

THE STORY BEHIND THE MOTOR EXPO'S PRESIDENT



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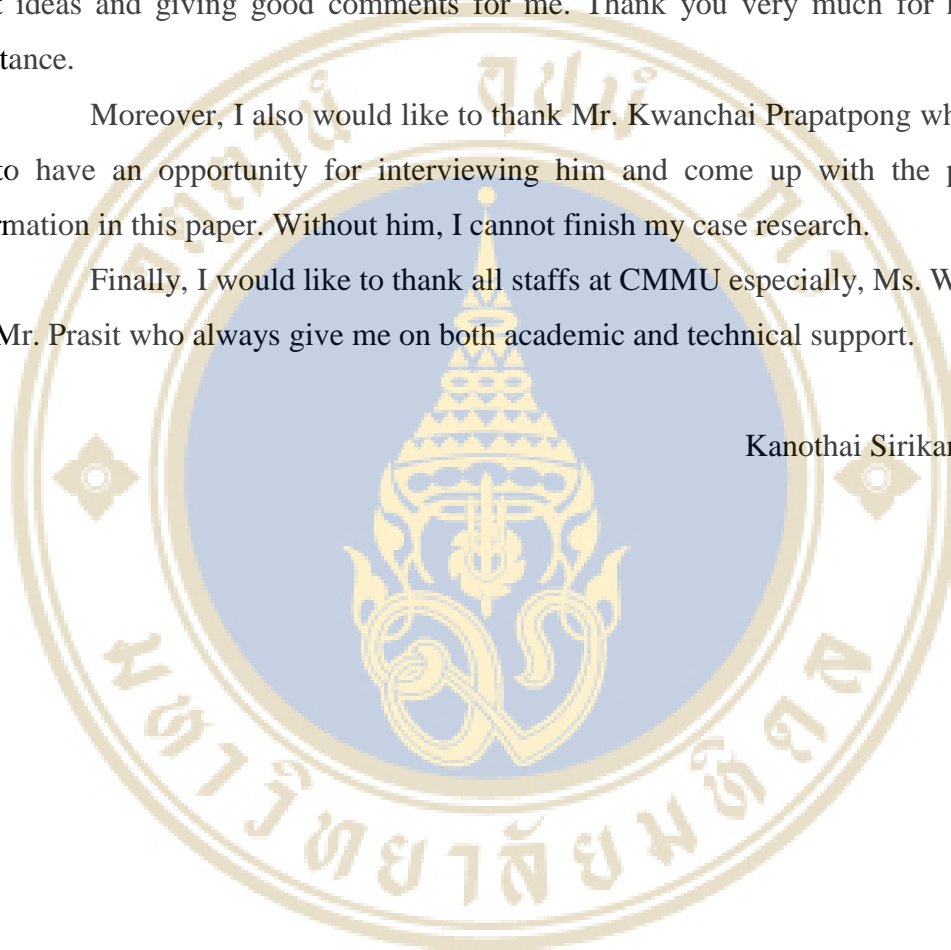
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THE STORY BEHIND THE MOTOR EXPO'S PRESIDENT

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ABSTRACT

Due to the trend of starting new business on both SME and large enterprise, most people have to face a problem that lead them to close their businesses. Some of them struggle to survive but in the end, they can't go last long. Only a few success in this fierce competition.

The purpose of this paper is to find out how Mr. Kwanchai Prapatpong becomes a success entrepreneur, how can he survive in the market and what the story behind his success is. If I can find this answer, it can help me to be able to compete with others and finally become a success entrepreneur. In-depth personal interview will be used to get the information alongside with the interview questionnaire. Both sound and video recorders will be used as a research tool to gather all details from Mr. Kwanchai in order to make sure that all useful information is collected.

There are many key success factors for the success of Mr. Kwanchai. In this paper, it will show all details of that factors one by one.

KEY WORDS: Key Success Factor, HRM, Leadership, Crisis

21 pages

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CHAPTER I

INTRODUCTION

As we know that, successful entrepreneurs will be a good sample to motivate entrepreneur's students like me and to guide me how to become success like them. It is a rare opportunity to find out the deep information from them. This case study will provide the useful information about how to start up a good business and becoming success.

