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*Finding of key factors in creating
small business system's success*

*- The case study in Thai restaurants
in Sweden*

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Malardalen Hogskola

Group: 2036

C. Maleekaew (840423-P204)

S. Sudthamngong (850420-P123)



Abstract

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Authors:	Chiraluck Maleekaew 840423-P204 Email: noonnoy27@hotmail.com Sirinun Sudthamnong 850420-P123 Email: prem_200sx@hotmail.com
Supervisor:	Tommy Torsne
Title:	Finding of key factors in creating small business system's success – The case study in Thai restaurants in Sweden
Research Questions:	Which factors are the actual impacts for the success of Thai restaurant in Sweden?
Aims of Research:	To investigate the key factors that may cause the success within a restaurant. The success of the restaurant in this research is a restaurant that has positive financial result, revenue more than cost. Positive financial result shows that they manage the quality of the restaurant effectively.
Methodology:	This thesis studies and analyzes the variables and factors in processes of the system which are used in the success restaurant cases those are chosen by the authors in order to consider the impact and reason of the failure or success of the restaurants.
Keywords:	improvement, system, Thai restaurant, Total Quality Management, process
Conclusion:	To plan a strategy for a restaurant, there are many factors that should be set the priority and focus on the most. This thesis has made a finding of key factors in creating small business's success focusing on Thai restaurant in Sweden in order to investigate the key factors those impacts the success of restaurants in Sweden.

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C. Maleekaew
S. Sudthamnong

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1. Introduction

Thailand is a country that is famous in several aspects, such as beautiful sceneries, people's kindnesses and especially Thai foods. (<http://www.tourismthailand.org>) Thais are proud of their foods since they are best known as one of famous foods in its variety of tastes. The authors, as Thais, are well familiar to Thai foods and interested in its cooking style since we were young. When we grow up, the internationalization and advancement of information and technology become the driving forces for people to develop and innovate new style of Thai foods, somehow maintain nutritious. However, Thai food has its uniqueness in taste and style of cooking, so they are imprinted with Thai culture.

Thai restaurant, the representation of Thai food is also implemented. Nowadays, the interest of Thai food is not only to Thai, but also the foreigners. This makes the interest rate of investing business as Thai restaurant in international has been increased. As the authors are doing Master's thesis in International Business in Sweden, and we have interested in opening a Thai restaurant, so these become our inspiration to study and do this thesis about opening Thai restaurant in Sweden.

Since the running of restaurant business in a long term, not only the taste should be focused, but the system planning should also be aimed. Main factor for running a restaurant is a good strategy, which should be carefully planned so that it could cover the entire customer's demand and the owner's goal. For the reason, we need to study the factors those are important and are driving forces for the successes of restaurant.

According to research on "The Globalization of Thai Cuisine" by Sirijit Sunanta, Thai food is one of the most famous cuisines. Thai restaurant also as Thai food is very famous among Swedish people. The statistic data from Tourism authority of Thailand show that Swedish tourist visit Thailand about 200,000 per year which is the fourth ranking for European tourist in Thailand. Moreover, they also mentioned that Sweden is one of the Europe countries which has similar background environment comparing to Thailand. Therefore, Thai restaurant becomes an interesting business in Sweden. To open a Thai restaurant, it is very important to design a system that is used to run it.

Thai food is either stir-fried or steamed -- primarily in a wok. Some foods are grilled, but, as in the rest of the region, a lack of fuel precludes baking. Chiles and other spices are ground into powder or paste with mortar... (CyberPalate LLC, 1996), this makes Thai food individual and has unique operations in doing it and causes the processes and system in the business separated from the other cuisine.

Restaurants need to be managed so that they satisfy the different needs of a number of stakeholders, including customers, owners or shareholders and employees, and these needs can be difficult to reconcile. (Teamwork and the management of food

service operations, 1998, page 1) Managing System in the meaning of “small business’s system” means the set of processes used to run a restaurant. It includes the behavior of the processes, methods used in each process, the continuity of the processes and even the order of the processes.

In most restaurants tasks are divided broadly into front and back-of-house activities. Back-of-house staffs are responsible for producing food, while front of house staffs serve it, and each activity demands different sets of skills and personality types. Typically, service staffs are friendly and outgoing but independent-minded whereas production staffs are more skilled and team oriented (Teamwork and the management of food service operations, 1998, page 1). We identify restaurant as small business, and the system is separated into two parts, an owner part and a customer part. The system in the owner part includes every process since ordering materials, storing materials, preparing the materials for cooking, bring customers to a table, taking orders, cooking, serving, checking, plate collecting, washing and waste managing while the customers part consist of queuing, moving to a table, ordering, waiting, eating, paying, and leaving. As some joint between processes or the method of the processes might be not suitable or cause waste in the main system, or the same process used in different restaurant may not causes the same success, the finding studies the factors and the key that cause the failure and fix it with the idea and method used by another success restaurant’s process to improve the association and the quality of the system.

In Sweden, the public utility standard is very high; therefore the organizational structure, supporting systems and operations of a restaurant have to be very developed to match this standard. As international business, the restaurant owner could face a lot of problems in managing the initial state of the restaurant to be capable for the regulation of the government and adjusting the system to the customer’s behavior and culture. The system and operation processes of each restaurant then changed to be appropriate to Swedish people’s behavior, culture and lifestyle.

We use data collection in finding the actual factors and the solutions of the failure in the process by making use of selected success Thai restaurant. Moreover, we use TQM in this thesis as the main theory which can give us the overall of the process.

The success of the restaurant in this thesis is measured in term of customer’s satisfaction and financial reward which would be considered by entrepreneurial characteristics and visions of the owner, however, common business consider the success in terms of financial reward, which however affected from customer’s satisfaction. Schumpeter defines the meaning of entrepreneur in term of capitalism. (Burn, 2007) Some owner thinks of the success of the restaurant in term of profit and they will do whatever to increase the value of the product, reduce the cost and increase the sale. Another type of owner thinks of the success of the business as the customer’s satisfaction. They think of how to reach the customer’s mind and make they come back, improve the quality of services and so on, which fits Burn’s perspective of entrepreneur. This also makes the process within the system of two type of entrepreneur different.

Research Problem

There are many Thai restaurants in Sweden, some of them are successful, and some of them are not. Since there are some similarities and also some differences among them in the processes, “*Which factors are the actual impacts for the success of Thai restaurant in Sweden?*”

Target Group

Target group of our thesis are the investors with entrepreneurial mind of any nationality who would like to open or develop their Thai restaurants in Sweden and needs more sufficient processes used to develop their restaurant.

This thesis might also be useful to readers who interests in Total Quality Management and would like to get some idea of the quality tools in implementing to the restaurant business.

Aim of the thesis

The aim of this thesis is to investigate the key factors that may cause the success or failure within a restaurant. The success of the restaurant in this research is a restaurant that has positive financial result, revenue more than cost. Positive financial result shows that they manage the quality of the restaurant effectively.

Limitation

As this thesis use financial result to define successful restaurant, however there is limitation to access all financial performance of the restaurant because of the confidential policy. For this reason, we could get financial information only whether their financial result is positive or not. We believe that this information is sufficient in defining the restaurants success.

2. Literature Review & Theoretical Framework

Basic Restaurant System

As it is not possible to create a perfect system, the operation in each restaurant would be managed in different direction and methods. A process would cause different result in each restaurant.

Even the processes are managed differently in each restaurant, the basic and outline of the systems are the same. From the pre-observation we made base on Planning of Hotel and Restaurant (Ivergård, T. 1988), we are able to create a basic restaurant system and present in this thesis as shown in Figure 1.

Figure 1 shows the basic system that is mostly used in particular Thai restaurant. The left section represent the process of the owner side, while the right section represents the customer side. The processes proceed from top to bottom by the time line direction.

