

A Proposed Model Of Competitiveness For Financial Leasing Companies, A Study In Small And Medium Sized Enterprises (SMEs) Of Vietnam

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Abstract : *The operations of financial leasing companies (hereinafter abbreviated as FLCs) in Vietnam are considered as one of the financial business activities, significantly as capital channels for businesses and therefore, they also gain high competition from others in the industry, especially from financial institutions in the national financial system and foreign financial institutions which have been investing in Vietnam. As a consequence, it is necessary to define their competitiveness. The study aim to present a model built to determine the competitiveness for FLCs in Vietnam. This study is totally based on secondary data collected from different sources as books, journals, research papers and other online and print media (publications) on the subject by using the key words as competitiveness, company (corporate) competitiveness model, FLCs, small and medium enterprises (SMEs). Main methods used in this study are the content review and systematic analysis. This study is implied as a foundation for the other empirical studies to be done which can help FLCs enhance their competitiveness especially in Vietnam context. In addition, a new model of competitiveness will be contributed theoretically.*

Keywords : *Vietnam, Competitiveness, financial leasing companies (FLCs), competitiveness factors, model of competitiveness*

1. INTRODUCTION

With the economic integration to the region and the world, enterprises in Vietnam reach advantages for their operations. As a country with stable politic and high economic potentials, Vietnamese enterprises face with many difficulties in terms of capital, start-up capital, and capital for development and investment activities in their operations. More of that, financial institutions gain risks in terms of appraising and making financing decisions for businesses, and own difficulties in controlling capital in the process of business capital support for businesses. Competitions of financial business organizations have been taking place, which is inevitable and increasingly more severe. Therefore, it requires financial institutions to have

a really good competitive edge, to be effective in their businesses and to be truly a trusted sponsor of business development. As a result, the model of competitiveness is urgently required to be built up for the financial organizations, especially for FLCs based on the current setting of financial leasing organizations in Vietnam.

This proposed model is to aim identify the determinants of the internal capacity of FLCs in Vietnam. The model is served as the measurement and understanding of the factors impacting on performance of financial leasing companies which lead companies have suitable strategies in the market, change their operations and business to develop competitive advantages, risk preventions and performance improvement for companies' efficiencies and effectivenesses.

2. LITERATURE REVIEW

2.1 Definitions of the competitiveness

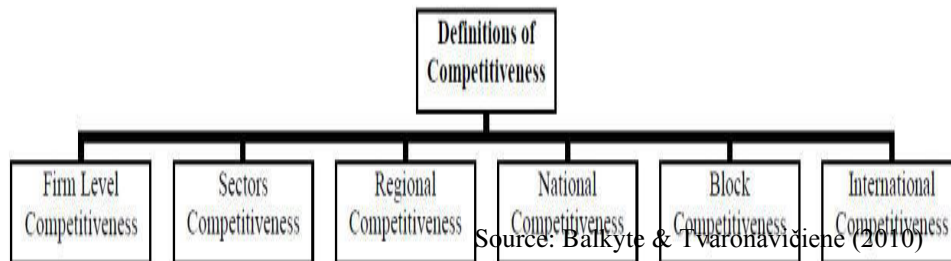
The term "competitiveness" is one of the most commonly used concepts in economics but it is not precise enough, what means that there is no generally accepted definition of competitiveness. (Budd & Hirmis, 2004; Porter & Ketels 2003; Siudek & Zawojaska, 2014).

The research on competitiveness has been gone through popularly for forty years. Recently, it is developed strongly as many economic phenomena of which are assessed on whether they are competitive or non-competitive. Porter & Rivkin (2012) state the wide misunderstanding of the concept of competitiveness create dangerous results for political discourse as well as policy and corporate choices. Competitiveness has been described by various authors as a theoretical, multidimensional and relative concept associated with the market mechanism. Competitiveness can be viewed in terms of the level of investigation: Macro-, meso- and microeconomic approaches all define competitiveness differently (Buzzigoli & Viviani, 2009). In general, these can be described as the objects of competitiveness. Definitions are, however, usually applied to the best entities that are able to face market competition successfully.

Trait competitiveness has been defined as the "enjoyment of interpersonal competition and the desire to win and be better than others" (Spence & Helmreich, 1983). In general, highly competitive persons will do almost anything for money

(Furnham et al., 1994), and hypercompetitive people specifically value power, wealth, dominance, and influence over others (Ryckman et al., 1996; Ryckman et al., 1997).

Figure 1 of the diversity of competitiveness's definitions and levels



On the country level, Scott & Lodge (1985) defines national competitiveness is a country's ability to create, produce, distribute, and/or service products in international trade while earning rising returns on its resources. According to Porter et al. (2008), the most intuitive definition of competitiveness is a country's share of world markets for its products. This makes competitiveness a zero-sum game, because one country's gain comes at the expense of others. For Krugman (1990, 1994), if competitiveness has any meaning, it is simply just another way to express productivity. The ability of a country to improve its living standard depends almost entirely on its ability to raise its productivity. Competitiveness is meaningless word when applied to national economies. Also, competitiveness is the ability of a country to achieve sustained high rates of growth in GDP per capita (WEF, 1996).

