Graduation Project in Innovation Management Mälardalen University, Sweden

Effect during Entrepreneurial Process
Focusing on Opportunity Development and Entrepreneurial Process

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Wanussavee Deenissai
Abstract

Purpose: The main purpose of this study is to carry out a research on topic that combines several factors which have effect on entrepreneurial process and point out the significant effects that influences entrepreneur’s performance. However, the author decided to focus merely on Individual (prior knowledge, background, and experience), opportunity development (causation and effectuation process) and entrepreneurial learning process.

Target group: Students, researchers in entrepreneurial field, people who want to be entrepreneur.

Research question: How opportunity development and learning process have effect on entrepreneurial processes?

Approach: Qualitative approach was collected for this study. This qualitative approach includes both primary and secondary data. Primary data consists of empirical data and practical data which empirical data has been collected through two open questionnaires and one general interview guide approach, while practical data was conducted by using experimentation which the author as a nascent entrepreneur who wants to create his own business venture experimented the research. Secondary data was adopted through literature, such as, book, article, theories, journals, and web pages of respectful organization.

Conclusion: The result of this research found that, first, prior knowledge has strong influence on entrepreneur during startup stage. Moreover, effectuation process is the predominant factor in entrepreneurial process. Finally, entrepreneurial network is significant factors and useful for entrepreneur in creating business venture.

Keywords: entrepreneurial process, effectuation, causation, prior knowledge, effect.

Paper type: Master Thesis
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1. Introduction

In this section, the author introduced the topics for understanding about the graduation project. First of all Background in which tells you about what have had happened. Then, problem discussion is described reader why it is interesting and important. Thirdly, problem formulation mentions about question that the author was wondering about. In this part the author will give the research question as well. Moreover, purpose of study is examined in objective for investigating this project.

1.1 Background

In order to give an overview about the studied of this topic, the basic knowledge of entrepreneurship is located in this part for avoiding the future confusion. More details about entrepreneurship the reader can find in theoretical framework.

There are so many questions in this dynamic world and also a lot of questions that have not been answered. One of these questions is why somebody can be successful entrepreneur while other cannot. In fact, there are of cause many factors and reasons that can answer this question. It is because of because of different characteristic, prior knowledge, or opportunity?

Now a day, pedagogy of entrepreneurship is ordinary style of teaching in entrepreneurial institution or business school. Many textbooks on entrepreneurship are built around business planning models (e.g. Allen, 2003; Kuratko and Hodgetts, 2004; Scarborough and Zimmerer, 2003; Timmons and Spinelli, 2004). According to Honig and Karlsson; “business plan is a rational activity that assists the owners of new firms (entrepreneurs) to earn larger profits through efficiency gains and/or increased sales” (Honig and karlsson, 2004:35). However regarding to empirical research of the effectiveness of business plan has been mixed (Honig and Karlsson, 2004; Liao and Gartner, 2006), entrepreneurship programs in many university use business plan process as a primary deliverable.

Astonishingly, many business and organization who utilize business plan in order to attempts to predict the future or diminish risk by doing business plans or research in order to see what customers actually want or the possible to do the business, they still fail even doing with step-by-step rational process of business plan. Consequently, if the business plans (surveys, questionnaire and so on) cannot warranty that firms will succeed on their business in future, what else can help them to achieve their goal.

Opportunity is prior implement for study entrepreneurship. Several scholars have been studying in entrepreneur and then there are two kinds of opportunity in this era. Literally, first is opportunity discovery; is implied that information sufficient to identify opportunity exists at a certain point in the process of discovery. On the other hands, opportunity development refers to better conceptualization of this process-because it incorporates the identification, the
development, and the evaluation of an opportunity (Ardichvili et al., 2003; Bhave, 1994; Dekoning, 1999). In other words, the opportunity development focuses on creation rather than discovery.

The author is also the one who would like to have his own business after finishing his master’s degree. Therefore, this research is very interesting for the author because it is about starting-up business which it is very crucial period for business venture. The author can use this research as a guide for doing his business in the future.

1.2 Problem discussion

Now a day, there are two difference opportunity. Both opportunity discovery and opportunity development have been argued by scholars for many years. Opportunity discovery is mentioned in term of entrepreneur seeking the opportunity while opportunity development emphasize on entrepreneur develops opportunity which both procedures have different processes. The processes will be provided in the next theory’s section.

Due to focus on process of opportunity, D Hjorth suggests that stories of entrepreneurship start not from a focus on opportunity recognition/discovery that is already locked into the anticipated and strategized process of opportunity utilization. Instead, we can start with tactical opportunity creation in everyday practices, expressing a desire to become another and to increase the productive/creative powers of organizing. That is, the opportunity of creating life would be life as potential (life as constituent) rather than life as potestas (as a constituted power, an idea of life presenting itself as a sovereign power) (D. Hjorth, 2007).

Likewise, Sarasvathy (2008) mentions that in the patchwork quilt approach (effectuation) the job of entrepreneur is to develop the opportunity by experimenting and changing direction when new information emerges or becomes available. Moreover, the patchwork quilter sees the world as still in-the-making with a important role for human action (Saravathy, 2008). In addition, effectuation theory also mentions about experiment (affordable loss), and controllable an unpredictable future which as similar to D,Hjorth’s suggestion of opportunity creation. In other words, this idea is telling us that human has capability of controlling and managing themselves, their business and so on, rather than looking for, wait the opportunity which, that means, we are not be able to control it but only follower.

There are two main development processes, those are causation and effectuation are two alternative approaches that entrepreneurs use in the new venture development process (Sarasvathy, 2001). Causation is consistent with planned strategy approaches (Ansoff, 1988, Brews and Hunt, 1999; Mintzberg, 1978). The planning and analysis required by such models assume conditions in which the distribution of outcomes in a group is predictable through calculation or statistical inference (Sarasvathy, 2001). In contrast, effectuation processes (Sarasvathy, 2001) are consistent with emergent (Mintzberg, 1978) or non-predictive strategies.
(Wiltbank et al., 2006). Under conditions of uncertainty, unique circumstances make it impossible to draw statistical inferences.

Nevertheless, it is necessary to emphasize that effectuation processes are not posited here as “better” or “more efficient” than causation processes in creation artifacts such as firms, markets, and economies (Sarasvathy, 2001). Therefore, to create new artificial business (product or service) I, as a nascent entrepreneur, may have to decide which processes should use in artificial business.

In order to create the services or products, the author use the competency in food technology due to the author studied and worked in this field before. In addition, the author believes that background or prior knowledge can help the author making decision easier because people tend to notice information that is related to information they already know (Von Hoppel, 1994). Moreover, the author would like to study entrepreneurial process, the author, thus, decides to perform as a nascent entrepreneur and observe the activity while making decisions.

In spite of start-up business is crucial stage; learning process enacts the important role in indicating the business will be success or failure. Furthermore, entrepreneurial learning process can mention as a never ending process which Cangelosi and Dill (1965) showed the need to study the interaction between individual and organizational learning in order to identify environmental, organizational and human characteristics, which influence in learning potential. Likewise, learning process in start-up stage could show the effect of becoming entrepreneur.

There are many effects that occur during entrepreneurial process. The effect here is performance or behavior of entrepreneur after activated from external and internal factors. Moreover, in this graduation thesis the effects come from entrepreneurs themselves (prior knowledge, experience or background) and external factors (people surrounding, economic, and social). The result of effect can be both positive and negative ways which depend on these factors.

Moreover, the author would like to have his own business in his country. The author’s point of view believes that opportunity is the most importance factor for starting-up business, therefore, he would like to study about opportunity in order to investigate the efficient way for his business in the future.

Hence, in this graduation thesis, the author would merely study interaction of entrepreneur (Individual), opportunity development (causation and effectuation processes) and entrepreneurial learning by focusing on effect that arises in entrepreneurial process.

1.3 Problem formulation

As I mention earlier, this graduation project focuses on opportunities and processes while nascent entrepreneurs create their own business. Therefore, the author would like to find out how
to create and develop opportunity. Moreover, the author decided to create a new product or service through entrepreneurial process. Hence, I formulate the following research question.

- **Research Question**

  “How opportunity development and learning process have effect on entrepreneurial process?”

While human (Individual) as a nascent entrepreneur attempts to create his/her own business, they have to face with many tasks before their business accomplishment. Owing to its interesting, the author, hence, chooses process of opportunity development and entrepreneurial learning process for studies in this Graduation thesis.

- **Hypothesis**

  - Effectuation processes occur often in real life than causation process

    According to Sarasvathy who develops effectuation theory, effectuation process is not posited as more efficient or better than causation process. It depends on entrepreneur will appropriately adopt the process in each circumstance. Therefore, the author would like to investigate that effectuation processes occur often than causation processes in real life by looking at the effects that occur during entrepreneurial process.

  - Prior knowledge of entrepreneur has strong influence on entrepreneurial process

    Because prior knowledge is likely to be effect on entrepreneur during entrepreneurial process, the author would like to study about prior knowledge which has significantly influences on entrepreneur since startup to actual business.

1.4 **Purpose**

Main purpose is to find out the possible opportunity in creating the business. Hence I decided to use effectuation theory for developing and creating the product or service. Moreover, the author would like to find out what happen during time that entrepreneurs are creating their business. Furthermore, background and prior knowledge are important value for entrepreneur when they are in period of business creation.

Gartner concerns about the entrepreneurship program graduates was that these cases were the success stories of these programs only and that we wouldn’t have any stories at all of those people who were in these programs but who didn’t start business. And, of course, we wouldn’t have any stories at all of those people who started business without taking entrepreneurship courses (Gartner, 2008, p.353). Therefore, the author, who is student in master of International business; innovation and entrepreneurship, believes that sooner or later he will create and have his own business. For this reason, the author would like to study the process that can contribute and support him to achieve his prosperity.
2. Methodology

In order to investigate and study accurately, methods are the important factor which helps the author and readers understand process of doing research. Moreover, it should be clearly acknowledged due to it shows the reliability of the project as well. Anyone therefore, who would like to do the same research or similar topic, should be able to repeat their research in the future.

In addition, references and data are provided for reliability of the research and convenience of everyone who is interested in process of entrepreneur. All references and data collection in this study can be found at the end of the paper.

2.1 Methods for data collection

There are many differences alternative ways to study or do the research methods such as interview, questionnaire, research diary, action research, documentary analysis etc. which actually there are only two forms of methods, those are, “qualitative” and “quantitative”. Questionnaire surveys and databases both are the examples of quantitative form. On the other hands, interviews or research diary are examined to be the quantitative form.

In order to investigate this research, the author decided to use action research. Action research is different from the processual, the positivist and, to a lesser extent, the realist approaches to research. In contrast, action research focuses on the individual researcher’s understanding and values relating to the research issue (Fisher, 2007, p.53).

Moreover, according to Fisher book, action research is the only way the researcher can improve and challenge their understanding is by taking action and by learning from experience. For this reason, the author uses action research in order to focus on action and experimentation with a concern for challenging and developing personal values. (Fisher, 2007) The quality dimensions of action-research are not in principle different from other types of research. The main difference comes from its action/practice dimension; the aim of making a direct contribution to practice in the project and to derive value for science from this action/practice involvement (Lindhult, 2004).

There are two type of choosing the data collection. Firstly, primary data is the specific information collected by person who is doing the research. In other words, it is unvarnished information about the results of an experience or observation (L. Barker, 1999). On the other hands, secondary data is existing information that has been gathered for some purpose other than those of our particular research study. However, secondary data will carefully be chose for this project because trustworthiness of collected this data is significant for other researchers, who may repeat the similar research in the future.
2.1.1 Primary data collection

To investigate and find out the answers of this study, the author created the research in which have both empirical data and practical data. Empirical data was conducted by using interview and questionnaires, on the other hand, the author use double processes for investigation in practical data (experimentation). While the author who roles the nascent entrepreneur, is doing the experiment and investigation, the author will write down the information about the author’s feeling and effect of the author’s action every step.

Empirical data will be used in interview method while practical data will be considered to use in experiment method. More details about this will be described in the next section.