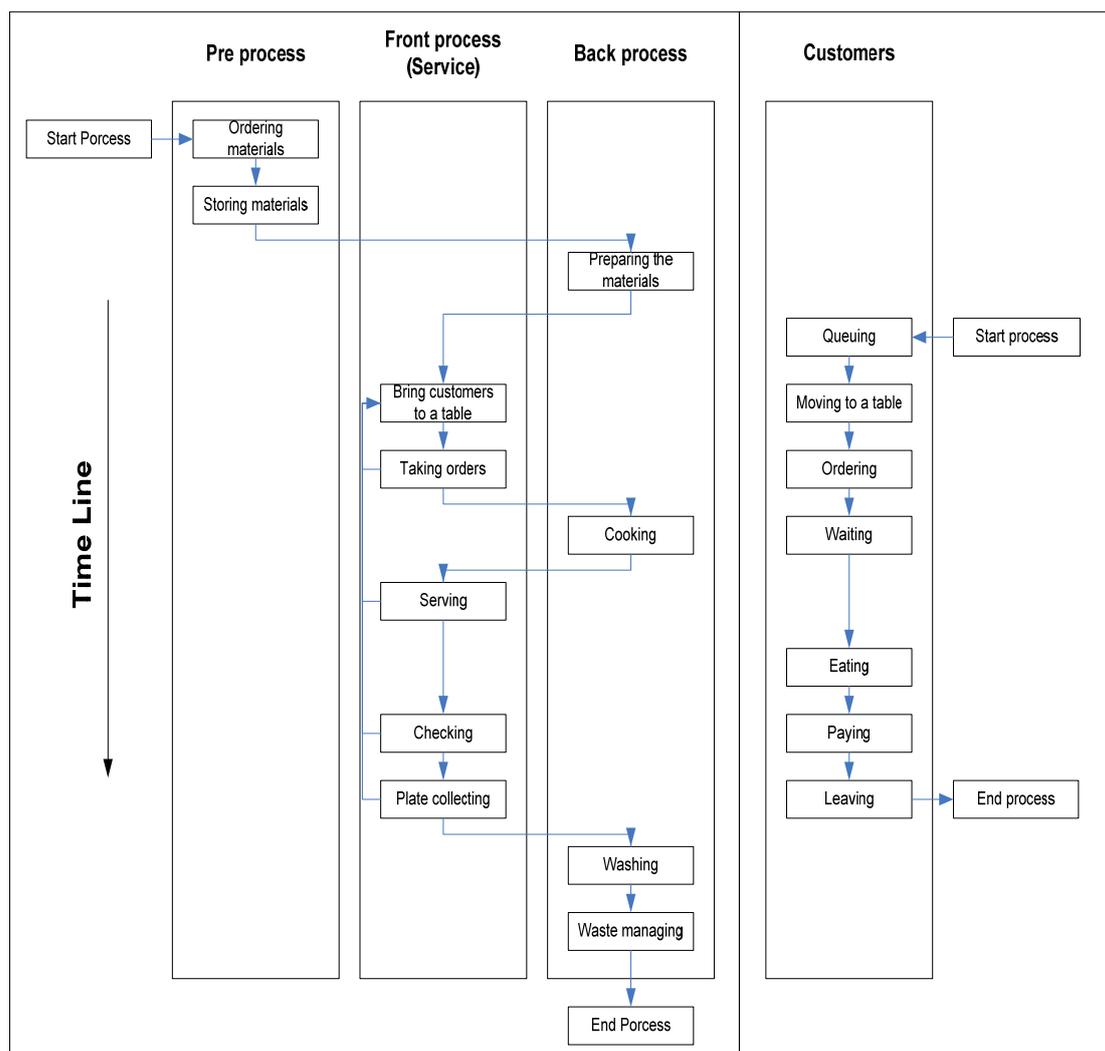


Figure 1 Basic restaurant system

Source: Own source based on Ivergård, T. 1988

From figure 1, you may see the continuity of the processes and also the relations between processes from both sections. The process may be shown in different perspective in each restaurant, some how the attractive section that is interested by the customers is the front processes that provide services for them. Any way, the back processes are also important as there are relation between each other and affect the continuity within the system. The better process planning is, the better services are provided. As this thesis relates to business and we focus on strategies, then we would not focus on the processes in the customer side.

Total Quality Management

Because of the globalization and other factors many organizations had to do big changes in their way of running their business. The number one factor for success became quality so most companies had to be restructured and had to redefine their strategies.

There are many quality management tools used in manufacturing, services and businesses such as...

Kaizen

According to Jeffrey K., 2004, Kaizen is a tool which is famous for being used in Toyota production system, one of the best systems in the manufacturing business. The concept of Kaizen is to eliminate waste and create improvements for every process in the system continuously. Even the tool is considered the best among the others; it is too conceptual and too difficult to adjust in the business. In addition, the quality of the restaurant system does not need to be improved continuously; it is just needed to be maintained standardized, so we would not focus about it.

Six Sigma

According to Geoff, T., 2002, Six Sigma aims in identifying the causes of defects and errors in order to avoid and get rid off them. Somehow, it is mainly used in reducing errors and improves the quality of the processes, so it is not suitable for the purposes, since the purpose of the thesis is to find the key factor of success, not to the failure.

Total Quality Management (TQM)

Total Quality Management is the quality control tool that is used to maintain the standards of total processes within the system of the business and synchronize the processes to create continuity in order to improve the valid system. The concept of TQM is that, since the standard is set, and the processes are improved, then the tool is used to control and synchronize it. (Lakhe, R.R.) In the condition, TQM is considered by us as the most suitable tool to implement in controlling and identifying the factors of success for total processes in the restaurant.

Total Quality Management (TQM) is one approach to improve the overall quality of an organization with all its functions, processes and products. Quality management has therefore become a major issue for organizations.

Juran, 2001 states that the fundamentals of TQM are continuous improvement, customer focus and the value of every member of the organization.

He also states that “TQM is a management approach that strives for the following in any business environment:

- Under strong top-management leadership, establish clear mid- and long-term vision and strategies.
- Properly utilize the concepts, values, and scientific methods of TQM.
- Regard human resources and information as vital organizational infrastructures.
- Under an appropriate management system, effectively operate a quality assurance system and other cross-functional management systems such as cost, delivery, environment, and safety.
- Supported by fundamental organizational powers, such as core technology, speed, and vitality, ensure sound relationships with customers, employees, society, suppliers, and stockholders.
- Continuously realize corporate objectives in the form of achieving an organization’s mission, building an organization with a respectable presence, and continuously securing profits.”

The Results of TQM are: lower costs, higher revenues, delighted customers, and empowered employees.

Lower cost can be achieved by reducing errors, reducing rework and reducing non-value-added work. The costs of poor quality that can be avoided using TQM can be classified in five basic categories: traditional poor-quality costs, hidden poor-quality costs, lost income, customers’ costs, and socioeconomic costs.

On the other hand TQM also helps to achieve higher revenues: “Higher quality can mean better satisfied customers, increased market share, improved customer retention, more loyal customers, and even premium prices.” (Juran, 2001, p. 7)

Higher quality also leads to delighted customers which has many positive effects like higher loyalty of customers which means that customers tend to buy goods from the organization over and over again, advertise the goods and services and check for new goods first at the company they are loyal to.

As the author says, TQM also results in empowered employees which means they are in self-control. “They have the means to measure the quality of their own work processes, to interpret the measurements, and compare these measurements to goals and take action when the process is not on target. But the concept of empowered employees goes far beyond self-control. Employees also know how to change the process and to improve performance, improving both the effectiveness and the efficiency of the process. They also understand how to plan for quality. They understand who their customers are; what the customers need, want, and expect; how to design new goods and services to meet these needs; how to develop the necessary work processes; how to develop and use the necessary quality measurements; and how to continuously improve these processes.” (Juran, 2001, p. 8)

To achieve a good quality management organizations have to follow three basics concepts which are customer focus, continuous improvement and the value of every associate.

The customer focus is a vital part of quality management even though many companies do not follow this concept. “The biggest challenge facing companies today is linking measurement of how well they meet customer needs to the actual behavior of the customers.” (Juran, 2001, p. 8)

As researches made clear selling products to existing customers is much more profitable than acquiring new ones and selling products to them.

The second basic concept of TQM is the concept of continuous improvement. In the past changes were not desirable neither in society nor in the economy. Processes were precisely defined and there was no room for employee driven improvements. After the WWII Japan was far behind other industrial countries and therefore it developed methods for continuous improvement which helped the country to catch up. These methods have been copied by several western companies with great success and can be used in nearly every kind of organization.

The third part is the value of every associate: Even though this is stated to be a philosophy for many companies in the USA, most of them still use a very hierarchic system. A few managers plan processes and defining job descriptions without the participation of other employees. This can be seen by the low number of implemented ideas per employee in the USA which is much higher in companies that successfully implemented TQM. But there are other important positive effects besides the implementation of employees’ ideas. “These include participation on quality improvement and quality planning teams, membership on business process re-engineering teams, work on statistical quality control and self-control of their own work processes, and working as members of high-performance or self directing work teams.” (Juran, 2001, p. 9)

To perform good in the tough competitive markets organizations have to consider three strong forces that are the main reason for good or poor performance. The first one is alignment which again consists of three crucial factors:

1. “A clear vision of where the company is going? This must be clearly stated and communicated to every member of the organization in language he or she understands.
2. Clear definitions of the small number of key objectives that must be achieved if the company is to realize its vision.
3. Translation of these key objectives throughout the entire organization so that each person knows how performing his or her job helps the company achieve the objectives. This alignment of all associates with the top priorities of the company is absolutely critical (Sugiura, 1992).” (Juran, 2001, p. 10)

To be effective, strategic plans have to be applied in the whole organization and not only communicated to few managers in top positions. Every strategic goal must be broken into sub goals and these must be subdivided into annual goals. The

organization must then clearly define the specific work projects which support the annual goals. They must assign clear priorities, establish specific measurements, and provide the resources to achieve the desired results for each project. (Juran, 2001, p. 11)

The second strong force is linkage: Activities should not be seen isolated for itself but in relation and linkage to other that support the same process. A process is defined as “a complete end-to-end set of activities that together create value for a customer” (Hammer, 1996, p. xii).

This is an important point because the process is one of TQM’s basic principles. If one activity in a process doesn’t work well, the whole process doesn’t work optimally. Only the output as product or service touches the customer so he doesn’t care how the process is build up and organized but only that he receives the ordered item at the right time to the right price. That means that these key processes must provide value to the customer, otherwise they are not working properly. The organization also has to consider how much value each activity of a process adds. Some activities might not add enough value for the time and costs they use or may even be unnecessary. The circumstance that many processes cover different areas of the organization makes it necessary to use a team-based approach and to equip the employees with the corresponding skills.

Our studies are limited to single restaurants and not restaurant chains so the third point, replication, is not relevant for our work even though it is crucial for bigger businesses especially with more than one location.

The author then states that there are three critical processes in quality management of which the first one is quality planning. It is the starting point of quality management and consists of several activities. “We first identify the customers and their needs. We then design products (goods and services) which respond to those needs. We also design processes which can produce these goods and services. Finally, we turn the plan over to the operating forces.” (Juran, 2001, p. 13) This process involves many unnecessary activities and time wasting but this can’t be eliminated completely, only reduced. To keep the quality at the planned levels a control system is required. A good control system has to be able to detect problems and therefore enable planners to solve them quickly to avoid costs that are caused by poor quality.