Reason why I choose Mr. Kwanchai as the topic in my thematic paper

Mr. Kwanchai is a president and CEO of Inter-Media Consultant Co., Ltd. He is also the organizing chairman of Thailand International Motor Expo as well. He works in the automobile business over 30 years and he continue to work until he retires. The following paragraphs will show you the reasons why I choose Mr. Kwanchai Prapatpong as my topic in thematic paper.

Firstly, I think he is as a role model for me and also inspires me because he can turn his passion into reality. It is an important thing to the one who wants to have their own businesses to think like that. This thing can motivate me to work hard to achieve my goals.

Secondly, it is about the information that I gain from him. It is useful for me in order to start up my own business in the near future. For example, the information like how to generate fund when he started his business, how can he motivate his staff or how can he operate his business. These information are important for me because they are a guideline for me.

Lastly, he is an experienced person who can work in his own business and stick to it over 30 years. Instead of thinking about retirement, he still wants to improve something in his company all the time. I want to know why he can do like that.

Before I go in details about the management techniques that he uses to run the business, I would like to tell you something about his background and my background as well. In the past, I usually read one magazine named "Formula"; it is a

monthly issued car magazine. I liked to read on the author’s background parts and noticed that he loved a car and tried to engage with this kind of business since he was young. (At the time that I interviewed him, he told me that he bought the first car by his own pocket money). It is the same for me that I love about food and cooking, I want to have my business that related to these.



Figure 1.1 Three car magazines that published by Inter-Media Consultant Co., Ltd.

1.1 Research Question

Now, I would like to ask some questions and try to find the best answers from this project. The question are as follow: How can he become a successful entrepreneur? What are the challenges or obstacles that he overcame before becoming successful in his career? Why did he decide to do Motor Expo? Which strategies and theories did he use to run his business?

1.2 Research Objective

The purpose of this paper is to find out the reason for entrepreneurs to become by picking up one interesting sample to gain the insight information. Moreover, this research will combine both knowledge and experience from this entrepreneur and can be used as a guideline for the future entrepreneurs who want to start their own businesses.



CHAPTER II

LITERATURE REVIEW

In this chapter, I have used two articles as theories to support my findings. The first article named as “**Transformational-Transactional Leadership Theory**” by Andrea Lai, Franklin W. Olin. In this article, they mentioned about the definition and characteristic of transformational leadership and transactional leadership and also how different between these two leadership style.

2.1 Transformational Leadership

This type of leadership focused on the leader who can make the follower to think as a role model and can make the follower to do something without anything in return. This leadership style can be separated into many dimensions as follow:

- *Idealized influence*: this dimension is also known as charismatic leadership, this can make the follower to consider leader as a role model and willing to follow their order with pleasure or even happy to stay by their side. For example, “I feel proud to be with my boss” or “I feel great to do the task that assigned by my boss”.
- *Inspirational motivation*: this dimension is to make leader to act like a spokesperson for followers. This leader will make an enthusiasm in order to achieve the same goal.
- *Intellectual stimulation*: this dimension of leader will make the follower to have creativity and encouraged them to look the old problem in the new way and come up with the solution. For example, “I suggest you to do this as a new way to finish your tasks”.

- *Individual consideration*: this dimension of leader is to develop each particular followers by act as a mentor or coach. By considering on individuals need and desire and take action within the group.

2.2 Transactional Leadership

This type of leadership focused on to give something to someone in exchange for making them to complete the task or assigned job. This leadership style will lead the follower by preventing or resolving the problems that might be occurred in different ways. It can be separated into two dimensions as follow:

- *Contingent reward*: as I already mentioned above that it is an agreement between leader and follower. Leader must give something in return to make follow to do the job. For example, “I will help you to do your routine job in exchange for your excellent efforts”.
- *Management-by-exception*: in this dimension, it will separate into preventing (active management) and resolving (passive management). Some leaders who used preventing as their management style will act like “I have prepared something to handle with unexpected mistake or accident that might be occurred”. But for the leader who applied to use resolving as their management style, they will act like “I just watch my subordinate to solve their problem and I will interfere only at the time when that problem become more serious”.