2.1.1.1 Empirical data

At the very beginning of this thesis, the author attempted to collect primary data by interviews with entrepreneurs in Sweden especially in restaurant business. The author decided to do the interviews with five restaurant’s owners in Vasteras in order to investigate about process while they started-up their business pursuing the effectuation theory and learning process.

After making decision, the author decided to contact owner restaurants by working into the restaurant. The restaurants that the authors decided to make an interview are Spicy hot restaurant, Thai fast food restaurant, Chew Chinese restaurant, West restaurant and Som restaurant. Unfortunately, there are only 2 restaurants which give cooperation (Som restaurant and West restaurant). Other restaurants that could not be able to participation because of their work load and heavy travel schedule.

The figure here below shows the process of collecting data. The author attempted to directly interview with five interviewees, but only three of them willingly responded back to the author.

Even though two owners restaurant give author the permission to talk with them, but they do not have time to talk with the author enough for collecting data that is useful for study. Therefore,
the author chose open questionnaire in order for entrepreneurs can be able to do the questionnaire when they have a free time. The reasons that the author chose open questionnaire because the author expect to find wide and unexpected answer.

Due to lack of insufficient data, the author decided to look for interviewee who is an entrepreneur and the author is be able to interview intimately because some questions need time to discuss carefully about entrepreneurial story while starting business. Hence, the author vigilantly chose Ms.Seesawart Deenissai (entrepreneur C) who used to be an entrepreneur in food business to direct sell business in Thailand.

Technically the open questionnaire and interview questions, was explained to the respondents in local languages. This is because the interviewees could not understand English well. Then the author translated all questions in Swedish and Thai and than answers to English.

2.1.1.2 Practical data

“If social scientists truly wish to understand certain phenomena, they should try to change them. Creating, not predicting is the most robust test of validity-actionability” Kurt Kewin (Kaplan, 1998)

As the above quote, the author decided to do the action research for better understanding about entrepreneurship. Moreover, the researchers make explicit the theoretical justifications for the actions, and question the bases of those justifications (Lancaster PhD, 2009).

In this practical data, the author takes the role of nascent entrepreneur in order to create business pursuing the effectuation theory (Sarasvathy, 2001). For action research, type of inquiry is practice in area of application and control by theory to improve self-efficiency (Erik Lindhult, 2004). In fact, the practical applications will be subjected to further analysis that emphasizes between theory and practice. In short, action research bridges the gap between theory, research and practice (Lancaster PhD, 2009).The advantage of action research is the practitioner acquiring self-reflection and in self-development (Erik Lindhult, 2004).

For better understanding in practical data collection, figure 2 shows the double processes of collecting data. The author decided to use both experimentation and observation in this study. First is experimentation, the author wants to set up his business by using opportunity development (causation and effectuation processes). At the same time, the author observed the effect (performance, emotion and behavior) that occur during his start-up business period. The practical data is constituted by language and narrative as field note (research diary). Because experimentation is like as vehicle of learning as basis for praxis and knowledge creation ((Erik Lindhult, 2004), therefore, the author then wrote the information which gained from practice following the theory as cause-effect relations.
2.1.2 Secondary data collection

The main source of the theory/theoretical framework of this graduation project comes from secondary data. For the sources of secondary data that consist in this paper is gathered by articles, journals, books and via the Internet. These sorts of data will help and give me the knowledge for better understanding in order to investigate and find the answers in research questions. Nonetheless, we are fully aware of the unreliability and inaccuracy of data in the Internet. Hence, I will be carefully collected and focus on the academic literatures including documents and databases in which come from reliable sources.

2.2 Limitations

There are number of limitations in this study which the author realizes the reliability of result. The limitations can affect to outcome of studies which the author generates the limitation of his study as following

First of all, when the author decided to interview five entrepreneurs in both Thailand and Sweden, unfortunately, only three entrepreneurs had time to talk with the author. The number of interviewees, three, may be too small for analyzing in this study. Therefore, the collected primary data was restricted only three entrepreneurs and may fail to represent the actual scenario of all entrepreneurs.
Moreover, the author planned to use conversational interview with three entrepreneurs. Unfortunately, because of work load, two of interviewees were not be able to give time for interview. Therefore, the author decided to use general interview guide approach with entrepreneur who had time to give an interview. On the other hand, the author decided to use open questionnaire with two entrepreneurs in order to avoid time’s problem. However, the author still believes that these data is useful for other researchers if they are interested in this study.

Due to different approach of collecting data, the author realizes that data that gained from open questionnaire approach, might not covered all information that acquired from general interview guide approach. Therefore, the author first created main questions which all interviewees need to answers. These questions were used both interview and open questionnaires. For this reason, the author believes that all information that the author acquired from these questions but different approaches can use for this study because the author had main questions which can use to answer the research question.

However, the author has awareness about limitation in answering open questionnaires because interviewees may have more opinion or experience that useful for this study but they did not put all information in the questionnaires. Unavoidably, there may be difference occur between these two approaches because interview may have more story that the author is not interested but it is important. Even though the author believes that all data, which gain from interviewees, are useful for the researchers who are interested in entrepreneurial process.
3. Theories and Theoretical Framework

As mentioned earlier that this research involves entrepreneurs and innovation. Therefore, theoretical perspective on Entrepreneurship will be first provided in this section and theoretical perspective on innovation will be provided later in.

3.1 Entrepreneurship

Before go through the theories, in this section will show the several topics which involve about entrepreneurship. Firstly, “what is entrepreneur” will describe the definition of entrepreneur. Secondly, type of opportunity will explain the position of opportunity in four stages. Then entrepreneurial opportunity discovery and opportunity development that are analyzed difference of both theories. Lastly, learning process will show kind of learning approaches which have an effect of becoming an entrepreneur.

3.1.1 What is entrepreneurship?

There are many aspects to define the meaning of “entrepreneurship and entrepreneur”. Therefore, in this section will be provided the definition that useful and helpful which the definitions come from variety of eminent scholars such as Schumpeter, Knight, Kirzner, Ducker and Gartner for better understanding and reliability of definition.

In addition, Schumpeter’s definition is likely match with this era. He saw entrepreneur as “the innovator” (Howorth et al., 2005, p.29) who concerns with phenomenon of disequilibrium. In other words, he stated that entrepreneur create new things to break an equilibrating line of economy.

While Knight (1921) focuses on the role of risk and uncertainty, entrepreneur thereby should use opportunity to setup new business, Kirzner (1979) emphasizes on the role of opportunities within entrepreneurship, and argues that entrepreneurship means alertness towards profit opportunities – the entrepreneur essentially tries to discover profit opportunities and helps to restore the equilibrium in the market by acting in there (Katsikis and kyrgidou, 2009, p.211).

Drucker (1986) mentioned about relationship between entrepreneur and opportunity that “the heart of entrepreneurship is an opportunity-seeking orientation regardless of existing resource” (Perrini, 2006, p.109). For this reason, entrepreneurs always focus on opportunity for creating new business.

The general definition of entrepreneurship which was mentioned by Bessant and Tidd is “a passion to change things” (Bessant and Tidd, 2007, p.298) or the introduction of new economic activity by an individual (entrepreneur) that leads to change in the marketplace, change in this sentence refer to innovation (Zheng et al., 2009). Moreover, Martin and Osberg give definition that “it connoted a special, innate ability to sense and act on opportunity, combining out of the
box thinking with a unique brand of determination to create or bring something new to the world” (Martin and Osberg, 2007, p.30).

In summary, for this research, entrepreneur merely refers to an individual who creates his/her business by discovering or creating opportunities. Moreover, those actions of entrepreneur generate profit and income.

### 3.2 Type of opportunity

There are four type of opportunity which adapted from the literature on creativity (Getzels, 1962), the diversity between “opportunities” are based on their origin and degree of development. Value sought may be identified (know) or unidentified (unknown) and value creation capability may be defined or undefined.

![Figure 3: Types of opportunities](image)

In this matrix value sought may represent problems and value creation capability may represent solutions. There are “Dreams”, “problem solving”, “Technology Transfer” and, “Business Formation” in this matrix.

- **Dream:** where value creation capability is undefined and value sought is unidentified, in other words, problems and solutions both unknown. It may represent the kind of creativity that we associate with artists, “dreamers”, some designers, and inventors interested in moving proprietary knowledge in a new direction or pushing technology past its current limits.
- **Problem solving:** where value creation capability is undefined and value sought is identified, in other words, problems are known but solutions are not. The goal of opportunity development in this situation is usually design of a specific product or service to address an expressed market need.
• Technology Transfer: where value creation capability is defined and value sought is unidentified, in other words, problems are unknown but solutions are available. We usually identify as “technology transfer”. Here Opportunity development emphasizes search for application more than product or service development.

• Business Formation: where value creation capability is defined and value sought is identified, in other words, both problems and solutions are known. Opportunity development here involves matching known resource and needs of product or service to create and form business that can deliver value.

We might argue that this matrix describes a developmental progression. Moreover, this matrix can show that the problems and solutions are unknown (Dreams) be less likely to succeed while both problems and solutions are known (Business formation) seem likely more that those form that problems or problems are unknown. Moreover, it may help entrepreneurs to realize that which position they are and the entrepreneurs then develop their opportunities.

3.3 Entrepreneurial opportunity discovery and opportunity development

It can say that “opportunity” has an importance role as a core to understanding entrepreneurship. Moreover, economic change has been identified by key authors including Fiet (1996), Gartner et al. (2003), and Shane and Venjataraman (2000). The term “opportunity discovery” has been used in the literature to imply that information sufficient to define an “opportunity” exists at a certain point in the process of discovery.

3.3.1 Opportunity discovery

The concept of “opportunity discovery” originated within the “Austrian School” of economics (Kirzner, 1997; von Mises, 1949). Then it departed from knight (1921) and Hayek (1945) who had explored the dispersion of knowledge and the uncertainty that accompanies such dispersion (Sanz and Velasco, 2006). Kirzner (1973) argues that entrepreneurs do not create opportunities ex nihilo by merely discover existion opportunities. According to the Austrian School, “opportunity discovery” is usually posited as an instantaneous, low-risk transaction of arbitrage, even though its processual character in real life is typically acknowledged (Sanz and Velasco, 2006). However, because the term “opportunity discovery” implies that sufficient information exists to recognize an opportunity, which might be misleading, it has been argued that individuals initially perceive that they have become aware of a profitable opportunity (Shane and Eckhardt, 2003). The result of this meaning is that an “opportunity” can be describe as awareness and sufficiency of information. In other words, opportunity is a guiding cognitive perspective.

Shane (2000) has been developed two empirical finding for better understanding in “opportunity discovery”. Firstly, a comprehensive perception of opportunity that contains several elements in the initial phase; and little develop of that opportunity. For those empirical finding, Shane has
shown that entrepreneurs recognize rather that searching for information that stimulates opportunity discovery.

In additions, Sanz-Velasco and Magnusson (2004) suggest that the factors such as recourses might be a part in the initial “opportunity discovery”. Moreover, it has been argued that to better understand the locus and source of “opportunity discovery”, one must attend to the possession of idiosyncratic information that leads to the existence and identification of entrepreneurial opportunities (Shane and Eckhardt, 2003). It could say that an important role in the opportunity discovery is prior knowledge.

3.3.1.1 Prior knowledge

In order to investigate the entrepreneurial learning processes, we should know the “prior knowledge” or “background” of entrepreneurs. Prior knowledge has been identified as an important component of creativity (Shepherd and DeTienne, 2005). Moreover, Prior knowledge might explain why somebody (Individual) discover or develop or create opportunities but not others. Constructivists believe that prior knowledge impacts on the learning processes. Prior knowledge contributes and support entrepreneurs for making decisions, solving novel problems because existing knowledge and a new problem can remind people of what they already know. Nelson (1990) has argued that the centralization of the new technology development leads to under-identification of opportunities.