However, in the study of Barker & Köhler (1998), country's competitiveness is defined as the degree to which it can, under free and fair market conditions, produce goods or services meeting the test of international markets, while simultaneously maintaining and expanding the real incomes of its population over the longer term and European Commission (2001) confirms competitiveness of a nation is the ability of an economy to provide its population with high and rising standards of living and high rates of employment on a sustainable basis. Besides, competitiveness, the ability of a country to increase the wealth of its citizens, is different from comparative advantage, the relative advantage of a country to another country due to differences in relative production costs (Porter, 1990 & 1998; Kitson et al., 2004). In the research of Altomonte et al. (2012), external or international competitiveness is defined as the ability to exchange the goods and services that are abundant in home country for the goods and services that are scarce in this country and Competitiveness is the set of institutions, policies, and factors that

determine the level of productivity of a country (Schwab & Sala-i-Martin, 2013)

On the industry level, Competitiveness is defined by Flejterski (1984) as the capacity of the sector, industry or branch to design and sell its goods at prices, quality and other features that are more attractive than the parallel characteristics of the goods offered by the competitors

On the corporate level, Tyson D'Andrea (1992) Competitiveness is our ability to produce goods and services that meet the test of international competition while our citizens enjoy a standard of living that is both rising and sustainable. Buckley et al. (1988) affirms a company's competitiveness means its ability to produce and sell products and services of superior quality and lower costs than its domestic and international competitors. Competitiveness is a firm's long-run profit performance and its ability to compensate its employees and provide superior returns to its owners. Additionally, Ajitabh & Momaya (2004) defines competitiveness of a firm is its share in the competitive market. Later, Chao-Hung & Li-Chang (2010) states competitiveness of a company is its economic strength against its rivals in the global marketplace where products, services, people and innovations move freely despite the geographical boundaries. Although competitiveness has been studied in various disciplines under different names, including competitive advantage and price competitiveness, in use, it is commonly known as the long-term performance of a company relative to its competitors (Man et al., 2002).

2.2 Concepts of Small and Medium Sized Enterprises (SMEs) in Vietnam

According to OECD (2004), SMEs are a very heterogeneous group. In SMEs, "there are in a wide array of business activities, ranging from the single artisan producing agricultural implements for the village market, the coffee shop at the corner, the internet café in a small town to a small

sophisticated engineering or software firm selling in overseas markets and a medium-sized automotive parts manufacturer selling to multinational automakers in the domestic and foreign markets. The owners may or may not be poor; the firms operate in very different markets (urban, rural, local, national, regional and international); embody different levels of skills, capital, sophistication and growth orientation, and may be in the formal or the informal economy” (OECD, 2004).

As in Vietnam, along with the commitment to protect private ownership and restructuring of state-owned enterprises (SOEs) and with the revision of the 1992 Constitution of Vietnam, private economic sectors has been recognized recognizing the private sector in the economy. More of that, it is worth noting that the promulgation of the Enterprise Law (1999) has created a breakthrough for the private sector’s development. To conform to rules and provisions World Trade Organization, many law documents were amended and newly promulgated, creating a fairer competition in the country to promote and contribute to the establishment and development of private sector, especially for SMEs which is considered to be very important factor of the development in the country. There is no exact data indicating the number of SME in Vietnam but researches shows SME account for 97% of total number of enterprises in Vietnam. SME use 50.1% of the labor force and contribute over 40% to the GDPⁱ.

On November 2001, the Decree 90/ 2001/ ND-CP which is considered as a first pro-SME development legal document has been born. The

Decree provides the official definition of an SME is “an independent business establishment with registered capital not exceeding VND 10 billion or annual average number of permanent workers not exceeding 300.”. However, before 1998, some provinces of Vietnam had defined their own SMEs criteria including: (1) number of regular laborers of less than 500; or (2) fixed assets of less than VND 10 billion; or (3) mobilized capital or monthly revenue of less than VND 20 billion.

It is important noting that the current SME categorization still suffers from some limitations. First, it does not “separate” enterprise domains which may need different amount of capital for production activities or employ different number of workforce. For instance, the services sector does not normally need as much capital as the production sector. The limitation can be a possible reason explaining for the fact that SMEs operating in trade and repair services occupy a big proportion in total number of SMEs. Second, the registered capital criterion is not “effective” in the sense that, at the moment of categorization, enterprises’ working capital would increase much more than the initially registered capital

And from 2009 to date, the SME definition is said in Decree 56/2009/ND-CP as follow: SMEs are business establishments that have registered their business according to law and are divided into three levels: very small, small and medium upon on the sizes of their total capital (equivalent to the total assets identified in an enterprise’s accounting balance sheet) or the average annual number of laborers (total capital is the priority criterion), concretely as follows:

