export performance	0.71	10.35	Confirmed

RESULTS AND SUGGESTION

I can dare to say that by investing to create and develop encouragement and export persuasion, trying to solve the related problems and removing the restriction and finally stressing on the variables of export performance, we can achieve exporting goods of the country. To achieve this goal the comprehensive framework of preparing the foundation for export development is presented in this article as follows. What matters most are to separate internal and external factors in the export development of small and medium companies which requires special attention in governmental policy-making. In this study a model was collected for the determination of the role of influential factors on the improvement of the industrial export performance of small and medium enterprises. Review of the related literature showed that the findings of other researchers like Madsen (1987). Zou and Stan (1996), Leonidas (2001), koch (2001), Brno andSchilt (2007) SadiqSoheil (2009) also support these findings. It was also clearly found that changes in export development policies can directly and conversely have a negative influence on the export performance. On the other hand, strong relation with other countries and legislating the national approach of the export development can improve the export performance effectively.

To enrich the material, the applied results are explained and applied and operational suggestions based on the research model will be presented.

The results indicate that the abilities of the small and medium enterprises can influence their export performance greatly. It is advised that by emphasizing the two internal and external factors and the deficiencies

in each dimension of the program we can prepare a comprehensive program in order to give power to small and medium enterprises and increasing their export performance to middle Asian countries accordingly.

Since the internal factors have positive effect on the abilities of small and average firms, and in this way they can influence their export performance, the industrial managers and authorities are advised to identify the existing deficiencies and be more attentive and sensitive to internal factors, so that by cooperation between industry and program to solve the problems related to internal factors.

Since there is an effective and direct relation between the external factors and the power of small and average companies which strengths the export performance, the authorities are advised to find ways for guaranteeing the attempts in this area. It seems that using the experiences of other countries and relating them with the internal situation of the country is effective.

Changes in the export development policy can affect the export performance of the small and average companies negatively to a great extent, therefore administration of the long-term policies and programming is essential to prevent this weakness.

The results revealed that improving the relation among the countries can have a positive effect on the export performance of small companies. Therefore preparing the foundation of trust, holding fairs and advertisement, is beneficial for foreign investment in the country.

Due to the positive effects of the approaches of export development on the performance of small and average companies, it is suggested to the authorities to consider the clarity of export process and deleting the unnecessary regulations, presenting governmental support for export, having seminars and meetings for this purpose.

Investment in human resources includes assigning organization ranks from individual skills to the results and organizational outputs such as increasing services, remarkable productivity, gaining benefits, the performance of the organization in the society, and improvement of the quality of services and products. Thus, it is suggested to the managers, to assign the organizational posts to the experts. A proper programming is necessary to attract and keep the human resources and enjoy their capabilities in such organizational vacancies. It is also advised to use effective technique of creativity among the staff like persuading mentality, creative turning, compulsory relation and parallel thinking.

It is suggested to the managers of small and average companies to pay attention to the after-sale-service and improving the quality in order to enhance the competitive power. It seems that correcting the distribution system requires consideration of three basic subjects: systematic view and avoiding temporary activities, necessity of innovation and using the successful global experience and developing the infrastructure including the laws and systematic infrastructure by the application of technological information and communication. It is also suggested that for keeping the relation- with the customer, the information about product, the information about consumption and technological support should be provided by website. A user-friendly mechanism to record the problems, a quick mechanism to provide services, to use internal cookies to trace customers interest and taste, a mechanism for tracing the company's contracts and conducting them in a homogeneous way to guarantee the clarity should be provide.

Since relieving the debts does not enjoy a favorable index and the capital in flow is one of the most important indexes then, it is suggested that selling be conducted in cash. If goods are sold on credit, them meticulous technical, financial and economic investigation, and customers reliability investigation instruction to personnel who work in credit department and creating a comprehensive and up-to-date software of customers are suggested.

Deficiency of economical, financial information when establishing these agencies creates problems for them, so that in some cases, due to lack of supporting and effective resources, small industries are not able to affect environmental changes and it makes them susceptible. Thus based on the weaknesses found by the findings of this study, in the case of advisory and creating collaborative agencies and financial support of the government, the authorities are suggested to provide advisory for these agencies by providing consultation from pioneers of industry and university professor. Provision of a supporting system to pay loans to people and capable agencies can be beneficial too.

Due to the importance of cultural infrastructure of the society it is suggested that electronic trade and the related knowledge, explanation of its advantages, training the required staff of electronic trade and IT, the relation between training and research centers, development of general technological knowledge (Microelectronic and software engineering …) receive priority. Due to the favorable amount communicative infrastructure of the society, to use electronic trade, it is suggested that to develop standardized communicative and information networks, quick access to communicative network, viable postal network and proper distribution electronic system for agencies be provided.

It is essential to design a long-term program for establishing a national system of innovation. Since there is no sound relationship between these agencies and academic and research centers. It is suggested that research projects be delegated to university professors by the government.

Based on the findings of the study, relations among countries to develop exports and the presence of trading advisors in middle - Asian countries are suggested as important factors. Trade advisors should be qualified people. After selection training courses should be held for the selected people since evaluation of balance in political activities with middle. Asian countries, based on the ideas of industrial men, the authorities are suggested to apply active policies to decrease potential stresses and substitute the rival countries in their political activities.

Based on the findings of the study and stressing the role of changes in custom tariffs and trade benefits as important factors in the changes export policies, it is suggested to policy-makers and programmers to adopt wider and longer horizons based on more complete and certain information in order to increase the stability of trade policies including custom tariffs. Of course, it seems essential too, to try for improving the capability for joining the world trade organization.

The findings indicate that the criterion to held common meetings with trade center and the traders of the middle Asian countries is highly important in the development of national approach in the export development. Therefore, it is suggested to the authorities to activate the trade central office and support it. Due to weakness in the index of clarity of export process and meeting unnecessary rules it is suggested that designing the job rotation station and determination of the time of actions and the confirmation of authorities and executors be available to producers and exporters.

Since the index of success in the increase of market share in foreign markets and the export process of the company in the last years have a common role and a prominent place, in the performance of small and average companies, therefore it is suggested to the authorities to assist the exports in the protection and establishment of exports in the target countries by adapting and executing, trade, economic and diplomatic policies.

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