

The Business Guideline of New Entrepreneur toward Business Model Canvas

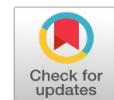
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Abstract: The purposes of the qualitative research by in-depth interview were 1) to study the business practices of new entrepreneurs through the business model canvas in different types of business in Bangkok and Metropolitan region 2) to study and analyze to conduct business toward Business Model Canvas in the business of new entrepreneurs. The data were collected by new entrepreneurs of 5 types of businesses and 11 owners which are 1) technology business are 2 business owners 2) food and beverage are 2 business owners 3) service business are 3 business owners 4) Dried Fruits and snack are 2 business owners and 5) Florist shop are 2 business owners. The result showed that all of the new entrepreneurs in business are using Business Model Canvas to manage own business as a guideline 1) Customer Segments of new entrepreneurs can target customers clearly and start from their feeling or their pain point 2) the value proposition of new entrepreneurs understands the importance of how to create value for their products and their focus on the strengths and weaknesses of products and services. 3) Channels of new entrepreneurs were focused on developing products and services to achieve word of mouth and new entrepreneurs were focused on all the communication via social networks. 4) Customer Relationships of the new entrepreneurs were focused on the friendly service or good relationship with customer. 5) Revenue Streams of new entrepreneurs were differences which are depend on the product and services. 6) Key resources of new entrepreneurs were about product and equipment and also focus on employee and technician. 7) Key activities showed that new entrepreneurs clearly understand the purpose and service whether it is producing products and services, customers or the public relations. 8) Key Partner of new entrepreneurs were business partners who promote or support each together. 9) Cost Structure of new entrepreneurs was the focus on developing products and services more than public relations because at the present time people are able to use and communicate through social networking and at least-cost.

Keywords: Business guideline, New entrepreneur, Business model canvas

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INTRODUCTION

At the present time, the growth rate of the business is likely to increase and also the businesses are expanding and growing. So, the Entrepreneur is the key to economic and social development which has helped to reduce the development gap effectively through the process of economic structural change from the basic resources to economic knowledge base. Human resource development. The development of enterprises in the financial access and market and create incentives for new entrepreneurs. ASEAN Inter-Parliamentary Assembly (2014) Especially the new entrepreneurs. So, the importance of new entrepreneurs has become the driving factor of the economic importance of the development of the country which can be seen from the past that new entrepreneurs have grown as large and medium-sized entrepreneurs. The National Economic and Social Development Plan No.12 also supports the small and middle businesses in order to achieve economic distribution focus on new businesses start-up or small businesses (Office of The National Economic and Social Development Board, 2017).

As mentioned previously, researchers are interested to study the business model of entrepreneurs who are starting their own business and selected a group of businesses that focus on innovation and

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selling products and services by analysis through a business model canvas. To use as a guideline for planning and studying the strength or weakness of new entrepreneurs in the future.

Research objectives

1. To study the business practices of new entrepreneurs through the business model canvas in 5 different types of business in Bangkok and Metropolitan region.
2. To study and analyze to conduct business toward Business Model Canvas in the business of new entrepreneurs.

LITERATURE REVIEW

In this study, the researcher will study and analyze the methods of doing business by using the Business Model Canvas as a guideline for new entrepreneurs and literature review shown as follows:

Concept of entrepreneur

[Pantipi \(2011\)](#) Entrepreneur means the person who sells the goods or provides the services of business whether such actions will benefit or be paid, and whether or not registered for VAT. While [Sukontha \(2002\)](#) said that Entrepreneur is a group of persons who are responsible for the decision to produce a product or service to seek business opportunities for profit and the ability of management in the production or marketing, as well as to admit the potential risks in the business. Similarly ([Kanit, 2004](#)) said that Entrepreneurship is about establishment of businesses and business investments with their own administration and hiring staff to run the process by which the owner recognized the risks incurred, aim to return profitable operations and set goal to continue the business. Same as the idea of [Suwakij \(2006\)](#) which said that Entrepreneur is a person who conducts business by using their own capital, knowledge, abilities and resources to grow their business. Also, earn value to capital and labor and set goals of enterprises are profit. [Pornapa \(2017\)](#) mentioned that Entrepreneurs are people who are willing to take risks and uncertainties to create something as people seek change to respond to change by aim in the pursuit of profit and business growth.

