

**THE KEY FAILURE FACTORS OF BECOMING AN
ENTREPRENEUR**



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ENTREPRENEUR**

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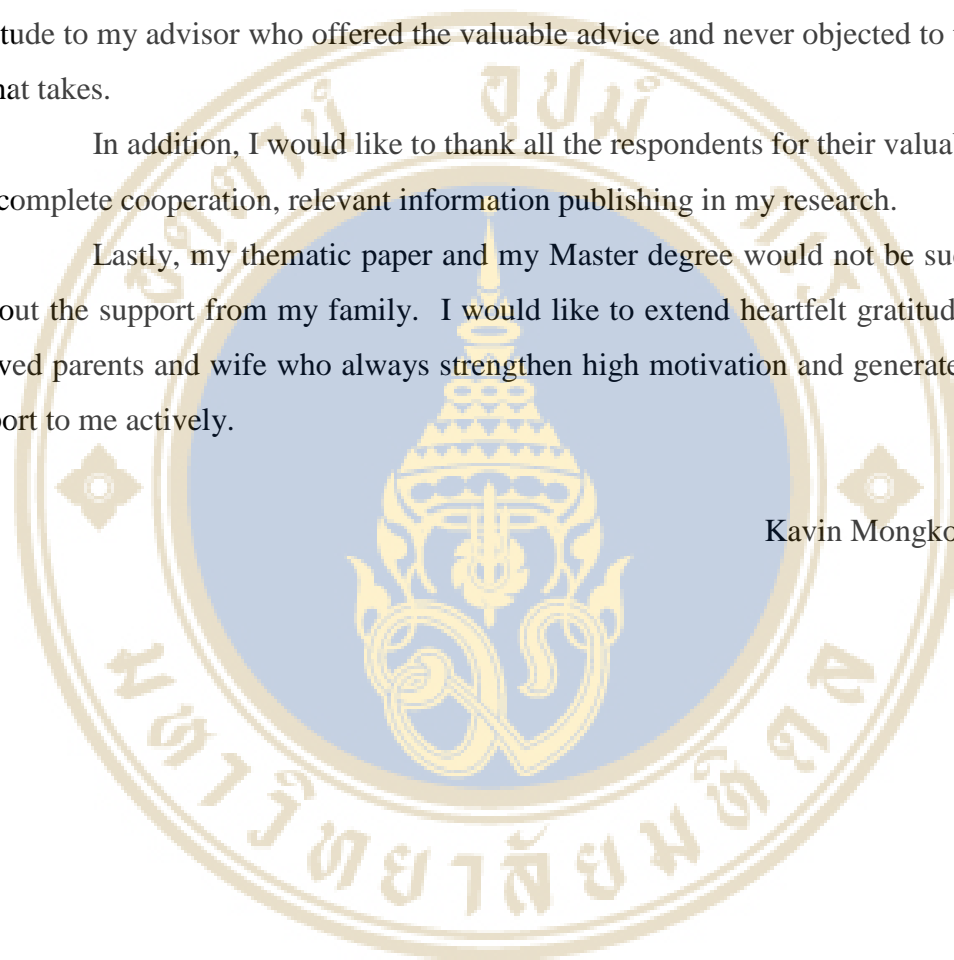
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ABSTRACT

Entrepreneurship is widely known as the key driver for every nations' economic growth. However the success rate of new entrepreneur doesn't high as expected (Harvard's study shows only 18-20% chance of new entrepreneur's success). Therefore, this study aims to find out what are the factors that hold back new entrepreneur from the success. The scope of this research was inspired by John L. Thompson's theory of Talent, Temperament and Technique (2004). The author develops the conceptual model called Individual mind-sets, Individual characteristic and External factor. In order to prove its validity, the qualitative research methodology has been chosen in order to conduct the semi-structure interview on the sample group under Thailand's context.

The result of this study shows; most of respondents believe that the "individual mind-sets" have the greatest influence on their failure, followed by "external factors" and "individual characteristics". The output of this study is aimed to provide the recommendations to the group of would-be entrepreneur to 1). Review their own mind-sets before approaching to the new business opportunities 2). Observe and best utilize their external factors and 3). Choose the suitable individual characteristic in order to carry out the business ventures happily and prosperously.

KEY WORDS: Entrepreneurship / Key failure factors / Entrepreneur's mind-sets
Entrepreneur's characteristics

32 pages

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CHAPTER I

INTRODUCTION

1.1 Background and problem statements

In a dynamic business world, entrepreneurship has significantly been important to economy, as it is a key driver to economic development. Because of its importance towards GDP and employment creation, both governments and academics are aiming at encouraging entrepreneurship. Thai government also sees the important of the entrepreneurship. They provide many facilities and policies to support small and medium size business (SME). Same as the academics section that have many of entrepreneurial literatures published. Entrepreneurship symbolizes innovation and a dynamic economy (Orhan and Scott, 2001).