The second process is quality control which is the tool used to identify and reduce deviation from standards. It relies on five basics: “a clear definition of quality; a target, a clear goal; a sensor, a way to measure actual performance; a way to interpret the measurement and compare with the target; and a way to take action, to adjust the process if necessary.” (Juran, 2001, p. 14)

The last part is quality improvement. The two previously described processes are necessary to keep the quality at a predetermined level but good quality management should also involve quality improvement. Only by improving the quality the organization can improve its performance not by keeping quality at the same level. Existing standards for quality should be rechecked and if possible set higher.

The last part of the book that is important for our studies is the infrastructure of TQM which consists of five pieces. “These elements include the quality system, customer-supplier partnerships, total organization involvement, measurement and information, and education and training.” (Juran, 2001, p. 15)

One of the most important factors of the TQM is the quality system best described with the quality standard ISO 9004-1. Another important aspect are the customer supplier partnerships that again should be aligned to the ISO 9000 series to provide a good quality management structure to the contractual relationships.

As indicated by the “total” in Total Quality Management the whole organization has to be involved in the quality management process. All employees have to participate at the quality and productivity improvement and contribute for example ideas for improvement.

In the measurement and information element it is most important to identify useful information to avoid an information overflow and to be able to control processes.

“The last, and perhaps most important, part of the infrastructure is education and training. Organizations must train the teams in how to work as teams and in how to diagnose problems and provide remedies.” (Juran, 2001, p. 16)

Our thesis is about the key factors of success for Thai restaurants in Sweden and we chose the important factors of quality.

To do a founded research we do a research about the implementation and relevance of Total Quality Management. TQM was originally only used in the manufacturing industry in Japan to catch up with western competitors but nowadays the usage has spread to almost every field of business, also the restaurant business.

In the restaurant business the processes are very different from that in the manufacturing industry and the output, the product is also different. Restaurants are much smaller than the organizations the strategy was originally used for but there are still similarities that allow entrepreneurs to implement TQM in their firm. The daily routine in a restaurant also consists of activities and processes which can be optimized. An order for examples represents a process that consists of different activities like taking the order, delivering the order to the kitchen, entering the order in the computer system, etc. By seeing these activities as a process and not isolated the managers as well as the employees can find possibilities to improve it, make it quicker and cheaper and improve the overall performance and quality.

Quality is a very important factor in restaurants because a visit in a restaurant is usually something people do to enjoy rather something that is of vital importance. Even if the prices for the meals in a restaurant are low and the delivery times short this cannot compensate for poor quality of the food, specially also because this is a health aspect. This makes it necessary to implement a quality control system to ensure that the quality of the food is always on a high level. It is therefore to make use of a quality system because meeting ISO quality standards can have a very positive influence on the trust that customers have to the restaurant and its' offered products.

The three basic concepts of TQM which are continuous improvement, customer focus and the value of every member of the organization fit in very good with the restaurant business. Because the competitions in this segment are very tough and the entrepreneur always has to face new competitors it is crucial for the restaurant to improve continuously. Without improvement he might otherwise lose customers to other restaurants and it might be hard to acquire new ones.

Hadyn Ingram also mentioned in Teamwork and the management of food service operations that restaurants operate from a fixed location, their success is dependent upon offering a product and service that will encourage customers to return so it shows the importance of customer focus is special for this kind of business very high because the owner might have to change the offered meals according to the differences in the liking (i.e. spiciness) that occur between customers in Thailand and Sweden. The third concept of the value of every employee is also of great importance since the quality of service and the speed in which the processes are performed highly depend on a motivated and well trained staff. Because the employees are directly integrated in most of the processes in a restaurant they are important factors for the improvement of these processes and can help to compete more successful. They should also be aligned to the vision and strategic basis of the restaurant because that determines for example how to cook, how to serve customers, etc. and greatly influences the impression one has from a visit to the place.

R.R. Lakhe, 1995 mentioned in Understanding TQM in service systems that, the definition of quality and application of total quality principles and techniques have always remained a major and challenging task. The traditional definition of quality as “conformance to standards” is usually not applicable in services, since there are often no specified standards and, even if these are specified, they are difficult to measure. In a restaurant, there are 6 areas in which quality is involved on the following:

- Accessibility, parking and surroundings
- Reception
- Kitchen cleanliness and utensils
- Safety measures
- Dining room
- Service

Beside that, the good quality service in restaurants also requires understanding what the customer wants and supplying it, providing the service without much delay, serving the customer with good quality food and beverages, listening politely to customer complaints and taking proper action to redress the complaints as quickly as possible, making the customer delighted at every moment of his or her stay in the restaurant.

One result of TQM is higher customer satisfaction which is also one of the most crucial aspects for restaurants. A major part of the advertising for a restaurant is done by word-of-mouth recommendation by satisfied customers, especially when the location is not optimal.

Because of these points we see TQM as a great opportunity for owners of Thai restaurants to gain a qualitative system in running the restaurant by reducing delivery times, saving costs, raising the quality and improving the customer satisfaction. The customer has to trust the staff of a restaurant to deliver food of good quality when he orders a meal. The meeting of quality standards and well trained and motivated employees are huge factors those determine the degree of this trust and the customers' satisfaction and thereby the success of the restaurant.

In conclusion, the basic restaurant system and TQM in service systems by R.R. Lakhe is the concept that we apply to be the framework. It is a steering wheel for the whole project when it comes to the details in the collection of data and the analysis of data. The basic restaurant system is use in observation to see all the process of Thai restaurant starting from pre process, front process, back process and customer process. TQM in service systems by R.R Lakhe is used in interview to see how the restaurants manage their quality from 6 area of quality mentioned above. This conceptual framework can help researchers in answering research question.

Linkage of the theories

The Basic restaurant system represent the overall of the processes within the restaurant system commonly provided by Thai restaurants, while the Total Quality Management is the theory that is commonly used in development and planning strategy for industrials. However, the theories can be implemented to other kind of business. Total Quality Management, as stated in its part, focus on total which is the overall of the system to make the linkage and synchronization of the process flow better. In conclusion, we choose Total Quality Management to support the idea of Basic Restaurant system to be the guideline of the finding.

3. Methodology

Thesis Process

This thesis is a qualitative research which study and analyze the variables and factors in processes of the system which are used in the success restaurant cases those are chosen by the authors in order to consider the impact and reason of the failure or success of the restaurants.

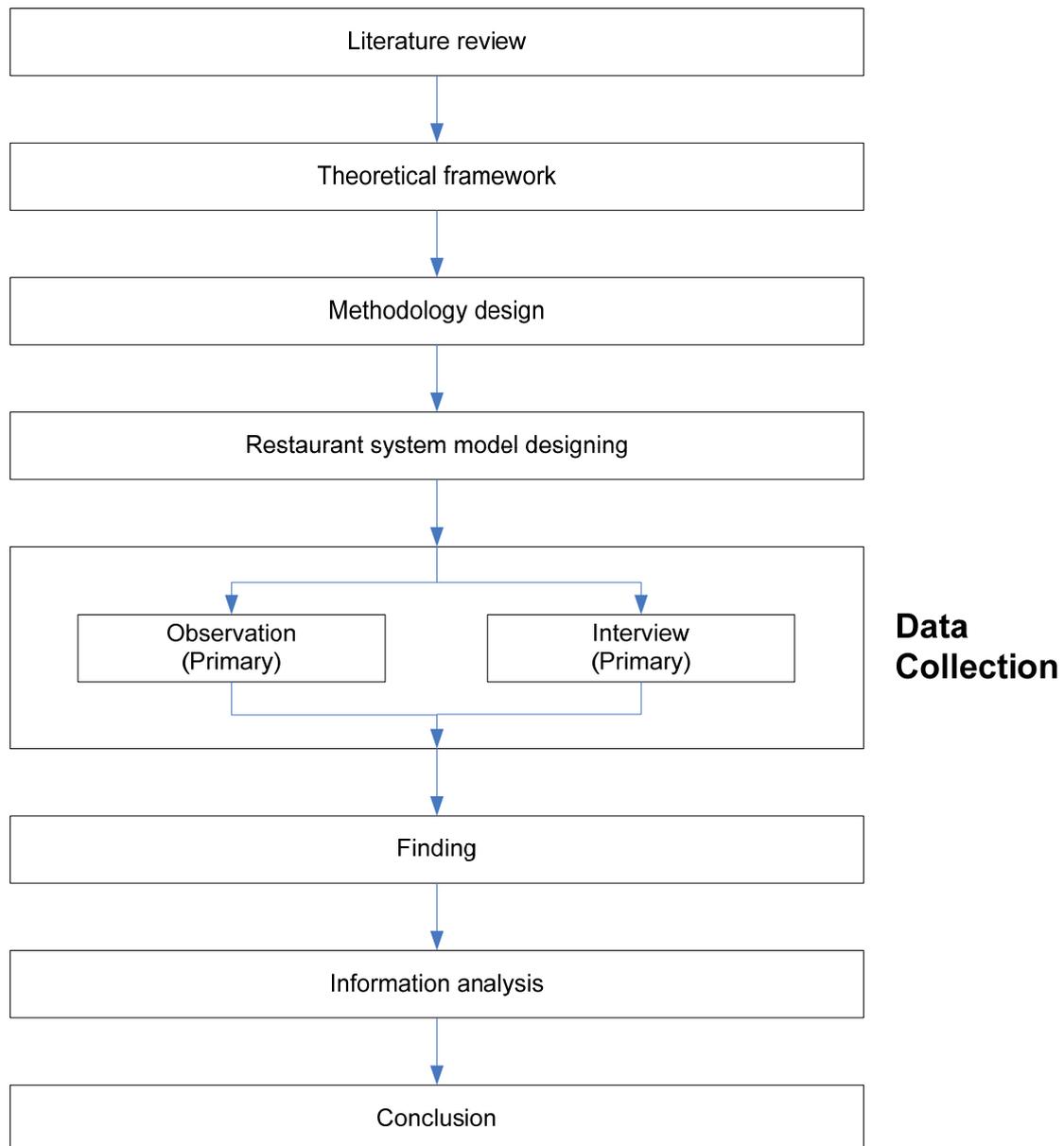


Figure 2 Research methodology model

Figure 2 shows the methodology used in this thesis. The finding needs basic knowledge of the theory that we would like to use as the main factor in the finding.