Difference people create, discover or develop a variety of opportunities because their prior knowledge differs. Each person’s individual prior knowledge enables this person, but not other, to recognize certain opportunities (Venkataraman, 2000). In addition, Fiet (1996) and von Hippel (1994) have pointed out that people interest information that relate to their existing knowledge and also individual’s knowledge will not helpful, if new information does not relate with his/her prior knowledge (Shane and Venkataraman, 2000). Shane (2000) has shown that prior knowledge and is categorized into three dimensions:

1. Markets: such as information about supplier relationships, sales techniques, or capital equipment requirements that differ across markets (von Hippel, 1988).
2. Ways to serve markets: such as new technology that can change a process of creating product, create new products or services, permit a new material to be used, generate new sources of supply or make possible new ways of organizing (Schumpeter, 1934).
3. Customer: the solving of which enable customers to gain optimal benefits from the innovation (A. Sanz-Velasco, 2006).

According to Shane (2000), potential entrepreneurs should discover opportunities in what they know rather than what is popular with other entrepreneurs.

Sigrist (1999) studied employing conceptual mapping of entrepreneurial opportunity identification process and has pointed out that there are two types of prior knowledge relevant to this identification process.
The first type of prior knowledge is in area of interest to entrepreneurs. In this area is mentioned in term of fascination and fun. Special interest is investigated or discovered by entrepreneur by spending a lot of time and effort to engage in autodidactic learning that advances and deepens his/her capabilities.

The second type of prior knowledge this type of knowledge may be accumulated over the years, while working in a certain job or business. In this area is difference to first type that associate with fun and fascination. In contrast, it is a result of a rational choice which comes from other people (parents, friends or teachers)

After a number of years of experience in certain job, entrepreneurs combine the two capabilities together. The investigation of two types of prior knowledge leads to the discovery of a newfangled market, a novel opportunity, or a new solution of customer’s problem.

Nevertheless, there are many scholars that have argued in term of “opportunity discovery”. For instance, Kirzer (1973) argues that entrepreneurs do not create opportunities ex nihilo, but merely discover existing opportunities. Thus they cannot introduce true novelty into the system (Vaughn 1994). In addition, entrepreneurs need not (indeed, cannot) create more opportunities; they can only rely on exogenous change to generate them (Vaughn 1994). Therefore, the concept of “opportunity discovery” might be inappropriate, because it cannot clearly define cognitive objective to guide an entrepreneur. I would say that opportunities require development to become achievable. the term that may be more appropriate is “development” rather than “discovery” because it covers both creation and elaboration of an opportunity.

Thus, the term “opportunity development” represents a better conceptualization of this process—because it incorporates the identification, the development, and the evaluation of an opportunity (Ardichvili et al., 2003; Bhave, 1994; de Koning, 1999).

**3.3.2 Opportunity development**

According to above, the concept of “opportunity discovery” can be contrasted with the other conceptualizations of “opportunity”, while “opportunity development” refers to creativity. Sarasvathy et al. (2003) argue that an advantage of creative view is to overlook the definition of telos (“ultimate end”), meaning that there is no end of process and it is open to human endeavours.

…opportunities do not pre-exist – either to be recognized or to be discovered. Instead they get created as the residual of a process.

Sarasvathy et al. (2003)

Creativity and entrepreneurship have frequently been depicted as being similar (Meyer et al., 2002; Winslow and Solomon, 1993). This supports the contention that opportunities are created, rather than being found although elements of an opportunity can be recognized (Ardichvili et al.,
2003) and some scholars have assumed opportunity as being creative process (Christensen, 1989). Moreover, the difference between “discovery” and “creation” are replaced by the difference between “causation” and “effectuation” in which is Sarasvathy’s theory (effectuation theory).

3.4 Causation and Effectuation process

Causation and effectuation are two alternative approaches that entrepreneurs use in the new venture development process. In this part will show the process of causation approach and process of effectuation approach and, moreover, these processes will be compared and contrasted with other.

3.4.1 Causation processes

Causation processes take a particular effect as given and focus on selecting between means to create that effect. In addition, causation models, which are usually static and in which decision makers are assumed independent (Sarasvathy, 2001). In other words, entrepreneurs who are following a causation process clearly define the objectives they want to accomplish up front and systematically search (Fiet, 2002; Heron and Sapienza, 1992) and they evaluate and select opportunities that maximize expected returns (Drucker, 1998). They organize in planning, searching, analyzing and predicting their activities by using knowledge and resources that they believe it pre-exists.

Causation approach is involved “business plan”. The business plan and its popularity in both entrepreneurship practice and pedagogy is another example of institutional conformity to the causation approach. Many textbooks on entrepreneurship are built around business planning model (e.g. Allen, 2003; Kuratko and Hodgetts, 2004; Scarborough and Zimmerer, 2003; Timmons and Spinelli, 2004). The business plan, which uses rational process such as specific rate of return, number of units to sell or market share by using statistic or questionnaires for finding out the opportunity to do the business, is a primary deliverable in many school entrepreneurship programs.

3.4.2 Effectuation processes

Effectuation processes in contrast take a set of means as given and focus on selecting between possible effects that can be created with that set of means (Sarasvathy, 2001). Effectuation processes are posited as the fundamental decision unites in explanations of how economic artifacts such as firms markets and economies come to be. Effectuation begins with a given set of causes, consisting if (mostly) unalterable characteristics and circumstances if the decision maker, and the focus is on choosing among alternative (desirable) effects that can be produced with the given set of means, thereby eliminating the assumption of preexistent goals (Sarasvathy, 2001). In new venture creation, entrepreneurs who are using an effectuation approach may begin the new process of creating the new venture. They realize that the future is
unpredictable they hence make decision and observe the result of those decision. Moreover, they who use effectuation approach may try to use different approach in the marketplace before creating model. In other words, entrepreneurs are like to create their businesses that allow them to control over the outcome.

“To the extent we can control the future, we do not need to predict it.” [Causation theory]

“This is to the extent that you can control the future, you do not need to predict it”

[Effectuation theory]

Sarasvathy (2001: 251)

Sarasvathy’s (2001) theoretical conceptualization and the ensuing empirical work (Dew et al., 2009; Sarasvathy and Kotha, 2001; Sarasvathy et al., 1998) have demonstrated that entrepreneurs following an effectual logic are less likely to try to predict the future and more likely to change their initial goals and visions for the new venture. Rather than predicting the future, they are more likely to work with means within theory control and make adjustments as necessary (Dew et al., 2009). Using effectual logic they frame the future as resulting from co-creation by intentional agents (networks of partnerships consisting of investors, partners, and customers) who are” stitched together” (Dew et al., 2009). Goals emerge which develop potential actions are based on the effectuator’s set of means (Who they are, what they know, and whom they know).

In addition, Based largely on the work of Sarasvathy (2001) which was developed with Simon (see Sarasvathy and Simon, 2000), effectuation theory provides evidence from protocol analysis study of 27 expert entrepreneurs showing that 75 percent of the time, 63 percent of the participants preferred to use effectual (instead of) causal reasoning in creating markets for new products (Morrish, 2009). While causation focuses on specific result or goal at the end, effectuation focuses on the means that may create several probable ends.

Effectuation is a dynamic and interactive process of creating new artifacts in the world. Effectual reasoning is a type of human problem solving that takes the future as fundamentally unpredictable, yet controllable through human action; the environment as constructible through choice; and goals as negotiated residuals of stakeholder commitment rather than as pre-existent preference orderings (www.effectuation.com).

To further explain what effectuation is, Effectual logic holds that the future is shaped by human action (the entrepreneurs) and it will control the future rather that predicting an uncertain one. According to Saravathy, effectuation processes are more general and more ubiquitous than causation processes in human decisions. In other words, after all the human life is not easily to predict or analyze; rather it is seized and exploited what there is at that time. The adoption of effectuation within entrepreneurial setting mean the decision-maker can change goals and also
shape and construct them over time, making use of contingencies as they arise, hence that ability to control the future rather than predicting it (Morrish, 2009). Four core principles that form the Saravathy’s rudimentary theory of effectuation.

1. Affordable loss rather than expected returns

While causation form focuses on expecting and gaining the potential returns for making a decision by selecting the best strategies, effectuation form focuses on affordable loss and experimenting with several strategies as possible. The effective entrepreneurs are like prefer selecting option that can create more option in the future rather than maximizing returns in the present.

2. Strategic alliances rather than competitive analyses:

While causation models, such as the Porter model in strategy, emphasize detailed competitive analyses (Porter, 1980) try to outdo the competition, effectuation models are likely focusing on strategic alliances and partnership with entrepreneur’s networks.

3. Exploitation of contingencies rather than exploitation of preexisting knowledge:

While causation models may prefer using the existing knowledge, such as expertise in the particular new technology, combine the source of advantage and using this to pursue pre-determined goals, effectuation models, hence, would be preferable to exploit contingencies that emerged unexpectedly over time. In fact many expert entrepreneurial firms are a product of contingencies which come from forging ahead despite early unsuccessful.

4. Controlling an unpredictable future rather than predicting an uncertain one:

While causation processes emphasize on predictable aspects of uncertainty in the future, effectuation processes emphasize on controllable aspects of unpredictable in the future. Likewise, Sarasvathy’s quote that was mentioned before, that is “To the extent we can control the future, we do not need to predict it.”

However, it is necessary are not posited here as “better” or “more efficient” than causation processes in creating artifacts such as firms, markets, and economics (Sarasvathy, 2001). It should be considered under what circumstances which types of processes (causation and effectuation process) contribute distinct advantages and disadvantages in that artifact.

There are many researcher try to investigate the distinct between causation and effectuation process. G.N. Chandles concluded their research that an understanding that both causation and effectuation processes are legitimate ways to initiate and grow business provides entrepreneurs and potential entrepreneurs with a more comprehensive and well-developed set of
skills that can be used to initiate viable ventures (G.N. Chandles et al., 2009). In addition, they tested whether the four factors they identified as part of effectuation (Experimentation, affordable loss, pre-commitment and strategic alliances, and flexibility) were best represented as four independent factors called effectuation. Their results indicate that experimentation, affordable loss, and flexibility are not part of causation process. To imply that establishing pre-commitments and alliances with customers, suppliers, and other strategic partners helps reduce uncertainty associated with the venture and spreads responsibility to other stakeholders (G.N. Chandles et al., 2009).

3.5 Learning process for entrepreneurs (Entrepreneurial learning)

Learning is also important factor to understand process of creating business. The ability to learn is essential in developing entrepreneurial capabilities (Rae and Carswell, 2000). Information, knowledge, the skills, learning and competency are required in business development, and therefore, they can be applied consequently. Hence, learning is considered central to the process if entrepreneurial development (Deakins et al., 2000). Moreover, learning is particularly critical in an ever-changing dynamic marketplace (Sullivan, 2000) and it can be mentioned that entrepreneurship is significantly a process of learning and beside, to understand entrepreneurship; first we must understand how entrepreneur learns (Minniti and Bygrave, 2001). On the other hands, a better understanding of entrepreneurial learning is necessary for the design of entrepreneurship education and training programmes so that we can understand the entrepreneur’s learning needs through putting a focus on the personal and business development of the entrepreneur (Rae and Carswell, 2000).

In order to study learning process of entrepreneur, we must understand not only individual learning but also organization learning. Cangelosi and Dill (1965) showed the need to study interaction between individual and organizational learning for identifying environmental, organizational, and human characteristic, which could have effect of learning potential. Moreover, if we understand interaction between individual and organizational learning, we might defect what allows identification and expectation of situation in which both learning take place instead.

However, this study would mention merely individual learning and entrepreneurial learning because the author focuses on relation between opportunity development and learning process for entrepreneur. Therefore, in this part will show the individual learning and entrepreneurial learning for better understanding in learning process for entrepreneur which relates to opportunity development.
3.5.1 Individual learning

As already mentioned, individual learning is a part of organizational learning. Also, it always happens before organizational learning. In 1986, Bandura divides learning by individuals into learning by doing, reflection on comparable situations and imitation. In addition, learning can be allocated in two parts, first as a cognitive process of acquiring, second is structuring knowledge that come from experience and creating new idea or solution from existing knowledge (Rae and Carswell, 2001).