For the second article that I used to support my analysis is “**Human Resource Management as Entrepreneurial Tool?**” by Cinzia Dal Zotto, Ph.D., Veronica Gustafsson, Ph.D. In this article, they mentioned about the relationship between HRM and entrepreneur. HRM can come from outsourcing or hiring external consultant. They also talked about how to transfer HRM competencies because when a person leave the company then the competency will go with them. Moreover, hiring a wrong person should make a company to be worse because the company waste times and resources on that person (Training cost, Time consuming). That why we need to hire a right person to the right job by allocating them based on their skill and expertise.

Finally, this article also mentioned about recruitment (start-up firms (early stage) seem to hire a general staffs who want to put a lot of effort on the company but when the firm is growing (growth stage), they seems to hire an expert into the company). The reason might be that, when they start-up a business, they didn't have a good financial status and lack of know-how. But when the time pass, they seem to have more security and experience, that why they can hire an expert to use their knowledge and expertise to make company to grow faster.



CHAPTER III

DATA COLLECTION & METHODOLOGY

In order to get into the deeper details about how to be a successful entrepreneurs. I would like to discuss the way to collect the data. As I already mentioned the background of Mr. Kwanchai and the reason why I choose him to be the topic in thematic paper, the method that I choose to collect the data are as follow:

3.1 Personal Interview

In this part, I had prepared a set of questions to find out all information behind his success and the other important information like management techniques, strategies and his recommendation. Moreover, this also included with the obstacles and challenge that he overcomes and the reason why he decided to operate Motor Expo as well. The interview took place at Inter-Media Company's meeting room and I made an appointment with Mr. Kwanchai on 18.00 because he was a tight-schedule person (before I went to see him, he just came back from France).

About the duration of interview, the interview took time around one hour by using a voice recorder. Actually, Mr. Kwanchai seemed to act as a story-teller in this interview and when I have a question or something that not quite clear then I just asked him directly. In addition, during the interview I had observed that a successful person was quite humble and willing to share their success to other. Humble means that he didn't seem to be an arrogant person and not try to act as high and mighty. In opposite, he kept asking me that I understand the thing that he shared or not and tried to make a friendly atmosphere while interviewing.

In my opinion, when a working hours was over then people seemed to be rush to go home but for Mr. Kwanchai, he just relaxed and gave me a long time to talk with him. He just smile and willing to tell me about his story and also answer my questions. This interview seemed to be a wonderful experiences for me in order to gain

a knowledge from him and can be adapted to use with my future business. Actually, I had prepared a book to take a note from him but when the interview occurred I thought that it didn't necessary to do that because he gave me all of information that I needed by telling all of his story.

3.2 Interview Questionnaire

This tool had used at the same time when I came to interview him to get more insight details and able to understand more about his background and management techniques.

For most of information, I had got them from the interview part, in this part I just put other information that might be missed or not clear into the questionnaire. I will include the sample of interview questionnaire in this file to show the instructor about the information that will get from this set of questions.



Figure 3.1 Mr. Kwanchai and me at Inter-Media Company's meeting room

CHAPTER IV

RESULTS & DISCUSSION

This part is about the result that I get from both personal interview and interview questionnaire. The information will separate into three parts. The first part is about the additional background that I get from interview. The second part is about crisis management, the way that he manages the crisis that occurred while he runs his business. The last part is about management techniques that he uses while he operates his company and conduct Motor Expo.

4.1 Additional Background

Firstly, when I came to interview him I found out something that surprised me. At the time when he started his business, he did not have any knowledge and expertise in automobile. The only one that he knew were about how to publish the car magazine because he worked in this business when he went to study in Germany. That why he started up his business as a car magazine first and then followed by the Motor Expo because he needed to gain knowledge and expertise first.

After that he started to conduct Motor Expo because it linked to media, which was something that Mr. Kwanchai already have an expertise on this field and he thought that Motor Expo could get into the higher number of customers than magazine because it used many advertising channels to promote such as newspaper, magazine, press release, TV commercial or internet.

