

# A New Business Model for an Innovative Business Development

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## Abstract

This article is a study of business models and uses ideas to develop innovative thinking processes. To be a model for innovative business development for entrepreneurs and entrepreneurs the key role in creating product innovation service or even a new business model making it more efficient than just creating a business or developing a business to survive continuously in the present It is important that Innovation plays an important role in business development. Going into business or the ASEAN Economic Community (AEC) may be one of the successes of entrepreneurs doing business. Therefore, business model knowledge, whether Business Model Canvas or Lean Canvas tools, are standardized and are popular all over the world. Therefore, the author has developed a tool that combines cognitive processes. And steps the understanding is categorized into three main areas: target customers, issues, and solutions. Under a new innovation model for entrepreneurs, businesses and groups who want to think of Innovation through a more understandable process, named BAIC Board.

**Keywords:** Innovation, Development, Business Model, Entrepreneur, BAIC

## Introduction

This article is a study of business operation, known as the digital age, has progressed in technology and has continued to thrive in the industry. Making the article a priority to create product innovation service or even a new business model to be more efficient more than just the creation of a business or develop a business to survive continuously in the present It is important that innovation is an important part of development. Going into business or the ASEAN Economic Community (AEC) may be one of the successes for entrepreneurs doing business. But one of the things that followed was the creation of free trade. There is a movement of resources, capital, labor, entrepreneurs. Many products and services and current government policies want to drive Thailand to Thailand 5.0

The business is currently intense competition with the tendency to intensify, businesses are trying to find ways to make them survive and grow over the past thirty years. Businesses tend to use strategy as a basic for it will create a competitive advantage, but in the future, it is likely that it will have to start by creating a business model to create a sustainable competitive advantage (CasadesusMasanell, 2010) where the term business model is known more because

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it is used as a tool for creating a form of competitive advantage. Many organizations have adopted the concept of a business model because it's good results for businesses such as organizations with comparable level of technology medium, but if there is a good business model may be able to create value more than just good technology (Chesbrough, 2010). ASEAN trade market, in addition to entrepreneurs must study market information. There should be five principles in which investment laws are strictly different from country to country, which are basic practices that entrepreneurs should know and understand before moving on to market in ASEAN countries.

Five Checklist want to export to other countries, must know:

1. Government dependence the department of international trade promotion is a great source of information for both old and new businessmen looking to export their products abroad. There are also many other organizations that provide knowledge about the international market, such as the export-import bank of Thailand. That supports Thai investors abroad in finance or C-ASEAN that specifically promotes business cooperation and connectivity in ASEAN.

2. Getting to know the Ban-Khao market a good start is getting to know, where we are going. Do not think of what to sell as long as you do not know, what the customer want, and what kind of behavior tendencies may be started by searching for information of that country that what he wants and that matches what we are going to offer or not.

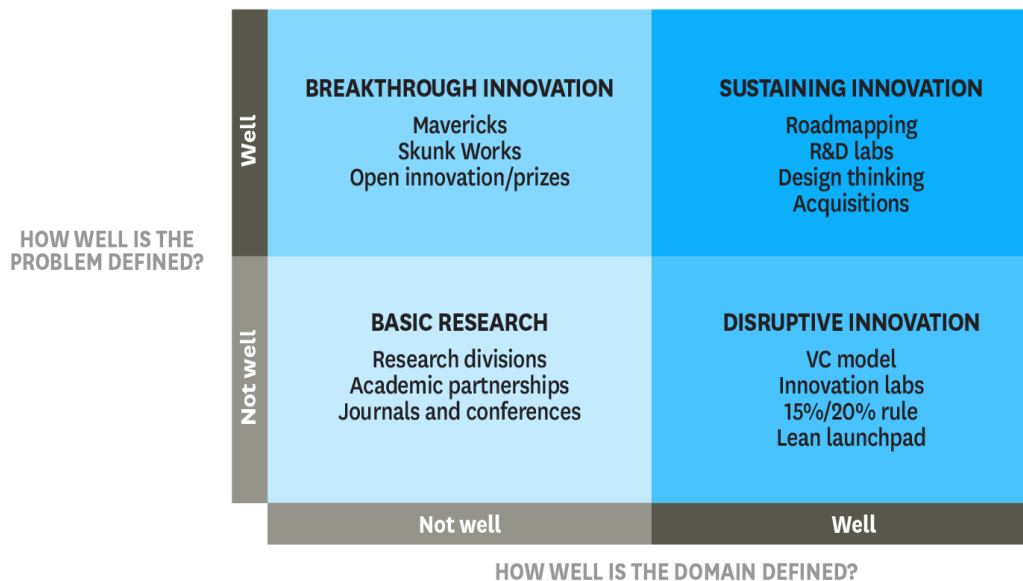
3. Choose to optimize your business model plan and marketing. The strategies used in the country may not work in other countries. Therefore, competitors need to be studied because they may not be able to implement strategies that we are familiar with. Including the development of products and services to match the needs of the need to keep exploring trends and adding new knowledge. Without missing a miss to study the regulations and methods of transportation that may be a major cost in the import and export business.

