

School of Sustainable Development of Society and Technology (HST)  
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# **Entrepreneurial Traits Affecting Business Strategies**

**Focusing on Network and Innovation Strategies to  
Success in the Business Arena: A Case Study of  
Thai SME, NetDesign**

Spring Semester: June 15, 2008

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## Master Thesis Group 2028

Entrepreneurial Traits Affecting Business Strategies Focusing on Network and Innovation Strategies to Success in the Business Arena: A Case Study of Thai SME, NetDesign

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# Abstract

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Title:	Entrepreneurial Traits Affecting Business Strategies Focusing on Network and Innovation Strategies to Success in the Business Arena: A case study of Thai SME, NetDesign
Research Questions:	<ul style="list-style-type: none"><li>➤ Which dominant entrepreneurial traits of Chalermruth Narkvichien influence the network and innovation strategies used by NetDesign?</li><li>➤ How do these entrepreneurial traits affect the success of the firm?</li></ul>
Aims of Research:	<ul style="list-style-type: none"><li>➤ To investigate the dominant entrepreneurial traits of Chalermruth Narkvichien that seems to contribute to make his business successful by focusing on network and innovation strategies</li><li>➤ To show how network and innovation can be key strategies of NetDesign</li><li>➤ To investigate the relationship between the entrepreneurial traits and the business strategies used</li></ul>
Methodology:	This research is classified as causal research. The nature of the research is qualitative. The inductive approach has been used to conduct the research. The Case study approach has been applied. The research has used both secondary data and primary data. The semi-structured interview has been conducted to get the primary data.
Keywords:	Personality traits, entrepreneurial characters, network strategy and innovation strategy

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#### Conclusion:

This research links the relationship among entrepreneurial traits, business strategies and the success of the firm. Such relationship presents that the person who stands behind the success of SME is entrepreneur. Entrepreneur plays an important role in SME as a key player to control the direction of the SME. Also, the business strategies used by the entrepreneur can build competitive advantage for the firm. This research focuses on network and innovation strategies as the main strategies and presents the entrepreneurial characters that are important for utilizing these two strategies effectively. Network strategy will be efficiently used by the person who possesses the extraversion trait with social and team characters while innovation strategy will be efficiently used by the person who possesses the openness to experience trait with creativity and advantage characters.

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**Västerås, Sweden**

**June 15, 2008**

**Worakit Pongthanapisit**

**Natchapakorn Saihassadee**

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# 1. Introduction

The word ‘entrepreneur’ has been introduced for a long time and there are a large number of scholars who have studied in this field and a lot of academic publications such as books, articles and so on wrote concerning this area (Lambing & Kuehl 2003, p. 24). The first reference to this term was introduced by Richard Cantillon in the field of economics in 1743. In 1934, Joseph A. Schumpeter described an entrepreneur as a person who carries out new combinations, which may take the form of new products, processes, markets, organizational forms, or sources of supply (ibid). In addition, Bruyat & Julien (2000, p. 169) defined the entrepreneur is the individual responsible for the process of creating new value: an innovation and/or a new type of organization. However, Low and Macmillan (1988) proposed the characteristics associated with entrepreneurship have mainly been examined by focusing on differences between entrepreneurs and other groups. This means the previous researchers have tried to link the state of being defined as an entrepreneur to different personality traits (Delmar 2000, p. 136). Besides, the entrepreneurial strategy is an attractive area in entrepreneurship study. The business strategies that entrepreneur adapt to the firm affect directly on the profitability, growth and survival of the firms (Delmar 2000, p. 137).

However, the word ‘entrepreneur’ in Thailand associated with the term ‘SMEs’ have been very well-known since 1997 due to the Thai government’s interest in promoting the Small and Medium Enterprise (SME) sector after the financial crisis in 1997 (Sevilla & Soonthornthada 2000).

Man, Lau & Chan (2002, p. 128-129) emphasize that SMEs differ from large organization in terms of their organizational structures, responses to the environment, managerial styles and, more importantly, the ways in which they compete with other firms. Consequently, researches and studies focusing on large corporations may not be applied directly to the SMEs (ibid). Man et al. (2002, p. 129) indicate that there are three key factors leading SMEs to success including internal factors, external factors and the influence of the entrepreneur. These factors affect the performance of the firm (ibid).

Moreover, Horne et al. (1992, cited in Man et al. 2002, p. 130) claim that the achievement of SMEs is strongly influenced by the key player so-called entrepreneur. The research of Stoner (1987, cited in Man et al. 2002, p. 130) supports the key distinctive competence of small firms is the experience, knowledge, and skills of the entrepreneur. Storey (1994, cited in Smallbone et al. 1995, p. 46) also presents that there are three key components for the growth of SMEs: the characteristics of the entrepreneur, the characteristics of the organization, and the types of business strategy.

According to many researchers, they have emphasized the important role of entrepreneur in SMEs. This research focuses on the entrepreneur of SMEs as a key player to the success of the firm together with the business strategies of SME. Also, numerous researches are indicated that network and innovation strategies are key strategies for the success of the SMEs. Therefore, this thesis investigates entrepreneurial traits that utilize these two strategies effectively.



## 1.1 Background of SMEs in Thailand

By mid- 1990s, Thailand was presented as the Fifth Tiger in Asia; the country had recorded rapid and sustained growth rates among Asian economies during 1985-1996 (Lauridsen 2006, p. 272). But after the golden age, Thailand faced with economic crisis, many large corporations bankrupted including financial institutes which are considered as the main mechanism for economic development. Also, the economic depression in Thailand caused numerous enterprises dismissed innumerable employees; as a result, the number of unemployed people in Thailand increased. Thai government decided to legislate many regulations to stimulate economic system including policy about SMEs because the government realized the importance of SMEs. Deyo (2000, p. 4) states that “the social importance of Thai SMEs is that the large percentage of workers employed and self-employed in this sector, currently estimated at three million, or 60-70% of all industrial workers and SMEs comprise an important conduit for a broad distribution of the economic gains from industrial and commercial growth to women, minorities, and indigenous peoples”. Moreover, Deyo (2000) also emphasizes that “the developmental importance of SMEs derives from their numerical preponderance among industrial firms, their significance in accounting for roughly half of GDP, their role in fostering domestic entrepreneurship, their importance in providing a supplier infrastructure for international firms, and their special role in tapping the economic synergies and resources latent in Thai social organization and culture”.

SMEs also perform multiple functions for the society and economy of a country. First, SMEs represent a large weight of the economic activity of a country; SMEs in many countries account for an overwhelming number of business establishments and employees and are a major player in economic activity. Second, the SME labor market performs a stabilizing function in society; SMEs provide many people, including unskilled labor, with employment opportunities, thereby distributing income from a macroeconomic perspective. Third, SMEs are considered as a source of dynamism in market-oriented economic since the rate of entry and exit of small firms is high; economic development including the upgrading of industrial structure is achieved through a dynamic process of replacing inefficient enterprises with highly efficient enterprises. Fourth, SMEs provide outsourced products and services by supplying parts and components required by export-oriented assemblers, for example, SMEs help to increase economic efficiency since assemblers do not need to provide everything. Fifth, SMEs are key players in the regional economy; small and medium-scale local manufacturing is an indispensable industry offering nonagricultural employment opportunities in such areas. (Effective Approaches on the Promotion of Small and Medium Enterprises (SMEs) n.d.)

Because of the importance of SMEs, The Thai government issued a lot of policies to promote SMEs. For example, legislating the SME Promotion Action Plan stated in the bill to offer the financial support and assistance to SMEs, to establish and develop the capital market for SMEs, to train entrepreneurs and SMEs personnel, to do the research, development and dissemination of modern technologies appropriate for SMEs, including adaptation to local / traditional know-how, to improve product development and product quality standard upgrading and so on (Sevilla & Soonthornthada 2000).

As a result of these policies, various new businesses have been opened and most of Thai people have become alert with the idea of being an entrepreneur. According to a report of Bangkok Bank, there were 311,518 SMEs in 1998 or 92 percent of total enterprises; the majority of SMEs (43.1 percent) are in the trading sector, while only 90,122 SMEs (28.9 percent) belong to the production (manufacturing) sector; the remainder or 87,225 belong to the services sector (Sevilla & Soonthornthada 2000). In fact, most of the new SMEs can run their businesses only in a few years and then they fail; however, a few survive.

## 1.2 Author Motivations

Access to the information is one of the most important criteria for choosing a topic recommended by Fisher (2004). He mention that “the excellent topic in our mind without the persons who can answer our research questions, whether by any methods of data collection (i.e. interview, questionnaire, etc.), the result may cannot be carry out as our question may never be answered” (Fisher 2004, p. 26). NetDesign employed Saihassadee, one of the authors in 2002, which was the 5th year after business has been started up. In this point, as an insider, our group can obtain the data easily by direct contact to the entrepreneur and also the people in the target organization.

Business performance determines success and survival in the business field. The business performance of organization like SMEs is based on entrepreneurial abilities. The strategies of entrepreneur are tools for achieving his/her goal. The rapid growth within the past ten years of this business brings us to the interest for studying the entrepreneur of this SME, Mr. Chalermruth Narkvichien, the establisher and young director of NetDesign. In this paper, we discussed two strategies, which are network and innovation that the organizations in modern business world seem to use as tools for success in the business arena. We paid our attention on the questions about what are the entrepreneurial traits that affect the business strategies such as network and innovation that enable this business to survive according to the successful performance during the business crisis and intensive competition in the business field.

## 1.3 Research Questions

- Which dominant entrepreneurial traits of Chalermruth Narkvichien influence the network and innovation strategies used by NetDesign?
- How do these entrepreneurial traits affect on the success of the firm?

## 1.4 Aims of Research

- To investigate the dominant entrepreneurial traits of Chalermruth Narkvichien which seem to contribute to make his business successful by focusing on network and innovation strategies.
- To show how network and innovation can be key strategies of NetDesign.

- To investigate the relationship among the entrepreneurial traits, the business strategies and the success of the firm.

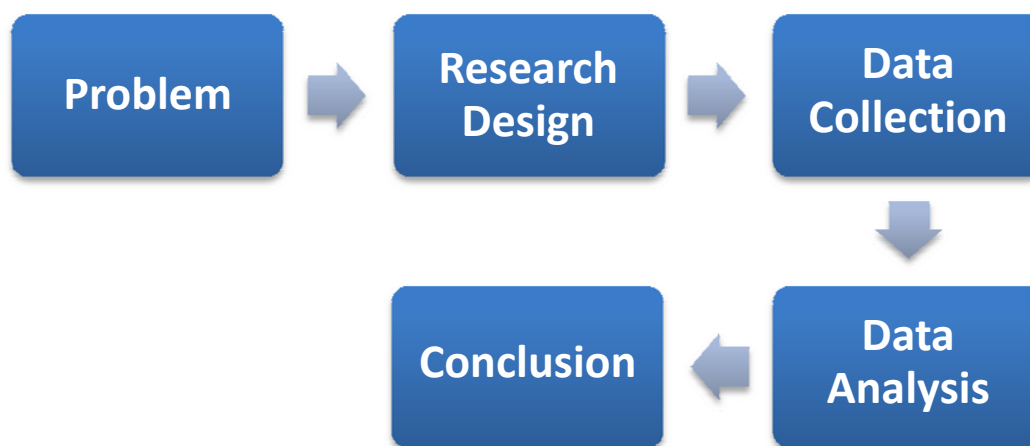
## 1.5 Target Groups

This thesis aims to study the Thai SME in terms of the two business strategies: network and innovation used by entrepreneur to make the company successful in the field of modern business where the company has to face with new competitors and rapid change in business environment and to investigate what are the personality traits of entrepreneur affecting these strategies. Therefore, it is useful for entrepreneurs, owners of SME and business scholars to understand the dominant personality traits of the entrepreneur that seem to contribute the creating competitive advantage in order to make the firm becomes successful in his business field.

## 2. Methodology

In this section we discuss the overall methodology that we applied to this thesis work. This section provides information concerning research process, research approach, research design and data collection methods and to what extent we have scrutinized a case of “NetDesign”.

### 2.1 Research Process



**Figure 1 Stage of the research process**

*Source: Pongthanapisit & Saihassadee (2008)*

## 2.2 Research Approach

As mentioned in aims of research, we aim to explain the strategies that entrepreneur of NetDesign used, and identify dominant traits of the entrepreneur of NetDesign. We refer the type of research approach that shows the relationship between understanding and action in management research described by Fisher (2004).

**Table 1 Five ways of understanding the relationships between understanding and action in management research**

*Source: Fisher (2004, p. 34)*

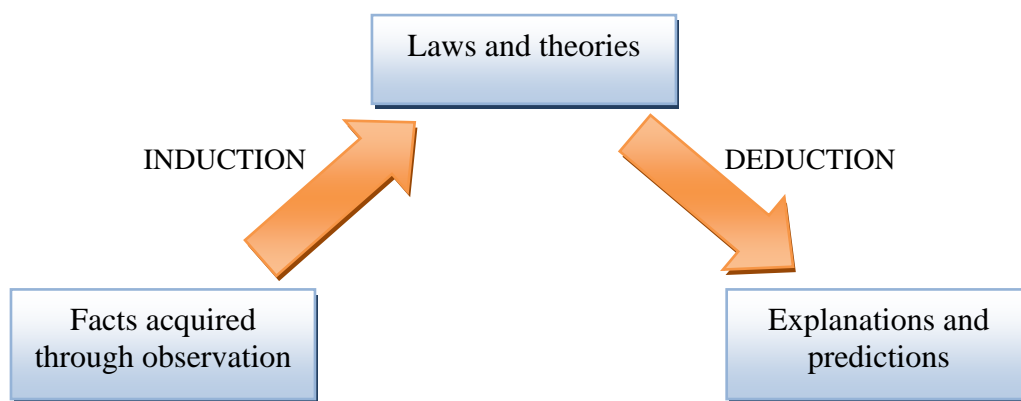
Type of research	Understanding and action	Characteristics
<b>Ivory tower research</b>	Knowledge is valuable in itself; does not necessary	Antiquarianism Intellectual elegance
<b>Realist research</b>	The research identifies and evaluates options for action	Structured variables Reductionism Cause and effect Statistical analysis
<b>Interpretative research</b>	Understanding provides a context for thinking about action but does not specify it	Dialogic structures Participant observation Explores meaning Deals with complexity
<b>Action research</b>	Changing our knowledge and understanding constitutes action	Gnosis and reflection Small-scale projects Deal with personal relationships and Values
<b>Critical social research</b>	Changing the mass's knowledge of their position to bring about social change	Radical action Raising mass consciousness

This thesis can be classified as “Interpretative research”. Fisher (2004, p. 34) explains how this type of research provides a context of thinking about action but not specify it. In this paper, we do not apply quantitative data of two or more variables and evaluate their correlation by statistical process to predict the future action as traditional “realist or positivist research” approach (ibid). In contrary, we focus on study in details for the factors that affect to business performance particularly in network strategy and innovation strategy of one project. Our foundation of thinking is that business strategies and traits of each entrepreneur is unique, thus we cannot predict behavior or suggest the best way to perform business by studying of many sample cases because there are a lot of differences in internal and external environmental factors in each case. Internal factors are characteristic of entrepreneur, whereas, the external factors are varieties such as; market, location, geography, economy, law/regulation and so on.