Even though, experience is the key factor and characterize of individual learning, but rationality and personal qualities are also importance due to the result of changing in behavioral and/or cognitive. It is changed when individuals develop a new attitude or mentality, modify their form of understanding and confront difficulties task in a distinct aspect.

Furthermore, Individual learning is not required only on personal perception, experience, necessity, intelligence, and motivation, but also on the learning environment (Santana and Diz, 2001). In other words, it depends on both single person and contextual factors. Another definition of individual learning is a process through which the individual generates knowledge originating from interpretation and assimilation of different information (Moreno-Luzo et al. 2000, p.6). Therefore, it may utter that everybody has a unique learning process due to diversity of prior knowledge (which is depended on personal circumstance), personal rationality, and personal qualities. Due to that reason could imply and explain clearer about why someone cannot succeed, even though they actually do as same as people who have succeed in their business.

3.5.2 Entrepreneurial learning

In this theoretical part, the study of the role of entrepreneur is well depicted because it is crucial way to understand learning process for entrepreneur. Moreover, entrepreneurial learning could show that entrepreneur’s function is significant to the understanding of both the start-up stage and the development stage of a business (Boulard and Melia, 2003). We may see entrepreneurship as creation of new organization (e.g. Gartner, 1985); in this research the author rather sees the entrepreneurial process as continuous process and never ending (infinity process).

In 1999, Reuber and Fischer explained a learning process that the entrepreneurs develop their competencies in response to expectations about the future and past experiences. Therefore, entrepreneurial activity moulds the entrepreneur’s knowledge in some area (Minniti and Bygrave, 2001). On the other hands, entrepreneurship is based on spontaneous learning (Kirzner, 1979). The same as Minniti and Bygrave (2001) that argue that entrepreneur has to be understood as a learning process because every step of learning knowledge can lead or make a unique business.

Learning allows entrepreneurs to combine new knowledge or information and then determine new relations that link between them (capacity of entrepreneur). This capacity consists a
heterogeneous resource (Alvarez and Busenitz, 2001), which is a benefit at the operation level. In fact, learning actually produces several effects, for instance, optimizing commercial performance in the short and long run, and enhancing personnel competence (van Gelderen et al., 2005).

Because entrepreneurial learning is importance, prior studies have been concentrated on entrepreneurial learning through different theoretical foundations which they can be classified in term of first, experiential approach, cognitive/affective approach and networking approach. Those approaches are discussed in detail as follows.

### 3.5.2.1 Experiential approach

The experiential approach has grounded upon Kolb’s (1984) model of experiential learning. This approach suggests that learning is a process whereby concepts are originated from and continuously improved by “experience”. In fact, experience is recognized as the major source of learning for the entrepreneur (Choueke and Armstrong, 1998; Cope, 2003; Politis, 2005), and various types of experience from which an entrepreneur learns have been identified ((Rae and Carswell, 2001; Erikson, 2003; Lans et al., 2004). Experiential learning of the entrepreneur shall coincide with learning styles (Ulrich and Cole, 1987 Bosma et al., 2002; Corbett, 2005). Moreover, learning from experience is a process of making sense out of experience (Rae, 1999; Rae and Carswell, 2000, 2001; Hytti, 2002), and a process of critical reflection on particular incidents (Cope, 2003), so that higher-level learning occurs. According to this approach, entrepreneur learning, therefore, not only means repeating or following what someone has successfully done in the past and dodging what other have failed, but also involves in previous experience connecting to effective interpretation of the learner.

### 3.5.2.2 Cognitive/affective approach

Cognitive or affective approach is focused on considering learning as a mind work of acquiring and structuring knowledge (T. Man, 2005), and this approach also involve different attempts to get a clearer picture of learning process for entrepreneur by focusing of variety cognitive, emotional, attitudinal, motivational, characteristic, and personality factor affecting learning process. According to Young and Sexton (1997), entrepreneurial learning is a mental process of acquiring, storing and applying knowledge in long-term memory. Moreover, the learning process is influenced by a number of attitudinal, emotional, motivational and personality factors like self-efficacy, confidence, motivation to achievement and determination (Bishop et al.,2001; Cope and Watts, 2000; Fenwick, 2003; Rae and Carswell, 2001). Beside, the dynamic of the learning process is also essential factor in this approach because learning is considered as a self-reinforcing process (Politis, 2005; Ravasi and Turati, 2005), being affected by the entrepreneur’s level of confidence in their prior action (Minniti and Bygrave, 2001).
3.5.2.3 Networking approach

The networking approach for entrepreneurial learning is developed from studies of small business networking (Gibb, 1997) with a focus on the nature of learning for working adults (Knowles, 1990). In this approach, mentions about skills and knowledge of small to medium-sized enterprise’ owner or managers are influentially acquired through their social relationship both inside and outside their organization, which is extended beyond and towards a broader spectrum including customer, bank managers, suppliers, previous companies, education, parents, and teachers (Deakin and Freel, 1998; Down, 1999; Sullivan 2000). The interactions between entrepreneurs with others are noticeably found to be valuable in the early stage of business development for preparing them in further developing their business (Boussouara and Deakins, 1999).

3.5.1.4 Effect and motivation

Unavoidably, entrepreneur has to face with variety of effect that affect during entrepreneurial processes. In this graduation thesis, the author merely focuses on effect which come from entrepreneur (prior knowledge, background), opportunity development (effectuation and causation process) and learning process. Moreover, the consequences, after entrepreneur encounters these effects, are performance, behavior and making-decision of entrepreneur which the result can be both positive and negative.

These effects that the author mentioned earlier, can affect on motivation of entrepreneur. Motivation is the term for intensity, direction, initiation and persistence of behavior (Geen, 1995). Furthermore, motivation can also be described as a variety of reasons that incite individuals to activate and control their behavior constantly (France and Haasa, 2009). Motivation can be influenced by both external and internal factors to a degree that leads to performance which will depend on desire and willingness. Intrinsic motivation is the term used when the predominant factors are internal, on the other hand, extrinsic motivation emerges under external influences.

Both of external and internal influences seem to be relevant to the entrepreneurial process since it activates entrepreneur’s behavior. Some entrepreneur may be intrinsically motivated when they set up their business, but most of entrepreneurs respond to external incentives (France and Haasa, 2009). In fact, factors offers both tangible and intangible, which affect on entrepreneur’s performance. Successful performance depends on learning and external motivation will be crucial in the entrepreneur’s learning process.
3.6 Theoretical framework

This diagram illustrates those activities regarding effectuation theory, causation theory and learning process which are created for better understanding in this research. First of all, this diagram shows individual (entrepreneur), who has prior knowledge, experience and background creates their business.

While individual tries to create their business, he/she has to face to effect which the author is interested in the effect of interaction between entrepreneur (Individual) and process of becoming an entrepreneur. The effect in this research means that the effect that occurs to entrepreneurial processes can affect in making decision, behavior and performance of entrepreneur.
4. Material data

While the pervious section has presented the theory and theoretical framework in Entrepreneurship and Innovation, in this section would portray the real world situation in entrepreneurship and innovation through studies of empirical data and practical data. All data will be collected from the author who roles the nascent entrepreneur and the owner restaurant.

Both primary and secondary data were consisted in this section. Primary data comes from interview and practice while secondary data from other source will be used as support evidence in next section (Analyze part) later on.

4.1 Empirical data

In empirical data will be consisted two main topics. The materials in this part come from three interviewees who are the business owners. Firstly, the topic “Background and prior knowledge” tells reader about the interviewee’s background. Lastly, the topic “what actually happened when entrepreneurs start business?” guides the reader know about stories of interviewees before they start their business until at present.

4.1.1 Background and prior knowledge

Because people tend to notice information that is related to information they already know (Von Hippel, 1994). Hence, entrepreneurs will discover opportunities because prior knowledge triggers acknowledgment of the value of the new information (Shane, 1999). Moreover, Shepherd and DeTienne mention that prior knowledge has been identified as a significant element of creativity and it might furthermore explain why someone discover, develop or create opportunities but not others. Shane maintains that entrepreneur will merely discover those opportunities that related to his/her prior knowledge.

According to the open questionnaire and interview with 3 people who have experience in entrepreneurship as showing in the following table.

<table>
<thead>
<tr>
<th>Age</th>
<th>What is his/her business</th>
<th>Place</th>
<th>Approach</th>
<th>Abbreviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>Owner Thai shop (THAI SHOP)</td>
<td>Sweden</td>
<td>Open questionnaires</td>
<td>Entrepreneur A</td>
</tr>
<tr>
<td>40</td>
<td>Owner restaurant (West restaurant).</td>
<td>Sweden</td>
<td>Open questionnaires</td>
<td>Entrepreneur B</td>
</tr>
<tr>
<td>54</td>
<td>Direct sell (CREW MAI)</td>
<td>Thailand</td>
<td>Interview</td>
<td>Entrepreneur C</td>
</tr>
</tbody>
</table>

Table 1: Information of entrepreneurs who have business experiences
Entrepreneur A

Entrepreneur A was born in Thailand. She graduated from schools of domestic science and business administration. She started her first business in hair dresser. After that, she changed her career to be a costumer. Necessarily, she had to move to Sweden. Few years later, she decided to do business in Sweden. Eventually, she found her grocer’s shop which she imports products “especially Thai food” from Thailand and sells in Sweden.

Entrepreneur B

Entrepreneur B was born in Sweden. When he was young, he has an experience in restaurant and hotel in high school. When he finished school, he has become a partner of restaurant. Time before he has started his own restaurant, he is a partner of several restaurants with his friends.

Entrepreneur C

Entrepreneur C was born in country side of Thailand. She lived with her poor farmer family. When she was young, if she wanted to buy anything she had to pick fruits in her orchard and sell in the market outside her village. She said “I have learned a lot of things when I was young especially going to sell fruits at the market.”

When she grew up, she finished diploma of education and worked as a teacher in primary school. The age of twenty-five years, she graduated bachelor degree in science of education and then she works as teacher in high-school. Since progression of her career, at forty-five year olds, she completed her master degree in science of education development. At the present she still works in high school as a school administrator.

As the material is mentioned above, entrepreneur C did not directly have education about business. Therefore, the author asked her that business background, she mentioned about her own business when she was young and lived with her grandmother. “When I was young, if I want to buy something, I had to pick fruits and sold it by myself. Hence, I think I have an experience about business. Ever though it was just a shop stall in the market, but I have learn a lot of things about business”

4.1.2 What actually happened when entrepreneurs start business?

Entrepreneur A

As the author mentioned earlier, entrepreneur A has to move to Sweden because of private matter. Regularly, entrepreneur A cooks Thai foods everyday even she lives in Sweden. In that time, her problem was she found Thai ingredient difficultly in her city where she lives. For this reason, she boldly decided to open Thai shop without consulting. She was self-confident
when she opened Thai shop and now her business has been doing well. Because of sufficient resource and experience she has planned to open Thai restaurant in the future. On the other hands, she plans to move back to Thailand when she retires and might do small business in Thailand.

**Entrepreneur B**

Entrepreneur B is an owner’s Swedish restaurant in Vasteras. Before he set up his business, he has been a partner in several restaurants. “Because there was no similar place in this town that can offer what we do, therefore, I saw the opportunity.” He said. While he was going to set up, he needed to create the concept of this restaurant. Hence, he decided to talk and consult with his partners in the same business. After that he checked out of the market concept. Eventually, he has created his own restaurant in Vasteras names “West restaurant”. Because of self-confident in restaurant’s business, he said “I have not ever changed perception in my business because I just have to find the right way and not give up”. Moreover, he said about expanding his business that “there are always plans for the all I can do better, it only just finds the right way and manner.”