Numbers of entrepreneur itself also keep increasing. In year 2014, the number of registered SME has increased 13.79% or 51,725 of new SME (information from The Office of SMES Promotion of Thailand). This was the result of government and academic support altogether with the new generations' trend especially generation X and Y which is becoming-adult and young adult who play the important roles in today country economics' growth. Beside, Thailand is the country that has relatively high power distant culture's context (according to Hofstete's law) that contradicts with the new generation's norms and preferences. And that reflects the trends of Thai people are more interested in establishing their own business.

Today, many would-be entrepreneurs and new start-ups try to compete each other in order to succeed by using many approaches (such as attaining courses, applying for Master degree, trials and errors, joining business networking group and many more). However, information from Harvard University state that first-time entrepreneurs have only an 18% chance of success and entrepreneurs who previously failed have a 20 % chance of success. It reflects that there're more than 80% of them still cannot be successful; some keep trying, being inactive or giving up and returning to their routine work.

Thus, we would like to know that what are the factors that would-be entrepreneurs and new start-ups overlook?

1.2 Research Objectives

The primary objective of this thematic paper is to identify and evaluate factors that holdback would-be entrepreneur and new start-ups from becoming an entrepreneur.

The secondary objective is to prioritize those factors and see the correlation between the would-be entrepreneur and the current entrepreneur.

1.3 Contribution of Study

In most of the research about entrepreneurship, the researcher usually tries to identify either the traits of successful entrepreneurs or the insights of how to become one. However, the remaining 80% of would-be entrepreneurs and new start-ups still cannot get out of the problems or cannot understand why they fail or not be able to start-up.

In contradict, on this research, author tries to breakthrough all possible factors that prevents would-be entrepreneurs and new start-ups from being a real entrepreneur and also identify, evaluate and prioritize those factors for their benefit to understand and overcome the barriers and hopefully to get a better chance of success.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

“Early studies found, and later research confirmed, that entrepreneurs are motivated intrinsically by such things as the desire for independence, the need to be in control of one’s destiny, and the satisfaction of being ultimately responsible for the success or failure of the venture (Allen, K.R., 2012). Some research found that entrepreneurs are secondarily motivated by extrinsic rewards such as the financial performance of the venture”

*“School student ranked encouragement as the first factor that would aid them to starting a firm. Followed by funding, expected pay-off, a business idea and work experience”,
(Information from Students participating in the Young Enterprise Scheme, U.K.)*

“A business will neither start up nor succeed without motivation. If motivation is not a barrier, other factors such as finance, education and idea generation come to the fore”, (Martyn, Amanda, Natasha, James, 2003)

*“Not all can become entrepreneurs but believe that many more people could start and run successful small organizations if they set their mind to it”,
(Bill Bolton and John Thompson, 2004)*

Entrepreneur is one of the main mechanisms that drive economic and social growth. However, the number of new entrepreneur does not increase as many as we expect. There're many issues that obstruct the new generation entrepreneur.

This study would like to conduct in-depth investigation of how to understand entrepreneurship and their mindsets.

From the above statements we found that mindset, Intrinsic factors and External factors seem to be the crucial parts to determine success of an entrepreneur. Thus, the author intends to explore further more on this aspect through the previous studies and literature.

2.2 Definition Term

Entrepreneurship is defined as a process of creating something different with value by developing the necessary time and effort, assuming the various factors such as financial, physical, and social risks, for rewards of monetary and personal satisfaction (Hisrich and Brush, 1985).

Being an entrepreneur, one who is self-employed and who starts, organizes, manages, and assumes responsibility for a business, offers a personal challenge that many individuals prefer over being an employee working for someone else. (Gerry Segal Dan Borgia Jerry Schoenfeld, 2005)

Thus, in brief, the important characteristics of an entrepreneur must have are innovativeness and the will to act (Tibbits, 1979; Bird, 1989).

Entrepreneur is not a business owner - Most of the people who start businesses do not think like an entrepreneur, they think like small-business owners. Wanting to keep everything in control, to grow slowly, and simply provide a job for the owner. Although there's nothing wrong to look at the business from that perspective, just as the entrepreneurs they are not thinking the same. Small business do not create new value, innovation, or have a plan for growth, they tend to be undercapitalized, poorly managed, and unable to differentiate themselves from competitors. In another word, they are vulnerable.

Would-be entrepreneurs means an individual who is in the process of establishing a business (or founded some but fail), or considering the establishment of a business as demonstrated by enrolling in an entrepreneurship course at a collage, wrote the real business plan of their own or formed up a team and investigating the market. In other words, would-be entrepreneurs also means who have determination

to create something new or meaningful values within the specific timeline to the market which it could be either products, services or solutions.

2.3 Construction of Conceptual Model

In many previous studies, entrepreneurial characteristics and attributes persist with continuity. There are plenty of meaningful theories such as locus of control, push and pull, entrepreneur is born not made, Talent-temperament-technique or FACETS.

On this chapter, author tries to spot out, clarify and analyze through the series of theories and pre-identify the factors that might affect the would-be entrepreneurs and new start-ups from becoming successful according to various literatures and its experiments. There're a lot of discussions on number of theories as follow.