	Very small enterprises	Small-sized enterprises		Medium-sized enterprises	
	Number of laborers	Total capital	Number of laborers	Total capital	Number of laborers
I. Agriculture, forestry and fishery	10 persons or fewer	VND 20 billion or less	Between over 10 persons and 200 persons	Between over VND 20 billion and VND 100 billion	Between over 200 persons and 300 persons
II. Industry and construction	10 persons or fewer	VND 20 billion or less	Between over 10 persons and 200 persons	Between over VND 20 billion and VND 100 billion	Between over 200 persons and 300 persons
III. Trade and service	10 persons or fewer	VND 10 billion or less	Between over 10 persons and 50 persons	Between over VND 10 billion and VND 50 billion	Between over 50 persons and 100 persons

2.3 Overview of the financial leasing corporations in Vietnam

As stated in Decree No. 16/2001/ND-CP of May 2, 2001 on the organization and operation of FLCsⁱⁱ,

financial lease means “the medium-term and long-term credit activities through the lease of machinery, equipment and transport means and other movables on the basis of lease contracts

between the lessors and the lessees". And the financial leasing companies (corporations) are "non-bank credit institutions and Vietnamese legal persons. They are established and operate in Vietnam in the following forms of State-run FLCs, Joint-stock FLCs, Affiliate FLCs of credit institutions, Joint-venture FLCs and FLCs with 100% foreign capital. Also, the operation term of an FLC in Vietnam shall not exceed 50 years. Any extension thereof is also able to be done and must be approved by the State Bank. Each extension shall not exceed 50 years

In the worldwide, finance leasing has demonstrated its ability to increase investment in capital equipment and plays an important role in economic development. It accomplishes this role by serving not only as an alternative financing mechanism, but a more powerful mechanism to manage risks and benefits associated with the use of productive assets. In developed countries, leasing is used to finance about one third of private investments. In Vietnam, under the Decision No. 149 / QD-NHNN dated 27 May 1995 of the State Bank of Vietnam on the regulation of the charter of credit purchase and leasing in credit organizations in Vietnam, FLC was born. Later, many legal documentations have been also issued to facilitate for the finance leasing operations. In Vietnam, State Bank of Vietnam is the main financial regulatory agency. The first company was licensed and operated in Vietnam in October 1996. Currently, there are 11 FLCs in Vietnam in which 7 companies are subsidiaries of Vietnam commercial banks, 3 companies are from 100% foreign capital and one

is of Vinashin Group. Many of them have achieved good results and brought benefits, especially for the enrichment and enhancement of financial system in Vietnam. FLC has been a reliable and convenient source of funding for businesses, mainly SMEs in Vietnam to achieve an effective source of capital for business operation and as a consequence, it will contribute much to the development of Vietnam's economy.

According to Dan (2016)ⁱⁱⁱ, most FLCs in Vietnam are currently operating in two of the country's most developed centers, namely Ho Chi Minh City and Hanoi. FLCs which are of the subsidiaries of the commercial bank utilize the bank available networks to expand its scope through its consignment to its branches; capital support, business strategy assistance and sometimes human resources from the parent bank.

According to the statistics of Vietnam Leasing Association, there are 4 of 8 member of the Association which are operating effectiveness and efficiency. Some of them must restructure its management. Also, according to State Bank of Vietnam, total debts and assets of the financial leasing decrease over the time. Some of them are in a very difficult situation. (Dan, 2016). This is caused from the rapid change and highly-integrated economy of Vietnam. financial leasing companies also face many difficulties, risks, and inevitably fierce competition. Therefore, they are in chaotic situation. Some of them are closed and stop with their operation. The risks of capital management, loans, staff changes, low market demand, etc. become major barriers for these companies.

List of Financial leasing companies by December 31, 2015

Unit: VND billion

No.	Name	Number & Date of license	Address	Chapter capital
1	VINASHIN Finance Leasing Company Limited	79/GP-NHNN dated March 19, 2008	Ha Noi	300
2	Kexim Vietnam Leasing Company	02/GP-CTCTTC dated November 20, 1996	HCMC	282
3	Asia Commercial Bank Leasing Company Limited	06/GP-NHNN dated May 22, 2007	HCMC	300
4	Industrial and Commercial Bank of Vietnam Leasing Company Limited	04/GP-CTCTTC dated March 20, 1998	Ha Noi	1000
5	BIDV Financial Leasing Company Ltd	08/GP-CTCTTC dated October 27, 1998	HCMC	448
6	VCB Leasing Company Limited	05/GP-CTCTTC dated May 25, 1998	Ha Noi	500
7	Agribank No.1 Leasing Company	06/GP-CTCTTC dated August 27, 1998	Ha Noi	200
8	Agribank No.2 Leasing Company	07/GP-CTCTTC dated August 27, 1998	HCMC	350
9	Sacombank Leasing Limited Company	04/GP-NHNN dated April 12, 2006	HCMC	300