4. Do not forget about the documents. Many entrepreneurs can shake their heads with cumbersome document handling. But here are the top necessities that are inevitable. Try to understand and learn the more prepared ones. Inevitably approaches the finish line.

5. Always be careful about money. World society for the transition to a cashless society. The whole system of international payments. Capital reserve in case of emergency need to study carefully so as not to lack of liquidity.

## **Business Model Analysis**

From providing the concept of business operations that need to be developed, business model analysis is important for entrepreneurs or those who will do business to follow the current world to keep up with it process prototype and a good procedure as a standard is extremely important. The author has studied the principles of analyzing two business models in order to develop the necessary tools. And understand the steps deeply, so to develop innovation with it is important to understand the innovation matrix to help leaders identify the right type of strategy to solve problems by defining the problem and the scope of the skills needed to solve it well. Most of the Innovation is happening here, because a large part of us try to improve what we are doing. We want to improve the capabilities available in the existing market, and we have a clear idea of what problems need to be solved and what skill domains need to be addressed. For these types of problems, traditional strategies such as traditional R&D laboratory strategy planning and using acquisitions to bring new resources and skill sets into an organization often work. Design thinking methods, such as those supported by Greg Satell, founder of Stanford's design firm IDEO and D-school, are also very helpful if they understand both the problem and the skills needed to solve it. And there should be an understanding of the different types of Innovation, with 4 types as follows.

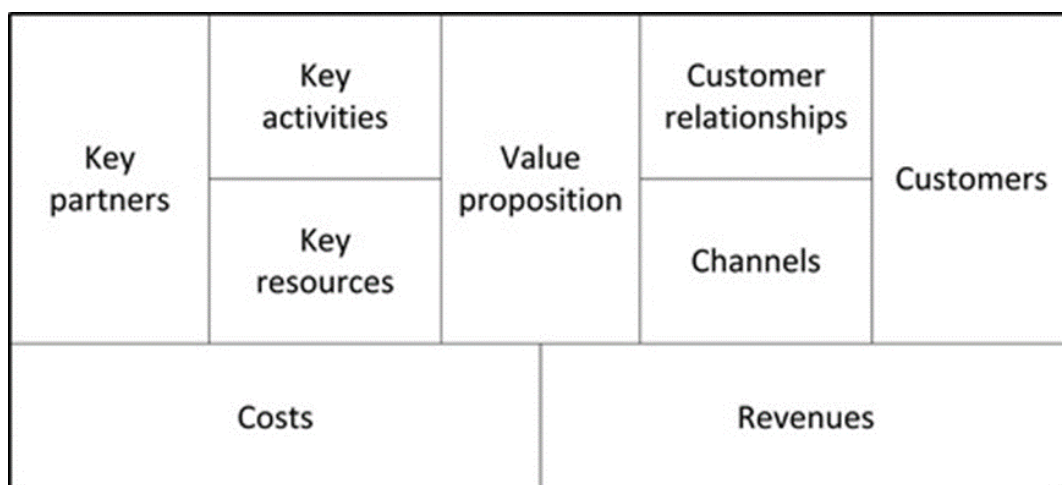


**Figure 1** Four Types of Innovation

Which summarizes 2 business analysis models can be briefly described as follows:

**1. Business Model Canvas (BMC)**

The inventor of the business model canvas, is a critical component of the business model innovation. Each component of the business model canvas is neutral and comprehensive. The overall industry in 2009, (Osterwalder & Pigneur, 2013) further defined the business model canvas that this business model canvas is like a business planning tool. This will help to visualize (visualizing) completely at every angle. Assist in defining strategies, evaluating the success of the plan, and selecting a business model (Business Plan) that is effective and appropriate to the business as a business model canvas divide the structure of planning and strategy into 9 boxes (building block), all of which 9, this box is continually relevant and gives businesses a complete picture. The business model canvas consists primarily of the customers, products/services of the business. Business structure and financial sensitivity. The business model canvas is like a blueprint of a tactical strategy. Carry through organizational structures, processes, and systems that help in planning a comprehensive business.



**Figure 2** The Business Model Canvas, with its Nine Characteristic Components (Osterwalder & Pigneur, 2013)

One very important thing, Osterwalder and Pigneur (2013) calls this “customer’s jobs to be done” that can be divided into three categories.

1) Want to meet the function of function (Functional)

2) Meet the needs of self-identity (Social)

3) Responding to emotional issues most organizations focus on each functional issue, social and emotional.

Therefore, in addition to having a good business model what will drive business success in the future therefore, it should have the value of products and services that match the customers’ needs with attention to social and emotional as well, not just functional.

## 2. Lean Canvas

Lean canvas developed from business model canvas, the lean canvas is specially designed for startups and entrepreneurs. Lean canvas focuses on solving a broad range of customer problems, solutions, key metrics, competitive advantages. And delivering value to customers by offering unmatched, known as the one-page business plan template. It has been adapted from Osterwalder’s business model canvas by Maurya (2012) and optimized for the lean startup approach, focusing on finding customer problems worth solving-especially on building a solid foundation for customer problems. Before anything else, lean canvas promises to bring you a practical and entrepreneurial business plan. It focuses on problems, solutions, key indicators, and competitive advantages.

<b>Problem</b> Top 3 problems  <b>1</b>	<b>Solution</b> Top 3 features  <b>3</b> <b>Key Metrics</b> Key activities you measure  <b>6</b>	<b>Unique Value Proposition</b> Single, clear, compelling message that states why you are different and worth buying  <b>2</b>	<b>Unfair Advantage</b> Can't be easily copied or bought  <b>7</b> <b>Channels</b> Path to customers  <b>4</b>	<b>Customer Segments</b> Target customers  <b>1</b>
<b>Cost Structure</b> Customer Acquisition Costs Distribution Costs Hosting People, etc.  <b>5</b>		<b>Revenue Streams</b> Revenue Model Life Time Value Revenue Gross Margin  <b>5</b>		

Lean Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>) and is licensed under the Creative Commons Attribution-Share Alike 3.0 Unported License.

**Figure 3** Lean Canvas Model

2.1 The first factor of lean canvas is the process of targeting customers and find issues along the way that is, identifying all the consumer groups that are likely to be the organization’s customers. We will focus on those who are likely to switch first, early adoption identifies all of the client issues we identified in section that they are trying to implement. Modify to understand what are the main problems of our customers that result in customers wanting to buy or switch to our products and services. Including other options of customers that customers choose to use as a replacement to solve (existing alternatives). Problems need to be identified in lean canvas because in order to develop products and services based on the understanding of the problems of the target consumers.

2.2 Unique value proposition once we know our customers' group and their problems. The following sections identify the strengths of our products and services. Which we have to specify are the features (features) and the utility (benefits) that meet the needs of the target customers.

2.3 Solution this process is an analysis and brainstorming process to identify the company's approach or methodology that solves the existing client's problems. Which must be consistent with the customer's problem (problems)

2.4 Channels is to identify channels through which we can bring products and services or communicate the value of products and services to target customers, for example, through SEO marketing with keyword that target customers use to find solutions to solve their problems or various showcase that can exits.

2.5 Revenue stream identify revenue streams, including pricing mechanisms for products and services. It identifies all possible sources of income for the company. Whether it is income from the sale of goods, service fees, membership fees, maintenance fees, etc.

