

## Chumphon Cabana Resort and Diving center: Corporate Sustainability

**Thailand**

March 2013

**Panicha Vornpien**  
 Researcher & Project Coordinator  
 Thailand Environment Institute, Thailand  
 Email: panicha@tei.or.th



### Background Information

Chumphon Cabana Resort and Diving center is located in the Pathiu district of the Chumphon province in Thailand. In its wide 40 rai, the resort is surrounded by nature and connected to the peaceful Thung Wua Laen beach. The Chumphon Cabana Resort was established in 1982 with seven bungalows and a thatched pavilion. After a typhoon hit Chumphon in 1989 and severely damaged the Chumphon infrastructure, the opportunity was taken to strike a significant change. The pavement to access the resort was constructed using funds from the Tourism Authority of Thailand, but most importantly, the whole resort was re-built by following the concept of eco-friendly design. The aim was to save on energy consumption, as well to integrate the resort with the surrounding natural environment. This case study describes the application of corporate sustainability under the 'Sufficiency Economy' philosophy.

Thailand's 'Sufficiency Economy' philosophy stems from remarks made by His Majesty the King of Thailand Bhumibol Adulyadej on seeking to strengthen the symbiosis and harmony between

### Quick facts

Zone	Chumphon Province
Website	<a href="http://cabana.co.th/2012/">http://cabana.co.th/2012/</a>
Topic	Eco-tourism, Corporate Sustainability
Implementing Agency	Chumphon Cabana Resort and Diving center

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human beings and their natural environment. It stresses the 'middle' path as the overriding principle for Thai people's conduct and way of life at the individual, family, and community level. Within this philosophical framework, a choice of national-specific developmental strategies is balanced with generic globalization patterns, taking the 'middle path' as a response to the need for adequate protection from internal and external market shocks.

Self-reliance, effective use of natural resources, nature conservation, and sustainability at both the business and community levels have all been incorporated into the practical aspect of business-making as a strategy to recover from economic crisis and to build immunity against the uncertainty of possible changes caused by external factors.

### Policy Details

Since the year 2000, several projects have been initiated in accordance with the resort's aims and natural agriculture techniques; i.e. growing rice and vegetables, raising chickens, producing biodiesel (mainly for the use of diving trip boats), and producing several types of cleaning liquids (cleaning solution for hotel use, shampoo, bathroom cleaners, detergents, etc.). As a result of the implementation of the cleaning liquid production, the cost of these supplies decreased significantly from US\$1700 down to US\$300 per month. Food swills from kitchen waste were used to feed chicken and fish, and were used as fertilizer for the rice and vegetable patches. Furthermore, following the resort's focus on environmental conservation, a natural water treatment system was developed using aquatic plants like water hyacinth, and an agreement was made with the Wua Laen Beach community to prohibit any further development on the beachfront and prohibit the use of any kind of motorized water transport not used for transportation purposes, such as jet skis and banana boats.

Chumphon Cabana has undergone significant changes since the typhoon hit. The resort went from seven bungalows to three buildings with 110 standard rooms and 20 stand-alone bun-

galows. The resort now offers a variety of tours and diving services. Apart from accommodation and diving packages, Chumphon Cabana became a well-known destination for organizing seminars and trainings, where participants learn about issues related to ecotourism, natural agriculture, and green management systems. The experience of having struggled through the economic crisis is now used for training a variety of group participants from both the public and the private sectors on how the company managed the business under pressure from a nation-wide crisis and personal debt and how it applied the 'Sufficiency Economy' philosophy.

The aforementioned path towards the goal of sustainability, however, could not have been achieved without the engagement and support of the local community. Mr. Warisorn Rakphan shared the knowledge acquired through researching and experimenting in the resort area with the surrounding community, which is mostly comprised of farmers. A strong relationship between Chumphon Cabana and the community has a positive influence on staff members and suppliers. Since all employees have a positive attitude towards the company and believe in the employer, they feel like a family, hence they work together making personal sacrifices for the collective goals and visions.

Chumphon Cabana has successfully stirred away from financial crisis, has brought about continuous new achievements in the firm's financial profit, has provided educational activities and training for various groups of customers based on its own experience, and has become a model of good corporate governance that mutually benefits all stakeholders: employees, the community, and the environment. By implementing projects that rely on long-term sustainability, Chumphon Cabana has gained media attention and publicity, which in turn not only contributes to the achievement of the sustainability goal itself, but also influences good practices in the context of ecotourism, natural agriculture, and green management systems for local communities, for the rest of Thailand, and worldwide.

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### Summary

Due to the economic crisis of 1997, Chumphon Cabana had US\$1.4 million of debt because the amount of loans received from foreign banks had been ballooned when the Thai Baht lost its value by 30-40%. The debt was increased six-fold to exceed US\$8.5 million within two years. Aggravated by a major flood hit, the number of customers dropped dramatically; the business was thus under a severe shortage of cash to continue operations. At the time, Mr. Warisorn Rakphan, the Managing Director who inherited the business from his parents, endeavored to fathom how to fight against the financial trouble. He then met with Mr. Wiwat Salayakamthorn, a leading scholar of natural agriculture, and following his advice, Mr. Rakphan started applying and implementing the 'Sufficiency Economy' principles. His aims were to cut costs, to encourage self-reliance, and to promote long-term sustainability of the Resort.

### References

The following documents informed the development of this paper:

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Youtube Video: [http://www.youtube.com/watch?v=4HcweW42mHA&feature=player\\_embedded](http://www.youtube.com/watch?v=4HcweW42mHA&feature=player_embedded)