Literature review focus on the reviewing of a TQM literature, Quality Management: Introduction to Total Quality Management for Production, which is used as the major literature in the thesis. After that, we set up the *Theoretical framework* to set the limit of the theory used in the thesis. Then we create the way of *Methodology design*. From the pre-observation which is conducted before the topic is selected, we are able to do the *Restaurant system model designing* which is used as a particular pattern for almost every Thai restaurant.

Data collection use observation and interview as the primary data to collect necessary information for the thesis. The *Finding* method extends the knowledge and data collected to gain more completeness in the thesis with the secondary data. After gather all the information needed, we use *Information analysis* to analyze the primary information and the *conclusions* are the actual key factors those cause failure and success of the restaurant.

The choice of topic

As we stated in the introduction part of the thesis, each of us would like to be an owner of a restaurant which is the inspiration for doing Master's thesis about Thai restaurant's success. Since we came to Sweden, we have known an owner of a famous Thai restaurant in Stockholm. We had a chance to go to his restaurant and talked to him about the matters in opening a restaurant in Sweden. After talking, we realized that opening a Thai restaurant, especially in Sweden has to face problems and need plan good strategies so that the business would run without problem.

We first thought of a perfect system that fits every Thai restaurants created by observations, interviews from the owner and questionnaires from the customers. But after the seminars, some thesis group within the section suggested us that it is too broad to find actual problem in the system and suggest a perfect system and to proof that the system is perfect is almost not possible to do. So we decided to change the topic to "Finding of key factors in creating small business system's success – The case study in Thai restaurant in Sweden" which is narrowed down. The making use of Total Quality Management was inspired by my friend who is studying a Logistics program to implement the knowledge to improve and measure success of the restaurant, so that the key factors are discovered and used to compare between the cases.

The chosen theories

The conceptual framework that we generated from the pre-observation is used to be the key model to the processes analysis. The basic restaurant system can provide insight process in restaurant system and how they manage the restaurant. The success or failure could be caused during any of the processes or even during the processes in the system, it is necessary to have the model as the guideline of the observation to gather the necessary information to support the finding.

Beside that, total quality management (TQM) in Thai restaurant according to R.R. Lakhe can provide deeper scoop of quality management in the restaurant.

Studying all 6 areas is a key to show how quality be managed in Thai restaurant. Jaideep Motwani mentioned in his research on the need for implementing total quality management that restaurant industries appear to have the most stable service operational processes so restaurant industries have to either implemented or planning to implement TQM. Therefore, we apply TQM in the way of analyzing and finding the success or failure within the processes in running a restaurant, we use Total Quality Management with the primary data collected by interviewing and observation. The theory of entrepreneurial is used to describe and analyze the characteristics and visions of the owner of the restaurant cases. However, TQM relates to the theory of Entrepreneurial a lot as the strategies and success of the restaurant are varied by the characteristics and visions of the owner of the restaurant.

The choice of collecting information

The primary data is gathered through observation and interview. There are various kinds of data collections such as interview, panel, questionnaire, observation and documentary. (Fisher, 2007, p.159). Nevertheless, we believe that observation and interview are the most suitable methods in order to answer the problem statement: “Which factors are the actual impacts for the success of Thai restaurant in Sweden?”

It is because this two means would provide different perspectives. The observation would give the perspective of the researchers or observers who has knowledge in TQM and restaurant management. Moreover the personal interview should allow us to gather additional information regarding the shop, the path followed in its set up, performance of current store lay-out, and manager’s personal perceptions and attitudes towards the business itself.

The case studies were chosen from our convenience...

The first case, *Thai Lemongrass* is our friend’s uncle’s restaurant which is a famous Thai restaurant in Stockholm. Since he knew that we would like to do a Master’s thesis about Thai restaurant in Sweden, he appreciated to give us suggestions and necessary information about the important things needed to be done in the business. And as our friend’s uncle, he did not mind to give us information. And the most important things are the taste of the first meal that we had at the restaurant, and the atmosphere of the first visit, that makes us feel like home, which make us even sure of choosing it as a case.

The second case was chosen from the convenience aspect. *Thai Fast Food* is a Thai restaurant in Västerås which is the city where we are living and also the settle place of Mälardalen University. When we first came to Sweden, it is the first restaurant that we visit. The kindness and friendliness of the owner makes us decided to choose it as another case.

The third case’s owner is a Thai woman who has been living in Västerås, which is also convenient for us to make an observation and interview, since some information would be given easier when we talked in Thai. *Thai Wook* is a Thai restaurant that provide the real Thai taste, somehow the popularity is still among the Swedish people. The owner is kind and friendly and did not mind to give us important information.

Primary Data

Interview

Researchers apply interview method to gather the necessary information from the owner in different hierarchy of the restaurant cases. The interviews from the owners of the restaurant cases is also used as the primary data that it is the opinion from the owner of the business that has already passed the critical and finally survive in the market. So, they are able to provide useful information to make the finding more reliable. We interview 3 restaurants that located in Stockholm and Västerås.

The interview is “semi-structured”. The interviewers have a schedule to remind them of the main issues and topics that needed to be covered by the respondents. However, the respondents have much latitude to respond to the question in the way seem sensible to them. (Fisher, 2007, p.159) The interview was conducted by group members on the following schedule:

Date	Time	Location
May 1, 2008	13.00 – 15.00	Thai Wook, Västerås
May 2, 2008	13.00 – 15.00	Thai Lemongrass, Stockholm
May 4, 2008	15.00 – 17.00	Thai Fast food, Västerås

The questions were discussed: ranging from general information about the restaurant, managing Thai restaurant in Sweden and Total quality management (TQM) in Thai restaurant according to R.R. Lakhe (Accessibility, parking and surroundings, Reception, Kitchen cleanliness and utensils, Dining room, Service) and financial performance in all of those Thai restaurants in Sweden.

Interview question

1. The general information regarding the restaurant
2. Managing Thai restaurant in Sweden
3. Total quality management (TQM) in Thai restaurant according to R.R. Lakhe
 - 3.1 Accessibility, parking and surroundings
 1. Adequately of parking area
 2. Accessibility of the restaurant
 3. Surrounding of the restaurant
 - 3.2 Reception
 1. Waiting duration in queuing
 2. Reception facility (Brochure, Menu at the front)
 3. Receptionist
 - 3.3 Kitchen cleanliness and utensils

1. Cleanliness at the front of the restaurant activities
 2. Cleanliness at the back-of-house activities
- 3.4 Safety measures
1. Safety system in the kitchen
 2. Childproof
- 3.5 Dining room
4. Adequately provided table and chair at the restaurant
 5. Environment in dining area
- 3.6 Service
1. Quality food and beverages
 2. Employee courteousness
 3. Delay in providing the service
 4. Customer care taking and attentive manner
 5. Handling customer complaints
4. Financial performance

Since the secondary data information regarding Thai restaurants is limited. Therefore, interview with the restaurant owner and staffs is the only mean to have access to such information. Moreover having the mindset of the “inside” of the restaurant helped us to evaluate whether their operation is effective or not.

Observation

Researchers apply the observation method to create primary finding and gather necessary information about the success or failure of processes in the front section of the restaurant. The pre observation is used to create the Thai restaurant system model. As the processes’ success or failure should be optimized by TQM, there should be a guideline for the analysis, and we use the Thai restaurant system model.

The type of the observation is “Checklist-a low degree of structure”. The checklist has a high degree of openness since it gives rooms for observers to fill in whatever they perceive. The list begins from the outside of the restaurant, sitting area and cashier area. Below is the checklist used in the observation:

Observation (Basic restaurant system)

1. Pre-process
 - Ordering materials
 - Storing materials
2. Front process (Service)
 - Bring customer to a table
 - Taking orders
 - Serving
 - Checking

- Plate collecting
- 3. Back process
 - Preparing the materials
 - Cooking
 - Washing
 - Washing
 - Waste managing
- 4. Customer process
 - Queuing
 - Moving to a table
 - Ordering
 - Waiting
 - Eating
 - Paying
 - Leaving

The observers are group members. The group members are the most suitable observers since they know what to look for, understand the purpose of the report. Due to the time constraint the observation is made during 1 – 8 May 2008. Observation periods were chosen during the most traffic times so researchers could be observed all operation tasks. The observation is analyzed in qualitative manner and presented in narratives. The time and date of observation is not the same interview period.

Observation date and time

Date	Time	Location
1 May 2008	15.00 – 17.00	Thai Wook, Västerås
2 May 2008	15.00 – 17.00	Thai Lemongrass, Stockholm
3 May 2008	11.00 – 13.00	Thai Lemongrass, Stockholm
4 May 2008	17.00 – 19.00	Thai Fast food, Västerås
6 May 2008	11.00 – 13.00	Thai Wook, Västerås
7 May 2008	12.00 – 14.00	Thai Fast food, Västerås
8 May 2008	18.00 – 21.00	Thai Lemongrass, Stockholm

Secondary Data

The secondary data uses theories from the references to extend the analysis of the primary information gathered. The World Wide Web sources uses search engine with keywords: Restaurant, Total Quality Management, Process, System and so forth.

Analysis of information

From the information gathered by the data collection and concluded with the same method to create standard adjusted information from the different cases. We then analyze the relativity of the information to create the key factors that causes failure or success of the restaurant cases.

Result of the thesis

In the end of this thesis, we would be able to identify the key factors that affect the success and failure of Thai restaurant.