## 2.3 Research Design

### 2.3.1 Induction or Deduction

There are two ways of establishing what is true or false and to draw conclusions; induction and deduction. Induction is based on empirical evidence, while deduction is based on logic. In the induction, research process begins with ideas and facts which lead to propositions, theories and predictions; conversely, deduction involves gathering of facts to confirm or disprove hypothesized relationships among variables that have been deduced from propositions. (Ghauri & Gronhaug 2002, p. 13)



**Figure 2 Induction and deduction**

*Source: Chalmers (1982, cited in Ghauri & Gronhaug 2002, p. 14)*

Therefore, in this paper, we use the induction method by starting with facts acquired through primary data from interviewing persons involved in our case study and secondary data from many articles and books, then we established the propositions relating between the facts and the theories.

### 2.3.2 Qualitative or Quantitative Method

Creswell (2002, p. 18) presents the explanation of qualitative method and quantitative method:

- Quantitative approach is one in which the investigator primarily uses postpositivist claims for developing knowledge (i.e. cause and effect thinking, reduction to specific variable and hypotheses and questions, use of measurement and observation, and the test of theories), employs strategies of inquiry such as experiments and surveys, and collects data from predetermined instruments that yield statistical data.
- Qualitative approach is one in which the inquirer often makes knowledge claims based primarily on constructivist perspective or advocacy/participatory perspectives or both. It also uses strategies of inquiry such as narratives, phenomenologies,

ethnographies, grounded theory studies, or case studies. The researcher collects open-ended, emerging data with the primary intent of developing themes from the data.

In addition, qualitative research produces findings not arrived by statistical procedures or other means of quantification. It can refer to research about persons' live, lived experiences, behaviors, emotions, and feelings as well as organizational functioning and social movements. Some researchers gather data by means of interviews and observation techniques normally associated with qualitative methods. The reason for doing qualitative research is the nature of research problem; for example, research that attempts to understand the meaning or nature of experience of persons with problems lends itself to getting out into the field and finding out what people are doing and thinking. Furthermore, qualitative research is a mixture of the rational, explorative, and intuitive, where the skills and experiences of the researcher play an important role in the analysis of data (Ghauri & Gronhaug 2002, p. 86).

This research uses the qualitative method to investigate the personality traits of entrepreneur that affect the business strategies by interviewing the entrepreneur of NetDesign and his staff in order to find the main personality traits resulting in using the network and innovation strategies without using the statistical data.

### *2.3.3 The Types of Research*

Ghauri & Gronhaug (2002, p. 48) present the three main classes of research designs:

- Exploratory research: the research problem is unstructured and badly understood.
- Descriptive research: the research problem is structured and well understood.
- Causal research: the research problem under scrutiny is structured as well; however, in contrast to the descriptive research, the researcher is also confronted with 'cause-and-effect' problems. The main tasks in this research are to isolate cause(s), and tell whether and to what extent 'cause(s)' result(s) in effect(s).

Our work uses the causal research to answer the research question—"what are dominant entrepreneurial traits of Chalermruth Narkvichien which affect network and innovation strategies used by NetDesign?" and "how do these entrepreneurial traits affect the success of the firm?" In this case, on the one hand the variable factors are the personality traits of entrepreneur that affect the controllable factors: network and innovation strategies. In other words, the business strategies that the organization uses in our case focusing on network and innovation considered as the effects which are resulted from the personality traits of entrepreneur that are considered as the causes. On the other hand, the network and innovation strategies are the causes affecting the success of the firm which is considered as effect.

### *2.3.4 Research Strategy*

Ghauri & Gronhaug (2002, p. 88) claim that historical review, group discussions and case studies are mostly qualitative research strategies; these qualitative strategies use relatively more qualitative techniques, such as conversation and in-depth semi-structured interviews.

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Case study refers to qualitative and field-based construction and is a description of a management situation and involves data collection through multiple sources such as verbal reports, personal interviews and observation as primary data sources (Ghauri & Gronhang 2002, p. 171). The main feature of the case method is the intensity of the study of the object, individual, group, organization, culture, incident or situation (Ghauri & Gronhang 2002, p. 172). In addition, the case study is used when we want to study a single organization and to identify factors involved in some aspects or behavior of an organization; therefore, most case studies are done through a review of existing historical material and records plus interview (ibid). The case study method is most useful when ‘how’ and ‘why’ questions are to be answered (ibid). Besides, Yin (2003) emphasizes that using case study for research purposes remains one of the most challenging of all social science endeavors. The case study method allows researchers to retain the holistic and meaningful characteristics of real-life events such as individual life cycle, organizational and marginal process, and international relation.

In this thesis, we use the single case study that is Thai SME, NetDesign to conduct the research. The case study allows us to understand the personality traits and entrepreneurial characters of Mr.Chalermruth Narkvichien, the entrepreneur of NetDesign. Also, the case study provides us to understand how to build the network and how to differentiate the company from others by using innovation strategy.

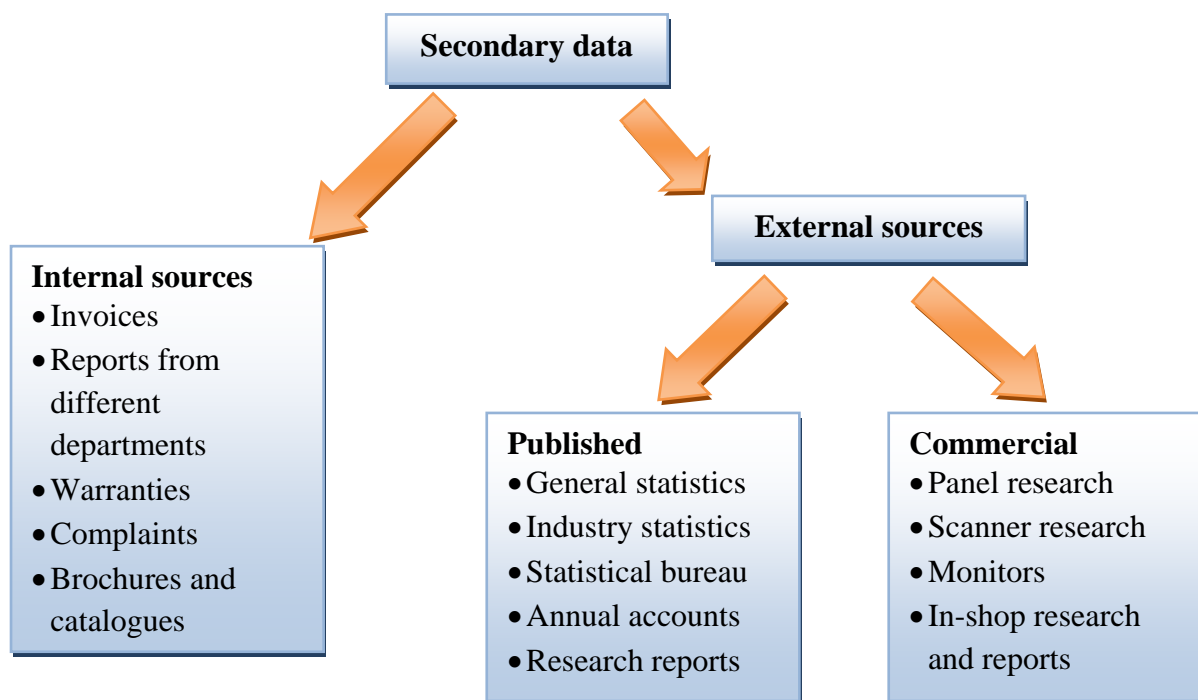


## 2.4 Data Collection

In our thesis, we gathered the data by using both primary data and secondary data in order to make our thesis reliable and suitable for the time and money limitation. However, both primary and secondary data have both advantages and disadvantages that we have taken into consideration in the selection of the appropriate way to carry out our thesis.

### 2.4.1 Secondary Data

Ghuri & Gronhaug (2002, p. 78) emphasize that “the saving in time and money is the first and foremost advantage of using secondary data”. Also, another advantage is that “it can suggest suitable methods or data to handle a particular research problem” (ibid). However, there are some disadvantages; for example, the secondary data are collected for another study with different objectives and may completely fit with specific problem (ibid). There are two types of secondary data; namely, internal sources and external sources (Ghuri & Gronhaug 2002, p. 80). Internal sources include information on customers, suppliers, employees, marketing plan and, sometimes, even on the competitors while external sources include published books and journal articles (ibid).



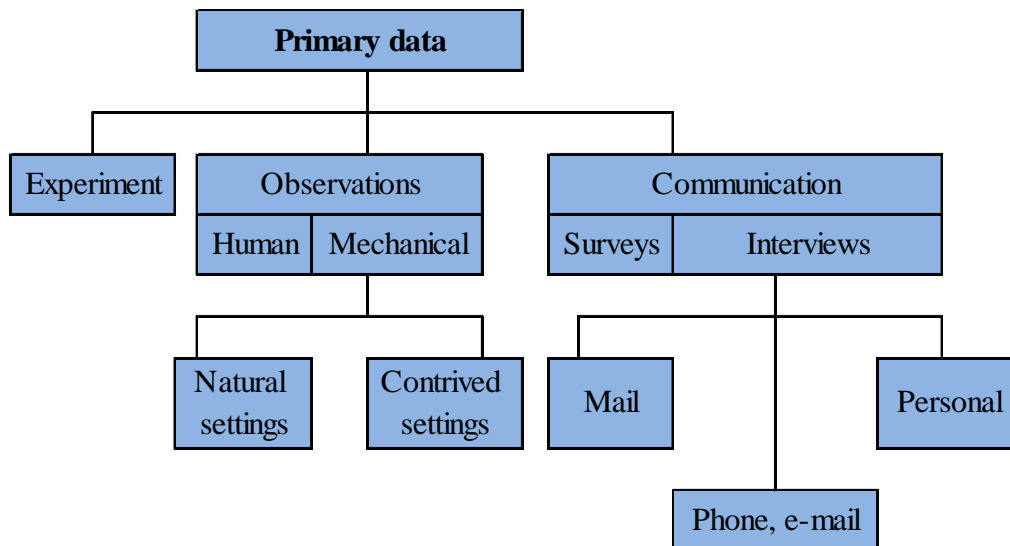
**Figure 3 Types of secondary data**

*Source: Ghauri & Gronhaug (2002, p. 80)*

In this paper, we utilize the secondary data from both internal sources and external sources. Internal sources of secondary data come from web site of the company, while external sources come from articles and critiques in Thai newspapers and books.

### 2.4.2 Primary Data

Ghauri & Gronhang (2002, p. 81) suggest that “when secondary data are not available or are unable to help answer our research questions, collecting other data which are relevant to particular study and research problem are necessary”. These data are called primary data which include observations, experiments, surveys (questionnaires) and interviews (ibid). The main advantage of primary data is that they are collected for the particular project at hand; thus, this means that they are more consistent with our research questions and research objectives (ibid). However, taking a long time and a lot of cost to collect are the main disadvantage, and also it is difficult to get access: to find consumers or other target groups who are willing to cooperate and answer the question (Ghauri & Gronhang 2002, p. 82). From considering the purpose of our thesis, primary data are very important to answer our research problem because this thesis aims to study on personal traits of entrepreneur; thus, it is very hardly to learn about opinions or personal traits without asking questions directly to the people involved.



**Figure 4 Sources of primary data**

Source: Ghauri & Gronhaug (2002, p. 81)

We gathered the primary data by electronic mail interviews. We interviewed four persons:

- Mr. Chalermruth Narkvichien, the founder/ owner/ president of NetDesign and so-called entrepreneur
- Ms. Sirakarn Phaiboon, the vice president of NetDesign
- Ms. Suthinad Maikoophandin, the vice president-branch division of NetDesign
- Mr. Somkiat Apisutthimaithree, the lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.

For interviewing the entrepreneur, we focused on his biography, family, education, the way to start up the business and business strategies that he uses, especially network and innovation strategies. For interviewing his staff, we asked about personality traits of Narkvichien in order to obtain the information from other perspectives.

All of the e-mail interviews were sent on April 25, 2008. Then, Narkvichien is the first person who replied the e-mail on April 26, 2008 while Phaiboon and Maikoophandin replied on April 28, 2008. On April 29, 2008, Apisutthimaithree sent the interview respond to us. The e-mail interview transcripts are presented in the Appendix.

Interview is used to collect data in this thesis instead of other methods such as observation or experiment because of time limitation and the distance between Thailand and Sweden. Therefore, interview can provide reliable data under such constraints. In addition, interview provides the real interaction between the researchers and the respondents and there are no predetermined answers; thus, the respondents can reply in their own opinion.

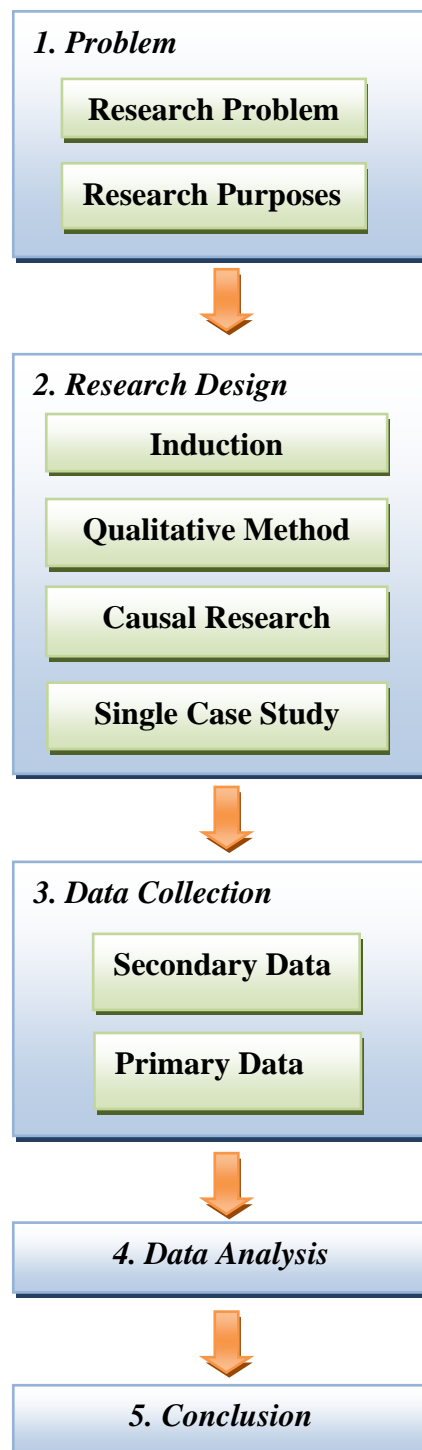
Ghuri & Gronhaug (2002, p. 100) present that there are three types of interview; namely, structured interview, unstructured interview and semi-structured interview. The structured interview is a standard format used with an emphasis on fixed response categories and systematic sampling and loading procedures combined with quantitative measures and statistical methods (ibid). The second type is unstructured interview where the respondent is given almost full liberty to discuss reactions, opinions, and behavior on a particular issue (ibid). The last type is semi-structured interview which differs from both structured and unstructured interviews. It differs from unstructured interview in the sense that the topics and issues to be covered, sample size, people to be interviewed and questions to be asked have been determined beforehand while it requires greater skills from interviewer than structured interview.