Concept of business model canvas

[Alexander and Yves \(2010\)](#) present that Business Model Canvas as a tool to assist in business planning will help entrepreneurs see the overall business planning perfectly and business model consists of 9 sections as follows:

- 1 Customer Segments are target customers that entrepreneurs need. Also, identify the target audience to correctly and accurately be important to business plan. Correct target customers can make the business offer products and services to meet the needs of customers and the customers are satisfied.
- 2 Value Proposition is about to create value for products and services by which the value of all products and services will be the factor that makes the highlight strengths or the value of products and services that can be different from other businesses.
- 3 Channel is the way to communicate with the customer and contacting with the target group by these channels is helpful to business which makes to reach the target customer that is important to entrepreneurs.
- 4 Customer Relationships is to establish and maintain relationships with customers. And businesses that focus on customer relationships can create loyalty, word of mouth and repeated purchase.
- 5 Revenue Streams is net of revenues after expenses such as sales of goods and services, rent or advertising depend on the type of business and target customer.
- 6 Key Resources that all businesses should have are, as Investment, cash flow, machinery, technology, intellectual property including human resources and staff.
- 7 Key Activities is the main activity of the business or the business must be conducted in order to meet the objectives and target customers such as Manufacturing, sales and service to customers. Networking, marketing and public relations.

8 Key Partner is a group of people or people involved in business operations to increase efficiencies in business processes. Also, Key Partner can be the same type of business.

9 Cost Structure is the total cost in the business such as Operation cost, Fixed Cost and Variable Cost.

Key Partners (KP)	Key Activities (KA)	Value Proposition (VP)	Customer Relationships (CR)	Customer Segments (CS)
	Key Resources (KR)		Channels (DC)	
Cost Structure (CS)			Revenue Streams (RS)	

Figure 1. Business model canvas

RESEARCH METHODOLOGY

Key informants

The key informants in this study are new entrepreneurs of 5 types of businesses and 11 owners which are 1) Mobile applications, 2 business owners 2) Pub and restaurant, 2 business owners 3) Thai massage and Spa, 3 business owners 4) Dried Fruits and snack, 2 business owners and 5) Florist shop, 2 business owners.

In this study, the researchers focused on new entrepreneurs which is the person who sets up a new business or a business owner who have a started more than 2 years and less than 5 years back.

Qualitative research instrumentation

1 The researchers is the key research Instrumentation to collect the data because this research is based on interviewing with key informants. Thus, it is important to prepare before the interview in order to obtain comprehensive and reliable information.

2 Document research such as Text books, research papers, articles, journals and related research.

3 Notebook is the instrument that is used to note the data in order to analyze the information.

4 Voice recorder is an instrument that is used to record audio between the researcher and the interviewer.

5 Interview form is the interview questions that researchers used in a comprehensive interview questionnaire on issues related to research.

Data collection

Before starting the interview, the researcher asked key informants for permission to use voice recorder and informed the key informants that data from the interviews are only for the research study. The researchers started the interview questions by asking key informants about business and then asking about business operations. The researchers were informed about the research topic and objectives on business model canvas. The researchers used the in-depth interview method. Researchers used the questions as a tool to collect data based on the review of the concept paper until data saturation.

Assessment of research tools

The researcher used triangulation technique to obtain reliable information (Denzin, 1989).

1 Data Triangulation, the researchers checked data collections from difference sources of information to determine the data that changed or not.

2 Investigator Triangulation, the researchers analyzed and reviewed more than 1 person for collecting accurate and reliable data and reliable.