10	Vietnam International Leasing Company Limited	117/GP-NHNN dated April 24, 2008 (regranted)	HCMC	350
11	Chailease International Leasing Company Limited	09/GP-NHNN dated October 09, 2006	HCMC	200

Source: State bank of Vietnam

2.4 Factors affecting the corporate competitiveness

Corporate/ company competitiveness has been a main topic of competitive research. There are 125 competitiveness definitions collected from scientific articles and re-search organizations like WEF (World Economic forum), OECD (Organization of Economic Cooperation and Development) and others. Some of researchers as Corbett & Wassenhove (1993), Buckley et al. (1988) and the Institute of Management Development and the World Economic Forum (WEF, 1996) suggest that competitiveness is a concept of three dimensions (price, place, and product). Man et al. (2002) proposes four characteristics of competitiveness; long-term orientation (focusing on long-term performance), controllability (managing various resources and capabilities), relativity (relative to other firms) and dynamism (involved in a dynamic process to generate the outcomes). In 1990, a diamond framework has been develop by Michael Porter to specify the role of the national environment in influencing the international competitiveness of an industry. Porter finds that four attributes of the home country environment shape the context that allows firms to gain and sustain competitive advantage (Porter, 1990). These are factor conditions, demand conditions, related and supporting industries and context for firm strategy and rivalry. In Porter's view, two exogenous factors, government and chance, influence the functioning of these four major determinants.

As known, the success of an organization is equated with profitability (and short-term share prices) on the basis of the shareholder value paradigm. However, clear evidence from strategic management studies indicates that organizational success, as perceived by all stakeholders (e.g., employees, management, shareholders and other constituencies), is much broader and must include not only wealth, but also growth, which in turn influences job creation (rather than destruction), and a sense of a positive role that the organization plays in a community (Charan & Tichy, 1998; Collins, 2001). In this sense, a successful organization rests on its ability to achieve an attractive strategic position and to deal with any changes of this position over time.

Furthermore, the result of the study of Sirikrai & Tang (2006) point out that while financial indicators such as return on investment and return

on assets are the conventional proxies of competitiveness, a number of non-financial performance indicators are also important. These non-financial performance indicators include overall customer satisfaction (Sharma & Fisher, 1997; Tracy et al., 1999), market share (Anderson & Sohal, 1999; Li, 2000; Sharma & Fisher, 1997), growth of market share (Tracey et al., 1999), overall competitiveness (Anderson & Sohal, 1999; Lau, 2002), sales performance (Anderson & Sohal, 1999; Li, 2000), growth of sales (Lau, 2002; Sharma & Fisher, 1997) and productivity (Sharma & Fisher, 1997; Noble, 1997; Ross, 2002). They argue that the use of both types of performance indicators creates a more accurate performance measurement system as it offers a more complete view of a business, thus leading to better-informed business decisions.

On contrast, some recent studies such as a study of Man et al. (2002) have also found that the entrepreneur's demographic, psychological and behavioral characteristics, as well as their managerial skills and technical know-how are the most influential factors related to the performance of a firm. The relationship is also affected by many industrial, environmental, firm-specific characteristics and firm strategies. Besides, three key aspects leading to a firm's competitiveness of internal firm factors, external environment and the influence of the entrepreneur have been suggested (Man et al., 2002). These factors in turn affect the performance of the firm. The capital and resource dimension of the framework of Horne et al. (1992) represents the internal aspect of firm competitiveness. It is seen as one key facilitating element applied to a variety of competitiveness strategies. Similar internal sources have also been identified in the literature.

Besides, O'Farrell et al. (1992) and O'Farrell & Hitchens (1988, 1989) note firm performance, focus on price, quality, design, marketing and management. Slevin & Covin (1995) however, applied a 12-factor instrument to measure the total competitiveness of the firms, including their structure, culture, human resources and product/service development. Pratten's (1991) study of small firms in several industries in the United Kingdom also highlights the importance of product development, the quality of customer service, efficiency of production, marketing expertise, and low overhead costs as the sources of competitiveness.

In term of the external environment, lack of market power and the turbulent nature of newly emerging markets are some of the problems faced by the corporate sector. Representing this external aspect of competitiveness, the framework of Horne et al. (1992) reveals the scope for action and growth, which indicates the availability of opportunities to generate increased long-term profitability inherent in the external environment. The OECD (1993) study stresses that economic changes can affect the 'competitiveness strategy' of many corporate firms. Pratten (1991) also notes the influences of industrial differences on the sources of competitiveness. Although the focus of the external environment are different, these studies have shown the significant impacts of this environment on competitiveness of the corporate. Moreover, Barringer et al. (1997) found that rapid-growth entrepreneurial firms operate in more munificent environments than slower-growth ones, suggesting the positive influence of environmental opportunities. Other authors have taken a more proactive approach when considering external factors. For example, Slevin & Covin (1995) suggest that continuous repositioning is needed for small new firms to anticipate and be responsive to the actions of competitors. Malecki & Tootle (1996) also emphasized the roles played by SME networks in their competitiveness. These studies suggest an interaction between the firm and the environment. Small firms need not behave only as recipients of environmental changes, but can also actively work on the environment.