This research applies the semi-structured interview to gather the primary data because we can receive the accurate and clear picture of respondents' opinion and respondents are free to answer according to their own thinking. Also, it allows us to ask for further elaboration of answers. This method of data collection is appropriate for our type of research that is causal research with inductive method as it matches very well with the purposes.

#### *2.4.3 Reliability of Data*

We realized that for direct interview technique there are some problems concerning the reliability of data when interviewing about personality traits of interviewee because most of respondents will present only the positive side of themselves and avoid to show the negative side. Therefore, we solved this issue by interview not only the entrepreneur but also his staff to obtain data about his personality traits. In addition, we used the secondary data from critiques cited in well-known business newspapers reported his biography, characters, attitude and the way that he run his business. We believe that such data would be able to make our thesis reliable.

The summary of research process in our paper can be illustrated as below:



**Figure 5** The summary of the research process

Source: Pongthanapisit & Saihassadee (2008)

## 2.5 Delimitation

The factors that influence business performance are both internal and external factors. The external factors are competitors, government policy, economic situation etc. The internal factors are business strategies which influenced by the entrepreneurial personality traits. The scope of this study is limited because we considered the external factors are so many and most of which are not constant and unable to control. Thus we only focus on the internal factors which are entrepreneurial traits and business strategies of “NetDesign” developed by Mr.Chalermruth Narkvichien. The strategy that he has applied to his previous works or his other businesses are also beyond scope of our thesis because we realized that business strategies in each enterprise is not possible to be occurred in exactly the same procedure, even human and environmental factors as well as situation are similar. Consequently, we would like to scope the most important scheme in entrepreneurial strategies by focusing on network along with innovation strategies and investigate the personality traits that affect these two strategies and then evaluate the success of business.

## 3. Literature Review

Our literature review is divided into four main parts. The first part presents the definitions of SMEs and entrepreneur. The second and third parts are personality traits and entrepreneurial characters, respectively. The last part shows business strategies.

### 3.1 The Definitions of SMEs and Entrepreneur

#### 3.1.1 The Definition of SMEs

In Small and Medium Enterprise (SME), the structure of the organization is dramatically different from the large organization. In the large firm, there are a lot of divisions and departments, many levels of control and its business strategies created by the group of people so-called board of director. In contrast, in SME, there are a few levels of hierarchy considered as a flat organization. Ghobadian & Gallear (1996, p. 87) argue that the flat structure of SMEs offers the entrepreneur to build a strong personal relationship with employees. A comparison between the characteristics of large organizations and small and medium organizations indicate that the structure of control in large firms is hierarchical with several layers of management; in contrast, flat with very few layers of management is the structure of control in SMEs (ibid). In addition, Ghobadian & Gallear (1996, p. 87) claim that in SMEs, operations and behaviour of employees influenced by owners'/managers' ethos and outlook.

However, Ayyagari, Beck & Demirguc-Kunt (2007, p. 416) present that different countries define different definitions of SMEs depended on their criteria. For example, the employment criterion for an SME defined by the European Commission is any business that employs less than 250 people (Cressy & Olofsson 1997, p.87). However, the definition of SMEs in Thailand defined by the Ministry of Industry is based on the number of salaried workers, and fixed capitals. An enterprise is categorized as an SME if it has employees of less than 200 and fixed capital less than 200 million baht (approximately USD 6.5 million or SEK 40 million), excluding land and building (Srivihok & Intrapairote n.d.).

Our case study, NetDesign, is located in Thailand; thus it is classified as SME according to the definition of SME defined by the Ministry of Industry of Thailand.

#### 3.1.2 The Definition of Entrepreneur

Schumpeter (cited in Swedberg 2000, p. 15) defined entrepreneurship as “the making of a ‘new combination’ of already existing materials and forces; that entrepreneurship consists of making innovations, as opposed to inventions; and that no one is an entrepreneur forever, only when he or she is actually doing the innovative activity”. He also described the main types of entrepreneurial behavior to (1) the introduction of a new good; (2) the introduction of a new method of production; (3) the opening of a new market; (4) the conquest of a new source of supply of raw material; and (5) the creation of a new organization of an industry. In

addition, Burns (2005, p.9) defined that “entrepreneurs use innovation to exploit or create change and opportunity for the purpose of making profit. They do this by shifting economic resources from an area of lower productivity into an area of higher productivity and greater yield, accepting a high degree of risk and uncertainty in doing so” (ibid). Burns (2005, p. 43) also claimed that “the core of entrepreneurial approach to doing business is the development of relationships with customers, staff, suppliers and all the stakeholders in the business”. This approach distinguishes them from the managers in large companies.

In this thesis, we adopt the definitions of entrepreneur from Schumpeter’s and Burns’ perspectives because these definitions suit our thesis concerning network and innovation strategies. Accordingly, Mr.Chalermruth Narkvichien is called entrepreneur in this thesis.

## 3.2 Personality Traits

### *The Five Factor Model (FFM)*

Although the major concepts of Allport, Cattell, and Eysenck had been developed, a common view or trait taxonomy had not been achieved (Pervin 1996, p. 43). However, many factor-analytic studies were performed by a variety of investigators (ibid) and found that there were 18,000 words to describe personality. Thereafter, the words with similar meanings were combined but there still remained 171 personality traits; thus, further reduction analysis found five core personality traits (Luthans 2002, p. 220). John (1990, cited in Pervin 1996, p. 43) suggested the existence of five trait factors which have been called the Big Five or the Five-Factor Model (FFM) of personality (ibid). The Big Five factors, the acronym OCEAN, consist of the concepts: Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism (ibid).

Personality traits are constructs to explain regularities in people’s behavior, and help to explain why different people react differently to the same situation (Cooper 1998, cited in Llewellyn & Wilson 2003). Llewellyn & Wilson (2003) claim that contemporary theorists now agree with the five broad dimensions of personality that are:

1. Openness to experience: people who are highly open to experience are curious, broad interests, creative, original, imaginative and untraditional. Also, they tend to be liberal and approach problems in new and innovative ways.
2. Conscientiousness: conscientious individuals prefer to conform with rules and regulations, and are reliable and hard-working.
3. Extroversion: people high in extroversion are outgoing, gregarious, optimistic, sociable, active, talkative, person-oriented, fun-loving and affectionate.
4. Agreeableness: highly agreeable people are easy to get on with, and may be widely liked.
5. Neuroticism: highly neurotic individuals are prone to mood swings, have little emotional stability, and are anxious and prone to depression.

Luthans (2002, p. 220) emphasizes that these five traits are like primary colors that can be mixed in countless proportions to yield a unique personality whole; however, also like colors,

one may dominate in describing an individual's personality. In addition, McCrae (1994, cited in Luthans 2002, p. 221) indicates that significantly these five traits are stable because after about 30 years of age, the individual's personality profile will change more slowly over time.

Mount & Barrick (cited in Luthans 2002, p. 221) present the impact of conscientiousness and they conclude that "individuals who are dependable, persistent, goal directed, and organized tend to be higher performers on virtually any job; viewed negatively, those who are careless, irresponsible, low achievement striving and impulsive tend to be lower performers on virtually any job."

The other four traits also have the interesting impact; for example, those with high extraversion tend to be associated with management and sales success; those with high agreeableness tend to handle customer relations and conflict more effectively; those with high openness to experience tend to have job training proficiency and make better decision in a training problem solving simulation; while, those with low neuroticism tend to be more effective in stressful situations (Mount & Barrick, cited in Luthans 2002, p. 222).

From the literature review concerning the personality traits, many researches indicated that traits affect the way that people act; thus, this research uses the five-factor model to describe the humanity traits that are considered as the fundamental factor of selecting business strategies of the entrepreneur.

In this thesis, we focus on extraversion and openness to experience traits because these traits are related to network and innovation strategies. The relationship between extraversion and network is illustrated by various researchers. For example, Eisenberger, Lieberman & Satpute (2005, p. 2) claim that extraversion is related to increased activity in the network. Extraverts also seem to have larger and more diverse social support networks and have contact with their network members more often (Swickert et al. 2002, p. 878). Therefore, extraversion trait seems to be the fundamental for using network strategy. In addition, several studies confirm that there is a relationship between openness to experience and creativity. For example, McCrae (1987, cited in Judge & Bono 2000, p. 753) claims that the link between creativity and openness to experience is clear and also openness to experience correlates with divergent thinking. Moreover, Baer & Oldham (2006, p. 963) emphasize that substantial evidence now suggests that creativity makes an important contribution to organizational innovation.

### 3.3 Entrepreneurial Characters

Some cognitive studies have focused on personality traits of entrepreneurs and their contribution to the success of entrepreneurial ventures (Ardichvili, Cardozo & Ray 2002). Henderson & Robertson (2000, p. 284) did the questionnaire survey during 1996-98 by asking three groups of young people for their attitudes regarding entrepreneurship. The result presented that the most frequently mentioned entrepreneurial traits were motivated, self-belief, hard-working, determined, self-confident, selfish, innovative and ambitious. However, the question that follows entrepreneurs is entrepreneurs are born or made and what characteristic that they have to possess to become a successful entrepreneur. Therefore, Henderson & Robertson (2000, p. 284) did another survey concerning the question that entrepreneurs are born or made. The result showed that thirty-three percent of respondents



believed that entrepreneurs are born whilst forty-five percent believed that entrepreneurs are made. However, the rest of respondents (twenty-two percent) represented respondents who did not have any idea or no response. Besides, Lambing & Kuehl (2003, p. 25) argue that many studies still focus on the entrepreneur's personality, but Drucker (cited in Lambing & Kuehl 2003, p. 25) believes that traits are not a deciding factor and anyone can develop to be an entrepreneur. However, many researchers believe that entrepreneurs have a special personality and that these traits cannot be taught (ibid). Oneal (cited in Lambing & Kuehl 2003, p. 26) presents that an entrepreneur can be a professional manager, but not every manager can be an entrepreneur. In addition, Sudikoff (cited in Lambing & Kuehl 2003, p. 26) states that "You cannot teach drive or initiative or ingenuity or individuality. You cannot teach a mind-set or personality. You cannot teach in the classroom the lessons learn by starting a company with nothing more than hope and the ability to talk a bank officer into giving you a loan."

However, Burns (2005, p. 20) states that entrepreneurs are both born and made. He also presents the character traits of owner-managers and entrepreneurs. On the one hand, the character traits of owner-managers are need for independence, need for achievement, internal locus of control and ability to live with uncertainty and take measured risks (ibid). On the other hand, opportunistic, innovative, self-confident, proactive and decisive with high energy, self-motivated (intrinsic motivation), vision and flair, and willingness to take greater risks and live with greater uncertainty are the character traits of entrepreneurs (ibid). Burns (2005, p. 20) emphasizes that both owner-manager and entrepreneur character traits are very important for the firm. Success or failure in business come from a mix of many different things and the character of the entrepreneur is one of the factors in the equation (ibid). In addition, many of the character traits that have been found significant in entrepreneurs are similar to those found in other successful people such as politicians or athletes (Chell, Haworth & Brearley 1991, cited in Burns 2005, p. 20).

Lambing & Kuehl (2003, p. 26) indicate that whether entrepreneurial tendencies exist at birth or are developed as a person matures, certain traits are usually evident in those who are successful. Lambing & Kuehl (2003, p. 26) present the important traits that have been found in successful managers and entrepreneurs that are:

- Passion for the business: the entrepreneur must have more than a casual interest in the business because there will be many hurdles and obstacles to overcome. If there is no passion or consuming interest, the business will not succeed (ibid).
- Tenacity despite failure: many successful entrepreneurs succeeded after they had failed many times (ibid).
- Confidence: entrepreneurs have to be confident and believe in their abilities and business concept to accomplish (ibid).
- Self-determination: a crucial sign of successful entrepreneurs because they believe that their success or failure depends on their own actions; they are never victims of fate (Goodman, cited in Lambing & Kuehl 2003, p. 27).
- Management of risk: Reynolds (cited in Lambing & Kuehl 2003, p. 27) presents that entrepreneurs do not put all of their resources and time into the venture until it appears to be viable. They often define the risks early in the process and minimize them to the extent possible (Yarzebinski, cited in Lambing & Kuehl 2003, p. 27).

- Seeing changes as opportunities: entrepreneurs see changes as normal and necessary and they search for change, respond to it, and exploit it as an opportunity which is the basis of innovation (Yarzebinski, cited in Lambing & Kuehl 2003, p. 27).
- Tolerance for ambiguity: Oneal (cited in Lambing & Kuehl 2003, p. 27) presents that the successful entrepreneurs feel comfortable with uncertainty because there are a lot of uncontrollable factors such as the economy, the weather, and changes in consumer tastes and these factors have a dramatic effect on their business; thus, an entrepreneur's life has been described as a professional life riddled by ambiguity.
- Initiative and a need for achievement: Lambing & Kuehl (2003, p. 27) state that entrepreneurs act on their ideas; conversely, many people have good ideas but their ideas are not converted into action. Besides, entrepreneurs have achievement motive that drive and initiate the results of accomplishments (ibid).
- Detail orientation and perfectionism: attention to detail and the need for perfection result in a quality product or service (ibid).
- Creativity: Goodman (cited in Lambing & Kuehl 2003, p. 28) emphasize that one of the most important factors that make entrepreneurs successful is that they have imagination and can envision alternative scenarios.
- Ability to see the big picture: entrepreneurs often see things in a holistic sense; they can see the big picture when others see only the parts (Yarzebinski, cited in Lambing & Kuehl 2003, p. 28).
- Motivating factors: although many people believe that entrepreneurs are motivated by money, the need for achievement and a desire for independence are more important than money (Lambing & Kuehl 2003, p. 28).
- Self-efficacy: the concept of self-efficacy influences a person's entrepreneurial intentions (Boyd & Vozikis, cited in Lambing & Kuehl 2003, p. 29). Self-efficacy has been defined as a person's belief in his or her capability to perform a task (Lambing & Kuehl 2003, p. 29).

Besides, Lee & Tsang (2001, p. 583) presented that entrepreneurs' personality is one of the factors that affect the success of the firm. Such entrepreneurs' personality traits are need for achievement, internal locus of control, self-reliance, and extroversion (ibid).

However, Burns (2005, p. 34) argued that the two most important personal characteristics of entrepreneurs which any organization should be replicated are the abilities to spot opportunities and innovate.

Opportunistic is one of the two prime characteristics of entrepreneurs. Entrepreneurs see opportunities to make money and do not mind the uncertainty while others see problems. Richard Branson (cited in Burns 2005, p. 25) stated the importance of opportunity that "I have always lived my life by thriving on opportunity and adventure. Some of the best ideas come out of the blue, and you have to keep an open mind to see their virtue". Whilst Schumpeter (1934) expressed that "opportunity may be the chance to meet a market need or interest or want through a creative combination of resources to deliver superior value".