4. FINDING

In this part, the findings about the restaurant are explained. The findings are mainly based on the concepts of basic restaurant system and “Understanding TQM in service systems” by R.R. Lakhe. All the findings are presented in this chapter in order to provide a clear picture how is TQM play the role in restaurant system which lead to increase efficiency. Together with explanation, the floor plan of the store is provided below in order to express a realistic image of the restaurant. Floor plan can provide clear picture of the restaurants itself. The explanations of each remark are indicated. In this chapter, the restaurant system are discussed from outside to inside of the restaurant.

Cases study

Thai Lemongrass

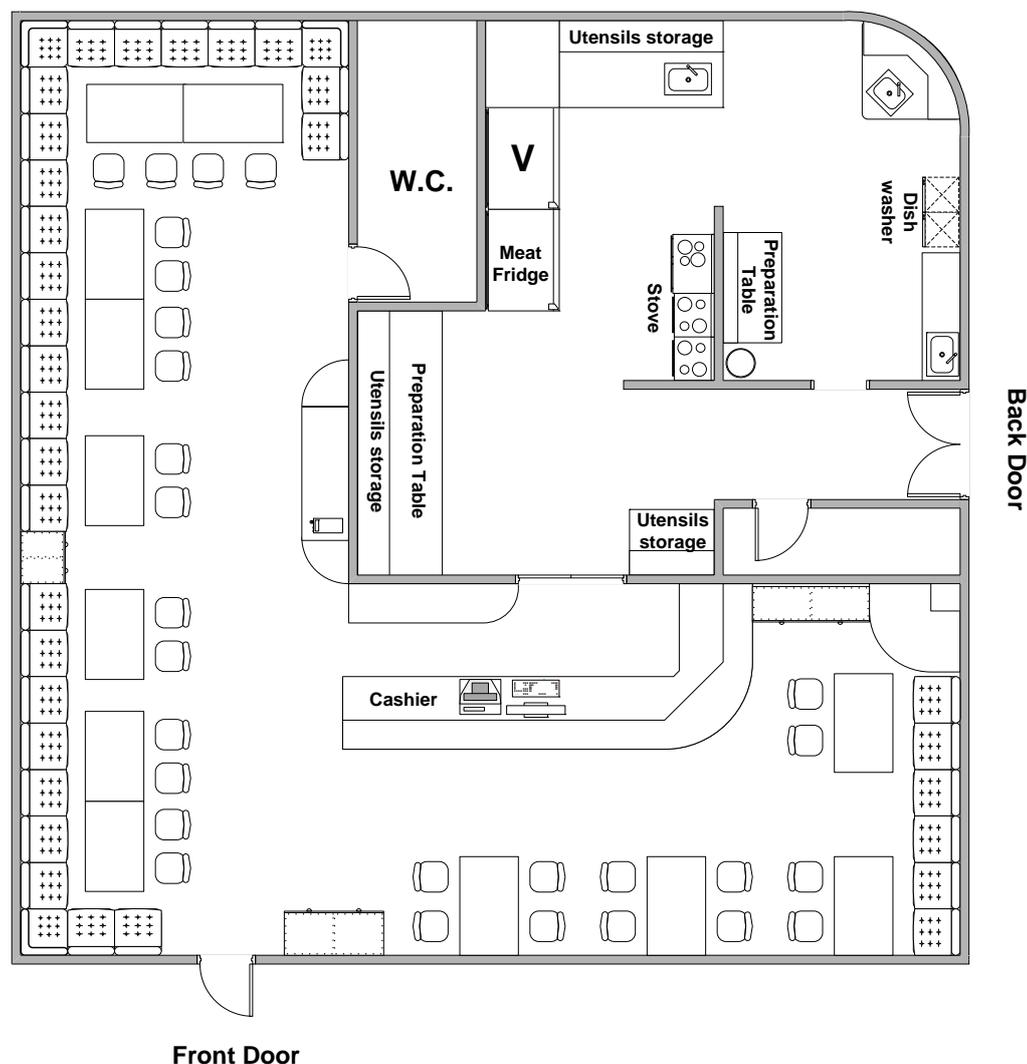


Figure 3 Floor plan of Thai Lemongrass restaurant

Source: Own source

Observation

Pre process

The logistics for the material transportation is done once a week at the back door in figure 3. The order is separate by type of material, some could be ordered in the city, and some are delivered from Thailand. The location of the refrigerator is easy to reach because it nears preparation table. The refrigerators temperature is intently controlled. The preparation of meat is done at night while the vegetable is done in the morning. Since the style of the restaurant is different during the day, as the menu is fixed for lunch, and the dinner is to order, the preparations for each meal are different.

Front process (Service)

The order taking, serving and other services in the front process are done directly by the owners of the restaurant themselves. They take good care of customers, and the customers are please with the services. Cashier located in the center of the restaurant in figure 3.

Back process

Since the style of the restaurant is different during the day, as the menu is fixed for lunch, and the dinner is to order, the preparations for each meal are different. Cooking for lunch is the same way as preparing buffet, the menus are completely cooked and ready for served as soon as the customers make an order. Cooking for dinner is depends on the orders and done after an order is made. Dish collecting and washing is done as soon as the customers finish their meal for each table. And all of them are washed in washing machine on the right of the figure. Waste managing is done twice a day, once after lunch, and once after dinner.

Interview

The general information regarding the restaurant

The owner has been living in Sweden since 1979. He was a chef in Sheraton hotel for 5 years. After that, he decided to open his own restaurant in Enköping. He closed the restaurant down due to the far distance in transportation. Then, He helped his friend in running a restaurant in Stockholm. Afterward, he starts to open his own restaurant.

Managing Thai restaurant in Sweden

Managing Thai restaurant in Sweden has to understand regulation issues so connection is very important and it would be more convenience if we could speak Swedish. The government has training process and test before give out certificate of eligible in operating a restaurant.

Another issue that every restaurant faces is high income tax that charged for 30-40% of revenue. Moreover, the restaurant has permission to sell alcohol so it could increase overall revenue.

*Total quality management (TQM) in Thai restaurant according to R.R. Lakhe**Accessibility, parking and surroundings*

Many restaurants choose location in central area which leads to high competition among them. This high competition forces them to lower the price. As a result, the quality of food cannot be maintained. The owner understands this point so he decided to choose location in residential area which is easy to access from their location and there is no Thai restaurant in this area. Consequently, competition is lowering intense. Beside that, the restaurant provides good parking area for 6-7 cars for customers.

Reception

Menu are facilitate at the front of the restaurant so that customer can look at it before entering. One receptionist is assign to welcome customer at the front area. However, customer has to wait in line for 10-15 minute during prime time (11.30-14.00 during lunch, 17.30-20.00 during dinner).

Kitchen cleanliness and utensils

The owner of the restaurant had well plan in designing at the front and the back house of the restaurant. As the restaurant itself well structured, the restaurant system run smoothly in ordering and delivering. All cooking ingredient are ordered from different suppliers but all of them are well organized and categorized. All food and ingredients are clean and meet the standard of public health department. The restaurant has been checking the temperature of raw material to assure that there is no spoil in them.

The restaurant is really aware in this issue because public health checks regularly without informing in advance. The public health has the right to close the restaurant if we cannot meet the standard regulation.

Safety measures

The restaurant had properly set up security systems in the back house of the restaurant. In addition, well design in the back house make the restaurant is a safe place for work and welcome customer.

Dining room

The dinning rooms are design in Thai style with sufficient number of table and chair. To make the restaurant become high quality place for target customer, the owner of the restaurant controls the quality since the first beginning. The restaurant has planned to decorate in Thai's northern or wooden style in order to increase the superiority condition in dinning room.

Service

Service and quality are the most important for the restaurant. To perform superior service quality, the owner employs 6 staffs. He take care staffs as his family member to create compromise environment. All of them are Thai because the restaurant offers only Thai food. Staffs have to work five days per week. The restaurant has train to work system. For example, allowing a new staff to work for a month. If he or she could not complete, the owner would not employ as a permanent staff. The purpose of this system is to hire high quality staff to produce high quality work with friendly and polite to the customer.

Financial

The owner of the restaurant invests by his personal saving money and the restaurant gain profit everyday. There is no loan for opening the restaurant in Sweden since instability in income stream of this kind of business.