3 Methodological Triangulation, The researchers did a parallel study with interviews and observed the business of key informants.

RESULTS

This research studied on the entrepreneurial approach through business model; key informants were new entrepreneurs through the five perspectives of different types of businesses. Various forms of information were provided based on the types of business, goals and objectives of the business. These perspectives were considered for the application of the business model. The details were summarized as follows:

Entrepreneurs number 1 is application development business, which creates the management application system for the restaurant business, provided business perspectives through the business model included: 1) Customer Segment was the medium and large restaurant businesses. 2) Value Proposition of the products and services was the application system of restaurant management through smartphones and tablets that were difficult to copy. 3) Most of customer channels focused on internet marketing such as SEO or Online marketing. 4) Customer relationships were after-sales services that were like a restaurant management consultant. 5) Revenue Streams were annual rental fees. 6) Key resources were source code, including all technical staff. 7) Key Activities meant the development of products and services after the sale. 8) Key partners were mainly from organizations or associations that promoted innovation or startup. 9) Main cost structure was for staff and personnel.

Entrepreneurs number 2 is pub and restaurant, which provides business perspectives through the business model including: 1) Customer Segment were people 23-35 years old around the area. 2) Value Proposition of the products and services was food and beverage, and the restaurant atmosphere. 3) Most of the customer channels focused on the word of mouth. 4) Customer relationships were a friendly service to the customers. 5) Revenue Streams were beverage mostly. 6) Key resources were Chefs, beverages, food and atmosphere of the restaurant.. 7) Key Activities were sales of food and beverages. 8) Key partners were mainly from beverage companies that promote sales such as beer companies.. 9) Main cost structure was for all the employees.

Entrepreneurs number 3 is Thai massage and spa, which provides business perspectives through the business model including: 1) Customer Segment was an office worker or a tourist depending on the location of the branch. 2) Value Proposition of the products and services was Thai massage and spa with a standard quality and reasonable price. 3) Most of customer channels focused on the word of mouth from good massage. 4) Customer relationships were care and attention to the customers from all the staff. 5) Revenue Streams were Thai massage and spa. 6) Key resources were all the employees. 7) Key Activities were Thai massage and spa with a good quality. 8) Key partners were the owners of rental space who help to advertise to the customers. 9) Main cost structure was staff and rental fee.

Entrepreneurs number 4 is dried fruit shop, which provides business perspectives through the business model including: 1) Customer Segment were people who like healthy and sugar free snack. 2) Value Proposition of the products and services was dried fruit and fresh product. 3) Most of the customer channels focused on public relations and sales through social networks. 4) Customer relationships were made by communicating through social networking and creating value. 5) Revenue Streams were Dried fruit with wholesale or retail. 6) Key resources were fresh materials and drying equipment. 7) Key Activities were fresh dried fruit, shipping and communicate through social networks. 8) Key partners were mainly from business in the field of healthy food. 9) Main cost structure was for Raw materials, packaging, transportation costs, and electricity.

Entrepreneurs number 5 is florist shop, which provides business perspectives through the business model including: 1) Customer Segment were people who loved trees and flowers and were living in a small house and condominium. 2) Value Proposition of the products was small and medium sizes of trees and flowers which can be planted in homes and condos. 3) Most of the customer channels focused on public relations and sales through social networks. 4) Customer relationships were made by communicating through social networking and creating a product story. 5) Revenue Streams were trees and flowers in small and medium sizes. 6) Key resources were trees and flowers, including farmers. 7) Key Activities were taking care of the trees and flowers, and promoting and creating content about flowers and trees through social networking. 8) Key partners were farmers who plant trees and have business of equipment for trees. 9) Main cost structure was for product and equipment.

DISCUSSION AND CONCLUSION

The results show that all 5 types of business entrepreneurs have business models as a guideline for doing business, which can be divided into the following details and summarized in Table 1.