At the time that he started to publish his magazines, he can gain the knowledge from the mechanic, when the time past then he can get many information from them. He had learned how to attract customers and how to differentiate his company from competitors. He admitted that “all of car magazines used to sell only cover page”. But he used a picture of unique cars like Ferrari or Lamborghini that he got from the motor show in other countries or bought them from his partner

“MotoRoute” (the car magazine from Czech Republic), this company seemed to have a test drive of luxury and rare car that why Mr. Kwanchai got the picture from them. This thing can make his magazine to be different from competitors and become his selling point. Finally, it makes Inter-Media Company to be the leader in car magazine.

He also used this concept to conduct “Motor Expo” as well. In the past, he told me that “Motor Expo” and “Motor Show”, **Grand Prix International Public Company Limited**. They seemed to have the same concept that why he and his competitors had a fierce competition. Nevertheless, when they know their strengths and weaknesses and try to balance them. Then, they can find their own target market to differentiate themselves, which reduce the competition. He told me that “Motor Show” had targeted on low to middle income customers while “Motor Expo” seemed to catch up on middle to high income customers.

Secondly, I also heard another exciting thing when I interviewed him. About funding, he told me that he have some kinds of luck. Most of his friends are rich people, and that is why he can take a loan, form a partnership with them and use their credit for the bank. He mentioned that, one of his team is considered to be one of the CEO in Central Group but I can't give his name because Mr. Kwanchai said to me that it classified as same as the rest of the team. The first budget to launch the business came from his family and his friends, the amount of them was 500,000 baht. This budget came from him and his family around 200,000 baht and the rest from his friends. He told me that he used his good communication skill by selling his dream to his friends and motivate them to join the business. That was the reason why he suggested me to use the talent inside myself in the future when I started my own business.

Lastly, when I asked about his team in this present day, he told me that they didn't want to join him anymore because each of them already had their own businesses, and that is why he decided to pay the money plus interest to his friends. But right now his children come to help him as a board of director in Inter-Media Company because he is almost 70 years old and he has planned to retire soon.

4.2 Crisis Management

Mr. Kwanchai have been faced many crisis when he managed to launch Thailand International Motor Expo in the past. Firstly, about the political crisis that have been occurred many times. In 2008, when yellow shirt shut down Suvarnabhumi Airport and red shirt shut down Bangkok in the next year. By understanding Thai culture, he could survive those crises. Thai people could separate between happiness and misery. It means that when they had a political crisis, it didn't have so much effect on the amount of people who came to motor expo or even the sales of automobile. But the crisis that let Mr. Kwanchai to make a huge decision in his career were not the above crisis. It was the flood crisis in 2011, at that time, most automobile industries suffered a lot from this crisis. Mr. Kwanchai, who was the organizer of motor expo must decide that whether to postpone the fair or continue to launch. He chose to launch the motor expo but as a result, it came up with the argument from the big three automobile industries while the rest accepted his decision. He tried to do everything to persuade them to join the fair by using both experience and discretion. And the result is quite good, only one big name refused to join and the car can be sold around 38,000 units in total. This consider to be his mindset also **“Do not fear or avoid the crisis”**. That was the phrase, which he wanted me to remember when I started to launch my own business.

4.3 Management Techniques

In this part, he mentioned that he uses two techniques like Human Resource Management (HRM) and Leadership to operate the company and run Motor Expo.

4.3.1 Human Resource Management (HRM)

He mentioned that in order to avoid some risk or problem that might occurred in the company, he will recruit people who seems to align with the organization and mainly think about the benefit of the company rather than individuals' benefits. He hires people based on their attitudes not the grade in school or university. **“Put the right man on the right job”** was the phrase that he kept in his mind while he ran his business. For example, he mentioned that he has many staffs and he separate them into many section based on their skill and expertise in that particular field. He told me that, there

is one of his senior staff who experts in car stereo and when he established the subsidiary companies then he transfers this staff to be the head of car stereo's department and this department is the one who issued the magazine "**Car Stereo**", one of the third car magazines that published by Inter-Media Company.

HRM seems to be one of the key success factors for him. He told me that, when he put one person into one position, he must consider carefully because it will have an effect on both work performance and employee morale as well.