Thai Fastfood

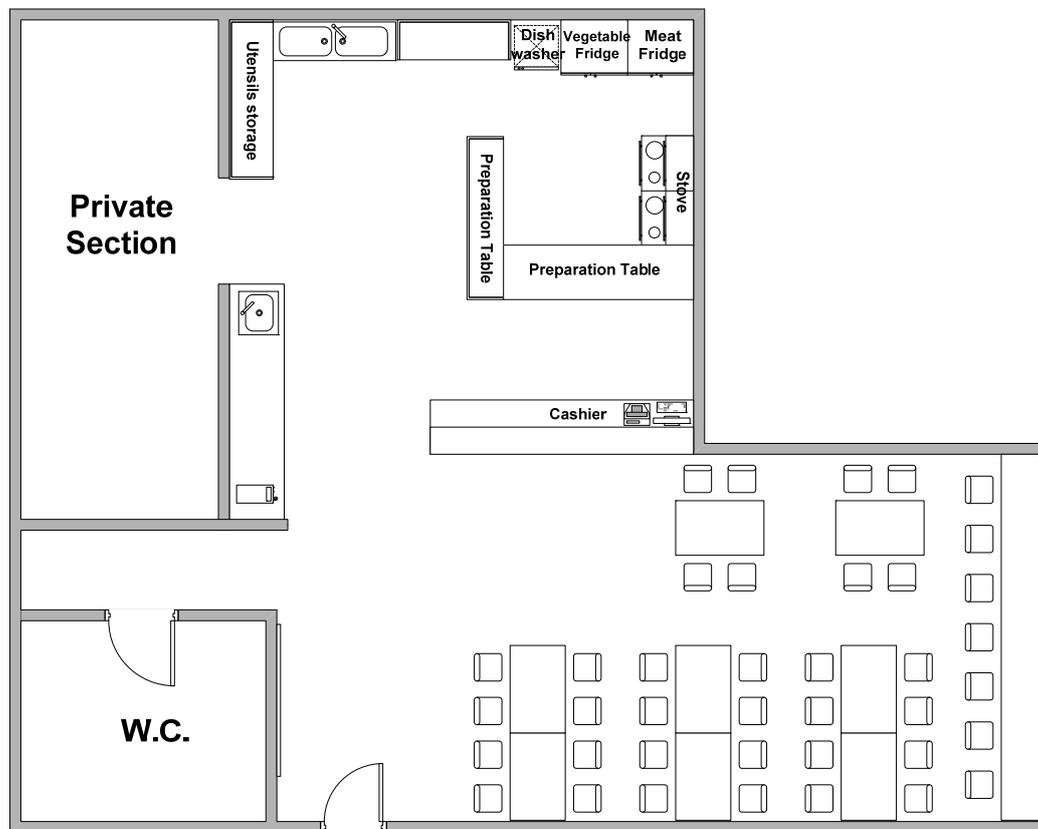


Figure 4 Floor plan of Thai Fastfood restaurant

Source: Own source

Observation

Pre process

The logistics for the material transportation is done once a week. The order is separate by type of material, some could be ordered in the city, and some are delivered from Thailand. The preparation is done in the morning. The preparation is completely made for they could be done instantly after the orders are made. Preparation table in figure 4 nears stove and fridges so it quite convenience.

Front process (Service)

In figure 4, an employee is always behind the cashier counter to do take orders and do the checking. Dish collecting is done by the employees to the kitchen. The table cleaning is done every time the customers leave a table.

Back process

Cooking is made to order, and done after an order is made. Dish collecting and washing is done as soon as the customers finish their meal for each table in dish washing machine in figure 4. Waste managing is done twice a day, once after lunch, and once after dinner.

Interview*The general information regarding the restaurant*

Thai Fast Food, establish in 2005, own by three business partners. A person manage kitchen zone. One person manage customer tables while the interviewee manage the kitchen and outside. All of them help each other in planning process. The owners see the opportunity that Swedish loves Thailand. After Swedish people come back from traveling in Thailand, they love Thai food.

Managing Thai restaurant in Sweden

Operating Thai restaurant in Sweden is not complicated for them. The only concern is the tax is so high in Sweden so the owners have to manage cost in effective way. The way to manage cost is to import just the ingredient that cannot find in Sweden from Thailand by airplane once a week from suppliers. For example, curry paste and lemon grass. One of partner has a friend in Thailand so it is good for their business.

*Total quality management (TQM) in Thai restaurant according to R.R. Lakhe**Accessibility, parking and surroundings*

The owners consider location being important in Sweden. Therefore, the restaurant decided to locate in central area of the city so that it can easy to be found. The surrounding of the restaurant is shopping center so it is an advantage of the restaurant.

Reception

The restaurant provides brochure and menu at the front so that customer can notice easily. Beside that one receptionist always facilitate customer to reduce waiting duration in queuing. The average waiting duration is about 10-15 minute during prime time (11.30-13.30 during lunch, 16.30-19.00 during dinner).

Kitchen cleanliness and utensils

The staffs always clean the kitchen and utensils because public health usually visits the restaurant so it is very important to make it clean to meet the standard requirement.

Safety measures

The owners have safety system in dinning and kitchen area. The safety systems are design according to the standard required by the government. All cooking facilities are well categorized so there is no dangerous surround cooking area.

Dining room

The dinning room is design in informal atmosphere but customer privacy is limited because there are many customer visit the restaurant especially during prime time like office launch break.

Service

7 staffs are recruited to provide customer service. The criterion in recruiting is minimum one or two years work experience working in the restaurant. All of them serve customer politely and friendly because the restaurant consider taking care customer in attentive manner being very important.

Financial

The restaurant takes about 3 years to gain benefit after starting business. The owner would like to expand some area outside because it is important for Swedish people to eat outside.

Thai Wook

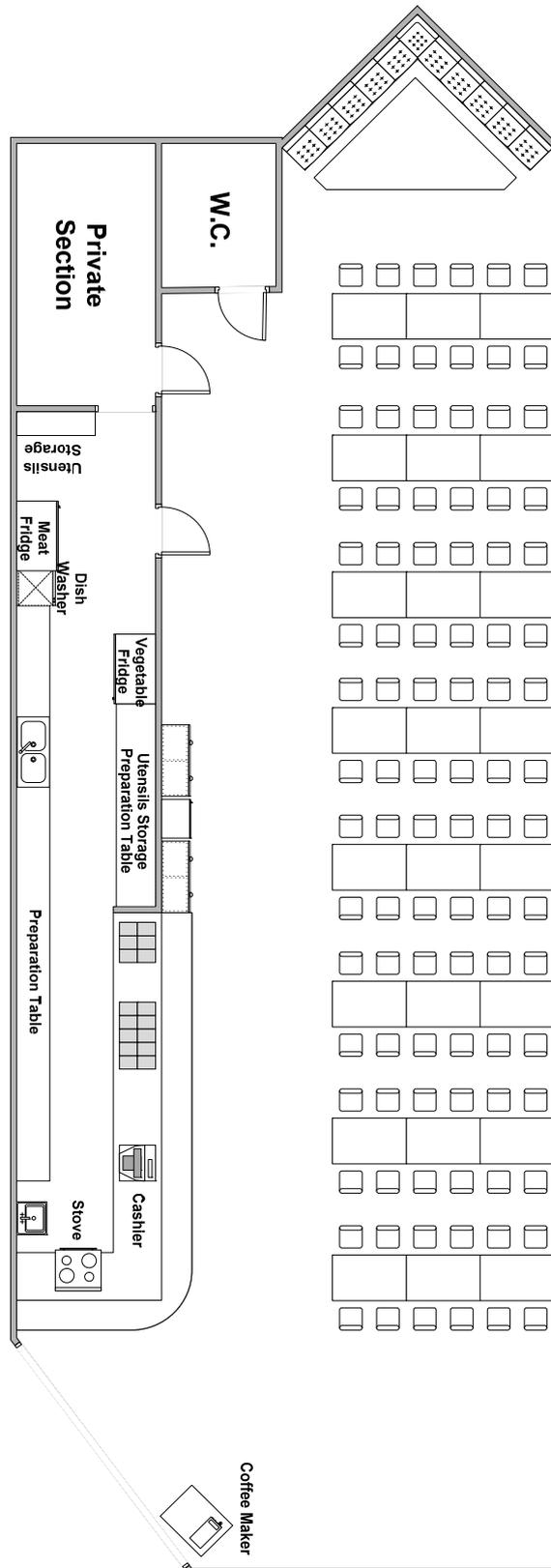


Figure 5 Floor plan of Thai Wook restaurant
Source: Own source

Observation

Pre process

The logistics for the material transportation is done once a week. The order is separate by type of material, some could be ordered in the city, and some are delivered from Thailand. Vegetable and meat are stored in the fridge separately as illustrate in figure 5. Preparation is done daily in the morning from the refrigerators.

Front process (Service)

An employee is always behind the counter to do the checking and keep the food providing area clean from time to time. The dish collecting is done by the customers to the served shelves then collected altogether to the kitchen each time the shelf is full. The table cleaning is done every time the customers leave a table. All the employees are able to speak Swedish and nice to every customers. Cashier counter near the table so it is easy to take care customer as illustrate in figure 5.

Back process

Cooking is done as soon as a menu is almost run out. Cooking is done in preparation area nearby utensils storage in figure...Washing is done four times a day, during lunch, after lunch, late afternoon, and in the evening, before closing. Waste managing is done after the restaurant close.

Interview

The general information regarding the restaurant

The store was established in 2000. The owner of the restaurant was an employee in this restaurant. She decided to takeover in 2006. Today, the owner and manager manage the restaurant. The previous of Thai Wook made the decision to open buffet restaurant because there is no Thai restaurant in central area of Västerås. This is the good opportunity since Thailand is favorite travel destination for Swedish.

Managing Thai restaurant in Sweden

In order to open Thai restaurant in Sweden, the owner have to involve in related government regulation. All documents must be prepared to submit to the government. Therefore, being able to speak Swedish or personal connection would make the process smooth. Public health department has strict rule on quality, fresh and cleanliness so it is important to meet their standard.

One of the most important things that every person who interested in opening a new restaurant must take into consideration is designing the layout because all utensils and kitchen facilities must design according to the law.

*Total quality management (TQM) in Thai restaurant according to R.R. Lakhe**Accessibility, parking and surroundings*

The restaurant located the central of the city which surround by shopping center so it considers being located in good location. Cost of renting is important factor in choosing for better accessibility area. However, locating in the corner of the department store make it is quite difficult to access. Most of customers are regular customer. Moreover, it is difficult to find parking area around the restaurant but customers can park their car in Punkt department store's parking area.

Reception

The restaurant provides sufficient reception facility which is easy to be notices such as brochure, menu at the front and business card. In order to decrease waiting period and facilitate customer, there is at least one receptionist at the front to welcome the customers.

Kitchen cleanliness and utensils

The restaurant has strict policy on the cleanliness at the front and back-of-house activities. All served food must be clean because of high standard in Sweden. Beside that it could spread positive word-of-mouth if the restaurant serves high quality and clean food. Utensils are Thai utensils that can be found in Sweden so that the restaurant can do away with high cost of import.