The influence of the entrepreneur is also an important factor affecting the competitiveness of the corporate (Stoner, 1987; Horne et al., 1992; The model is as follow:

$$ROA = \alpha + \beta_1 FLit + \beta_2 OLit + \beta_3 SZit + \beta_4 DTit + e_{it}$$

where:

- FL= Finance lease (finance lease index)
- OL = Operating lease (operating lease index)
- ROA = Return on Asset (PBIT/Total Assets)
- SZ = Size (Natural log of total assets)
- DT = Debt (debt to total assets)
- α = the constant
- β = the coefficient
- e = error term

The dependent variable of this study was the financial performance of the Nigerian oil and gas companies under Return on Assets. The explanatory variables are financial leasing, operating lease, size and debt (Umar et al., 2016). Yang's (2012) study points out the financing difficulties is China's small micro enterprises existence a universal problem. It has become the main small micro enterprises development of a bottleneck. According to Yang (2012), to mark effect in the financial leasing for the service of

OECD, 1993). These studies focus on the roles the owners/ managers who are is one of the major determinants of competitiveness of the corporate especially in SME environment, consequently affecting the firm's overall strategy. Also, the key distinctive competence of small firms is the experience, knowledge, and skills of the owners and workers (Stoner, 1987), the experience and goal orientation of the small business owners (Chawla et al., 1997) and the "total competitiveness" (Slevin & Covin, 1995). In this study, content analysis of the "Competitiveness" definitions and concepts from literature review were taken in order to identify the main keywords and terms, which can be used to summarize as main factors and determinants of competitiveness.

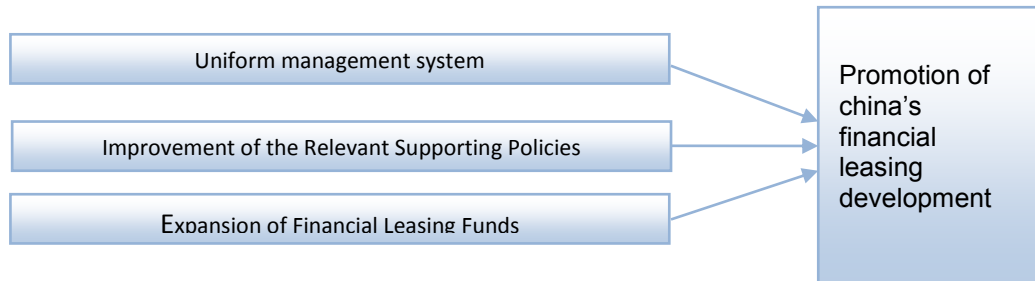
2.5 Related studies on competitiveness models in FLCs and SMEs

In a research of Umar et al. (2016) on lease financing and financial performance of companies, they examined the impact of lease financing on the financial performance (measured by Return on Asset - ROA) of Nigerian oil and gas companies. Robust OLS regression analysis is used to analyse the impact of lease financing on return on assets (ROA). The results of the study revealed that lease financing has significant impact on the ROA of oil and gas companies in Nigeria. Also, they send out recommendation that companies should embrace lease financing as a method of financing their operations as evidence suggests that value is added through the use of lease financing.

small micro enterprises, the first thing is to broaden the financing channels of small micro enterprises. The second is to reduce the fund pressure of small micro enterprises and also the third is to promote the technology innovation of small micro enterprises. The last as the fourth is promote the market development of small micro enterprises. Besides, upon to the author, lack of necessary knowledge on financial leasing, corresponding policies imperfect and lack of the necessary capital supply may affect the

development of financial leasing. To promote the development of financial leasing, China should establish uniform management system and improve

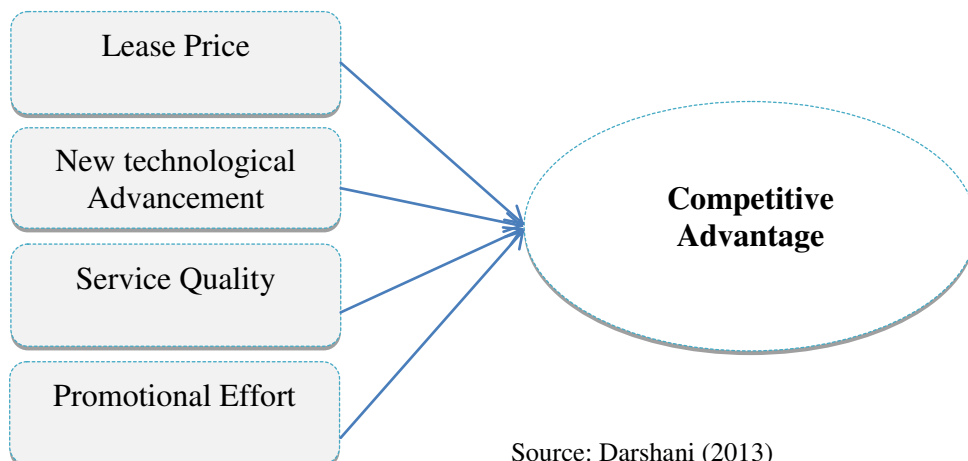
the relevant supporting policies and expand financial leasing funds. The research model of Yang (2012) is as follows:



Source: Yang (2012)

In the study Darshani (2013), the factors affecting on a competitive advantage in financial industry have been analysed. This is a case study of Bank of Ceylon Leasing- Sri Lanka (Kahawatta Branch) where is a less improvement in the leasing section in loan transactions. In term of facing with a huge competition in the industry and to be stable in the leasing market, . the study affirms that Service Quality, Promotional Effort, Advanced new technology and Lease Price are factors to contribute affect in achieving a Competitive Advantage. The study used the structured

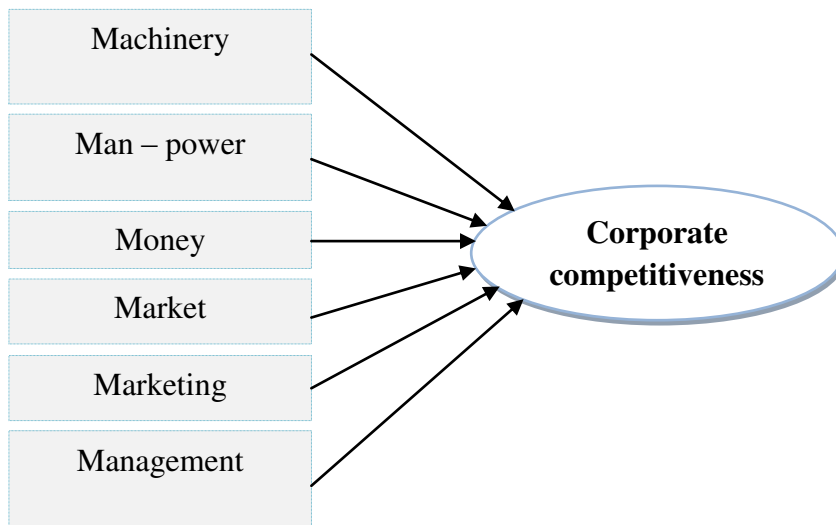
questionnaire to collect data with the sample of 40 leasing customers and the results indicated that Service Quality and Lease Price are positively impact on Competitive Advantage and New Technological Advancement and Promotional Effort have no impact on Competitive Advantage. The analysis discloses that Lease Price as the main contributor (81% Co-relation) and secondly the Service Quality (22% Co-relation) results for change in competitive advantage. The research model of Darshani (2013) is following



Source: Darshani (2013)

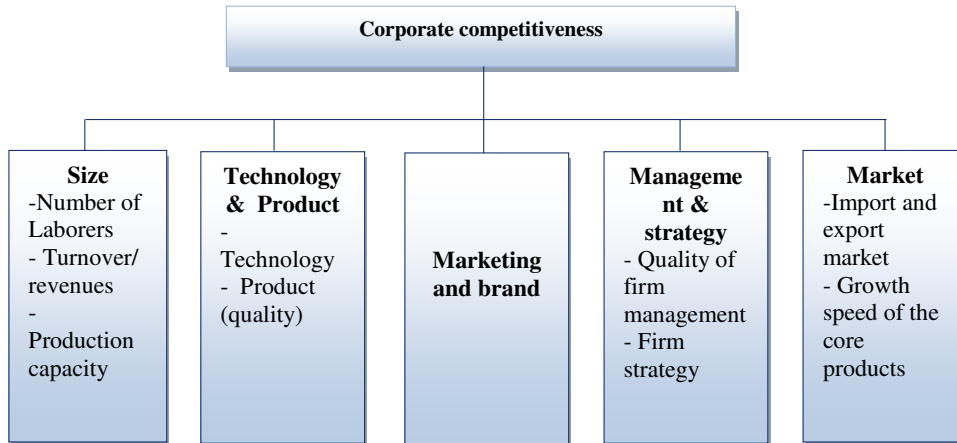
In the study of Hung (2009) on the competitive Models of SMEs in Vietnam, the study has determined three models with factors for corporate competitiveness for SMEs. These models are based

on some critical issues and each of them has limitations and advantages: The first model is called as 6M model of Machinery Man-power, Money, Market, Marketing, Management.