Opportunistic entrepreneurs can be characterized by a high level of formal education and a wide variety of work experience. They tend to be of middle-class background. Such entrepreneurs favour decentralized management styles and are proactive towards marketing.

Opportunistic entrepreneurs exhibit high levels of social awareness and have high social involvement. They tend to be highly oriented towards the future – following market and economic trends – and the growth rate of their companies. Business profits, personal income and business growth are the measures of success for the opportunistic entrepreneur (Williams & Tse 1995, p. 22). Further, it is possible that the type of entrepreneur may influence the choice of strategy followed. A prospector strategy would probably be the most appropriate strategic choice for those entrepreneurs who resemble the opportunistic entrepreneur (Williams & Tse 1995, p. 25).

However, opportunity recognition related to the two personality traits: self-efficacy and creativity. Self-efficacy leads entrepreneurs to optimism and higher propensity to see opportunities rather than threats in any given situation (Ardichvili, Cardozo & Ray 2002). In addition, Zhao, Hills & Seibert (2005, p. 1266) state that “self-efficacy is a motivational construct that has been shown to influence an individual’s choice of activities, goal levels, persistence, and performance in a range of contexts”. Whilst, Burns (2005, p. 267) presented that “creativity leads to innovation and entrepreneurship drives the whole process and it is important in coming up with completely new ways of doing things rather than looking for adaptive, incremental change”.

The ability to innovate is the second most important character of entrepreneurs. Innovative is considered as a main tool to create or exploit opportunity in order to make business grow. True innovation is rarely about creating something new; innovation is more often about seeing new opportunities for old designs (Neil Kelly, cited in Burns 2005, p. 26).

As you may see that there are a lot of the successful entrepreneurial traits found in many researches and studies; each researcher tries to identify the main entrepreneurial traits but there are still a large number of traits to define successful entrepreneur; therefore Bolton & Thompson (2003, cited in Thompson 2004, p. 248) offer a new framework for defining the entrepreneur by grouping the successful entrepreneurial traits into six character themes that conveniently form the acronym FACETS; namely, Focus, Advantage, Creativity, Ego-inner and outer, Team, and Social. There are at least three sub-characteristic in each theme.

- Focus consists of target focus, time focus and action focus. Focus delivers the required outcomes; it is required for effective implementation. Concentrating on the goals of the company will lead the firm to success.
- Advantage, the strategic element, distinguishes where value can be created and added and selects those opportunities that are worth pursuing. Entrepreneur who possesses this character can be considered as opportunistic entrepreneur.
- Creativity is the sources of ideas and opportunities. Creative entrepreneur can differentiate his/her company from others.
- Ego is divided into inner ego and outer ego. The inner ego consists of motivation typically a desire to achieve, to make a difference and maybe to leave footprints, self-assurance and dedication. In the meantime, the outer ego includes the entrepreneur’s internal locus of control: a desire to be in charge of his or her own destiny, responsibility and accountability, and courage: an ability and willingness to deal with setbacks.

- Team is a multiplier facet that helps the entrepreneur to exploit the focus, advantage and creativity characteristics and extend the business. It is human resource management that generates the strong relationship within the company.
- Social influences the nature of the business or initiative. It affects the culture and style of the organization and the way employees are treated. Also, it is interaction with other actors outside the company such as customer, supplier, competitor, and regulator and taking advantage of such relationship.

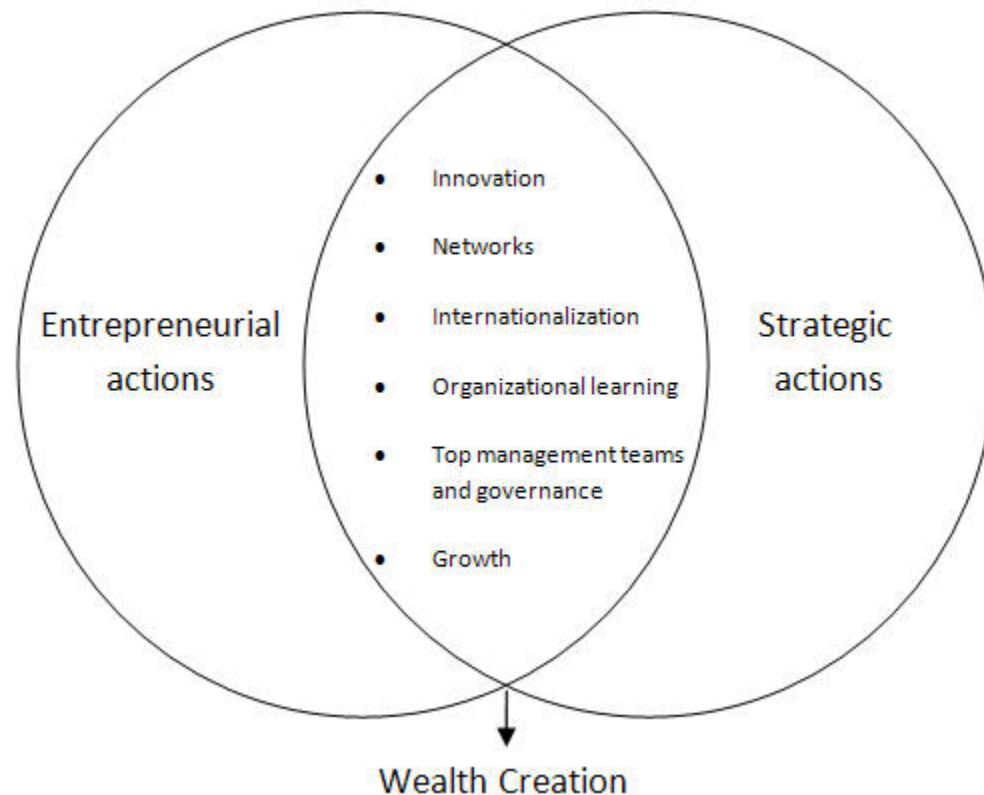
## 3.4 Business Strategies

According to many researchers, they indicate that there are the relationship between business strategy and the growth of the firm. In this thesis, we aim to study the relationship among entrepreneurial traits, the business strategies and the success of the firm. In fact, there are numerous strategies for the company to select; however, from reviewing several literatures, they emphasize that network strategy and innovation strategy are the significant strategies for SMEs as keys to the success. Therefore, in this part, we present the six domains to create firm wealth introduced by Ireland, Hitt, Camp & Sexton (2001). Network and innovation are two of the six domains that can create firm wealth. Then we emphasize the importance of network and innovation in SMEs presented by many researchers.

Delmar (2000, p. 137) claims that the business strategies that entrepreneur adapt to the firm affect directly on the profitability, growth and survival of the firms. In this part, we reviewed literatures concerning business strategies, especially network and innovation strategies which are key strategies that lead the organization to competitive advantage.

Business strategies have direct affect to the growth and survival of the business. Research conducted by Foster and Kaplan cited in Burns (2005) concluded that “Managing for survival, even among the best and most revered corporations, does not guarantee strong, long-term performance. In fact quite opposite is true ... Unless companies open up their decision making processes, relax conventional notions of control, and change at the pace and scale of the market, their performances will be drawn into an entropic slide to mediocrity.”

Ireland, Hitt, Camp, & Sexton (2001, p. 53) study the entrepreneurial and strategic management and found the intersection between them called wealth creation of the firm. They argue that “Entrepreneurship and strategic management are both dynamic processes concerned with firm behavior and performance”. They also state that “The degree to which the firm acts entrepreneurially in terms of innovativeness, risk taking, and proactively is related to dimensions of strategic management” (ibid). Ireland et al. (2001, p. 53) conceptualize the common between entrepreneurship and strategic management in six domains which are innovation, networks, internationalization, organizational learning, top management teams and governance, and growth. These six domains are critical to firms that committed to create wealth. Ireland et al. (2001, p. 51) also explain that “the entrepreneurship and strategic management literatures offer similar guidance regarding the use of these domains to create sustainable income streams by developing and exploiting competitive advantages”. This relationship between entrepreneurship and strategic management can be illustrated as following model.



**Figure 6 Creating Wealth Through Entrepreneurial and Strategic Actions**

*Source: Ireland, Hitt, Camp & Sexton (2001, p. 51)*

Ireland et al. (2001) describe these six domains between the actions of entrepreneurship and strategic management as following

- Innovation is “the sum of invention plus the commercialization of that invention” (ibid, p. 53).
- Networks are “patterned relationship between individuals and groups” (ibid, p. 54).
- Internationalization is the activity that company sells its products in nations outside its home country (ibid).
- Organizational learning is “the development of new knowledge that has the potential to influence firm’s behavior ...” (ibid, p. 57).
- Top management teams and governance is about the group of people that has final responsibility for selecting business strategies and ensuring that they are implemented in ways that will create sustainable income and also competitive advantage (ibid, p. 58).
- Growth is an outcome sought in large, established corporations, as well as in entrepreneurial venture (ibid, p. 60).

In this paper we consider that innovation and networks are the most applicable to our case study. The other four dimensions, internationalization, organizational learning, top management teams and governance, and growth are considered as out of scope for our study. Since our case is not yet involve with the overseas investment in overseas, the nature of small firm, entrepreneur plays vital role as a director who have absolute power to select strategies and make growth of the firm. Since wealth enhancements results when the firm’s

entrepreneurial and strategic actions are focused on innovation and network (Ireland et al. 2001). Thus we focus our study on network and innovation as the key dimensions that entrepreneur uses as tools to create firm wealth.

#### *3.4.1 Innovation Strategy*

Drucker (1985) described about innovation that “innovations arising from the systematic analysis of mundane and unglamorous unexpected successes or failures are far more likely to yield commercial innovations”. He also explained that “these innovations have the shortest lead times between start and yielding measurable results and carry fairly low risk and uncertainty”. Innovation in Entrepreneurship is also, “a specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or different service. It is capable of being presented as a discipline, capable of being learned, capable of being practiced. Entrepreneur need to search purposefully for the source of innovation, their changes and their symptoms that indicate opportunities for successful innovation. And they need to know and apply principles of successful innovation” (ibid).

Kanter (cited in Swedberg 2000, p. 171) on the other hand argue that “innovation begins with the activation of some person or persons to sense or seize a new opportunity”. He also explained that “the opportunities that give rises of innovation are purely individual cognitive abilities, it is important to look at the structural condition that facilitates the ability to see new opportunities.”

According to Schumpeter (cited in Burns 2005, p. 243), the description of five types of innovation are the introductions of a new or improved good/services, the introduction of a new process, the opening up a new market, the identification of new sources of supply of raw materials, and the creation of new types of industrial organization. As we identified that innovation is important for our case, therefore we think Schumpeter’s descriptions can be applied into our case to analyze how innovation runs in enterprise.

According to Burns (2005, p. 247), the definition of innovation is “A mould breaking development in new products or services or how they are produced – the material used, the process employed or how the firms is organized to deliver them – or how or to whom they are marketed, that can be linked to the commercial opportunity and successfully exploited”.

Burns (2005) argued that the small firms make up most enterprises; this involves invention or developing an innovative process. He also explained to some extent, innovation is related to customer demand. Hausman (2005, cited in Moller et al. 2007, p. 3) points out that closeness between customers and entrepreneurs in small businesses can provide impetus for innovation due to the ease of these entrepreneurs to identify unmet customer needs. Innovation should not happen by chance as Burns (2005, p. 246) said, it doesn’t happen as a random event but central of this processes are the entrepreneurs. Schumpeter (cited in Burns 2005, p. 246) also said “The entrepreneur initiates changes and generates new opportunities. Until imitators force prices and costs into conformity, the innovator is able to reap profits and disturb equilibrium”.

The ability to innovate is the factor that distinguishes the successful small business from the typical large company (Lambing & Kuehl 2003, p. 11). The independence of an entrepreneurial company allows its ability to move quickly when something changes or a new opportunity arises while many large firms seem to be burdened with procedures and administrative control (ibid). The ability to innovate can take on many forms, including product innovation, process innovation and service innovation (ibid). In addition, Carlson and Wilmot (2006, cited in Kingston 2007) proclaimed that innovation is defined as the successful creation and delivery of a new or improved product or service that provides value for the customer and sustained profit for the organization. Furthermore, Moller et al. (2007, p. 2) emphasizes that innovation is a key driver for the competitive advantage of firms. Also, Hoffman et al. (1998, p. 42) emphasize that the empirically based, conceptual analyses contributed by many authors have added greatly to understanding of the link between innovation and SME performance such as Goss 1991, Storey 1993 & 1994, Oakey 1990 & 1991, Johnson 1990, Rothwell 1989, Rothwell & Dodgson 1993, Monck *et al.* 1988, Smallbone *et al.* 1993, Pratten 1991.

However, Deschamps (2005, cited in Moller et al. 2007, p. 3) identify traits that foster innovation that seem to be applicable in the SME context: (1) openness to external ideas and technologies and willingness to experiment with them, (2) an acceptance of risks and failures, coupled with an urge to make their staff learn from projects that go awry, and (3) an unusual combination of creativity and process discipline in bringing the new offering to market.

#### 3.4.2 Network Strategy

Dean et al. (1997, cited in Gilmore, Carson & Grant 2001, p. 7) explain that networking for business activities is about companies joining together with a common objective, working together, and cooperating through the exchange and sharing of ideas, knowledge and technology. Such networking can occur through trade events, personal contacts, cooperation with marketing intermediaries, and as part of the SME entrepreneurs' social endeavours (ibid). For SMEs, networking can mean using a variety of networks (ibid). Entrepreneurs can build network through their normal interactions and activities such as personal contact networks, social networks and business networks (Gilmore et al. 2001, p. 6)

Gilmore et al. (2001, p. 7) claim that for SMEs' entrepreneurs, network is easy to build with low costs. The costs of networking are implicitly hidden because any explicit costs or expenses are low in the immediate term; for example, the cost of networking will include minor expenses such as a club or trade membership, the cost of dinner at trade functions, or the cost of entrance fees to exhibitions (ibid). The style of network tends to be informal, loose, unstructured and spontaneous (ibid).

Gilmore et al. (2001, p. 6) emphasize the importance of network that networks are used deliberately to solve problems. Networks are based on social relationships, family, friends, neighbours, as well as customers, vendors and creditors (Macpherson, Jones & Zhang 2002, p. 8). Some individuals may serve the entrepreneur's network as regular advisers, for example, close friends, family, the company accountant or bank manager (Gilmore et al. 2001, p. 7). Also, many entrepreneurs recognize the advantages of building good relationship with their competitors. Entrepreneurs may communicate with competitors and often are quite

supportive of each other; indeed, many entrepreneurs want to know their competitors personally to contact them for help or advice (Gilmore et al. 2001, p. 8). Furthermore, Macpherson et al. (2002, p. 8) present that entrepreneurs, at an early stage of SME development, rely heavily on informal network of friends, family members and social contacts from the local neighbourhood to gather relevant data. After that, entrepreneurs will extend their networks to include bankers, accountants, lawyers, suppliers, government agencies, customers and consultants (ibid). Shaw (1998, cited in Macpherson et al. 2002, p. 8) emphasizes that “entrepreneurs with good cultural and social networks can attract higher levels of capital and are more likely to be successful than those with limited networks”. Network helps entrepreneurs strengthen their business by providing access to scarce resources including skills, information and knowledge (Macpherson et al. 2002, p. 9)

In addition, Meyer & Skak (2002, p. 181-183) claim that networks provide key sources of information; as a result, entrepreneurs continuously improve relations to existing network partners that have been useful to the organization, while creating new networks in search of new business opportunities. Besides, business networks have a crucial role in SME strategies (ibid). They not only determine firms’ strategic opportunities, but also become an object of strategic activity (ibid). Network positions determine the firm’s strategic position and the resources it can access (ibid).