Safety measures

Restaurant provides a very good safety kitchen system. The security systems are design according to the Swedish law. The security systems at the front also concern about childproof. There is none of the dangerous materials can harm children.

Dining room

The atmosphere in dinning area is warm environment with informal Thai atmosphere. The owner organized enough space between tables. They provide sufficient table and chair because they estimate from average number of customer.

Service

The owner organized training to assure quality of food, beverage and service to meet standard. The employee must be friendly and polite to welcome the customers. The service quality also maintain by fast delivery of food. However, the restaurant have not launch systematic in handling customer complaints.

The restaurant mainly recruit Thai employee because of cooking Thai food. There are three employees in winter and two employees in summer because of fewer customers in summertime. The restaurant pay employee at the standard level of Swedish law. There is no specific job description for each person. Everybody must be

flexible to help each other. Fast delivery, smile and friendly is the key in serving customers so that they would feel impress in coming back again.

Financial performance

By concerning for the quality in all mentioned above, the owner gain positive financial performance. However, they still pay by installment to the previous owner.

5. Analysis

The findings indicate a general picture of three restaurant's case study in term of their restaurant system and each factor in Total Quality Management (TQM) in Thai restaurant. In this chapter, there is an analysis of the findings from observation and interview to investigate the key factors that may cause the success or failure within a restaurant. The analysis is structured according to restaurant system and shows how each factor of TQM play the role in each stage.

Cases study

Thai Lemongrass

Pre process

Investigation from observation shows that the restaurant has its best standard in keeping the quality of the materials even they are transported from Thailand once a week and stored cooking material in separate temperature controlled refrigerator. By this way, the restaurant can keep the quality of the food in less competitive environment. Hence, accessibility is important aspect in helping the restaurant to keep quality of food. Long distant to deliver raw material might cause spoil. Thus, accessibility, parking and surroundings factor in TQM is the most important aspect that causes success to the restaurant in pre process stage.

Front process (Service)

The best service and the best quality are the most important for the restaurant. To perform superior service quality, the owner employs 6 staffs. He takes care of all staffs as his family member to create compromise environment. All of them are Thai because the restaurant offers only Thai food. Staffs have to work five days per week switching with each others, which could maintain good condition of working. The restaurant has work testing system, for example, allowing a new staff to work for a month. If he or she could not complete, the owner would not employ as a permanent staff. The purpose of this system is to hire high quality staff to produce high quality work. Therefore, in front process service factor in TQM play the most important role. The effect from the other factor for example dinning room factor and reception are less.

The outcome of the interview reveals that the restaurant provides superior service quality in this front process to meet customer satisfaction. Observation result also show that the restaurant owners control the quality by managing 6 employees by themselves. To keep high service quality, the restaurant hires high quality staff to produce high quality work. However, the table is not adequate at the traffic period during the prime time because customers have to wait in line for 10-15 minutes.

In spite of this, the restaurant's financial result is positive. All above evidence show that the greatest affect to success or failure mainly come from high quality in service factor in TQM. The restaurant owner control service factor by employing quality staff and train them to produce superior service quality.

Back process

Finding from the interview shows that the restaurant pays attention on designing the back house of the restaurant. This well design and structure makes back process operate effectively in cooking and delivering. The observation shows that the cooking process is different in each meal. Thus, the chief have to prepare the cooking ingredient before cooking so that they can cook fast when there is an order.

As there is high standard requirement from public health department, the restaurant manage waste disposal twice a day and check for the cleanliness of the food. Failure to meet this regulation, the restaurant has to close. Therefore, it is very important issue that Thai restaurant have to take into consideration. For this reason, in Back process 'Kitchen cleanliness and utensils' factors in TQM are critical factor in delivering good service quality of the restaurant. The effects from the other TQM factors such as safety measure are minimized.

Overall performance of Thai Lemongrass regarding TQM factors

The restaurant financial performance is positive in everyday which define in this research that they are success in restaurant business. The result of analysis in each stage of restaurant system show that their success comes from 'Service', 'Accessibility, parking and surroundings' and 'Kitchen cleanliness and utensils' factors in TQM. 'Accessibility, parking and surroundings', 'Reception', 'Safety measures' and 'Dining room' factors have minimum effect.

Thai Fastfood

Pre process

The findings result from observation and interview shows that the location or 'Accessibility' factor in TQM play important role in cooking material transportation. As the restaurant located in the central city, it is easy for supplier to deliver cooking materials and ingredients. Thus, the restaurant can lower the cost and convenient location makes the vegetable and meat fresh. Long distant can cause spoil and perish in vegetable and meat. Therefore, the quality of food can be maintained by good 'Accessibility' factor in TQM.

Front process (Service)

The finding from observation shows that one employee assigns behind the counter to receive order from customers. Beside that, there is as receptionist facilitating customer to reduce waiting duration. However, customers still have to wait for 10-15 minutes during the prime time. In order to deliver good service quality, the owner recruit only employee who has minimum one or two years working

experience working in restaurants. This criterion makes the restaurant has good service quality. The staffs also responsible for cleaning after the customer leave the table. They take care of customers in attentive manner. These findings result are the evident that service factor is important for the restaurant. The owner attempts to deliver good service by recruiting staff with work experience working in restaurant. Aside from that, fast service including taking of customer and arrange the table also make the quality of restaurant high. Thus, service factor in TQM is a great deal that makes the restaurant success in front process of Thai Fastfood.

Back process

Due to high regulation in cleanliness and safety system of the restaurant in Sweden, the restaurant considers it being very important. The whole cooking process is clean both in kitchen and utensils to meet requirement from public health. After that all waste is managed twice a day to keep it clean. These facts indicated that 'Kitchen cleanliness and utensils factor in TQM is significant to success of the restaurant. This factor make the restaurant clean and thus meet the regulation of public health.

Overall performance of Thai Fastfood regarding TQM factors

The restaurant financial performance is positive in three year which define in this research that they are success in restaurant business. Three year to cover all expense of restaurant investment is high. Therefore, its can imply that the restaurant gain high revenue. The result of analysis in each stage of restaurant system show that their success also comes from 'Service', 'Accessibility, parking and surroundings' and 'Kitchen cleanliness and utensils' factors in TQM., 'Reception', 'Safety measures' and 'Dining room' factors have lower effect in their success.

Thai Wook

Pre process

The restaurant located in the central city of Västerås so it is easy for food and drink suppliers to access. This convenience of location helps the owner to save the cost cooking material which has positive effect to financial outcome. For this reason, accessibility factor of TQM help the company to save transportation cost. Only special ingredients are imported directly from Thailand. All cooking materials and ingredients delivered by supplier's car in the morning once a week to the back of the restaurant and stored in the refrigerator. Aside from cost saving aspect, good accessibility factor in TQM also help the cooking material in the good condition.

Front process (Service)

The front process starts from bringing customer to the table. The finding from the observation shows that there are enough brochures at the front. Aside from that, the restaurant also provide menu at the front. This reception facility could help the restaurant to decrease waiting period and facilitate customer.

After finishing a meal, customers keep the dishes to shelf and the staff will collect altogether to the kitchen when the shelf is full. By organizing enough space, the customer can walk easily. The result from interview shows that estimating average number of customer make the restaurant has enough tables and chairs to serve customers. The restaurant improves service quality by organizing training program. This training makes service quality concerning food in the restaurant meet standard requirement. Standard requirement are met by high speed of delivering food, friendliness and politeness of employees. Beside that flexible task allocation also make this restaurant serve customer effectively. It shows that the restaurant pays a lot of attention in service factor in TQM to deliver higher service quality. All above evident means that the main key factor service quality management is service factor. Reception factor help the restaurant in facilitating customer. However, high speed of delivering food, friendliness and politeness are more important to the success of the restaurant which can imply the success of restaurant taken from service factor in TQM.

Back process

The result from interview shows that keeping the kitchen and utensils clean for the restaurant is essential to meet the requirement of the law. The restaurant has a superior layout design with good kitchen security system to meet this requirement. This superior design make the back-of-house process run smoothly, starting from cooking as soon as menu is almost run out, washing four times a day, waste dispose at the end of the day. These processes of cleaning and waste disposal are vital to meet the requirement from the public health department regulation. All back process in structuring the good back process layout and cleanliness policy indicated the significant of 'Kitchen cleanliness and utensils' factor in TQM. The owner also said that by doing these, the restaurant can serve clean food that spread positive word-of-mouth of high quality and clean food. Hence, 'Kitchen cleanliness and utensil' factor is very important to the success of the restaurant in back process.

Overall performance of Thai Wook regarding TQM factors

So, the overall quality of the restaurant is good because of 'Service', 'Accessibility, parking and surroundings' and 'Kitchen cleanliness and utensils' factors in TQM. Analysis results are evident that the restaurant success mainly comes from those three factors. 'Accessibility, parking and surroundings' factor have the effect in making the restaurant success in preprocess stage, 'Service' factor play important role to the success of restaurant in front process and 'Kitchen cleanliness and utensil' factor has significant effect in back process. The other factor can help the restaurant to improve their 'Quality' 'Reception', 'Safety measures' and 'Dining room' factors have minimum effect.

6. Conclusion

To invest abroad, every entrepreneur would face many problems, from the local culture, local law, local competitors, local weather and so forth. In order to avoid unexpected problems, investors should study those factors to succeed the best result for the business. Indeed investing in food business is even more complicated, as investors should be well aware of the differences in those impacts.

Furthermore Thai food is complicated in every detail from the choosing the materials, preparation, cooking equipments, cooking method, decoration to the way of eating. Thai food is one of the most famous foods among the foreigners in the reason of its unique taste, healthy ingredients and the variety of choices. And Swedish is also considered Thai food as one of their favorites. Thai restaurant is very popular in Sweden, to open a Thai restaurant in Sweden; the owner would also need to prepare their strategies in managing those impacts.