4.3.2 Leadership

He said that he got this technique from Germany because in foreign country, people had their own freedom to think and expressed their ideas. For example, when Mr. Kwanchai conducts a meeting, he will allow anyone in the meeting room to share the opinion and continue to listen until finish without any argument. But after finished, he will give a comment, try to scope down the topic until only one left, and put that topic in to the working process. He also mentioned that in Thai culture, the boss like to give the order and the subordinate will follow whether they agree or not, they will keep it inside their mind and do not speak out. In the end, the boss are the one that tire because no one help his/her to think or sharing the idea.

This leadership style that let anyone to express their idea is linked to the concept of "**Transformational Leadership**", Mr. Kwanchai always give a chance for his subordinates to share their ideas, which will lead to creativity and also make them to develop. All of these link to the concept of *Inspirational motivation, Intellectual stimulation and Individual consideration*, these 3 concepts are considered as a key for transformational leadership.

Moreover, Mr. Kwanchai also uses motivation as a technique to help his company to run smoothly. For example, he tries to increase base salary in every year and also provide the award for the staff who work with him for a long time. In the past, he also tried to give a stock option to his staffs who worked with him for a long time but it failed because his staffs thought that the share were too small and they didn't feel about the sense of belonging with the company. After this situation occurred, then he decided to change his technique by opened the new companies as subsidiaries and these companies will support Inter-Media Consultant Co., Ltd. Such as, inside the motor expo,

there are the booth to sell the shirt or souvenir. On the other hand, about the construction/sound equipment, the subsidiary will handle these tasks by using the fund from the parent company but the profit are sharing by percentage (the subsidiary are the big shareholders).

Staffs of the subsidiary companies are selected from the skill that match with the company and they also have the option to buy the stock from that particular company on their own decision. By doing this, it shows that the staff are now having the sense of belonging to the company and also increase their goodwill towards the organization.

According to the above paragraph, Mr. Kwanchai seems to use “**Transactional Leadership**”, because he seems to use a reward by giving more salary, award or even the chance to buy stocks from subsidiary companies. All of these things seem to be the concept of *Contingent reward*, which considered as a key element for transactional leadership.

In conclusion, he uses both leadership styles by selecting the person to use, which depends on the characteristic of individuals. The reason why he must carefully select person to use because in his business, some people that he has to deal with come from outsourcing. For example, staffs from publishing company that he hired to publish his magazines or some staffs that he hired from outside companies to help him in some events of “Motor Expo”. All of these people cannot use “**Transformational Leadership**” with them because they only care for the money or something in return for their hard work. This also counted as one of the main reason why Mr. Kwanchai has to use both leadership styles to deal with different people.

CHAPTER V

CONCLUSION

According to all discussions that I have mentioned above, there are some recommendation from Mr. Kwanchai in order to become success in your future career.

First is try to find your passion, it seems like, if we have a passion on something, it means that we can't give up on that thing. On the other hand, we have to put all efforts to improve and make that thing to be success.

Second is try to gain expertise, if you have passion but you don't have any expertise then your business can't stay last long. That why you should do everything in order to get knowledge and expertise from experienced people. Mr. Kwanchai gave me an example like, if I want to be a chef but I cannot cook then I fail. If I want to become success then try to learn how to cook from any restaurant or cooking institute.

Third is concentrate on the thing that you do and stick with it. Mr. Kwanchai warned me that I should not let other people to operate my business because they didn't care about your business whether it could be survived or not (you can recruit someone to help you but not leaving it and make other do instead of you). In my opinion, if we can find our passion and used it to start-up the business then we can't give up easily because it is the thing that we love.