Further, Havnes & Senneseth (2001, p. 293) argue that SME can overcome some disadvantages of limited size through accessing and utilizing external resources in the network, the SME can overcome some of the assumed disadvantages of limited size. In the long run network will benefit through increased availability of resources (Havnes & Senneseth 2001, p. 294). However, in the entrepreneurship theory the basic argument is that the entrepreneur uses or utilizes his or her personal network in the venturing process (Johannisson 1996, cited in Havnes & Senneseth 2001, p. 293). Creating, maintaining and exploiting a broad range of network are central to the entrepreneurial process (Macpherson, Jones & Zhang 2002, p. 8). While innovation theory argues that belonging to a network will increase the individual firm innovation rate, the strategy theory argues that network will increase the firm’s competitive advantage for long run profit and the survival of the firm (Havnes & Senneseth 2001, p. 294).

However, Gilmore et al. (2000, p. 10) emphasize that ability to form relationship and network and maintain it over time will depend on the characteristics of the individuals. Entrepreneurs recognize that building relationship and network are significantly important to the company’s success and they invest considerable time and effort in building and maintaining good relations (ibid). Macpherson et al. (2002, p. 7) indicate that many scholars demonstrated that to be effective entrepreneur, entrepreneurs must make use of their networks.



## 4. Conceptual Framework

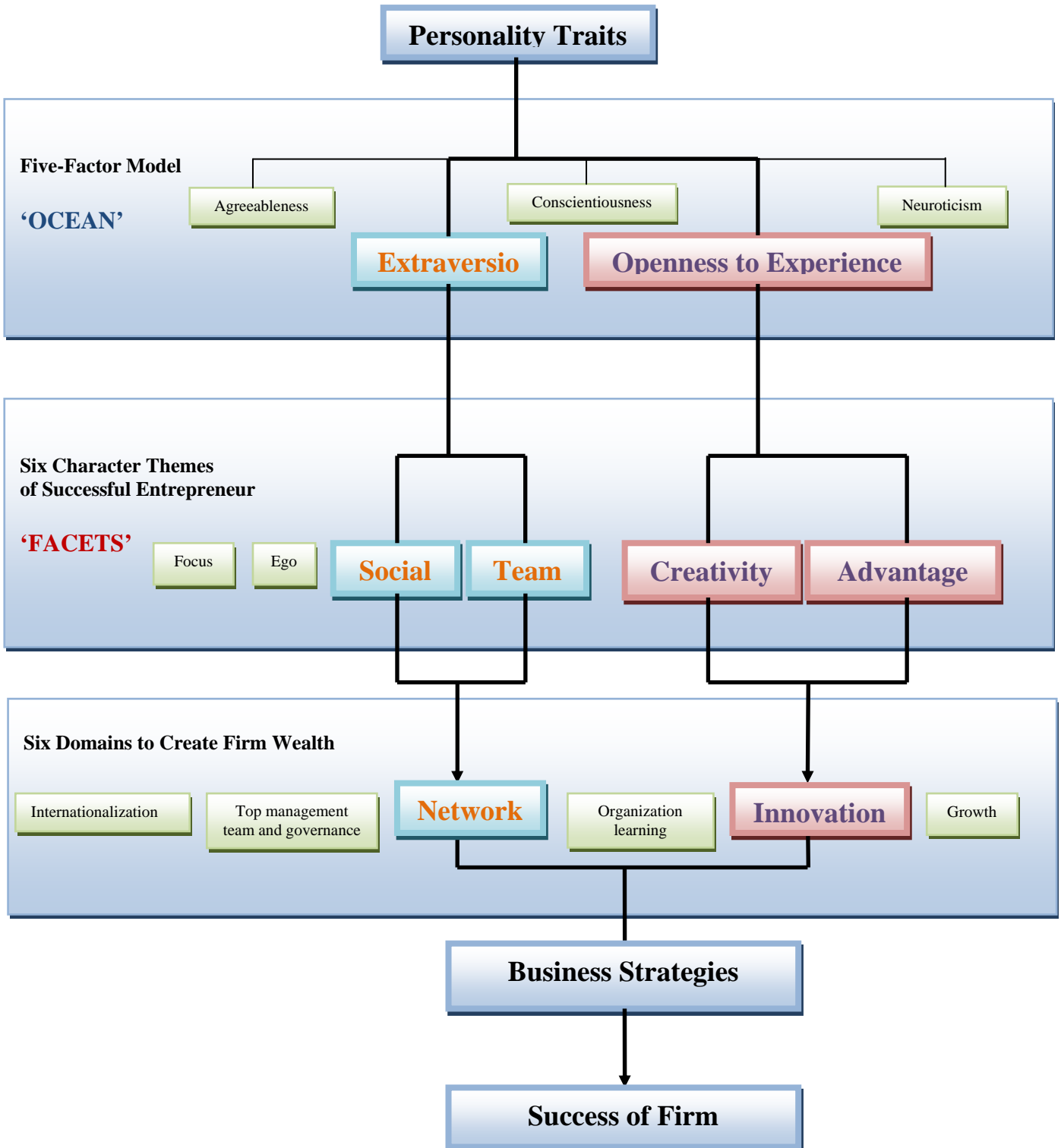


Figure 7 Conceptual Framework

Source: Pongthanapisit & Saihassadee (2008)

After reviewing the literatures, we developed the model for the conceptual framework in order to describe our work in this thesis.

The first part of the model presents the personality traits following psychological research; namely, the Five-Factor Model or the acronym OCEAN- Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. This model is accepted by numerous psychological researchers to describe personality traits of human. This is the first reason that we used such model in our research. The second reason is that we agreed that when we would like to study about the personality traits, we should start with the psychological field because this field tries to study about humanity in many perspectives; therefore, we believe that academic work in this field concerning personality traits can provide the interesting perspective. However, from this model we select the two personality traits that are extraversion and openness to experience as our objective to study in this research.

The second part of the model introduces the successful entrepreneurial traits according to the business studies. In fact, there are a lot of successful entrepreneurial traits depending on each researcher to define them; however, Bolton & Thompson (2003) group many entrepreneurial traits into six themes called six character themes of successful entrepreneur or the acronym FACETS - Focus, Advantage, Creativity, Ego, Team, and Social. Thereafter, we found the relationship between these two models. Namely, social and team in entrepreneurial traits are related to extraversion in psychological study while creativity and advantage are related to openness to experience according to the definitions and sub characteristics in each trait. Therefore, from six characters we study four characters that are social, team, creativity and advantage as our area to investigate in the conceptual framework.

In addition, from the literature review, we found that the business strategies that are very important in the SMEs and can lead these SMEs to competitive advantage as stated in numerous business researches are network strategy and innovation strategy. For example, Ireland, Hitt, Camp & Sexton (2001, p. 51) present the six domains to create firm wealth including innovation, networks, internationalization, organizational learning, top management team & governance, and growth. However, our conceptual framework focuses only on network and innovation strategies because these two strategies are suitable for our case study. Thereafter, we linked these strategies to entrepreneurial traits to study what is the main character of entrepreneur who uses these strategies effectively.

Finally, the result of business strategies is the success of the firm. However, there are many ways to define the success of the firm. One of the most acceptable ways to define the success in SME is measuring SMEs' performance. In this thesis, we use financial data and non-financial data to measure SME performance. Sarapaivanich & Kotey (2006, p. 5) proposed that SME performance is measured by both financial and non-financial data; key financial data include profitability, sales growth, return on assets, assets growth, and cash flow, while lifestyle, independence, and job security are measures widely to capture non-financial data(ibid).

## Discussion

From the conceptual framework, we linked the relationship among the personality traits, the successful entrepreneurial characters, the business strategies, and the success of the firm by establishing three assumptions.

The first and the second assumptions are the relationship between personality traits with successful entrepreneurial characters and business strategies. The first assumption is entrepreneur who possesses extraversion trait with social and team characters will take advantages from network strategy for doing his/her business. The second is entrepreneur who possesses openness to experience trait with creativity and advantage characters will take advantages from innovation strategy for doing his/her business. We determined the network and innovation strategies as control variables or effects and examined the causes that affect using these strategies effectively. Then we proved the assumptions by empirical data both primary and secondary data. As a result, we suggested the propositions from proving assumptions.

The third assumption is the relationship between the business strategies and the success of the firm; namely, business strategies determine the success of the firm. Then we used financial data and non-financial data to present the success of the firm. In this assumption, we also fix business strategies as control variables considered as causes and investigate the result or effects of using these strategies effectively.

The results from proving these assumptions are the propositions. Then, to conclude the relationship among these variables and to investigate the causes and effects of utilizing network and innovation strategies the logical thinking process is applied. Our conclusion is drawn through logical reasoning.

Base on logical thinking process we strongly believe that our thesis is valid and reasonable. It can present the clear picture of causes and effects and the relationship among each variable.

## 5. Empirical data

### 5.1 The Entrepreneur's Background

The CEO of NetDesign, Mr. Narkvichien, Chalermruth was born in 1976. His father is a judge and his mother runs her own business. He is socialable person He loves to learn new things. He always looks for new knowledge since he was a university student. He did not only studied as a full time student but also searched for opportunities to attend the single courses that he was interested in. He also worked as an internship in the organization so that he could gain more knowledge in the fields that interested him. Nowadays he gains knowledge through the network of his family and his own network such as his friends and customers (Narkvichien 2008, interview, 26 April). Narkvichien says:

*“When I’m having a problem on how to do the business, how to cope with official organizations or a problem with the laws, sometimes the people in my parent’s network are able to provide useful suggestions, assist help and solve the problem for me.” (ibid).*

During his study for the bachelor degree, Narkvichien applied for internship with several companies in order to acquire the real experiences and comprehensive knowledge from what he has learned in the classes (Narkvichien 2008, interview, 26 April).

When he was 16 years old, while studying as 2<sup>nd</sup> year student for bachelor of Interior Design at Silpakorn University, he had the first experience with computer graphic because he got the opportunity to do the internship with Remix Digital which is the photos retouching company. At that time he used the graphic program which is based on the Macintosh operation system and he felt that this kind of graphic program could be booming as a new trend of technology (Bangkok Business 2003 – translated from Thai).

After Narkvichien graduated in the Bachelor Degree of Visual Communication Arts from Silpakorn University, he would have continued further study at School of Arts in the United States but decided not to go study because he had got a chance to gain knowledge about international business management from working with French friend whom he knew through the internet surfing. He then decided to stay and work with his foreigner friend in Thailand instead (ibid). He thereafter further continued study for the Master degree at the same faculty in Thailand. While he was studying for the Master Degree of Visual Communication Arts, he also spent his spare time on studying courses from other fields in both local and international universities. After he obtained two degrees from Silpakorn University, he continued his studies in Economic Law from Chulalongkorn University where he gained knowledge of Business Law and Macroeconomics for his further business operations. When he had completed all four degrees mentioned above, he has further studied Ph.D. in Information and Communication Technology for Education at Chulalongkorn University. Narkvichien is now studying in the final year and working on his thesis recently (Narkvichien 2008, interview, 26 April).

Apart from this, he loves to acquire knowledge from the external sources and learn from other successful entrepreneurs' views by attending seminars in various fields such as business management, IT management, design, etc. He also reads magazines and the bibliography of those successful people and obtains the guidelines on how to manage the organization efficiently (ibid).

Narkvichien started his business since he was only 21 years old (Bangkok Business 2003, – translated from Thai). Around the end of 1998, he started his e-commerce experiences at the first time when Digital Serve Company invited him to join the team for website [www.bangkokcenter.com](http://www.bangkokcenter.com), which might be the first e-commerce website in Thailand at that time. The successful business performance of this website made the former Ministry of Commerce of Thailand decided to choose this team for working on the official website for selling the souvenirs of 13<sup>th</sup> Asian Games that was held by Thailand (ibid).

He believed that social networks such as family, friends and customers are the most important parts that made him win the bidding project. It was not only giving him the right to join bidding in the project but also providing him credibility about the work quality of his organization that matched with the qualifications of official organization / employer. Narkvichien says:

*“In order to get the job or work project from the official organizations or the big companies, credibility and interpersonal relationship for create trust and confident to our customers are the core factors”*  
(Narkvichien 2008, interview, 26 April).

Thereafter he started a web designer job under the company name “Cyber design” (Than Economics News 2006 – translated from Thai). At that time there were only 6 members and they got the orders to create e-commerce websites continuously. He had to spend more time on updating information of his customers' homepages every day. As his interest goes in designing rather than just keep updating information, he started to train his customers to update their web pages by themselves using the simple software such as Microsoft FrontPage 97 (Bangkok Business 2003 - translated from Thai).

The idea to establish a web design school stemmed from his customers. In the beginning Narkvichien and friends only created the websites following the orders from each customer. The received orders were then increasing more than his capacity. Therefore Narkvichien started to train his customers to do it on their own. According to the increase demand of web designer in Thailand, more and more people came to study with him when they knew about the training course through word of mouth. He kept the training as a free service for a period of time and then he saw the opportunity to establish the Internet and design school as his own business (Connect Campus Magazine 2004).

Narkvichien has a dream to establish the high-level education school of design and technology (Bangkok Business 2003 – translated from Thai). Consequently, in 1998 the internet and design school was registered under the name of “Netdesign” (Than Economics News 2003 – translated from Thai). In October of the same year, he launched the first official course “Internet Camp” with co-operation of Thailand's NECTEC (National Electronics and Computer Technology Center). It was a 2 days course and the detail was about how to design

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the web site. There were a hundred participants who were university instructors and students around the country attended this program (NetDesign homepage).

In August 1999, Narkvichien wrote the new course outline of “Professional Web Designer”. This course belongs to the institute name Cyber Design, which invested, by Digital Serve Company (Bangkok Business 2003 – translated from Thai) until December in the same year. The length of the course is 21 hours, which divided into 7 times, 3 hours each for learning. The total number of students of this course was 126 persons or 14 alumni (NetDesign homepage).

In January 2000, Narkvichien decided to resign from Digital Serve Company and established his own internet and design school at Fortune town building (Netdesign homepage; Bangkok Business 2003, – translated from Thai). He registered NetDesign as a private school under Thailand’s ministry of education. Narkvichien improved the course of “Professional Web Designer” by extending the length to 35 hours. He also added the details about marketing strategies and e-commerce laws into the new course outline. Owing to the new teaching style and quality of the course, it attracted a lot of attention from more than eight hundred companies in Thailand to send their staff to attend this course. At year-end, number of students who attended this course increased to 108 alumni or 1,238 students from the total of more than two thousand students in the first year (NetDesign homepage).