Table 1: Overview analysis of the business model canvas toward new entrepreneurs in 5 type of businesses

Type of Business	Mobile Applications	Pub and Restaurant	Thai Massage and Spa	Dried Fruits	Florist Shop
Customer Segments (CS)	Medium and large restaurant business	People 23-35 year old around the area	Office worker or a tourist around the area	People who like healthy snack and sugar free	Tree and flower lover
Value Proposition (VP)	Application system of restaurant management which is difficult to copy	Food and beverage and restaurant atmosphere	Thai massage and spa with a standard quality and reasonable price	Dried fruit and fresh product	Small and medium sized of trees and flowers which can planted in homes and condo
Channels (DC)	SEO or Online marketing	Word of mouth from good place and atmosphere	Word of mouth from good massage	PR and sales through social networks	PR and sales through social networks.
Customer Relationships (CR)	Restaurant management consultant.	Friendly service to customers	Take a good care and attention to the customers with good relations	Communicate and create value through social networking	Communicate and create value through social networking
Revenue Streams (RS)	Rental fees from POS restaurant management	Food and beverage	Thai massage and spa.	Dried fruit	Small and medium sized of trees and flowers
Key Resources (KR)	Source code, including all technical staff	Chefs, beverages, food and atmosphere of the restaurant	All the employee	Fresh materials and drying equipment	Trees, flowers and farmers

Table 1: Continue.....

Type of Business	Mobile Applications	Pub and Restaurant	Thai Massage and Spa	Dried Fruits	Florist Shop
Key Activities (KA)	Development of products and sale services	Sales of food and beverages with good atmosphere.	Thai massage and spa with good quality	Production of fresh dried fruit and sales through social networking.	Take care of the tree and flower, also promote and create content
Key Partners (KP)	Organizations or associations that promoted innovation or startup	Beverage companies and the singer	Owners of rental space	Business in the field of healthy food	Farmers and business about equipment
Cost Structure (CS)	Staff and system fee	Salary of all employee	Staff and Rental fee.	Raw materials	Product and equipment.

Customer segments

The five types of business are clearly segmented and all of the entrepreneurs have studied target customers from their preference and, feelings of self-start. For example, entrepreneurs who run Thai massage and spa business; they like to use massage therapist before. Beside entrepreneurs who run the application development business for the restaurant management system; their passions come from going to eat outside themselves, then they get a bad service, or even the business of selling dried fruit; they start with dissatisfaction on baked fruit with sugar etc.,. Therefore, new entrepreneurs who are the key informants; they start building businesses based on their own needs or dissatisfaction with goods and services. This is consistent with Muegge (2012) theory framework that discusses the importance of consumer issues. It is very important compared to the foundations of creating businesses, products and services in the present era. Nowadays, consumers are looking for something that will make their lives and living conditions better, or something that can solve the problem in daily life.

Value proposition

All entrepreneurs from the five types of business understand the importance of creating value for their products and services, and the weaknesses of their products and services, corresponding to Hunger and Wheelen (2002) who explained that strengths and weaknesses are what entrepreneurs can determine and that they need to understand their business fundamentally including strength, weakness, opportunity and threat.

Channels

All entrepreneurs from the five types of business notice that service-oriented businesses focus on the development of products and services for the word of mouth and the five new entrepreneurship will focus on communication through social networks. This channel accesses customers effectively, because today, social networking or the Internet is very important. In accordance with Jutharat (2015), the high level of communication channels on public relations, perception creation and consumer perception are for social media, and the highest objective of applying social media is to cooperate in the organization.

Customer relationships

All five entrepreneurs will build and maintain relationships with their clients, focusing on friendship, friendly service, or presenting the audience-centered content, that the target audience is interested in. Friendship is the focus of a friendly service which is an important part of customer satisfaction. This is in line with Kittichai (2013) that creating a positive customer service experience is a key factor in engaging customer and customer satisfaction.

Revenue streams

Entrepreneurs understand the main revenue streams, which vary from business to product and service. The revenue of each business comes from the products and services corresponding to the key activities of every business.