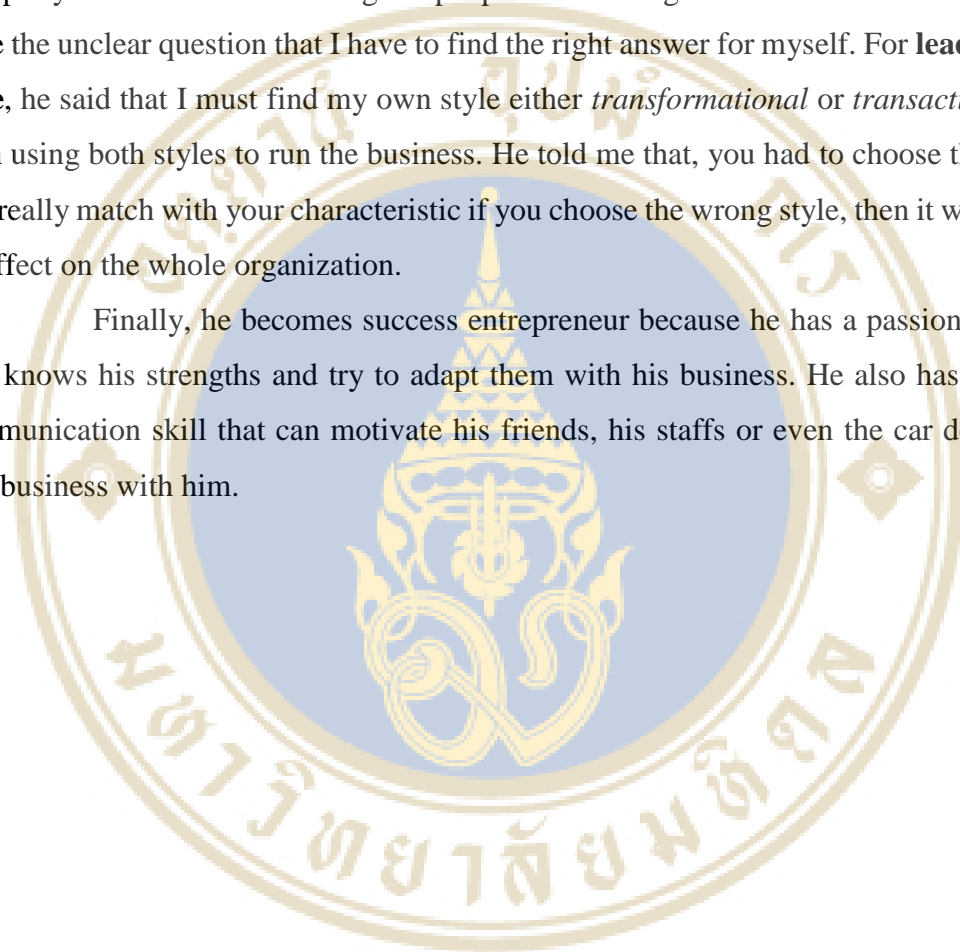
Fourth is try to make different from others, it seems to be the same as his selling point that he used a picture of rare/luxury car to be the cover page of his magazine. He tells me to find something different from the competitor with a reason to support and can be explained. If it is the same, that means the high chance to be failed. But different means that, it must better or at least equal with the competitor. Actually, I think his meaning is to find a selling point/identity because he gave me an example like Japanese car was cheap while German car was expensive.

Moreover, he told me that he still need to improve something in his company. He said that **“real entrepreneur never stop to improve”**. In the near future,

he will make a motor expo's ticket available at 7-11 in order to add more convenience for customers.