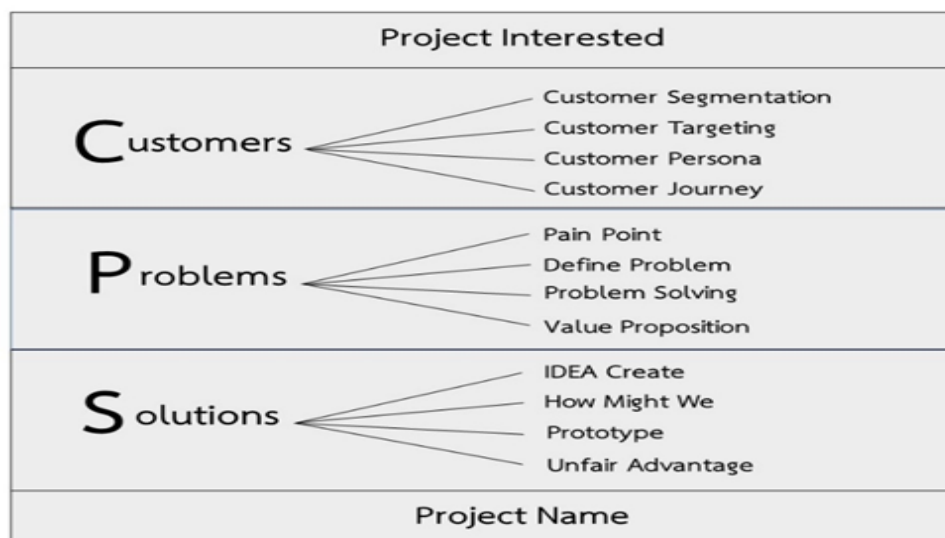
2.6 Cost structure is the cost structure list the total cost of the company. Both in terms of fixed costs (fix cost) such as office rental. Employee salary and variable cost.

2.7 Key metrics are key factors or indicators that can determine the success of a business. And is there a chance to grow in the future or not? The number of products sold each month compared to the number of customers who signed up. And the number of customers who canceled.

2.8 Unfair advantage the advantages or strengths of the company that stand out over their competitors and must be difficult to copy. This may include techniques or resources that the organization has.

## Business Administration Innovation Center (BAIC)

The author has introduced two main concepts from 2 business models, and develop a working model based on the principles of business model canvas and lean canvas. Understand and define the concept of a specific topic automatically. What interests are defined in choosing to do business or whether to follow the concepts of the three topics, each with sub-sections for easy navigation understand, for example, the concept of customer groups (customer) sub-topics that need to be understood are 1) customers segmentation, 2) customers targeting, 3) customer persona, and 4) customer journeys.



**Figure 4** Business Administration Innovation Center (BAIC Board)

The author has developed a similar principle of BAIC Board in the following sequence of steps.