He turns the difficulties of computer learning into simple lessons that make everyone able to build their own e-commerce website (Bangkok Business 2003, – translated from Thai). In order to make the students feel different from studying in other schools (in the same business field), Narkvichien adapted the teenager lifestyles to symbolize Netdesign by hiring many young specialists in specific field as a teacher. Education plus entertainment were brought to the students in the environment of modern designed study rooms. The majority of students are teenagers, therefore they are more comfortable to adjust themselves to the teachers teaching styles (Than Economics News 2003, – translated from Thai).

In the interview with the newspapers of Than Economics, Narkvichien described that he differentiates his school from other computer schools in the market by focusing on the quality of instructors, quantity of students and teaching style. The instructors of each course are full of experience and specialist in relevant field. For instance, the instructors for the web design course are webmaster, and the instructors for 3D animation course are working for the famous 3D animation advertising company. He limits the number of students in each class to only 14 persons. As a result students are closer to the instructor and able to get better understanding in the small classroom. Not only the instructor is teaching alone in the class but he also provides the teacher assistant to help answering the questions of students who cannot follow their classmates without interrupting the instructor. Regarding the teaching style, both theoretical and practical styles are taught in the courses. This is due to the fact that other schools focus on the theoretical part, Narkvichien thus decided to focus on the practical part. Additionally, he also provides 20 megabytes of hosting space to all students. Consequently, the students are able to perform uploading their work to the server practically (Than Economics News 2001– translated from Thai).

### *Data from Surrounding Colleagues*

- **Colleague1: Ms. Sirakarn Phaiboon (Vice President)**

Phaiboon serves NetDesign with her loyalty. She is the one who has the longest service year among other employee. Phaiboon reflects that Narkvichien is open minded boss who always open a chance to all subordinate to share their ideas. Therefore, she has a good feeling to work with him. She also talks about Narkvichien's creative and innovative that he has unique ideas, good vision and makes the things happen.

- **Colleague2: Mr. Suthinad Maikoophandin (Vice President- Branch Division)**

Maikoophandin is former student of NetDesign. Maikoophandin is also the one who has the longest service year with NetDesign. He reflects that Narkvichien is not only the innovator but also motivator as well.

- **Colleague3: Mr. Somkiat Apisuttimaitree (Lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.)**

Nowaday Apisuttimaitree is Narkvichien's business partner who directs the affiliate "NetDesign Host". He reflects that Narkvichien's strength are creative and innovative ideas which are difficult to compete. He also said that Narkvichien deliberate on both his work and also his subordinates. Obviously, all answers we have got from interviewing his colleagues indicate Narkvichien is not only innovative person but also sociable. He loves to socialize with his subordinates to strengthen his social network. As one of the members of NetDesign and also one of the authors of this paper, Saihassadee describe the relationship between Narkvichien and all above mentioned colleagues and how he takes advantages from his social network to reinforce the network perspective as follows:

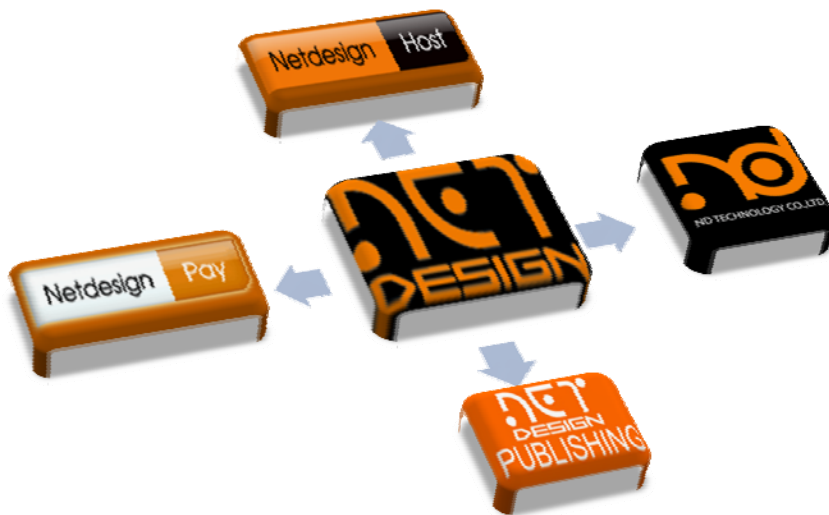
Case of Ms. Phaiboon - Narkvichien employed Phaiboon since 2000 through his advantage of social network. Because of the people in his network already select the right person to the right job for him. Obviously that Phaiboon becomes one of the most important management team with her ability and loyalty to the organization.

Case of Mr. Maikoophandin - Narkvichien always pay attention to every single detail in his organization. He always finds out the feedback as much as he can both from external source (student, customers) and internal source (lecturers, employees). It is normal that he can notice the outstanding performance of Maikoophandin through the comment of lecturer who taught Maikhoophandin when he was a student of NetDesign. This shows he use the advantage from his network in order to making the decision for employment or finding out the business opportunities.

Case of Mr. Apisuttimaitree – Narkvichien employed Apisuttimaitree since the foundation period of the organization. He specialize in the field of systems and data maintenance. Moreover he become Narkvichien's business partner. He take the whole responsibility for one of Netdesign's affiliate - NetDesign Host Co.,Ltd. He is both the most important of NetDesign employee and also Narkvichien's closest friend. The trust that created among each other helps Narkvichien run business smoothly.

## 5.2 The Company's Background

NetDesign has affiliated companies providing other services as follows:



**Figure 8 Affiliated companies of NetDesign**

*Source: Pongthanapisit & Saihassadee (2008)*

1. NetDesign Host Co.,Ltd. provides webhosting and domain name registration services
2. NetDesign Pay Co.,Ltd. provides services that allow customer to make a payment by credit card from their personal computer (like Paypal).
3. ND Technology Co.,Ltd. provides vary services such as Multimedia Design , Graphic Design, Programming, E-Marketing and Event Organize.
4. NetDesign Publishing Co.,Ltd. Provides publishing services such as textbook, magazine, etc.

Nowadays the headquarter of NetDesign is located at Fortunetown Mall and spread out 9 branches cover the prime locations around Bangkok. Moreover, NetDesign also have 4 training centers cooperating with other universities throughout every region in Thailand (Narkvichien 2008, interview, 26 April; NetDesign Homepage). The employee number of NetDesign is increased from 2 people in 1998 up to 150 persons in the present (NetDesign homepage, Than Economics News 2006– translated from Thai). The company offers 35 courses to customers (NetDesign homepage).



Organization chart



Figure 9 Organization Chart of NetDesign

Source: Pongthanapisit & Saihassadee (2008)

## 6. Analysis

In Small and Medium Enterprise (SME), the structure of the organization is dramatically different from the large organization. In the large firm, there are a lot of divisions and departments, many levels of control and its business strategies created by the group of people so-called board of director. In contrast, in SME, there are a few levels of hierarchy as you can see from the organization chart of our case study, NetDesign. It is considered as a flat organization and there are only 150 employees. Ghobadian & Gallear (1996, p. 87) argue that the flat structure of SMEs offers the entrepreneur to build a strong personal relationship with employees. In addition, Ghobadian & Gallear (1996, p. 87) claim that in SMEs, operations and behaviour of employees influenced by owners'/managers' ethos and outlook. Therefore, the entrepreneur of this enterprise plays an important role to control the policies, strategies and direction of the organization. To investigate factors contributing to success in the SME, it is better for the researchers to study its entrepreneur. Whilst many researchers study business strategies of the SME, in this research we aim to study specific entrepreneurial traits as key factors in order to lead the SME to success and describe the relationship among entrepreneurial traits, business strategies and the success of the firm.

**Assumption 1:** Entrepreneur who possesses extraversion trait with social and team characters will take advantages from network strategy for doing his/her business.

According to the psychological studies, people with extraversion trait are sociable, active, talkative, person-oriented, optimistic, fun-loving, and affectionate. The relationship between extraversion and network is illustrated by various researchers. For example, Eisenberger, Lieberman & Satpute (2005, p. 2) claim that extraversion is related to increased activity in the network. Extraverts also seem to have larger and more diverse social support networks and have contact with their network members more often (Swickert et al. 2002, p. 878). Extraversion trait seems to be the fundamental for using network strategy. However, to be a successful entrepreneur, he/she has to possess not only extraversion trait but also successful entrepreneurial characters. For using network strategy effectively, entrepreneurs have to possess social and team characters to exploit the advantages of network strategy. The social character is to have relationship and network with customers, suppliers, regulators and so on; besides, entrepreneurs who possess this character will take advantage of having strong relationship and network to support their business. Team character refers to human resource management to build teamwork and synergy in the organization.

From interviewing Mr. Chalermruth Narkvichien and his staffs and reviewing the articles about him and his business, we have found some interesting points indicating that he has extraversion trait with social and team characters.

First of all, we interviewed Narkvichien to describe his personalities; he mentioned that

*“I love to socialize with people since my personality is outgoing and friendly. I believe that having networking and connection with a group of people can support me in doing business” and “I am an optimistic person who rarely upset when things do not go as expected, or as according to the goal, yet, on the other hand, those things will be used as a force to do things better. I view that the failure is not an obstacle, but a precious lesson for correction and improvement, nor repeating the same mistakes.”*  
(Narkvichien 2008, interview, 26 April)

Furthermore, Mr.Suthinad Maikoophandin (Vice President- Branch Division), Ms. Sirakarn Phaiboon (Vice President) and Mr. Somkiat Apisuttimaitree (Lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.) discussed the personality of Narkvichien that

*“...always give a chance and opportunity to his subordinates...” and “if someone has outstanding performance, he will relocate the specific personnel into the right place” and “able to accomplish in human resources management within NetDesign ... able to put the right man in the right place.”* (Maikoophandin 2008, interview, 28 April)

*“He also has high interpersonal skills for personnel management” and “close relationship with all colleagues and the surrounding people” and “...always give help and advices”* (Phaiboon 2008, interview, 28 April)

*“He is able to persuade people”* (Apisuttimaitree 2008, interview, 29 April)

From the responds of interviewees, they presented that Narkvichien possesses the successful entrepreneurial character in the area of team character. He has ability to manage his personnel by putting the right man into the right job and build the strong relationship and trust with them by considering his employees as brothers or sisters. This style of management makes his employees feel as a part of the organization.

Also, being a sociable, talkative and person-oriented person of Narkvichien makes him have a lot of friends. After graduating Bachelor’s degree from Faculty of Decorative Arts, Silpakorn University- the school of art in Thailand, he decided to do the master’s degree at the United States. While he was waiting for acceptance, his friend opened the new business and persuaded him to join. Consequently, he changed his mind from going abroad to join his friend’s business. It was a service company developing web page for e-commerce business transactions for its customers.

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In the area of networking, there are several evidences showing his relationship with other parties.

Because of his relationships in the Ministry of Commerce of Thailand, his company was selected by the Ministry to do the e-commerce web site in order to sell the souvenirs for 13<sup>th</sup> Asian Games in Bangkok (Bangkok Business 2003). Moreover, Narkvichien emphasized that

*“it is simple to say that in order to get the job or project work from the official organizations or the big companies, we need the credibility and interpersonal relationship to create trust and confident to our customers.”*

(Narkvichien 2008, interview, 26 April)

That web site made Thai people interested in e-commerce transaction. Thereafter, there were a lot of SMEs that wanted him to do e-commerce web site for them. Therefore, he decided to set up his own business to teach about creating web site and he took advantage of being a sociable and talkative person to persuade his previous customers to become his students in the new business and also he hired his friends to be the tutors in his business. Narkvichien stated in the newspaper about establishing this business that

*“Because of having the network and the good relationship with friends, customers and regulators and supporting from my family, I have a good chance to start up my business at 21 years old”* (Bangkok Business 2003)

He also emphasized that

*“we have to respect and trust our friends, our employees and person around us including suppliers, partners and especially competitors and we have to change our competitors to become our partners in order to share information to each other”* (Than Business News 2006)

In addition, we interviewed Narkvichien about using network strategy in his business. He emphasized the importance of network that

*“Network is the important factor that supports my business. It accelerates business performing, makes my business more reliable and gains more power on negotiation” and “...the connected people in the network spread out the credibility of our organization through their word of mouth. Many of them recommended their friend to study in our organization or introduced the good qualified person to become a part of my organization as well.”* (Narkvichien 2008, interview, 26 April)

*“It (network) is required personality of being sociable, generous and sympathetic to keep the relationship with both employees and customers.”* (Narkvichien 2008, interview, 26 April)

Besides, Narkvichien emphasized the importance of having business network as one of the most important factors to lead every organization to success (Narkvichien 2008, interview, 26 April). At present, his business has extensively cooperated with many universities in Thailand

and has constantly maintained the good relationship with the government such as Ministry of Commerce and Ministry of Education. For example, his institute has a cooperative agreement with Rangsit University in Thailand: namely, students who receive the diploma from his institute can immediately enter to study in that university (NetDesign Homepage). Besides, the institute has a student exchange project with Nihon Designer Gakuin institute of Japan (NetDesign Homepage) and begins to cooperate with graphic school in Singapore to set up the training center abroad (NetDesign Homepage). Through the relationship with the government, the institute is selected by the government in order to train the government officials about the computer software and to create the web site for many official departments (Bangkok Business 2003; NetDesign Homepage).

In conclusion, Narkvichien has taken advantage of networking which makes him receive many opportunities in his life. He also possesses the successful entrepreneurial character in the area of social character that makes him see opportunities and take advantage of them.

Furthermore, it is obvious to see that network strategy used by Narkvichien comes from his personality trait: extraversion trait. Using network strategy effectively, person has to possess the successful entrepreneurial characters. Team and social characters are the important characters for entrepreneur to use with network strategy. Therefore, from assumption 1, we suggest proposition 1 that network strategy will be efficiently used by the person who possesses the extraversion trait as well as social and team characters.

*Proposition 1: Network strategy will be efficiently used by the person who possesses the extraversion trait with social and team characters.*

**Assumption 2: Entrepreneur who possesses openness to experience trait with creativity and advantage characters will take advantages from innovation strategy for doing his/her business.**

Curiosity, broad interests, creativity, originality, imaginativeness and untradition are the characteristics that describe the person who possesses the openness to experience as dominant personal trait. Several studies confirm that there is a relationship between openness to experience and creativity. For example, McCrae (1987, cited in Judge & Bono 2000, p. 753) claims that the link between creativity and openness to experience is clear and also openness to experience correlates with divergent thinking. Moreover, Baer & Oldham (2006, p. 963) emphasize that substantial evidence now suggests that creativity makes an important contribution to organizational innovation. However, many people possess the openness to experience trait but not all of them can utilize the advantages of innovation strategy. To use innovation strategy effectively they have to possess the specific entrepreneurial characters that are creativity and advantage characters. Creativity is the source of new ideas and opportunities while advantage character is ability to select which ideas can be created. For commercial entrepreneur, advantage character will help the entrepreneur to choose which new ideas can be created and be commercialized.