**Entrepreneur C**

While entrepreneur C worked at primary school as a teacher which her wage was paid poorly in that time. Consequently, she realized that she may not have enough money for her children. Hence, she decided to open Thai dessert shop as a part time job which her neighbor suggested her to do it because of high market demand at that time. In order to cook Thai desserts, entrepreneur C had to learn and practice many time. Luckily, she has experience in cooking Thai dessert because while she was young, her grandmother taught her cooking Thai desserts. Erelong, entrepreneur C’s friends at school visited her and saw her tray which was put her desserts. They asked her where they can buy this tray because they wanted to buy more than 30 trays. Unfortunately, she could not tell her friends because her relative gave her a tray as a souvenir. Because of high demean from her friends, she started talking with her relative and her friends where she can buy the tray. When she knew the place where the trays are sold, she immediately went there. She found out that there were variety of trays which more beautiful than hers. Therefore, she bought trays more than her friends demeaned. Eventually, her trays were never enough for demean because of word of mouth. Entrepreneur C did not sell only trays but also kitchenware. She said “tray was in product’s group kitchenware and my customers mostly were housewives, so, I saw opportunity to expand my business”. Moreover, because of her friends’ requirement, she expanded unceasingly channel
contribution through her friends, her family, her neighbors and her colleagues. Finally, she sold kitchenware, bedclothes, clothes, watches, and jewelry. However, majority of her customers were acquaintances, she decided to build her business network by inviting her friends become her partners.

Finally, in 2004, she decided to give up on her business because of many reasons. Firstly, there are many businesses that do the same as she does. Moreover, she does not need money for her children because they grew up and can take care of themselves. Furthermore, she wants to give opportunity to housewives who do not have any job but want to earn money for their families. Finally, the most important thing that influenced her to retire her business was to love in teaching. She has chosen her career as a teacher which satisfies her most.

4.2 Practical data

In order to investigate how learning process for entrepreneur and opportunity development have an effect of becoming an entrepreneur, the author, as a nascent entrepreneur, decided to create product or service for following up the process while starting up business. Because the start-up stage is so crucial point, the author will then explain the circumstances that involve in opportunity while creating his business.

There are two parts in this section which shown the reader about practical data that the author practiced following the effectuation theory. First part is background and prior knowledge will tell the reader about background of the author. Lastly, opportunity development part will show the reader as narrative while the author tried to create and start-up his business.

4.2.1 Background and Prior knowledge

Background is importance thing to focus on because it can lead and influence people think and do in the way they know. In fact, background can explain why someone create, discover or develop the product or service differently from other. Therefore, background will be first mentioned in this practical data for better understanding of the reader in the next part later on.

For many years, the author has been interested in food science, nutrition and biotechnology. The author graduated in Bachelor of Science (faculty of biotechnology; major of food-technology). After graduation, the author worked as a cook in Thai restaurant. The knowledge of food-technology is accumulated more than four years as well as the knowledge of food nutrition and culinary.

4.2.2 Opportunity Development

To study entrepreneurial process, the author then determines to create the artificial business in order to learn the process of opportunity development and learning process for entrepreneur.
The author admits that entrepreneurial process as never-ending (Kirzner, 1973) but unforgettably the start-up stage is also the crucial stage in every business which some business may be success or will never be born. In this section, the author attempt to take an entrepreneurial role to create his business which the author develops opportunity by using effectuation theory (Sarasvathy theory) and causation theory. The process while the author tries to create his business is contained in table 5 (analysis part, page 41).

While the author was doing his research, the author decided to create the edible dish in order to decrease the trash or garbage (especially made from plastic) which many countries are facing with this problem. The author tried to experiment it from soy bean curd because of requirement’s idea lab who gave the author’s advice. Unfortunately, the experiment had failed many times because of lack of equipment and laboratory. Hence, the author changed his idea to do what he can do and what the resource he has in that time.

Moreover, the idea was changed because of his family. His family member has cancer and needs to treat by food. Because of this reason the author wanted to cook food that can heal an illness. As a result, the author has decided to create the innovative restaurant that can heal and protect people from illness. Consequently, every food in his restaurant makes from herbs which can relief illness. In order to explain the special properties, the author will show nutrition information for customer.

Finally, because of prior knowledge that the author studied in marketing at University, the author decided to do the questionnaire in order to know market need. Unfortunately, the result is unsatisfied the author, therefore, the author have to experiment in other options that more possible and cut the option that less possible away (For more detail about his part see appendix D).
5. Analysis

While the previous section has presented the empirical data and practical data of entrepreneurs, this section would rather analyze material that the author has acquired through studies of theories, which focus on the opportunity development and learning process for entrepreneur. In the analysis part consists both of empirical part and practical part as following.

5.1 Empirical data

All data this part comes from three entrepreneurs who have difference background, experience, prior knowledge and career. Moreover, both of empirical data and practical data are analyzed through theories; opportunity development and entrepreneurial learning process.

5.1.1 Background and Prior knowledge

Despite in financial standing, a majority grew up in happy and contented homes with encouraging and supportive parents (Morrish, 2001). Moreover, entrepreneur parental background tends from working class to professionals.

Effectuation points that what entrepreneurs know will influence their decision. In this study, the author looked at how education contributes their career. However, high education and high career prospects of entrepreneurs seem to have both positive and negative leverages in their aspiration. Entrepreneur C has a postgraduate qualification before set up her business and her degree is in science of education, while entrepreneur A and B have a postgraduate qualification to a bachelor in business and domestic science. It is interesting that education of three of them had influenced their career. The entrepreneur’s university degree has given them the extra confidence to create their businesses.

Avoidably, whether entrepreneur was influenced by obligation or choice, career or job is a major factor in making any decision. For example, entrepreneur C works as a teacher in high school which her salary is quite low. Consequently, her saving was insufficiency to raise her children. In order to gain more money, she decided to step up in to the business field. On the other hands, entrepreneur B has started her business because of less attractive in her previous job. Lastly, entrepreneur B has been a partner in several restaurants, and then he creates his own restaurant.

To sum up, an entrepreneur’s prior knowledge and background influence the kind of business they get involved in, the result shows that majority of entrepreneur in this paper have indicated that their prior knowledge have influence in their business whether they will end up with that kind of business or not. In fact, while their business is growing, their prior knowledge and experiment are expanded as well.
5.1.2 Causation or Effectuation process

In order to analysis data that was gain from entrepreneurs, the author will put all process of entrepreneurs while creating their business.

The result of the analysis shows that entrepreneur B use causation more than other (see table 4). While he sit up his business, there were 8 steps occur during this period. Entrepreneur B used causation process 4 times, while using effectuation 2 times. Contrary to the result of two entrepreneurs that it shows that entrepreneur A and entrepreneur C seem to use effectuation as implement during started-up their business.

5.1.2.1 Causation process

Causation process is the process that emphasizes competitive analyses and combines the competitive advantage from difference sources in order to set up the business in situation of low risk. Likewise, business model or business plan which uses those strategies (statistic, questionnaire or survey) to see the market need.

Entrepreneur B sets up his business by looking for want the market needs and then he started creating their concept. Moreover, competitive consideration was applied before investment. In order to set up this business constantly, he persuaded his friend involving in his business. In this circumstance, entrepreneur B seemed to focus on the offer rather than potential businesses which the same as Sarasvathy has mentioned that causation process is a particular effect as given and focus on selecting between mean to create that effect (Sarasvathy, 2001).

5.1.2.2 Effectuation process

Effectuation process is the process that is refined and developed by effectuator (entrepreneur). The author recognized that there are four dimensions in effectuation process (experimentation, affordable loss, and flexibility and strategic alliance). The result of the study in empirical data, the author finds out that each dimension is independent factor and it can contribute each other.

➢ Who I am (affordable loss)

Whereas within the above empirical data “who I am” could be explained by their desire and their personal characteristics for uncertainty. Entrepreneurs would like to drive to their achievement higher and the willingness to work hard towards their task.

In the main point, the view of affordable loss is in a financial context. Effectuation holds that entrepreneurs generally emphasize affordable loss as contrasted to focusing on expected returns. Entrepreneurs consider risk as opportunity and whatever the outcome is, they seem to be that at least they have tried something and much better than have never tried anything at all. “I am never scared of investment; at least I will realize that this way is not best direction.”
<table>
<thead>
<tr>
<th><strong>Entrepreneur A (Thai shop)</strong></th>
<th><strong>Prior knowledge &amp; experience</strong></th>
<th><strong>Effectuation</strong></th>
<th><strong>Causation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Who I am (Affordable loss)</td>
<td>Whom I know (Strategic alliance)</td>
</tr>
<tr>
<td>1. Graduated in domestic science and business administration</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>2. First job was a hair dresser.</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>3. Second job was a costumer.</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>4. Because of having Thai food everyday but there was no Thai shop in the city where she lives</td>
<td>✔</td>
<td>✔</td>
<td>.</td>
</tr>
<tr>
<td>5. Talk to her first about area of the shop in order to check for the rental fee</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>6. Started business without consulting to other people because of self-confident. (small Thai shop)</td>
<td>✔</td>
<td>✔</td>
<td>.</td>
</tr>
<tr>
<td>7. Because of requirement from friends and customers, there are varied of products which make customer satisfaction.</td>
<td>.</td>
<td>.</td>
<td>✔</td>
</tr>
<tr>
<td>8. At the present, there are shops where customers can buy Thai food. Search for information about competitive</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
</tbody>
</table>

*Table 2: The process of opportunity development, while entrepreneur was starting up his/her business (Entrepreneur A)*

<table>
<thead>
<tr>
<th><strong>Entrepreneur B (West restaurant)</strong></th>
<th><strong>Prior knowledge &amp; experience</strong></th>
<th><strong>Effectuation</strong></th>
<th><strong>Causation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Who I am (Affordable loss)</td>
<td>Whom I know (Strategic alliance)</td>
</tr>
<tr>
<td>1. Training in hotel and restaurant</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>2. Being as a partner in several restaurants as well as doing of real estate.</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>3. Decided to set up business (restaurant)</td>
<td>✔</td>
<td>✔</td>
<td>.</td>
</tr>
<tr>
<td>4. Asking his friend in the same business for advices.</td>
<td>✔</td>
<td>✔</td>
<td>.</td>
</tr>
<tr>
<td>5. Designed and planed the business strategy</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>6. Analyze target customers and competitive analysis</td>
<td>✔</td>
<td>.</td>
<td>.</td>
</tr>
</tbody>
</table>
7. Checked out the market for the concept by finding information. (area, competition, style) ✓
8. Set up restaurant by raising money from partners. ✓

Table 3: The process of opportunity development, while entrepreneur was starting up his/her business (Entrepreneur B)

<table>
<thead>
<tr>
<th>Entrepreneur C (direct sell)</th>
<th>Prior knowledge</th>
<th>Effectuation</th>
<th>Causation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Who I am (Affordable loss)</td>
<td>Whom I know (Strategic alliance)</td>
</tr>
<tr>
<td>1. Her friend suggested her to sell Thai dessert</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Learn to cook Thai dessert</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Open Thai dessert restaurant (most of her desserts were made by order)</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4. A lot of her friends saw her trays that contain her dessert and they wanted to buy it. Therefore she saw it as an opportunity to create her business,</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>5. She asked her friend where to buy tray.</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>6. Some of her friends want kitchen stuffs, she expanded her business</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>7. She expanded her distribution channel by changing her friends, hair dresser, her relative and her customer to be partner in her business.</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8. She talked with her customers and told her partner to talk with their customers. She will know what actually customers want.</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>9. She sold kitchen stuff, bedding, pajama, etc. Only by order</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 4: The process of opportunity development, while entrepreneur was starting up his/her business (Entrepreneur C)
Actually, entrepreneurs are less scared to take a risk. They seem to get excited when they decide to invest something. “If I fail, it means I learn something” they know how much they might loss and they are ready to learn if it does.

“Effectuation predetermines how much loss that entrepreneur can be afford and they then focus on experimenting with as many strategies as possible” (Sarasvathy, 2001). In order to control and deal with future, affordable loss then becomes an important criterion before entrepreneur makes any decisions to start-up his/her business. Experiments that cost more than the entrepreneur can afford to lose will be rejected in his/her business.