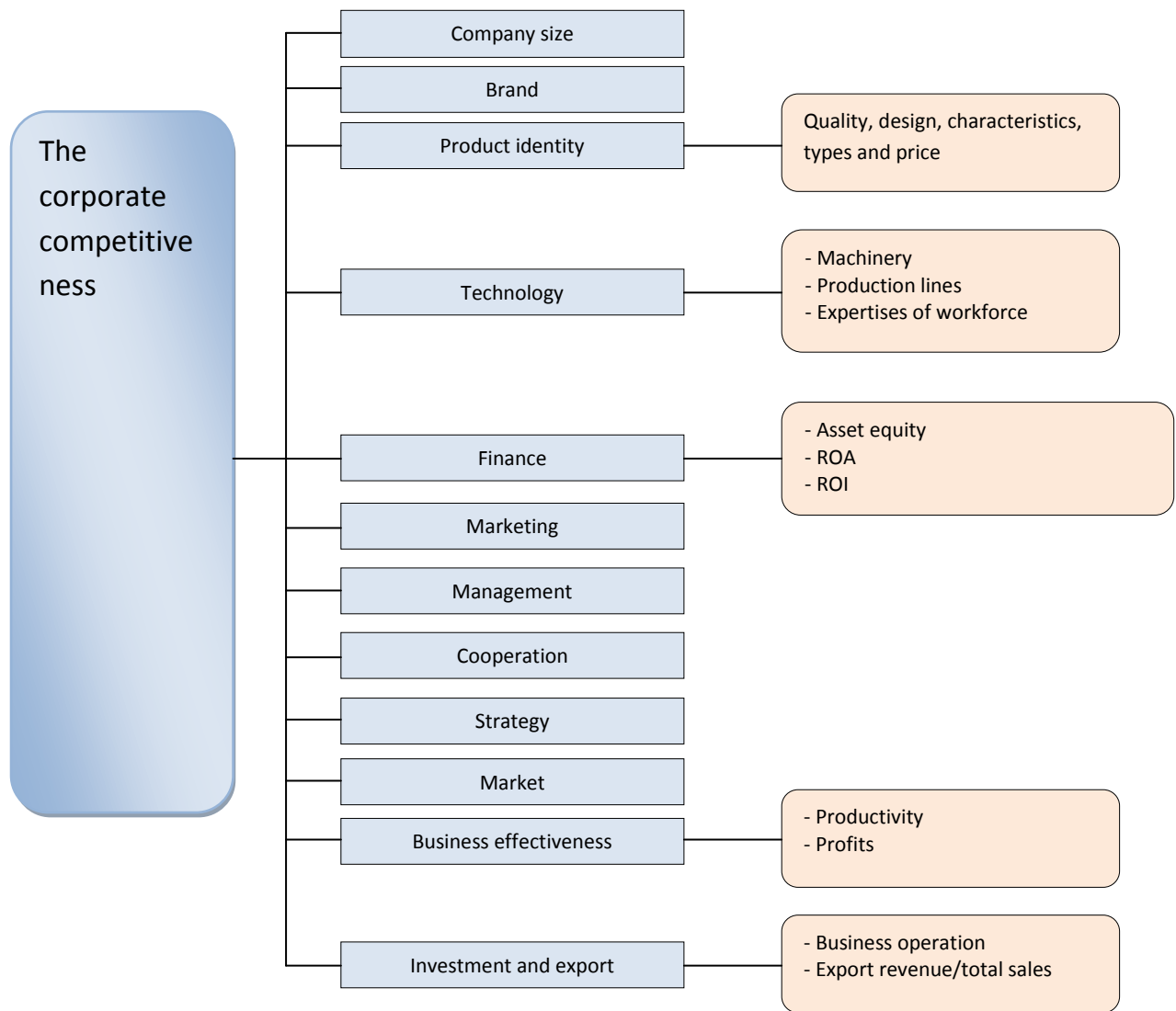


Source: Hung (2009)

The second model is as follow:



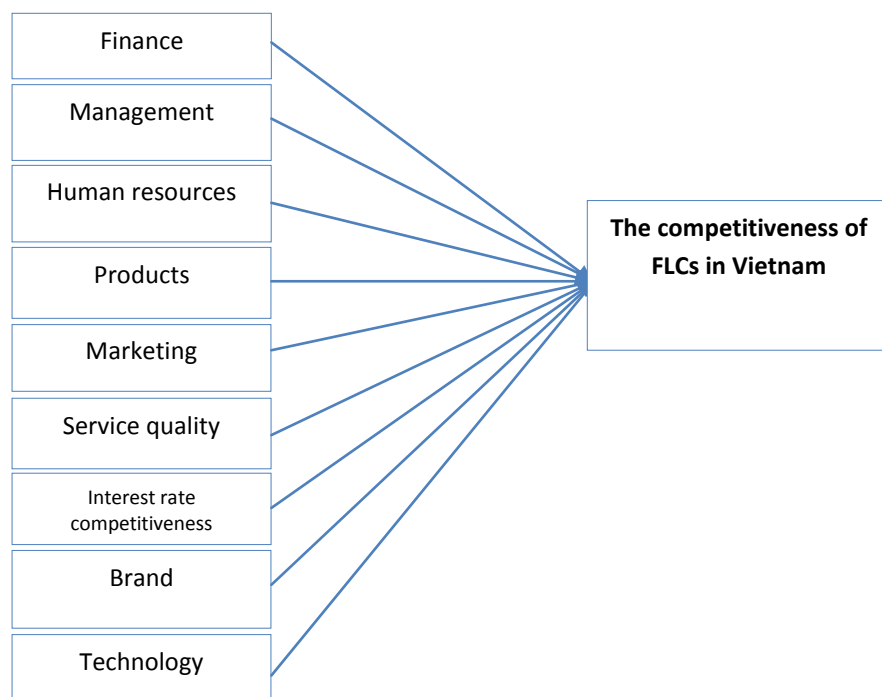
And the third model is as follow:



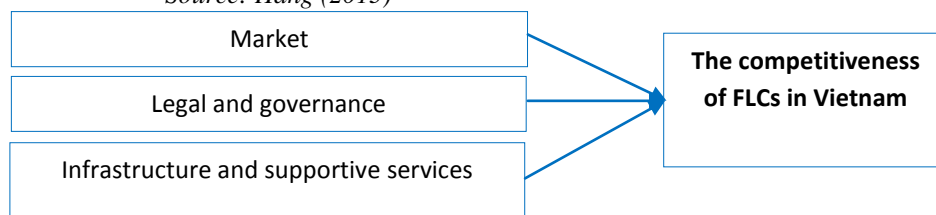
Source: Hung (2009)

As in the study of Hoang Thi Thanh Hang (2013), she systematizes the theoretical framework of competitiveness of financial leasing companies and outlines the overall picture of the operation of FLCs located in Ho Chi Minh City, Vietnam. Evaluation methods of FLCs competitiveness has been suggested. This research has contributed to addressing the financial leasing industry by answering questions on how well the FLCs are, what strengths and weaknesses of FLCs are and the

how the level of impacts of external environments on the FLCs competitiveness are. From those results, the recommendations and solutions have been established aiming to enhance and improve the competitiveness of FLCs in Ho Chi Minh City. According to Hang (2013), two of the competitiveness models are proposed as follows: (1). Competitiveness is based on the internal factors and (2). Competitiveness is based on the external factors



Source: Hang (2013)



Source: Hang (2013)

3. METHODOLOGY

This study is totally based on secondary data collected from various sources. For this extant literature related to the topic, information different databases, websites and other available sources were studied and collected. Apart from these, data has been taken from different Books, Journals, Research Papers and other online and print media by using the following keywords: competitiveness, company (corporate) competitiveness model, FLCs, small and medium enterprises (SMEs). Later, a systematic review of collected literature and the content analysis have been conducted to reduce bias through comprehensive literature searches. Based on this, 52 publications have been considered relevant and usable for the study. This study was undertaken to propose a conceptual model of competitiveness for FLCs in Vietnam. Later, the empirical study should be done with the model to have the practical view.

4. FINDINGS AND RECOMMENDATION

Through the above studies, all the literature have been generalized and analyzed. Based on the Vietnamese companies in Vietnam through internal factors. With previous studies, factors in those models are not enough and suitable with Vietnam FLCs in which it can determine and create FLCs' competitiveness. In those models, factor RISK is not concerned. Under the Vietnam context and case, the "Risk" factor is considered as the most important factor in the hire evaluation process and the process of asset management after leasing. As known, risks come from many sources which may be from customers' financial difficulties, legal proceedings, internal control, etc. In addition, another important factor as PRICE is not studied deeply in the previous model. In the study of FLCs' competitiveness. Therefore, author proposes a model as follows:



Source: by author

Propositions for the empirical study

- P1: Human resources impacts directly and positively on the competitiveness in FLCs
- P2: Finance has direct and positive effects on the competitiveness in FLCs
- P3: Management has direct and positive effects on the competitiveness in FLCs
- P4: Services has direct and positive effects on the competitiveness in FLCs
- P5: Product has direct and positive effects on the competitiveness in FLCs
- P6: Price impacts directly and positively on the competitiveness in FLCs
- P7: Brand impacts directly and positively on the competitiveness in FLCs
- P8: Corporate size has direct and positive effects on the competitiveness in FLCs
- P9: Marketing has direct and positive effects on the competitiveness in FLCs
- P10: Risk impacts directly and positively on the competitiveness in FLCs

5. CONCLUSIONS

Financial leasing present play an important role in the economy and especially in the corporate supportiveness in a country. In Vietnam, SMEs has 90% in total of enterprises and financial leasing becomes more important as it is to provide capital to all businesses especially for SMEs. As stated above, FLCs are in chaotic situation. Therefore, this study is added not only to the theory but also to FLCs context in Vietnam. The author suggests that an empirical study should be done to confirm if the model exits or changes to be adapted with the current circumstance of the destination to increase business performance. In addition, the model is believed to make competitiveness of FLCs enhance.

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