To plan a strategy for a restaurant, there are many factors that should be set the priority and focus on the most. This thesis has made a finding of key factors in creating small business's success focusing on Thai restaurant in Sweden in order to investigate the key factors those impacts the success of restaurants in Sweden.

As the result from the observations and interviews based on the theories using Total Quality Management as the analysis tools. First, since the owners are foreigners, all of the cases consider "contacts" as the most important factor to open a restaurant in Sweden. However, the contact is just the important factor that should be prepared in the initial state and it depends on their restaurant's unique characteristic and entrepreneurship of the owner. In addition, it does not relate to Total Quality Management and the quality aspects.

According to Juran, 2001, Total Quality Management is set to an organization to lower costs, higher revenues, delighted customers, and empowered employees, but from to the finding, none of the cases focus on lowering the cost, due to the need of providing the best quality of food and services to the customers. The delighted customers and empowered employees are focused in order to maintain the best of customer satisfaction which higher the revenues.

Hence, the total processes in restaurant system are important. As a result of the analysis based on observations and interviews from three successful restaurant cases, *the freshness of materials in the storing materials is the most important factor in preparation process* which also increasing the quality of the foods. Last but not least, *while friendly environment is the most important factor in the services and cleanliness is the most important factor in the back process.*

However, according to the study of using Total Quality Management as an investigating tool, all the processes should be focused and remains their best in quality, and though, made the best synchronization, so that the continuity of the processes within the system would works with their best condition and would not affect the other processes.

In summarize, the result of the finding also shows that the restaurants set their strategies mostly in the same direction to what the Total Quality Management's idea do, which the thesis will conclude that if the owner of the restaurant set strategies and create improvement of the restaurant as in Total Quality Management's idea, it would be a big component that cause the business's success.

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Appendixes

Appendix 1: *Thai Lemongrass restaurant's owner interview*

1. Could you tell us shortly about the background of the restaurant?
Owner: I moved to Sweden since 1979. I used to be a chef at Sheraton hotel for five years and resigned to open a restaurant in Enköping for three years, and then sell it due to the transportation problem. After that, I became a share holder of a restaurant in Stockholm and resigned again to do something else, because I had kids and it takes time in running a restaurant. Now, the kids are grown up, then I decided to open another restaurant in Stockholm myself.
2. What do you need for the preparation in opening a restaurant?
Owner:
 - The preparation of the documentation. But if we have connections, everything would be much easier.
 - The train and test for entrepreneurs and employees.
3. Why do not you open a fast food restaurant?
Owner: Because we could have more profit and be able to sell alcohol, which increases the restaurant's profit.
4. What is your pattern of choosing and dividing the duty to the employees?
Owner: There are six employees and they are three employees in a time. They work five days, switching with each other in a week. There is not so much trouble and since it is Thai restaurant, all the employees are Thai.
5. Is there any training before the hiring?
Owner: I would not call it training, but I would say they needed to test working for a month. If they could not prove of good condition in work, I would not hire them.
6. What do think of the importance of the location?
Owner: I think the location is very important, but depends on the idea of the owner. Someone may think that the central is a good location, but consider of being in the central with four restaurants as competitors in the same area, the competition would be too high, and the reduction for the cost would affect the quality of the food and services. So, I decide to choose the location which is a bit far from the central, but in the high-society habitat area where they can come and have dinner everyday.
7. Did you decorate the restaurant by yourself?
Owner: I decorated the restaurant by myself since the first day of buying it because the quality should be good since the first day of opening.
8. How do you manage to make orders of materials?
Owner: I already have the served system, because I have big groups of connection. I planned this system before opening the restaurant, which that makes everything runs systematically, from ordering materials, equipments and instruments. I have specific suppliers for each type of them.
9. Have you ever faced financial problem?
Owner: I do not think I have, since all the capital is my own money. The business nowadays has its profit daily. Opening a restaurant in Sweden could

not have a loan from banks, because they say it is not certain business and the profit each month is un-predictable.

10. What are strategies in running your restaurant?

Owner:

- Quality and services are the most important things.
- The freshness of materials should be carefully controlled and reach quality of the public health division. I usually choose the best quality materials.
- Control the temperature of materials to reach the control from the public health division to avoid the rotten.
- Keep the kitchen clean all the time.
- Focus on the taste that is palatable to the customer's taste. Do not serve too much food in a plate, and remains the Thai taste, but adapt to some Swedish taste and reduce the spiciness.
- Cook a good taste food so that it would be a word of mouth and creates more customers.

11. What are considered as problems in running your restaurant?

Owner:

- High tax rates from Swedish government which is as much as 30-40% of the income.
- Documentation works. If you do not have connection, it would be more difficult to run the documentation processes.
- The un-appointment strict of inspection from the government in cleanliness, storing processes, regulation of the employees. They can close our restaurant if it does not reach their standards until we manage things.
- The weather also affects the income of the restaurant. Whenever the sun shines and it is warm outside, the customers always go out for picnic.

12. Do you think your restaurant is success?

Owner: I do not mind of a word success. Because it is an immovable property and the daily profit is much enough. Restaurant is an un-stable business, the next three years I would sell it and the return would be even increased somehow.

13. What do you plan for the next restaurant?

Owner: I would remain sell Thai food, but in other more unique way. The new location would be in some unique place for example by the river, and the customers would somehow follow us no matter how many restaurant we open.

Appendix 2: Thai Fast Food restaurant's owner interview

1. Did you plan this restaurant's strategy yourself?
Owner: No, I have 2 partners to help me with the plan
2. Why did you decided to open a Thai restaurant?
Owner: because Swedish loves Thailand, after Swedish people come back from Thailand they love Thai food
3. Can you tell us the important process used in daily business?
Owner: Good quality of food, we order ingredients from Thailand.
4. Is the customer satisfaction also important, right?
Owner: yes
5. How do you divide the duty?
Owner: one guy, her looks after the kitchen. The other guy is responsible for customer tables and I manage the kitchen and the outside.
6. When did you open this restaurant?
Owner: 2005
7. Does the government law have effect on your restaurant?
Owner: Not so much but Swedish tax is very high.
8. How many staff do you have?
Owner: 7 staffs.
9. Does your employee need to be trained first?
Owner: Yes, they need to work in other restaurant one or two years before
10. Do you have satisfaction in your employee's ability?
Owner: yes
11. How long does it take to gain benefit after starting business?
Owner: it takes about 3 years.
12. Are you looking forward to open another restaurant?
Owner: No, but I would like to expand some area outside.
13. Is it important to have area outside?
Owner: Yes, it is important to eat out side for Swedish people.
14. How do you contact suppliers in Thailand?
Owner: I have friends in Thailand to manage things for me.
15. How do you ship your supply?
Owner: By airplane, once a week.
16. So you just import the ingredient that you can't find in Sweden?
Owner: yes
17. Can you give us an example of the ingredients those you import from Thailand?
Owner: curry paste, lemon grass etc.
18. Could you mention the most favorite menu in your restaurant?
Owner: Chicken with cashew nut
19. Do you need adaptation to Swedish taste?
Owner: Yes, we need to adapt the food from spicy to sweet.
20. When you start up your restaurant, how do you make the advertisement?
Owner: By word of mouth
21. Do you think the location is important?
Owner: the location is very important.
22. Does the weather have any effect in this kind of business?

Owner: Yes, in winter is better than in summer because in winter people do not want to cook.

23. Do you think your restaurant is now successful?

Owner: No, I would consider it successful as soon as I could expand the area of the restaurant.

Appendix 3: Thai Wook restaurant's owner interview

1. How did you own this restaurant?
Owner: I took over from the previous owner last two years ago, and I used to be a waitress in the restaurant, which has been opened for 8 years.
2. Why does the previous owner decided to open the restaurant?
Owner: He decided to open this restaurant, since there was none of a Thai restaurant in central Västerås.
3. What do you need for the preparation in opening a restaurant?
Owner: Learn a cooking course and taking care of a restaurant and prepare the documentation.
4. What is the main important thing for the consideration of choosing a location for opening a restaurant?
Owner: The rent
5. How do think of the importance of the location for a restaurant?
Owner: It is an attraction point for the customers and is very important. The location of our shop is in the corner, which makes our customers are the regular customers.
6. Have you ever faced a financial problem?
Owner: From last two year since I owned this restaurant, I installment pay to the previous owner which he trust in my sincere.
7. How many employees are there in the restaurant? And how do you separate the duty in the restaurant?
Owner: There are three employees in the winter and two in the summer. The duties are depends on everyone, no separation for the duties, we all should do everything.
8. What is the consideration factor of choosing a new employee?
Owner: He/she should be Thai, because we are running a Thai restaurant, and they should be well trained before work.
9. How much is the salary rate for the restaurant?
Owner: Following Swedish salary rate.
10. How do you plan for the strategies in running the restaurant?
Owner:
 - Learn from the previous owner and previous matters to avoid problems.
 - Adapt the taste of the food to suit the Swedish but still maintain the original Thai taste. Choose available materials those could be easily found in Sweden to reduce the cost.
 - Remain Thai culture, welcome with friendly smile, be friendly and focus on service.
 - Choose the location of the restaurant in the central to make attraction.
 - The food should be hygiene and good looking.
 - Make impression to the customers then they will come back later.
 - The turn of the menus should not be frequently repeated.
11. What are considered problems in your restaurant?
Owner:
 - Making contract and the documentation in the first open. If we could speak Swedish and have connections, everything would be much easier. The previous owner knows many people relate to the legal aspect, then the taking over is quite easy.

- Stitch inspection from the public health division.
- Control of the freshness of materials.
- High Swedish tax rate.
- The weather. If the weather is hot, the customers mostly go out for picnic.
- A vacation during mid-summer causes the restaurant out of profit.