Likewise, the first business that entrepreneur C did was Thai dessert restaurant. In order to control the future, she experimented many time and also tried difference approaches until she found business model that works. Consequently, the first model or product was utterly difference from now. In contrast, entrepreneur B starts-up his business by finding information, creating the business model in orders to predicting the future as an uncertainty. On the other hands, entrepreneur A seems to use effectuation, but since she started-up her business, she has never changed her business model.

**What I know (contingencies)**

Exploitation of contingencies identified by Sarasvathy that “Effectuators tend to remain flexible since the structure of the emerging organization is dependent on contingent opportunities.” Thus, “the need for prediction is greatly reduced” (Sarasvathy, 2001: 252).

According to entrepreneur A and C’s stories, while they were starting-up their business, they were flexible and took advantage of opportunities as they arose (entrepreneur A saw an opportunity when there was no Thai shop in her city, entrepreneur C saw opportunity when her friends wanted her tray. As the result, entrepreneurs A and C remain flexible so they can take advantage of changing environmental contingencies.
On the other hand, entrepreneur B developed his business by combining the best advantages of resources and capabilities for his business. In fact, he checked out what the market demand and offered it to the market.

Moreover, entrepreneurs (effectuator) maintain the flexibility in order to abandon unproductive experiment, the same as entrepreneur C, she has changed her business plan and product while starting-up business many times and moved to other possibilities.

- Whom I know (strategic alliance)

According to Table 3, it shows that whom I know (strategic alliance) appears during start-up business period more than both what I am and what I know.

Sarasvathy (2001) conceptualizes pre-commitments and strategic alliances as mechanisms that can be used to help the entrepreneur controlling the future. As a result, entrepreneur has used a substantial number of pre-commitments and agreements with customers, suppliers and other people. Moreover, the entrepreneur used pre-commitments from customers or suppliers as much as possible.

The important process while using strategic alliance for entrepreneur is; first of all the entrepreneur works closely with people or organizations (friends, customer of supplier) in order to be able to greatly expand his/her capabilities. Furthermore, entrepreneur has focused on developing relationship alliances with other people. After that people (customer, friend etc.) help and contribute his/her business directly whether indirectly. In fact, his/her partnerships and people outside business play an important role in providing product and service.

In effectuation theory, which the entrepreneur knows become an essential part and fulfill their business operation. Furthermore, effectuators are likely to have strategic partners and relationships to run their business. It is not possible if they did on their own. These networks, which come from family, friend, business partners, customers, supplier, and finance providers, could impact on their business both directly or indirectly. In addition, the author could say that longer entrepreneurs have been in their business, the larger their network would be.

Unavoidably, family has very strong influences on becoming entrepreneurs which the same as entrepreneur C, her grandmother has a strong influence on the business experience. On the other hand, friend has strong influence on all entrepreneurs. Entrepreneur C saw the opportunities because of her friends, like entrepreneur A that develop her goods because of friend’s requirements.

Another important influence for entrepreneur which starting-up his/her business is business partners. Entrepreneur B’s partners was hugely influential in his business career. They helped him plan the concept and set up his restaurant. When entrepreneur C started up her business, she got her friend’s assistance. In the same time, she encouraged her friends to become her business
partner and help each other expending their business. “My business would not be success and expanded sale channel if I was without my business partner.” She said. Apparently, the relationship between entrepreneur and his/her partner have complement to each other. They complete and contribute the strengths and weaknesses of each other. Admittedly, entrepreneurs prefer partners that they would be in devoted and constant contact with. Entrepreneur C said “I need to choose my business’s partner because it is like two-edged sword, they can sabotage you as well.” Somehow entrepreneurs do not care that much about quantity because, the more successful they are the stronger network of their partner becomes.

5.1.2.3 Learning process effects on entrepreneur

Because learning process is a mind work of acquiring and structuring knowledge (T. Man, 2005), then, it is very interesting in its process. Somehow entrepreneur cannot explain why they made decision. Their decisions may come from their intuition and interpret which influencing by external and internal factors. Those factors are analyzed in 3 approaches (experiential approach, cognitive approach and networking approach)

- Experiential approach

Because experience is recognized as the major source of learning for the entrepreneur (Choueke and Armstrong, 1998; Cope, 2003; Politis, 2005), entrepreneur C has an experience while she was young she had to sell her fruits if she wanted to buy something. She said that this experience has taught her how to do the business. Then when she grew up and needed more money for her family, she felt confident to do the business. Moreover, when she was creating her business, she acquires the experience at the same time. Similarly, entrepreneur B used to train in restaurant and hotel and entrepreneur A graduated in college of domestic science and business administration. They have experience before settling their business. As the result, the experience has very strong influence on business creation.

- Cognitive/affect approach

Because entrepreneurial learning is a mental process, some entrepreneur cannot explain about their decisions. All participants in this paper have difference number of attitude, motivation, characteristic or personality, but the most common thing is they all have strong self-confident and they do not easily surrender to any obstacle. Entrepreneur A had feeling when she started-up her business that she can do it and she was so confident to her own decision. She did not need any advice. The reason, that she has strong confident about her business, is experience. Her experiences have accumulated over time and made her more confident in making any decisions. The same as entrepreneur C, who also has self-confident because of her previous experiences, which it have a strong influence to her. As entrepreneur B, that he does not give up anything easily.

Entrepreneurial personality and attitudes are likely to pre-deposit to their management. Furthermore, their internality drive to help other people not only involve in their business but
also those who are less fortunate because of their generous character. Moreover, they seem to prefer keeping a low profile. Their satisfaction comes from their accomplishment but keeping it silently. In fact, they do not like to tell anyone about their capacities.

Entrepreneurs enjoy being in their business and working multiple jobs at the same time. Entrepreneur C enjoys working in her business (direct sell), increasing contribution channel and ensuring that it works well. Nevertheless, she also makes sure that she operates her main job well. On the other hands, like entrepreneur A, she also likes a good challenge. She was often took on leadership roles, does not stand on only one idea. Moreover, she likes to work on something new, unique and before someone else does.

- **Networking approach**

Networking approach mentions about skill and knowledge of small to medium-sized enterprise’ owner are acquired through their social relationship both inside and outside their organization. Network approach cannot be happen by only entrepreneur, but it relies on interaction between entrepreneur (individual) and other people. The important thing that the author would like to focus is entrepreneur because the first step to build the great network begins at entrepreneur. Entrepreneur acquires the effect from external environment such as interactive conversation or action and then he/she will interpret and then interpretation results in his/her action.

Interpreting is, thus, a process that may take place at the individual level, but it more likely to increase prosperity if it involves other individuals, in which it develops into a process at the group level (Franco and Haase, 2009). The same as entrepreneur C who has built her business network constantly. Moreover, entrepreneur B had strong network in restaurant before he started-up his own restaurant because he has worked in this field before. Even though, entrepreneur A did not use network when she started-up her business, but she has used it by starting talking to people (friends and customers) for developing her business later.

5.2 Practical analysis

In this part, the author will also represent the process of opportunity development and learning process, but all materials, that will be analyzed, come from the author who takes the role as a nascent entrepreneur. There are three parts in this section which is put similar as previous section (prior knowledge, effectuation theory and learning process)

5.2.1 Prior knowledge, background and experience

Prior knowledge has been identified as an important component of creativity (Shepherd and DeTienne, 2005). Prior knowledge has an importance role to entrepreneur because it can lead to what person will do in the future.
The author had parents with professions in education administration. In summary entrepreneur’s family have influences in making his/her decision.

While the author attempted to create business in order to investigate what happened when entrepreneur was setting up their business, he found out that every business he thought involving in food area. For example, edible container that made by soy bean curd, healthy foods business and innovative restaurant which all of ideas was changed following the effect in that time.

The reason that the author focused on food business is because, first of all, the author is interested in both of cuisine and food science. In addition, the author graduated in food science, which contributed and expanded his knowledge more and more. After that the author used to work as a cook in restaurant. Therefore, the knowledge that author knows the most is about food.

The same as some of participants who have knowledge in food area and created the business that involve in food. On the other hand, entrepreneur C did not directly have knowledge in food, when she wanted to make Thai desserts, therefore, she then practiced and learned to make it. It is the knowledge that is in area of interest to entrepreneur C. This knowledge comes from special interest and spends a lot of time with it (Shane, 2000).

Prior knowledge takes an important role in entrepreneurship. According to Sigrist (1999) who mentioned there are two type of opportunity which when combine together, it will lead to new market.

5.2.2 Effectuation theory

Since the author is interested in effectuation theory, he decided to follow this theory in order to create business and investigate what was happened during business creation. Every detail is shown in table 3: the process of opportunity development.

➢ Who I am

Financial context seems to have strong effect on starting-up business. Majority of entrepreneur face a problem in lacking of resource. The same as the author who wanted to create edible container but he could not go any further because his prior knowledge tell him that what was required in the future. Therefore, this idea was rejected and changed to another possibility.

Because of failure, the author needed to look for other possibilities. In that time, the author had many ideas that could be successful but finally he has decided to create restaurant which is about herb, treatment and health. The same as entrepreneur C, who had changed her business many times due to effect from people, finance or her perception.
<table>
<thead>
<tr>
<th>Stimulus</th>
<th>Situation</th>
<th>Effect</th>
<th>Response</th>
<th>Opportunity development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The author</td>
<td>saw the dried bean curd</td>
<td>Saw opportunity to create dishes</td>
<td>Decided to create this produce</td>
<td>Contingencies</td>
</tr>
<tr>
<td>2 Friend</td>
<td>Talk about idea (dried bean curd)</td>
<td>Thought more about increase value of product</td>
<td>Beans are super food. Five types of beans are five types of nutrition</td>
<td>Strategic alliance</td>
</tr>
<tr>
<td>3 Idea lab</td>
<td>Talk with idea lab’s stuff.</td>
<td>Her suggestion has motivated the author to find information about beans.</td>
<td>- This idea for edible container has existed but it made from beans flour and it has not become realistic because of high absorption of water. - Attempted to make edible dish from dried bean curd, the result failed many times</td>
<td>Strategic alliance</td>
</tr>
<tr>
<td>4 Teacher</td>
<td>Consult with professor in food technology and she gave advice</td>
<td>Because of many obstacles, the author started thinking about changing his perception in order to create opportunity’s possibility</td>
<td>There are new choices of opportunity for creating business</td>
<td>Affordable loss and contingencies</td>
</tr>
<tr>
<td>5 Friend</td>
<td>Talking about business in order to deal with uncertainty in future.</td>
<td>Ideas were supported and make the author feel confident for doing or changing the plan.</td>
<td>- Edible wrapper made from beans - Edible sauce’s container - Innovation food - Innovation restaurant</td>
<td>Strategic alliance</td>
</tr>
<tr>
<td>Stimulus</td>
<td>Situation</td>
<td>Effect</td>
<td>Response</td>
<td>Opportunity development</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
<td>--------</td>
<td>----------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>6</td>
<td>Relative</td>
<td>The author’s relative has cancer and she was treated her illness by eating herb instead of medicine. (Because medicines from doctor have several effect to patient).</td>
<td>I want to make food for her which can relieve her pain and illness.</td>
<td>Ask and talk to people who have cancer or know about healing this illness.</td>
</tr>
<tr>
<td>7</td>
<td>Inside entrepreneur</td>
<td>The author used to work as a cook and graduated in food science.</td>
<td>The author believes that he can create menu that combine and develop as a medicine for relieve illness.</td>
<td>The author decides to create restaurant that not only for eating but also for healing an illness and immunity.</td>
</tr>
<tr>
<td>8</td>
<td>Friends</td>
<td>The author decides to create ideal restaurant for increase value of Thai food. Then talk to his friend about this idea. His friend is interested about ecology food.</td>
<td>Realize that open the restaurant not only for people and also for environment.</td>
<td>The author has got idea about his food must be friendly with environment.</td>
</tr>
<tr>
<td>9</td>
<td>Family</td>
<td>The author’s mother asks him about nutrition in food and how the customers know that which food suit with them.</td>
<td>Finding the way to solve this problem.</td>
<td>The nutritional information must be shown in every table. (For the reliable information and knowledge in food, the author is able to choose and test food because of his prior knowledge.</td>
</tr>
<tr>
<td>10</td>
<td>Prior knowledge</td>
<td>The author has knowledge in marketing management.</td>
<td>Therefore; the author wants to check out the market in order to know what customers really want by survey(see appendix B).</td>
<td>The result is in appendix C</td>
</tr>
<tr>
<td>11</td>
<td>Result of survey</td>
<td>The result from 25 people</td>
<td>The results that the author found are not satisfied the author</td>
<td>Motivated the author to do more experiment in this business</td>
</tr>
</tbody>
</table>

*Table 7: process of opportunity development (experimentation)*

Finally, the process of opportunity development will not be ended because the author sees the entrepreneurial process as never-ending.
Table 8: the % of using opportunity development process (the contrast between causation and effectuation process)

<table>
<thead>
<tr>
<th>Causation</th>
<th>Effectuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>90.90%</td>
<td>9.10%</td>
</tr>
</tbody>
</table>

Table 9: the % of using three approach of effectuation process of the author

<table>
<thead>
<tr>
<th>Effectuation theory</th>
<th>Who I am</th>
<th>Whom I know</th>
<th>What I know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20.50%</td>
<td>54.5%</td>
<td>26.00%</td>
</tr>
</tbody>
</table>

➢ What I know

It seems to happen when entrepreneurs (effectuators) start-up their business, they are flexible in their business and take the advantage from it. While the author decided to create business, he saw the soy bean curd that could be the biodegradable container. Thus, he tried to create edible container. Moreover, when edible container seemed to be unsuccessful and then he acknowledged in family member’s illness, which motivated him create innovative restaurant.