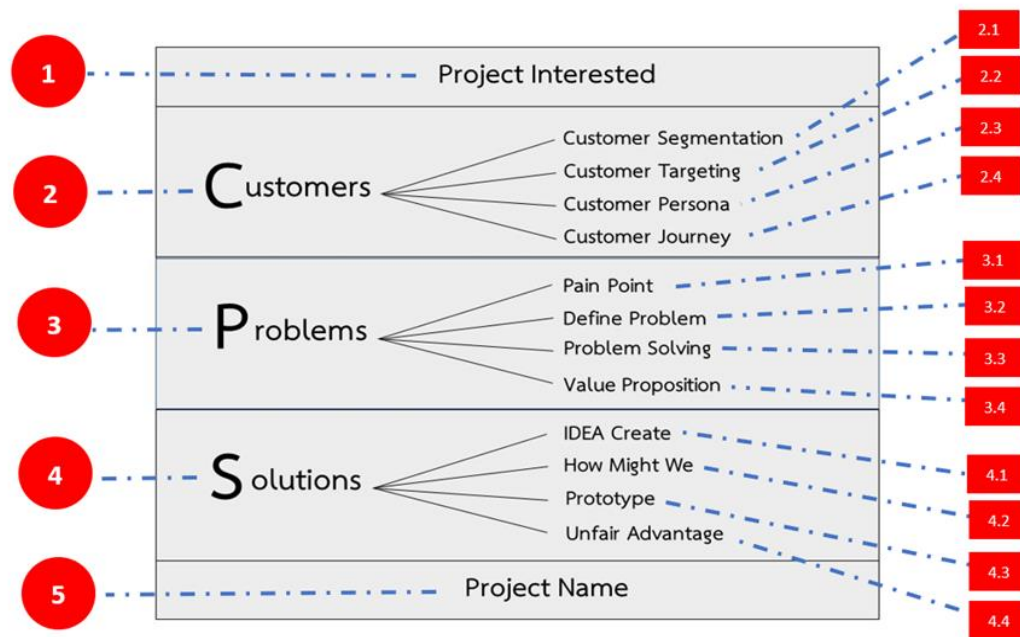
Step 1 Start a Project Interested

Step 2 Customer 1) Customer Segmentation, 2) Customer Targeting, 3) Customer Persona, and 4) Customer journey

Step 3 Problem 1) Pain Point, 2) Define Problem, 3) Problem Solving, and 4) Value Proposition

Step 4 Solution 1) Ideas Create, 2) How Might We, 3) Prototype, and 4) Unfair Advantage

Step 5 End of Project Name



**Figure 5** Shows the Sequence of Steps for the Concept of Developing Innovation tools for Entrepreneurs and BAIC Team.

### **The Process to Improve Business Innovations are as Follows:**

1. Projects interested to study, which is interested to study in the next step. With this topic of interest going to be general for example, travel, tourism using public transport, making merit for health, finance, eating, shopping planting trees, etc.

2. Customers are an important starting point. Because if there is a clear selection of the target audience and learn to understand in order of steps will make it possible to reach the needs of the target audience as well by this process of targeting the selection there is a process to understand in detail as follows:

2.1 Customer segmentation is a basic principle for targeting customers. Which relies on the principles of marketing it can be divided by demographic groups, occupation groups, divided by area, preferences, favorite groups, interests in a particular subject, etc.

2.2 Customer targeting after the customer has been segmented. The next step is to choose to define that group of customers. Come to one group that wants to study first, narrow it down to make it easier to study.

2.3 Specifying the personal details of the target customer group (customer persona) is to add details related to the target customer who wants to study in more detail. At present, it should be stated that more than just the determination of gender, age, occupation, income. Daily

life habitual behaviors, likes, dislikes, attitudes, views on something thoughts on various stories life background setting life goals, etc.

2.4 Study of the customer journey (customer journey) tells the details the order of behavior of what you want to do which will correspond to the project or business title of interest it will define a sequence of steps in that behavior. From the beginning of the process until the end of the process.

3. Study Problems: After studying the sequence of steps in different behaviors, they must choose to study in-depth in that order to observe and interview the problems and needs in the order of interest with precision. Or it could be to shorten the process, shorten the process for the target audience to save more time.

3.1 Problems of interest (pain point) is a problem that interests to study the target group in detail. Or we may have heard the term as the target audience's pain points towards that activity. Or towards something cause frustration and dislike, but those problems have not been solved.

3.2 Define problems after having studied those problem points. Conclusion must be made to identify the real issue. Or who are interested in further study and development first but if when testing with the target audience the problem is not wanted or has been solved. Will be able to identify other problems for further study.

3.3 Problem solving. Summarize the problem. Should study that. That target audience how to fix the problem in the first place? Or how to fix those problems now.

3.4 Value proposition takes into account the value. The benefits that the target audience will receive from what will be delivered. By delivering this value, it is important to remember the target group that has been studied. Because of the method of delivering that value must be designed to deliver value to match the context of that target audience as well.

4. Solution is the final important step. That need to be designed and tested what needs to be designed to address the problem and have a way of delivering it to the target audience. Regardless of what form it will come out, such as a solution as a product as a service or is it a new business model that can come out to meet the needs and adjustments are made to meet and suit the target audience the most.

4.1 Idea create a process of creating a creative pattern to know the concept of what to do for the target audience. Which must meet the needs of solving problems as studied in the sequence of steps above.

