

Abstract

The objectives of this research were (1) to study risks in supply chain of OTOP entrepreneurs (2) to analyze and place potential risk reduction actions in the supply chain. Questionnaire was employed as a survey instrument for data collection. A sample size consisted of seven hundred and fifty-two entrepreneurs were used for analysis. The data was analyzed using Factor analysis which was employed to classify risk factor identification in supply chain in OTOP products. Thirty-one sub factors were employed for data analysis. The results shows that six factors are identified as key risk factors i.e. (1) internal process risk and the ability to customer response (X_1), (2) environmental risk (X_2), (3) planning and managerial risk (X_3), (4) production risk (X_4), (5) sourcing risk factor (X_5), and (6) uncertainty aspects caused by sudden change (X_6). These six factors were further ranked by management according to their impact towards an organization and the probability of an event occurrence. According to the investigation, internal process risk and the ability to customer response is selected as the most critical risk factor. Whereas uncertainty aspects caused by sudden change and environmental risk are claimed to be the less critical risk factors.