➢ Whom I know

In the author’s perspective, the strategic alliance is another important key to entrepreneur (especially effectuator). When the author wanted to create edible container, the author went to idea lab in order to talk about his idea and ask for resource. The effect that the author has got was there is no laboratory for the author’s experimentation and the idea lab require the prototype and their advice seemed unsatisfied the author. This effect motivated the author worked on his project harder.

Furthermore, many times that the author’s idea was developed because of external envelopments; especially people (the table 3: the process of opportunity development). These effects has directly strongly influence to the author creating his business.

5.2.3 Learning process

Likewise, the author has attempted to create the business which some of ideas is fail. It could say that the author has learned both success and failure. In fact, learning from experience is a process of doing something difference from old experiences. Hence, entrepreneurial learning not only means learning from what have been successfully done or keeping away from what have failed, but also interpreting and applying the experience by the learners from what they have learned is a key of learning process.

Experimentation has been described as “a series of trial and error changes pursued along various dimensions of strategy, over a relatively short period of time, in an effort to identify and establish a viable basis for competing” (Nicholls-Nixon et al., 2000:496).
5.3 Empirical data and Practical data

- The relationship between individual (Prior knowledge, experience, background) and Opportunity development

Surprisingly, the result from empirical data and practical data show that prior knowledge has strong influence to entrepreneur during entrepreneurial process (especially startup stage). All participants (include the author) is likely to create business venture that involves to their prior knowledge that they already have.

In addition, all of traits, confident, belief for success in business could say that emerge primary in family. Even though, entrepreneurs have a high degree of passion, persistence, enjoyment, discipline, ruthless and shrewd in what they do, they are also ethical, sensible, and manage their business with integrity.

At the same time; their educational knowledge may limit capability to think wide. Therefore, talking with people would help entrepreneurs combining their prior knowledge with new knowledge. As the result, entrepreneurs would see their business opportunity clearer, better and wider.

- The relationship between Causation and Effectuation process

After analyzing both of entrepreneurs data and nascent entrepreneur (the author) data, the author has discovered that effectuation process emerges in beginning of entrepreneurial process while causation process seem to appear when business is in stable stage (mature stage).

The correlation between causation process (expected maximizing return) and effectuation process (affordable loss) is both internal factor, in fact, it is cognitive approach (learning process). Undoubtedly, entrepreneur’s performance is difference in each stage in business, when firm grows through mature stage, the entrepreneurs seem to change their focus on profitable and expand their business than affordable loss.

- Why the effectuation (especially whom I know) happen more than other (what I know, who I am)?

As the author mentioned before that there are both internal factor and external factor that affect on entrepreneur’s performance, behavior and making decision. In the effectuation process also both external and internal factor, which is, affordable loss, experimentation and contingency are internal factors, on the other hand, strategic alliance are external factors.

When the author examined effect according to performance and behavior of participants, the result of effectuation process (especially whom I know) arise during the entrepreneurial process more than other processes (what I know, who I am). Therefore, the author could say that external factor (whom I know or strategic alliance) is more effective in business’s start-up stage than the
internal factors (affordable loss, experimentation and contingency are internal factors). In short, the strategic alliance is predominant factor in effectuation process than the other factors.

**Comparison between Opportunity development, Learning process, prior knowledge**

From the result, while all participants leaned to set up their business following effectuation process, on the other hand, causation processes seem to arise more at entrepreneur B than other. The contrast between entrepreneur B and the other participants is experience.

Entrepreneur B has been in restaurant business before he set up his own restaurant. Actually, he seems to expand his business rather than starting-up a new business (he has been a partner in several restaurants). Moreover, the objective of his business was to get high expected return instead of affordable loss and experiment in effectuation process.

Moreover, according to entrepreneurial process, entrepreneurial cognition and making decision can be leaded by experience. Entrepreneur, who has experience in particular business, seem to realize and recognize what the customers want more than other entrepreneur who does not. Therefore, entrepreneur who has experience is likely to invest in business by borrowing money because of confident in its profit. On the other hand, entrepreneurs who have no experience uses affordable loss and experiment in his/her business in order to eliminate an uncertain one.

In summary, network seems to have strong influence in opportunity development processes, entrepreneurial learning process and prior knowledge.

First of all, as the author mentioned that external factor (strategic alliance) has strong influence on entrepreneurial process which the author could say that strategic alliance is entrepreneurial network. Likewise, in entrepreneurial learning process, the networking approach is the last approach after experiential and cognitive approach because the network cannot constantly survive if without strong foundation (individual). Furthermore, the more entrepreneurial networks are built, the more prior knowledge acquires.

After the author analyzed all data that came from empirical and practical data, the author realizes that while the author was in starting-up period, the author has changed business form all the time in order to find the possible business. The author now would like to set up restaurant business which, actually, the first business that the author wanted to do was edible container. Hence, the author believes that in the future, if the author continues looking for possible way to do the business, the author’s product or service may be vastly different from beginning product or service.

Therefore, when the author is back to Thailand, the author will use the idea (healthy restaurant) of opportunity development for setting the author’s business. The author will of course apply the knowledge, that has gained from study about opportunity development (both effectuation process and causation process), in real situation in Thailand. Moreover, the author is aware of the fact
that knowledge comes from study may be not the same as knowledge that comes from experience. Therefore, in this research the author could say that the author has both knowledge which first come from study (research), on the other hand, the author has knowledge that come from experience because the author has already started his business (practical). This knowledge will be very useful for the author to do the business in the future.

6. Discussion, Conclusion and Reflection

After analyzing empirical data and practical data by relevant theories, the research shows that each entrepreneur has his/her own process when they started-up their business which depends on several factors. Hence, the author merely focuses on factors individual, opportunity development and learning process that affects on entrepreneur’s behavior, performance and making decision during entrepreneurial process.

Firstly, the prior knowledge has strongly affected on entrepreneur creating their business. While entrepreneur plans to start-up business, his/her prior knowledge leads entrepreneurs creates business that involve in their prior knowledge.

Moreover, in effectuation process, whom I know or strategic alliance tends to arise and predominate other effectuator’s set of means (who I am and what I know). In addition, strategic partner seems to be useful for entrepreneur during starting-up of his/her business. Furthermore, causation process seems to appear in mature stage of business rather than startup stage. In fact, entrepreneurs who have well experience in business they want to do, they seem to use causation process in their business.

Besides, another important thing is entrepreneurial learning process. Learning is the most important factor from entrepreneur in interaction with effect. In fact, learning process is internal factor in all entrepreneurs, while external factor comes from outside entrepreneur. While entrepreneur faces with something, they interpret the effect and react to their business depending on knowledge, experience, and characteristic in that time.

As has already been mentioned, in startup stage of business, entrepreneurial network have strong effect during entrepreneurial process. Therefore, the author could mention that individuals, who want to do the business, they should create the network to support and contribute their business.

Reflection

Since the author has been doing the research, there are several reflections on this research. First of all, creating business will be very difficult to succeed if without partner and talking to people or adviser. Interaction with someone can help the author see clear picture of what the author is doing. In fact, they can tell advantage and disadvantage of what the author is going to do.
Moreover, as the author mentioned in analysis part that the position in business now is restaurant, therefore, the author can then use knowledge, that the author has, to set up restaurant business. The author will continue using opportunity development and first start-up business by using the author’s own budget. It may be a small restaurant but it will be flexible business.

7. Recommendation and suggestion for further study

In this section, the author discusses about recommendation and suggestions for further study which include self-criticism about what the author should and should not have done in this research.

Self-criticism

1) The author should have interviewed all participants because the author will not gain only information that the author wanted to analyze but also acquires the emotion and feeling about their experience which it may be useful for this research (learning process).

2) The author realizes that personal involvement of the author may bias research results. A high degree of personal involvement is likely to misrepresent the way other people perceive circumstances and events especially when the author faced to circumstances involve stress or situation that might lead to an intense emotional response.

3) If the author could have opportunity to interview some entrepreneur, the author would interview successful entrepreneurs who may have more interesting information when they start-up their business. Moreover, they may have more detail while they set up their business.

Recommendation and suggestions

1) In the future, researchers, who would like to study more or repeat this research and have more time in collecting data, should gain the data by interviews. The data from questionnaires may be insufficient for analysis, therefore, collecting data by interview can be useful because interviewees can go with the flow but the author should also have main question in order to avoid getting lost the main point.

2) In addition, it may be better if the researchers could interview different kind of entrepreneurs (difference culture, background and business) for variety of data which can be reliability and trusty for research.
7. References


Knight, F., 1921. Risk, Uncertainty and Profit, Houghton Mifflin, Boston, MA.


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Table 5: % of using opportunity development process of entrepreneurs (the contrast between causation and effectuation process)

Table 6: the % of using three approach of effectuation process

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Table 9: the % of using three approach of effectuation process of the author
Appendix A: List of Questions for the owner’s restaurant (Swedish)

1. Vad ser du först denna möjlighet (att göra din restaurant mer lyckas) att göra en vinst?
2. Har du ändrat din uppfattning/insikt/iakttagelseförmåga av möjligheten/chansen (att öppna ditt företag och göra det mer framgångsfull)?
3. Om du har ändrat din uppfattning av den här möjligheten, om du har gjort det, vad är det som leder till denna ändring?
4. Innan du sätter igång ditt företag, har du pratat eller rådfråga med någon?
   Om det, vem?
   Vad rekommenderar/föreslår hon/han dig?
5. Hur länge tror du att det tar för ditt företag att bli framgångsfull/lyckas?
6. Vad tycker du om flexibilitet i ditt arbete/företag? (Om det kommer exempelvis finanskris eller något liknande, kan du hantera det?)
7. Vilket jobb har du innan ditt företag?
8. Har du någonsin involverat med maten eller restaurangen tidigare? till exempel genom din studie på högskolan eller genom ditt arbete?
9. Har du någon plan eller tankar att expandera ditt företag/business?

