

Cost Management for Firm Business Performance of Small and Micro enterprise in Thailand.

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- **Abstract:** The main purpose of the study is to investigate the impact of supply chain cost reduction on the firm performance of SMEs in Thailand. The study has also examined the mediating role of supply chain management of SMEs in Thailand in the relationship between the supply chain cost reduction and firm performance of SMEs in Thailand. The study has employed the survey-based method and the data is analysed with the help of SEM-PLS. The findings of the study suggest that the More the smoothness of sharing information and flow of material across the supply chain, it would contribute more for financial performance and it is not possible by ignoring total logistic cost. The decision making in the matter of trading off the expenses of shipping and cost of time, holds the position of greater importance as it reduces the total cost like storage cost because of fast movement of the product, no matter it is a bit expensive, but it saves cost. Smart PLS-SEM or PLS path modeling is used for measuring inner or outer models. In the first step of measurement model estimation, each construct's validity and reliability are observed, while in the second step, i.e., structural model estimation, regression analysis and bi-variate correlation analysis are analyzed. In the structural or the inner model, the effects of the relationships between the latent constructs are examined. The results of the study are in line with the hypothesized relations in the study.
- **Keywords:** Cost Reduction, Supply chain management, SMEs, Thailand