Key resources

New entrepreneurs of the five types of business understand the meaning well and most of the entrepreneurs value human resources and labor. This is in line with [Laphassawat \(2016\)](#), that skilled and professional workers are the strengths and uniqueness of each business's strength.

Key activities

Every business is clear in its purpose and style of service so that its core activities reach its target customers; whether it is production, distribution of goods and services to customers or public relations.

Key partners

It is noted that the presence of commercial partners is essential to both providers and recipients because of the fact that they will support each other. For example, a beverage company helps support the sales of restaurants, food and beverages. If there is a good restaurant, a beverage company will sell well. This is consistent with [Kale, Dyer, and Singh \(2007\)](#), they found that the organization would suffer with the partner organization; they must learn, exchange and use the knowledge gained from the partners to utilize in enhancing the efficiency, it is interdependence.

Cost structure

It is noted that the five new entrepreneurs value the cost of developing products and services rather than public relations because the entrepreneur is a new generation; they can use communication channels through social networks quite well; these communication channels are the least cost. Therefore, young entrepreneurs take the remaining capital to develop products and services. This is consistent with [Ansoff \(1965\)](#) that product and service development drives sales and can help maintain customer relationship as well as customer loyalty.

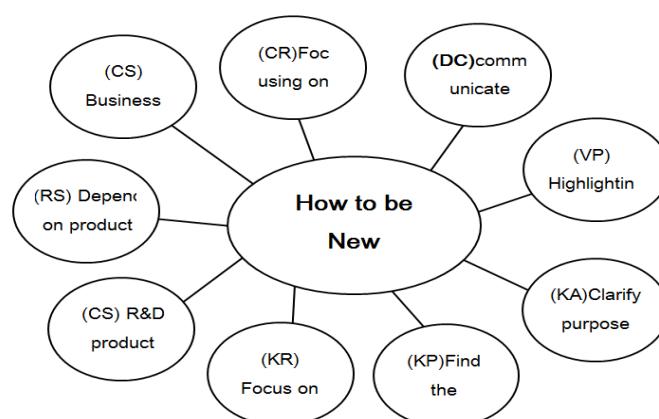


Figure 2. New entrepreneurs guideline

From the above discussion, it is clear that the business models of the five new entrepreneurs are different, depending on the main resources, the main activities, and the value of the products and services offered. New entrepreneurs have information including how to run a business using Business Model Canvas or New Entrepreneurs Guideline that helps generate revenue from doing business, learning and finding how to start and run a business effectively. It has been seen obviously from the interviews of the key informants; they have knowledge on doing business through a completed business model. However, business plan has no fixed formula, having a business plan through a business model is just one plan, but the entrepreneur should not stick to it, they must be sure to study new things and be ready for further changes.

RECOMMENDATIONS

Based on the research, the researcher has the following suggestions:

- 1 New Entrepreneurs or those interested in doing business can adopt five different business units to assist with their development by analyzing the results with the aim to grow their businesses.
- 2 New Entrepreneurs or those interested in doing business can also analyze the business model using Business Model Canvas or New Entrepreneurs Guideline.
- 3 Private sector organizations or associations that support new entrepreneurs can apply the Business Model Canvas or New Entrepreneurs Guideline as the research model for identifying topics or approaches to entrepreneurship development or Business Startup.
- 4 Business Model Canvas or New Entrepreneurs Guideline is suitable for business owners who want to expand the business. It will identify the weaknesses and strengths of the business operation to assist with their future development.
- 5 This research will enable business owners to have overview of their business which will enable them to identify any issues that will prevent the business for growing by using the New Entrepreneurs Guideline.

Recommendations for future research

Suggestions for further research are:

- 1 Researchers should study and focus only on specific type of business such as service business, technology business or online business.
- 2 Researchers should study more key informants or use other methodology, in order to develop more diverse and interesting study for the researcher.

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