List of questions for the owner’s restaurant (Thai)

1. คุณเห็นโอกาสอะไรในการสร้างธุรกิจ และกำไรในธุรกิจของคุณ , อย่างไร (ตัวอย่าง คุณเห็นว่าที่นี่ไม่มีร้านอาหารไทยซึ่งเป็นโอกาสของคุณ)
2. คุณเคยเปลี่ยนแนวคิดในการทำธุรกิจของคุณหรือไม่
3. ถ้าคุณเคยเปลี่ยนแนวคิดในการทำธุรกิจ อะไรทำให้คุณเปลี่ยนแนวคิดในการทำธุรกิจ อย่างไร
4. ก่อนที่คุณจะก่อตั้งธุรกิจ คุณได้คุยกับหรือปรึกษาใครมาก่อนหรือไม่ ใคร อะไรที่ผู้นั้นแนะนำคุณ
5. ก่อนที่คุณจะเข้ารับธุรกิจของคุณจะประสบความสับสนใจ เพราะอะไร
6. คิดอย่างไรเกี่ยวกับความยืดหยุ่นในการทำธุรกิจของคุณ (ตัวอย่างเช่น ถ้าเกิดภัยคุกคามเศรษฐกิจ คุณจะแก้ไขหรือรับมือกับสถานการณ์ดังกล่าว อย่างไร)
7. ก่อนหน้าที่คุณจะทำธุรกิจนี้ คุณได้ทำธุรกิจหรืองานอะไรมาก่อนหรือไม่ อย่างไร
8. คุณเคยทำงานเกี่ยวกับอาหารมาก่อนหรือไม่ (เช่น เรียนหนังสือที่มหาวิทยาลัย หรือทำงาน)
9. คุณมีแผนจะพัฒนาหรือขยายธุรกิจของคุณหรือไม่ อย่างไร
List of Questions for the owner’s restaurant (English)

1. What did you first see the opportunity to make a profit in your business?
2. Have you changed your perception of the opportunity overtime to do your business / restaurant?
3. If you have changed your perception of the opportunity overtime to do your business / restaurant, what has led to this change?
4. Before you set up your business, did you talk or consult with someone?
   
   Who?
   
   What did they suggest you?
5. How long does your belief take that your business will be successful? How many Years? And why you believe?
6. What do you think about flexibility in your business? (For example, if the economic crisis or something happened, how can you manage it or handle it?)
7. What your previous business or job?
8. Have you ever involved about food/restaurant before? Study in University or work
9. Do you have any plan to expand your business in the future?
Appendix B: Lest of questionnaire for Thai people about “Ideal Restaurant”

1. เพศ
   - ชาย
   - หญิง

2. คุณไปร้านอาหารบ่อยแค่ไหน
   - หนึ่งครั้งต่อเดือน
   - หนึ่งครั้งต่อสัปดาห์
   - สามครั้งต่อสัปดาห์
   - ห้าครั้งต่อสัปดาห์
   - ทุกวัน

3. อะไรเป็นสิ่งจูงใจให้คุณไปร้านอาหาร

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<tr>
<th>คำถาม</th>
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<td>ราคา</td>
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อื่น…………………………………………………………………………………………………………………………

4. สิ่งใดที่ทำให้คุณต้องการบริโภคอาหาร
   - ความหิว
   - ความอร่อย
   - สุขภาพ

อื่น…………………………………………………………………………………………………………………………

5. ถ้าพนักงานถามคุณเกี่ยวกับสุขภาพหรือโรคประจำตัว คุณจะ
   -บอกตรง
   -บอกแต่โกหก
   -ไม่บอก

อื่น…………………………………………………………………………………………………………………………

6. คุณเห็นด้วยหรือไม่กับค่ากล่าวที่ว่า อาหารเปรียบเสมือนยา
เห็นด้วย อย่างยิ่ง
เห็นด้วย
เฉยๆ
ไม่เห็นด้วย
ไม่เห็นด้วยอย่างยิ่ง

ชื่อ…………………………………………………………………………………………………………………………

7. ถ้าคุณจะเปิดร้านเป็นของตัวเอง สิ่งใดที่คุณต้องการในร้านอาหารของคุณ

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<th>ไม่สาคัญอย่างยิ่ง</th>
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<td></td>
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<td>ฐานข้อมูลลูกค้าเพื่อจัดอาหารให้ตรงกับสุขภาพของลูกค้า</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

ชื่อ…………………………………………………………………………………………………………………………

8. คุณคิดอย่างไรกับอาหารเพื่อสุขภาพ

| รสชาด disappointment | ไม่หลากหลาย | รสชาดดี | | |

ชื่อ…………………………………………………………………………………………………………………………

ขอบคุณสำหรับการสละเวลาในการทำแบบสอบถามครับ
Appendix C: The result of the questionnaire

1. Gender

Male 29.4 %

Female 70.6%

2. How often you go to restaurant?
   - 1 time a month 33.3%
   - 1 time a week 40.0%
   - 3 times a week 13.3%
   - 5 times a week 6.7%
   - Everyday 6.7%
   - It depends 6.7%
   - 3 times a month 6.7%

3. What influence you to go to restaurant?

<table>
<thead>
<tr>
<th>Questions</th>
<th>Extremely important</th>
<th>importance</th>
<th>Does not matter much</th>
<th>Deal Breaker</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>47.1%</td>
<td>52.9%</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Payment system</td>
<td>0%</td>
<td>52.9%</td>
<td>35.3%</td>
<td>5.9%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>17.6%</td>
<td>76.5%</td>
<td>5.9%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Price</td>
<td>31.3%</td>
<td>56.3%</td>
<td>12.5%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Taste</td>
<td>76.5%</td>
<td>23.5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Place</td>
<td>17.6%</td>
<td>64.7%</td>
<td>17.6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Clearrness</td>
<td>62.5%</td>
<td>37.5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

4. You go to restaurant because of

   Hunger 41.2%
   Taste 47.1%
   Health 11.8%

5. If staff ask you about your health you will

   Tell them the truth 76.5%
   Lie to them 5.9%
   Tell nothing 17.6%

6. Do you agree about this quote “food as medicine”

   Extremely agree 41.1%
   Agree 41.1%
7. If you will set up your restaurant, what do you want to have in your restaurant?

<table>
<thead>
<tr>
<th>Questions</th>
<th>Extremely important</th>
<th>Importance</th>
<th>Does not matter much</th>
<th>Deal Breaker</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Touch screen menu</td>
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<td>17.6%</td>
<td>52.9%</td>
<td>29.4%</td>
<td>0%</td>
</tr>
<tr>
<td>Online menu</td>
<td>0.0%</td>
<td>35.3%</td>
<td>41.2%</td>
<td>23.5%</td>
<td>5.9%</td>
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<tr>
<td>Nutritional Information</td>
<td>5.9%</td>
<td>70.6%</td>
<td>23.5%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Nutrition Adviser for customer</td>
<td>23.5%</td>
<td>47.1%</td>
<td>29.4%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Relaxed restaurant</td>
<td>11.8%</td>
<td>70.6%</td>
<td>17.6%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mobile Payment</td>
<td>5.9%</td>
<td>0.0%</td>
<td>70.6%</td>
<td>23.5%</td>
<td>0%</td>
</tr>
<tr>
<td>Mobile pager for queue</td>
<td>5.9%</td>
<td>17.6%</td>
<td>64.7%</td>
<td>5.9%</td>
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<tr>
<td>Booking online</td>
<td>11.8%</td>
<td>35.3%</td>
<td>47.1%</td>
<td>5.9%</td>
<td>0%</td>
</tr>
<tr>
<td>Order online</td>
<td>12.5%</td>
<td>43.8%</td>
<td>37.5%</td>
<td>6.3%</td>
<td>0%</td>
</tr>
<tr>
<td>Database about enjoyment and health of customer</td>
<td>23.5%</td>
<td>52.9%</td>
<td>23.5%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

8. What do you think about healthy food?
   - Tasteless: 28.6%
   - Yummy: 14.3%
   - Not Various: 57.1%
**Appendix D; Reflection project diary**

In this section, the author gives the clear picture about practical data to reader for better understanding. Every detail that the author did (event, action and reflection) will be depicted orderly. First of all, the author will tell the reader about the author’s background and inspiration

The author’s background: Interested in food technology, healthy food, used to be a cook, use to work in restaurant as a waiter, and love to read books (7 habits, positive thinking)

The reason that the author studied master degree student is the author want to be entrepreneur. Therefore, the author decided to study in International business entrepreneurship and innovation. When the author was in last period that the author had to do the thesis, the author thought about what topic the author should do.

First class of master thesis, the author was not able to attend class (ski accident). Therefore, the author had to ask his friends everything. Information that the author gained from his friend was not clear which involve about action research and global warming. After that the author was thinking about how to do action research and global warming topic.

The author started searching information about global warming and found out that plastics are cause of global in the author’s perspective. Moreover, it can damage animals because they can eat the plastic and not realize that can harm themselves. Therefore, the author attempted to create something that replace plastics and be easily biodegradable.

While the author was cooking food, the author saw dried soy bean curd for cooking. If we want to cook dried soy bean curd, we have to put in water and leave it for 30-45 minutes. The author sees the characteristic of dried soy bean curd that can replace the plastic, hence, the author decided to create edible container made from dried bean curd.

After that the author sheared idea with his friend about what the author was going to do on his project, the author’s friend was not interested in the author’s idea about edible dish because he thinks nobody wants to eat container and the taste of dried bean curd is not good enough to persuade people to eat it. Therefore, the author tried to solve this problem by using five beans (black bean, kidney bean, white bean, soy bean and green bean) and put flavor in order to add value of product (The author used to study about bean when the author studied in bachelor degree). This idea was satisfied to the author and his friend.

The author talked with supervisor about his idea, and then, supervisor suggested the author to talk with idea lab for asking for advice. The staff at idea lap said “there is no laboratory and resource for your experiment”. Moreover, she mentioned about the author idea that may already exist. The author then explained that it will not be the same because his idea made from soy bean curd and each kind of bean can give difference nutrition and motivate people interested in this product. The staff said “if people need nutrient from beans, they may prefer to eat real beans
rather eat edible container made from beans”. Lastly, staff would like to see prototype of the author’s idea.

After the author had talked with idea lab’s staff, the author had enthusiasm to work on this project by searching information about how to make dried soy bean curd and trying to create it. When the author knew how to make it, the author was aware of lacking of resources. Hence, the author then used equipments in his kitchen. Unfortunately, the experiment failed many times.

The author decided to talk with his teacher (professor in food technology). The author’s teacher gave advice that the process of doing edible container need instrument and laboratory in order to test (absorption, solidity and persistence of chemical) the result of product. Because of many obstacles, the author was looking for possible way to do the thesis.

The author thought about what is actually the author’s competency. The author had idea about doing the business as following; edible wrapper made from beans, edible sauce’s container, innovation food, innovation restaurant and Thai herbal). After that, the author talked with his friends about these ideas. The author’s friends gave a lot of feedback about ideas which can support and make the author’s confident.

Sadly, the author’s parents called and told him about his relative’s illness (cancer). She was treated by eating herb instead of medicine because medicines from doctor have several effects to the patient. The author wanted to make food for relative which can relieve her pain and illness. Therefore, the author asked and talked to people who know about cancer of know about healing this illness. Because of this situation, the author would like to create the restaurant that can protect and heal from illness. Moreover, the author used to work as a cook that make the author believes that the author can create menu that combine and develop as a medicine for relieve and protect illness.

The author makes decision to create ideal restaurant for increasing value of Thai food (Thai herb). Then, the author talked with his friends again about this idea, they are interested in this idea and gave the author’s advice about ecology food. Because of this advice, the author realized that now a day, we cannot think only high expects return from customers but we should give something back for people and environment as well. Therefore, the author has decided to create restaurant that must be friendly with environment.

The author talked about his final idea about setting up restaurant in Thailand with his mother. The author’s mother asked the author about nutrition in food and how customers know that which food suit with them. Because of these questions, the author decided to show the nutritional information in every dish which the author is be able to do these things due to his background and prior knowledge from food science.

Due to experience and knowledge from working as a cook in restaurant and studying bachelor degree in food technology (include marketing course), the author wanted to check what the
market need by survey to get important information. Survey was given out to the author’s friends in Thailand and Sweden. Unfortunately, the resource of survey did not satisfy the author. First of all, because all interviews are the same age, there is no verity of information. Moreover, the target customers of this restaurant are about having a healthy food, the result of survey may mistake because the people who the author surveyed is not his target customer. On the other hand, the survey shows that people tends to interested in taste and cleanness more than healthy food which the author will apply this result in the future.