We found the interesting points from empirical data indicating that he possesses openness to experience trait associated with creativity and advantage characters to create new innovation.

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Being a creative and imaginative person makes Narkvichien decided to study in Faculty of Decorative Arts instead of Faculty of Law which his family wanted him to study. He presented the reason because

*“I am independent and creative person. I love all kind of arts, such as painting and photographing”* (Narkvichien 2008, interview, 26 April)

Also, Narkvichien discussed his personality that is important to the success of his business.

*“I have unique ideas, creativity and always think out of the box. Since I was young, I always ask myself with regard to the environment, social and situations around me and view things in different perspectives, trying to find the answers to those questions and thinking if the solution can be the other ways round and further developed. I am an open-minded person who loves to experiment new things and face with the challenges. Normally, when I confront with any problem, either personal or business, I always use my creativity to cope with it”* (Narkvichien 2008, interview, 26 April)

Moreover, his staff described his personality that

*“He has unique ideas, good vision and ability to make the things happens”* (Phaiboon 2008, interview, 28 April) and *“...able to do the new things”* (Maikoophandin 2008, interview, 28 April).

Opening a computer school in Thailand is not a new idea in the market, but Narkvichien made his school vastly different from others. At that time, while others offer program about word processing, he provide different programs that are graphic and design, especially designing and creating web site, and because the first customer group is the entrepreneurs of SME who would like to create their home page for e-commerce transaction, he used the case study coming from the real situation in the business field (Than Business News 2006). Also, he decorated his school different from others by using the modern style; for example, all classrooms were painted by colorful concept to make the learners alert and attractive and used modern furniture to make the classroom more lively (Than Business News 2006). He also hired the teenager tutors to decrease the gap between tutors and students. This is very effective because it is support his management style. Besides, he introduced the new concept to his school that is edutainment program: style of teaching is combined between education program and entertainment program to make the students enjoy while they are studying (Than Business News 2006). Being an imaginative and creative makes him to see many opportunities as well. He innovates his program by providing the international courses taught in English because he found that there are a lot of foreigners doing the business in Thailand (NetDesign Homepage).

Narkvichien can use innovation strategy effectively because he possesses the creativity and advantage characters. He always introduces new services to his customers and always differentiates his business from competitors. Possessing advantage character makes him to see many opportunities and take advantages from such opportunities.

In addition, Narkvichien discussed the importance of innovation to the success of the firm.

*“I always search for new innovation to serve the customers. It can improve or develop the old idea to the new and better one or invent new products or services based on customer’s need or estimate technology trend and future market’s need. I always keep in mind that there is no best for today, creativity can always create something new and better by tomorrow or in the future.”* (Narkvichien 2008, interview, 26 April)

*“Innovation in my view point toward the business perspective, it helps business to run efficiency, to get new and good opportunity. Even we have small or big obstacle, we can overcome. Finally, it will lead our organization to be successful.”* And *“Innovation can reduce cost and enhance the ability to manage organization.”* (Narkvichien 2008, interview, 26 April)

It is obvious to see that Narkvichien possesses openness to experience trait as well as creativity and advantage characters that make him use innovation strategy effectively. This strategy increases competitive potential to the organization. Therefore, according to the assumption 2, we suggest the proposition 2 that innovation strategy will be efficiently used by the person who possesses the openness to experience trait as well as creativity and advantage characters.

*Proposition 2: Innovation strategy will be efficiently used by the person who possesses the openness to experience trait with creativity and advantage characters.*

### **Assumption 3: Business strategies determine the success of the firm.**

The business strategies that entrepreneur adapt to the firm affect directly on the profitability, growth and survival of the firms (Delmar 2000, p. 137). To identify the success of the firm, we designed to use both financial data and non-financial data to measure the success of the firm. The financial data are indicated by the expansion of the business in terms of the number of employees, branches, affiliated companies, courses and customers. The non-financial data are measured by the satisfaction of employees.

Begin with the financial data, from the opening of this company in 1998, at present, the number of employees increases from 2 people in 1998 to 150 employees in 2008 with 9 branches around Bangkok and 4 training centers cooperating with other universities throughout every region in Thailand (Narkvichien 2008, interview, 26 April; NetDesign Homepage). The company offers 36 courses to customers (NetDesign Homepage). It also has 4 affiliated companies doing the business in order to support NetDesign (NetDesign Homepage). In addition, Mr. Somkiat Apisuttimaitree (Lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.) stated about the success of the firm that

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*“...from the one-room institute to famous brand and has expanded the branch nationwide” “Presently, brand “NetDesign” is well-known and many thousands of students enrolled with NetDesign” (Apisuttimaitree 2008, interview, 29 April)*

For the non-financial data, we used to measure the performance of the firm are the satisfaction of employees. We obtained these data from interviewing NetDesign’s personnel: Mr.Suthinad Maikoophandin (Vice President- Branch Division), Ms. Sirakarn Phaiboon (Vice President) and Mr. Somkiat Apisuttimaitree (Lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.).

All interviewees emphasized that they are satisfied with the organization because of style of management. Phaiboon who has worked with NetDesign for eight years mentioned management style of Narkvichien that

*“He (Narkvichien) treated subordinates like brothers and sisters that can consult everything we want. In this point, I think it works better than relationship in hierarchical management like boss and subordinates” (Phaiboon 2008, interview, 28 April).*

In addition, Maikoophandin mentioned in the same point that

*“He (Narkvichien) advices his subordinates not only the work but also the way of living” and “...if his subordinates will take the further education such as, master's degree, or doctoral degree, he will give fully support”. (Maikoophandin 2008, interview, 28 April)*

Also, Apisuttimaitree who is one of the close friend of Narkvichien, the lecturer of NetDesign and the partner of NetDesign Host Co.,Ltd. emphasized about his friend that

*“Narkvichien is the boss who gives importance to all subordinates as his own brothers or sisters” and “He is willing to give advices for everyone including problem about work, love, life or even financial problems”. Apisuttimaitree (2008, interview, 29 April)*

Therefore, these findings underlined that Narkvichien, the entrepreneur of NetDesign plays an important role to the success of the firm when we considered from the employee’s perspective from non-financial data.

From the financial data and the non-financial data, we suggest proposition 3 that is the success of the firm is determined by the business strategies.



*Proposition 3: The success of the firm is determined by the business strategies.*

In conclusion, from the data analysis, we proved the three assumptions by literatures and empirical data to suggest three propositions that are:

1. Network strategy will be efficiently used by the person who possesses the extraversion trait with social and team characters.
2. Innovation strategy will be efficiently used by the person who possesses the openness to experience trait with creativity and advantage characters.
3. The success of the firm is determined by the business strategies.

## 7. Conclusion

From the three propositions, we found the relationship among the personality traits of entrepreneur, business strategies and the success of the firm. On the one hand, personality traits of entrepreneur considered as causes affect the business strategies considered as effects; on the other hand, the business strategies considered as causes affect the success of the firm considered as effect. The first proposition suggests that network strategy will be efficiently used by the person who possesses the extraversion trait with social and team characters, while the second proposition proposes that innovation strategy will be efficiently used by the person who possesses the openness to experience trait with creativity and advantage characters. The extraversion and openness to experience are personality traits while social, team, creativity and advantage are successful entrepreneurial characters. Similarly, network and innovation are business strategies. Therefore, we can imply that personality traits and the successful entrepreneurial characters are related to the business strategies.

*Proposition 1:* Extraversion Trait  
with Social & Team Characters (Cause) → Network Strategy (Effect)

*Proposition 2:* Openness to Experience Trait  
with Creativity & Advantage Characters (Cause) → Innovation Strategy (Effect)

*Proposition 1 & 2:* Personality Traits with  
Successful Entrepreneurial Characters (Cause) → Business Strategies (Effect)

*Proposition 3:* Business Strategies (Cause) → Success of the Firm (Effect)

From proposition 1, 2 and 3, we may conclude that personality traits and the successful entrepreneurial characters are related to the success of the firm.

*Proposition 1, 2 & 3:* Personality Traits with  
Successful Entrepreneurial Characters (Cause) → Success of the firm (Effect)

The factors that affect the success of the firm can be divided into two groups: internal factors and external factors. Internal factors are business strategies, entrepreneur, human resource and so on, while external factors are policy of government, demand of customers, politic and economic situation and so forth. However, we believe that internal factors are the most important factors and send the direct effect to the success of the firm. Therefore, we would like to indicate that in the organization; especially SME, entrepreneur plays an important role to the success of the firm. The success of the firm results from business strategies while business strategies are defined by the entrepreneur of the firm. To study the success of the firm, we should focus on the entrepreneur in terms of his/her personality, attitude, style of management and so on, as a key success factor of the firm.

## 8. Implication

In this part, we discuss the result of this research. The research illustrates that there is the relationship among the personality traits, the business strategies and the success of the firm, and also it indicates that entrepreneur plays an important roles to the success in SMEs. In addition, the thesis emphasizes that network and innovation strategies are the key business strategies that lead the firm to the success as tool to create the competitive advantages of the firm. However, utilizing these two strategies effectively, the entrepreneur has to possess the entrepreneurial characters. The important thing that distinguishes entrepreneur from common people is entrepreneurial characters. Everybody possesses specific personality traits but some of them also possess entrepreneurial characters that lead them to be a successful entrepreneur. In this thesis, we present that social and team characters are the main entrepreneurial characters for entrepreneur who utilizes network strategy while creativity and advantage characters are the key entrepreneurial characters for entrepreneur who utilizes innovation strategy. We would like to suggest that effective utilization of business strategies depends upon characters of the entrepreneur; namely, entrepreneur should use business strategies that suit his/her characters. People who already possess the successful entrepreneurial characters should select the business strategies that suit and support their characters when they would like to be a successful entrepreneur. On the other hand, people who have not possessed the successful entrepreneurial characters should develop these characters.

## 9. Recommendations for Further Research

- In this research, we focus only on extraversion and openness to experience traits. However, many researches indicated that the Big Five trait factors affect job performance in different ways. Hence, further research should investigate other traits
- Our research focuses only on one entrepreneur in Thai SME by using the single case study. However, there are some different styles among entrepreneurs from different countries because of social value, culture, attitude and so on. Also, different businesses in different industries should be taken into consideration. Consequently, comparative case study should be adopted for further research.
- This thesis is focused only on a successful company as a single case study to investigate entrepreneurial traits of the owner; thus, for further study a researcher should study the entrepreneurial traits of the owner in unsuccessful company and compare entrepreneurial traits between the owner of successful and unsuccessful companies as comparative case studies.
- The success of the firm depends on both internal factors and external factors. In this thesis, we studied only internal factors that are entrepreneurial traits and business strategies. Thus, external factors should take into consideration for further research.

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## Appendix

Interviewers: Worakit Pongthanapisit and Natchapakorn Saihassadee

Interviewee: Mr. Chalermruth Narkvichien (Owner of NetDesign)

Sent date: Friday, April 25, 2008 10:18:39 PM

Received date: Saturday, April 26, 2008 6:09:22 AM

### *General questions about personality*

- *Can you describe your personality?*
  1. I love to learn new things. After I graduated in Bachelor Degree of Visual Communication Arts from Silpakorn University, I then further continued Master degree at the same faculty. While I was studying Master Degree of Visual Communication Arts, I also spent my spare time on studying courses from other fields in both domestic and overseas universities. Then when I obtained two degrees from Silpakorn University, I continued my study in both Bachelor and Master Degree of Economic Law from Chulalongkorn University where I gained knowledge of Business Law and Macroeconomics for my further efficient business operation. When I completed all four degrees mentioning above, I have further continued my Ph.D. study in Information and Communication Technology for Education at Chulalongkorn University. I am now studying in the final year and working on my thesis recently. Moreover, during my study in bachelor degree, I did apply for internship with several companies in order to acquire the real experiences and comprehensive knowledge from what I've learned in the classes. Apart from this, I also love to acquire knowledge from the external sources and to learn the others' view by attending seminars in various fields such as business management, IT management, design, etc. Reading from the magazine and the bibliography of those success people and acquiring the guidelines on how to manage the organization efficiently is also valuable for me.
  2. I love to socialize with people since my personality is outgoing and friendly. I believe that having networking and connection with a group of people can support me in business.
  3. I have unique ideas, creativity and always think out of the box. Since I was young, I had always curious with environment, social and situations around me and perceived things in different perspectives, tried to find the answers to those questions and thought if the solution can be the other way around and further developed. I'm an open-minded person who loves to experiment new things and face with the challenges. Normally, when I confront with any problem, either personal or business, I always use my creativity to cope with it.



4. I'm an optimistic person who rarely upset when things do not go as expected, or as according to the goal, yet, on the other hand, those things will be used as a force to do things better. I view that the failure is not an obstacle, but a precious lesson for correction and improvement, avoiding the same mistakes.
  5. I live my well-organized life in all my education, career and financial sides. I will have both primary and secondary plans in order to set my goal for my personal life as well as managing my organization and my employees efficiently. Besides primary plan where covers both long term and short term period, I have prepared the secondary plan just in case of any errors due to the unexpected change in order to prevent loss and avoid risk. A clear example here is that when I invested in the business, I have minimized the risk by investing in several businesses. As if one business is failed, I still have other business(es) to run.
  6. I am independent and creative person. I love all kind of arts, such as painting and photographing. I also love to travel around to see new things and get myself inspired by those for my career.
- *Do you think you are the kind of creative and social able person or not?*

I believe that I have creativity for both personal and working life. When it comes to the working life, I always search for new innovation to serve the customers. It can be improving or developing the old idea to the new and better one or invent new products or services based on customer's need or estimate technology trend and future market's need. I always keep in mind that there is no best for today, creativity can always create something new and better by tomorrow or in the future.

- *Could you please tell us at least 5 qualifications that make you succeeded.*
  1. Always looks at myself as "valuable". I will not compare myself with others. I always believe in myself and have confident.
  2. Expect best and most efficient result from working from the best I can do.
  3. Be giver, not taker. Always assist helps to others.
  4. Think positive. When I face the crisis, I'll change that to be good opportunity for myself (to prove how good I am).
  5. Thank and realize in everything I have.
  6. Love to learn new things. Always active in learning and seek for new knowledge
  7. Being thankful for all comments and critics from others.
- *In your opinion, what are the qualifications that entrepreneur must have. Please specify at least 5 qualifications.*
  1. Relationship characteristic: It required personality of being sociable, generous and sympathetic to keep the relationship with both employees and customers.
  2. Communication characteristic: To have the same understanding with all employees and customers, entrepreneur should have the ability to express or inform message and information in proper, correct, understandable, and clear meaning.

3. Technical (Specific) characteristic: Entrepreneur should have several specialist skills, such as selling, assembly, or even financial analysis.
4. Decision-making characteristic: Using his/her experience in making decision for the business in order to estimate, analyze, and make the best decision for future success of the business.
5. Financial characteristic: Entrepreneur should know how to manage the revolving capital and reserve funds, including contacting the financial institution. He/she should also minimize the risk by dispersing the investment which is the suitable and significant factor for the financial of the business.