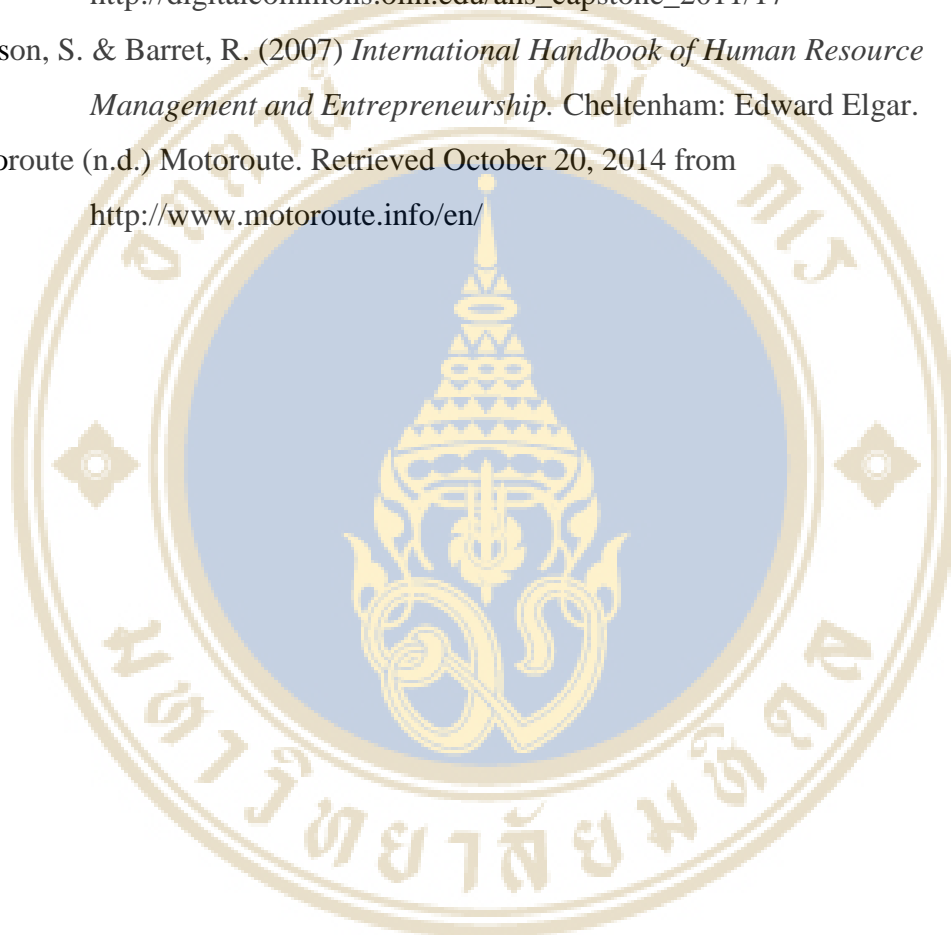
In addition, he also mentioned about selecting the right man to the right job. **Human Resource Management (HRM)**, this technique seems to be one of key success factors that why he suggested me to choose the best person to work in my future business. For him, he hired staffs based on their attitudes but for me, he said that I must set up my own criteria for selecting the people into the organization. This criteria seems to be the unclear question that I have to find the right answer for myself. For **leadership style**, he said that I must find my own style either *transformational* or *transactional* or even using both styles to run the business. He told me that, you had to choose the style that really match with your characteristic if you choose the wrong style, then it will have an effect on the whole organization.

Finally, he becomes success entrepreneur because he has a passion and he also knows his strengths and try to adapt them with his business. He also has a good communication skill that can motivate his friends, his staffs or even the car dealer to join business with him.



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APPENDIX A: Questionnaire

1. How many years that you work in an automobile industry?

- 7-10 years
- 11-14 years
- 15-18 years
- 19 years and above

2. What are the thing that you consider to be your Key Success Factors?
You can choose more than one answer.

- Passion
- Human Resources (Employees)
- Knowledge (Expertise)
- Teamwork
- Time Management
- Other (Please specific).....

3. How can you motivate your subordinate in order to provide the best performance and come up with the good result?

You can choose more than one answer.

- High Salary and bonus
- Many day-off and vacation
- Flexible working hours
- Good work environment and facilities
- Other (Please specific).....

4. How important are the following factors for you to choose people to work in your company?

Please rate them on 1-7 scale with 1 less important and 7 most important.

Rank:

- Skills
- Salary Request
- Experiences
- Educational Background
- Ages
- Determination
- Attitude (work place, colleague and task)

5. What are your management techniques that you use to operate the company?
You can choose more than one answer.

- Leadership
- Human Resource Management
- Empowerment
- Marketing (STP, Consumer Behavior, etc.)
- Cost Leadership or Differentiation
- Other (Please specific).....

6. Do you think you should improve something in your business?

- Yes
- No (Please skip Question 7)

7. From Question 6, what do you plan to improve in order to get the higher benefits or get more satisfaction from customers?

8. In case that I launch my own business in the future, please give me some comments or recommendations for me in order to survive and become success in the market.