4.2 How do we do it (how might we) is another interesting process. It will create imagination from various problems and solutions. Infinitely using the form of sentences that "Why don't we try this thing? Why don't we try this..." or "Is it possible to do that? Is it possible to do this ..." etc.

4.3 Create a prototype (prototype), presenting the shape of the solution. To test the feasibility of the use of the demand that meets what the target audience will receive or not. Or can it be effective or not and how is it which this process can bring the test results to be modified for better and develop prototypes to perfection according to the needs of the target audience.

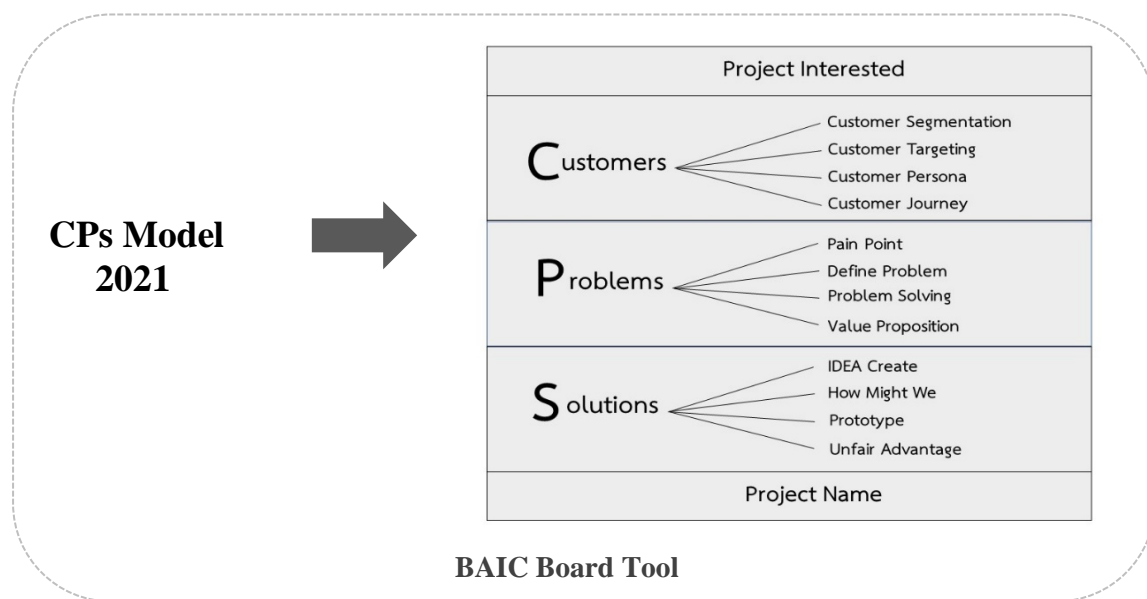
4.4 Unfair advantage (competitive advantage), when it is thought out of the box another way to find an advantage of the solution delivered to the target audience. In order for the target audience to choose to come to use our solutions where that advantage might be tangible. Or intangible but must stretch the principle that the target audience must be satisfied with what has been received by this advantage may or may not be there but having this advantage gives it something that is superior to the competition and choose to use the service itself.

5. Project name or what is presented as a business (project name) is the final image that comes out as a solution.



## Conclusion

For summary of business model development this Innovation, BAIC Board, is a combination of sub-elements of the business model canvas and lean canvas concepts, with the concept of market principles added to the details of the process. To better understand what can be done by this BAIC Board can be used to integrate a step by step thinking process. For the startup business entrepreneur to develop their own business to lead the market whether it is the domestic market or foreign AEC markets that need new operators to compete with other entrepreneurs or those interested in learning Innovation. For another form with easy to understand processes and step by step or it may be abbreviated as CPs Model for Innovation of BAIC team's and the Faculty of Business Administration Panyapiwat Institute of Management.



**Figure 6 CPs Model & BAIC Board**

## Suggestion

For this innovation business development idea it can be useful for the education of students who want to analyze. For understand the process of thinking and in the process of making a BAIC Board, this should be a workshop to examine the problem of understanding the target audience. The key is to actually test the target audience too. For easier understanding and hope that this study and development will be very useful in its practical application.

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