- *What is your motto?*

There is nothing I cannot do, unless I try.

- *Is the university student life take part in your success?*

1. The education system helps me to learn both knowledge and system. It shown all the perspectives of each area I have studied. Moreover, the ideas, theories, and all lecturers made me understand in all facts and circumstances without my own experiment.
2. It also helps me with the socialization. I have met people with different characters with came from different society and financial situation. With time passing by, I can adjust myself to go along with all kinds of people in the society, including age-difference. Especially, in my doctoral degree, I needed to study with my classmates who mostly older than me. It provided me the experience of the real working world where I am easily adapting myself with others.
3. I also learnt the norms and rules in society, such as punctuality, standardization as well as social prohibits.

### *Questions about Network*

- *Nowadays modern business emphasis on networking. The actors in the network are such customers, employees, competitors, government institution, etc. Do you think network support your business or not? If yes, how it support your business?*

Network is a core support in helping my business. Since my business is service business and need to cope with more than a ten thousand people a year. My business started almost ten years ago, that means we contacted many hundred thousand people already. Therefore having business network is the important factor that supporting my business. It accelerates business performance, makes my business more reliable and gains more power on negotiation.

However, it depends on the background and credibility of the organization or the entrepreneur as well. In case of the entrepreneur is lack of responsibilities or simple to say that if he/she is lack of good qualification, the bad word of mouth can ruin the credibility of the organization. The more people in the network he/she connected with, the more bad result will shown up.

According to the way I performed my business so far, I strived for making my organization become a transparent, royalty and trustworthy organization. Therefore, the connected people in the network spread out the credibility of our organization through their word of mouth. Many of them recommended their friend to study in our organization or introduced the good qualified person to become a part of my organization as well. Since the people in the network already screened and selected the good quality staff in their mind before introduce them to work with us, most of staffs in NetDesign teamwork that enters the company by introduction from the people in my network are having a good qualification such as having same attitude with company's goal and also working with us in long period of time. Sometimes the official organizations or government authorities choose NetDesign to work with them because of the word of mouth that make them trusted in our organization.

When it comes to the competition in the business field, refer to the SIPA (Software Industry Promotion Agency) of Thailand, survey result shown that NetDesign has more than 50 percent of market share in computer tutoring business. Even though we are the leader in this market but still there are competitors. We never have a serious conflicted with our competitors because of the social network reflect the way of our business as a friendly organization to the society.

- *Can you define the word "Network" it in your own thought?*

Normally when people do their business and also the nature of human being communication, they choose the person who they feel familiar to contact with. They learnt from their own experience that who is trustworthy and having enough responsibility to work with. Social network is the common thing in the business world since it is one of the human behaviors. Cooperating with the people we trust help to work faster and more comfortable. Especially the modern business, we need credibility in order to persuade the investors to invest with us. Organization expansion depends on the social network as well.

- *How do family and friend support your business opportunities?*

Family is the important background that creates thinking values of life, such as taught me to respect the other people, to make an effort, to be patient, to save the money, to sacrifice and so forth. I was taught about how to be a leader from my family as well because I am the oldest brother. My family is the middle class. My father is a judge and my mother is a business owner. When I'm having a problem on how to do the business, how to cope with official organizations or a problem with the laws, sometimes the people in my parent's network are able to provide useful suggestions, assist help and solve the problem for me.

In the part of friend, since I graduated from many institutes and many fields such as design, business and laws, doing business also need to contact many people in many fields of work. I often out sourcing for corporations or help in the field that I am not familiar with or not specialize. Sometimes I have got a desired specialist by my friend's introduction. Moreover my friends also provide me a chance to meet with

new customers that if I never know them before, I might not be able to get a chance to present my work to those customers.

- *Being a part of 13<sup>th</sup> Asian Games Souvenir website, do you think whether this opportunity has something to do with 'network'? If the answer is yes, how it helps you?*

I believed that network is the most important part for this situation. Since it was not only gave me the right to join bidding in the project but also provided me credibility about the work quality of my organization that matched with the qualification of official organization / employer. It is simple to say that in order to get the job or work project from the official organizations or the big companies, we need the credibility and interpersonal relationship for create trust and confident to our customers.

#### ***Questions about Innovation***

- *What do you think about innovation?*

From my opinion, innovation is the emerging of new idea which any other people has not known, seen or heard elsewhere before and this idea should be positive and constructive. Innovation can be any form, such as new solution, new strategy, new system and new process. Some examples of the new process are, for instance, an innovation of payroll, budget approval process, teaching and learning assessment system. Moreover, there are new services that differentiate from the previous such as, new selling technique, new way to make an employee assessment, new way to escort the customers. Innovation in my view point toward the business perspective, it helps business running efficiency, getting new and good opportunity. Even we have small or big obstacle, we can overcome. Finally, it will lead our organization successful.

- *Do you think innovation can help your business success? How?*

Innovation is a crucial part in running business because there are some of our competitors offer new products to the customer regularly. As the result, the customers will have more choices. However, we believe in our products as the course structure, teaching strategies and learning mediums have been renovated. Consequently, our customers can perceive more innovation and lower of cost than the competitors' products. Besides that, innovation can reduce cost and enhance the ability to manage the organization, for example, the innovation in information system and customer relationship management. Obviously, the number of employees will be reduced, process will be shortened and the error will be minimized.

- *Who are your direct and indirect competitors?*

Our direct competitors are education institutes and computer training centers within urban and rural. Our indirect competitors are publishers, online learning and other mediums that the customers can use as alternative.

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- *How do you use innovation strategy to gain competitive advantage?*

We employ innovation in our service sector to develop and support our service more efficiency. With the help of innovation technology, it can facilitate the way we manage and store data and information. Moreover, we can evaluate and assess all the information and produce accurate results. We apply this technology within organization and all branches. Right now, NetDesign has more than 150 employees and provides service to customers more than 10 thousand people per day. Therefore, we believe that this innovation technology (Real Time) can enhance our data transition among ourselves, customers, and alliances for all 24 hours. Besides that, this new technology can gather necessary information such as, customers' need and customers' behavior, so that, we can use this information for analyzing and enacting the right strategy for our business. Finally, we hope that this new technology can drive our business in a good direction and efficiency. This will improve our new course, learning process and learning tool, which adjust according to the need of the market, and emerging technology.

#### **Interview Transcript of NetDesign's Personnel**

The reason that we want to interview the personnel within NetDesign is for reflecting picture of the entrepreneurship from the point of view of the personnel within the organization, and collecting the reliability information for thesis work.

Interviewee: Mr.Suthinad Maikoophandin (Vice President- Branch Division)

Sent date: Friday, April 25, 2008 10:18:39 pm

Received date: Monday, April 28, 2008 05:25:56 am

For the questions we interviewed the personnel are stated below:

- *How long have you been working with NetDesign? And in which position?*

I have been working with NetDesign for 5 years; the current position is vice-president for branches division.

- *How could you have the opportunity to join NetDesign?*

Formerly, I was a student at NetDesign taking a Graphic Design course. During that time, I surfed the website [www.designparty.com](http://www.designparty.com) and acknowledged that, NetDesign had opened the jobs opportunity so I sent out my job application.

- *As the person in the same organization (as a friend, colleague, business partner, senior and junior, boss or subordinate etc.), we suppose you know and acquaint with Narkvichien, so we would like you to give your opinion about Narkvichien in the overall image, from your point of view. (open-ended question)*

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In the view of boss and subordinate, Narkvichien is a open-minded boss who always give a chance and opportunity to his subordinates not only in the area of expertise but also in opinion. And if someone has outstanding performance, he will relocate the specific personnel into the right place.

- *Please specify at least five important qualifications of Narkvichien.*
  1. Be the modern executive, able to do the new things.
  2. Be the executive who motivate his subordinates well.
  3. Be the executive who understand the important of learning. If his subordinate will take the further education level such as, master's degree, or doctoral degree, he will give fully support.
  4. Be the executive who able to accomplish in human resources management within NetDesign. And he is also able to put the right man in the right place.
  5. Be the executive who able to advice his subordinates, not only about the career but also about the way of living.
  
- *From working with NetDesign, in your opinion, what is the key factor that makes this business succeeded?*

Working together as a team, and the knowledge of know-how to understand and follow economic problems. We realize the important of understanding consumers in the growing education business. With our strategies, we will able to handle the critical situation that will happen with our business.

Interviewee: Ms. Sirakarn Phaiboon (Vice President)  
Sent date: Friday, April 25, 2008 10:18:39 pm  
Received date: Monday, April 28, 2008 05:25:56 am

- *How long have you been working for NetDesign and in which position?*

Total of service year is 8 years, current position is vice president which can be described as following,

- In 2000: worked as a part time employee for a month then got promoted as a regular employee in marketing department.
- In 2001: worked as marketing personnel, handling and planning course scheduling for both students and instructors.
- In 2002: got promoted as a manager for both internal affairs department and course development department.
- In 2006 (to present): Promoted as a vice president.

- *How could you get started your career with NetDesign?*

From the introduction of my relative who knows Narkvichien, I started working as a part time employee first then Mr.Narkvichien persuaded me to continue working as a regular employee later. After that I got a chance of working in many part of NetDesign.

## Master Thesis Group 2028

### Entrepreneurial Traits Affecting Business Strategies Focusing on Network and Innovation Strategies to Success in the Business Arena: A Case Study of Thai SME, NetDesign

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- *As the person in the same organization (as a friend, colleague, business partner, senior and junior, boss or subordinate etc.), we suppose you know and acquaint with Narkvichien , so we would like you to give your opinion about Narkvichien in the overall image, from your point of view. (open-ended question)*

In my point of view, Narkvichien as a top management is an open minded manager that always let all subordinate show their creativity, making experiment in the organization and also rotate their jobs in many descriptions. He also has high interpersonal skills for personnel management. He treated subordinates like brother and sister that can consult everything we want. In this point, I think it works better than relationship in hierarchical management like boss and subordinate.

- *Please specify at least five important qualifications of Narkvichien*
  1. Unique ideas, good vision and make things happens
  2. Quick response, suitable with business management in the present
  3. Pay attention to the things that many people might over look
  4. Close relationship with all colleagues and the surrounding people. Always give help and advices.
  5. Always eager to learn the new things, very suit to the management for such IT business because it always changes a lot and also need to be updated all the time.
- *From the working experiences with Netdesign, What is the key factor that make this business succeeded?*
  1. The management based on a quick decision making that lead to a big success.
  2. The overall management such as lesson giving, personnel management has a unique style.
  3. The service of NetDesign offers a friendly and impressive atmosphere to all clients.

Interviewee: Mr. Somkiat Apisuttimaitree

(Lecturer for ASP for E-Commerce & WAP and Partner of NetDesign Host Co.,Ltd.)

Sent date: Friday, April 25, 2008 10:18:39 pm

Received date: Tuesday, April 29, 2008 07:23:37 am

- *How long have you been working with NetDesign? And in which position?*

Permanent employee in programmer position, lecturer in NetDesign institute, and business-partner in the website hosting

- *How could you have the opportunity to join NetDesign?*

I applied through “Thajobcenter.com” and then NetDesign set me up for job interview. And I started working with NetDesign in the position of Programmer and Lecturer.

- *As the person in the same organization (as a friend, colleague, business partner, senior and junior, boss or subordinate etc.), we suppose you know and acquaint with Mr. Narkvichien, so we would like you to give your opinion about Mr. Narkvichien in the overall image, from your point of view. (open-ended question)*

Mr. Narkvichien is the hard working person. During the very first year of NetDesign, I always saw Mr. Narkvichien working in the office from the early morning till the late evening every day, he pay his attention on every details. The significant point was “brand building”, Mr. Narkvichien was able to build NetDesign from the one-room-institute into famous brand and expanded the branch nationwide. Presently, brand “NetDesign” is well-known and many thousands students enrolled with NetDesign.

He took care in every small details such as cleaned all computer screens and tidy workstations have to be prepared before the class starts. Sometimes when other staffs were busy with something else, he took care of the cleaning job by himself without hesitation. He is a very good role model for the one who want to start his/her own business.

As I knew him so far, all subordinates are important to like his own brothers and sisters. He is able to give consults for everyone such as working, love, life or even financial problems. However some negative point might be his temper because when he got angry, he will not compromise easily.

- *Please specify at least 5 important qualifications of Mr. Narkvichien.*
  1. intelligent
  2. hard working
  3. willing to help his subordinates who get into trouble
  4. able to persuade people
  5. quick-tempered
- *From working with NetDesign, in your opinion, what is the important factor that makes NetDesign succeeds?*

There are 2 important factors that make NetDesign succeeded.

The first factor can be shown in Mr. Narkvichien’s hard working, concentrating on every single detail, and skill in problem solving. Currently, NetDesign has improved into high quality institute, which make it difficult for competitors to compete. When speaking of Website and Graphic Design Institute, NetDesign becomes the first choice that comes to consumer’s minds.

For the second factor, I think it because of NetDesign started the business in the right time, at the time internet and e-commerce was extremely growing in Thailand. That made consumers aware of the important and efficient of internet and e-commerce and consumer’s interest is increasing until now.



**Table 2 The Big Five Trait Factors**

Source: *The NEO Personality Inventory Manual by Costa & McCrae (1985, cited in Pervin 1996, p. 44*

Characteristic of the High Scorer	Trait Scales	Characteristic of the Low Scorer
<b>Worrying, nervous, emotional, insecure, inadequate, hypochondriacal</b>	<b>Neuroticism</b> Assesses adjustment vs. emotional instability. Identifies individuals prone to psychological distress, unrealistic ideas, excessive cravings or urges, and maladaptive coping responses.	Calm, relaxed, unemotional, hardy, secure, self-satisfied
<b>Sociable, active, talkative, person-oriented, optimistic, fun-loving, affectionate</b>	<b>Extraversion</b> Assesses quantity and intensity of interpersonal interaction; activity level; need for stimulation; and capacity for joy.	Reserved, sober, unexuberant, aloof, task-oriented, retiring, quiet
<b>Curious, broad interests, creative, original, imaginative, untraditional</b>	<b>Openness to experience</b> Assesses proactive seeking and appreciation of experience for its own sake; toleration for and exploration of the unfamiliar.	Conventional, down-to-earth, narrow interests, unartistic, unanalytic
<b>Soft-hearted, good-natured, trusting, helpful, forgiving, gullible, straightforward</b>	<b>Agreeableness</b> Assesses the quality of one's interpersonal orientation along a continuum from compassion to antagonism in thoughts, feelings, and actions.	Cynical, rude, suspicious, uncooperative, vengeful, ruthless, irritable manipulative
<b>Organized, reliable, hard-working, self-disciplined, punctual, scrupulous, neat, ambitious, persevering</b>	<b>Conscientiousness</b> Assesses the individual's degree of organization, persistence, and motivation in goal-directed behavior. Contrasts dependable, fastidious people with those who are lackadaisical and sloppy.	Aimless, unreliable, lazy, careless, lax, negligent, weak willed, hedonistic