2.3.1 Push and Pull

Gilad and Levine (1986) proposed two closely-related explanations of entrepreneurial motivation, the “push” theory and the “pull” theory.

The “**push**” theory argues that individuals are pushed into entrepreneurship by negative external forces, such as job dissatisfaction, difficulty in finding employment, insufficient salary, or inflexible work schedule. The “**pull**” theory contends that individuals are attracted into entrepreneurial activities seeking independence, self-fulfillment, wealth, and other desirable outcomes.

Research (Keeble et al., 1992; Orhan and Scott, 2001) also indicates that individuals can become successful entrepreneurs primarily due to “**pull**” factors, rather than “**push**” factors. However, there's no proof that the “push” factors will not encourage people to become entrepreneurs.

2.3.2 Locus of control

According to Rotter (1966), the locus of control of an individual can be seen as either internal or external. An internal control expectation refers to control

over one's own life, where the results of one's actions are considered to be dependent either on one's own behavior or on one's permanent characteristics.

An external control expectation refers to the kind of attitude which focuses on the actions of other people, or on fate, luck or chance. The external control expectation impedes learning and encourages passivity. On the other hand, the internal control expectation is related to learning, motivates and supports active striving. Thus, an internal control expectation is usually more associated with entrepreneurial characteristics.

However, some studies do not totally agree with those concepts by stating that, similar to the need for achievement factor, internal *locus* of control is no different between entrepreneurs and non-entrepreneurs except in predicting how successful they would be in certain fields (Gartner 1989, Low and MacMillan 1988, Brockhaus and Horwitz 1986).

2.3.3 Entrepreneur is born or made?

“*The entrepreneur is born and cannot be made*” (Baudeau 1730-1792, Barry 1998). This statement has been discussed and argued many times among many literatures.

However, there is one interesting research of Nicolaou and Shane using 870 pairs of identical twin to study entrepreneurial activity, found that entrepreneurs are about 40 percent born and 60 percent made but they also admit that the born part is what cannot be taught. The passion to persist and achieve as well as the willingness to take risk are the qualifications that individuals are born with. And indeed, what motivates someone to leave Harvard University to start a business like Bill Gates of Microsoft or the same story of Steve Jobs of Apple cannot be learned. It is simply part of a person's personality as it is in any successful person in any field of endeavor.

The characteristics typical of a successful entrepreneur are the ability to take risks, innovativeness, knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills and the ability to co-operate (Casson, 1982).

Caird (1988) also mentions that a good nose for business, the desire to take risks, the ability to identify business opportunities, the ability to correct errors

effectively, and the ability to grasp profitable opportunities as characteristics of an entrepreneur.

According to McClelland's (1961), individuals who have a strong need to achieve are among those who want to solve problems themselves, set targets, and strive for these targets through their own efforts. The theory suggests that individuals with a strong need to achieve often find their way to entrepreneurship and succeed better than others as entrepreneurs.

Even though there're many discussions on this issue but seems like most of the theories agreed and believed that some critical parts of becoming entrepreneur are born with the individual and hardly to imitate or develop. Those crucial elements were buried in the subconscious or could be in the mindset of entrepreneur. Which individual who have these qualifications would possibly have better chance (or use less time and efforts) to become successful in entrepreneurship.

However, for the individual who doesn't have these mindsets doesn't mean they cannot be successful. They just need to fully understand themselves, utilize the strength of their personality and choose another way around with the right tools and techniques to be successful.

2.3.4 Talent, Temperament, Technique

John L. Thompson (2004) mentions about 3 components that create an entrepreneur which are Talent, Temperament and Technique.

Talents are certain important characteristics or hidden abilities that an individual born with which need to be discovered. Talents are also in areas in which individual has the greatest potential to excel, but he or she has to identify and develop them effectively.

On other hand, Temperament is the driving force behind our behavior and reflecting our passions. Temperament has both "born" and "made" elements. It's the nurture case that temperament can be influenced by the environment in which people grow and develop.

Techniques could refer to the education and knowledge that can be taught and learned. So, techniques could be considered as extrinsic factors that are

achievable in the later stages. However, these extrinsic are also the significant factors that will facilitate individual to become an entrepreneur faster and easier.

Though education and other techniques may provide helpful tools but if the talent and temperament is not there in the first place, an individual would hardly turn to a successful entrepreneur. Thus, the statement which claimed “*Entrepreneur can simply be made by applying the right training and education*”, it might not be exactly true. The knowledge of marketing, logistic or management can definitely help improve talents but these techniques cannot simply create passion and drive.

In conclusion, the temperament is not only the key element to buildup talents and utilize techniques to improve performance but also an individual need to learn how to manage them as well.

2.3.5 FACETS

FACETS is the framework that explaining 6 characters theme of the entrepreneurs developed by Bolton and Thompson (2003). Since this concept was introduced by the same developer of Talent, Temperament and Technique, so there’re will be some related explanation among two of this frameworks. Six characters theme of FACETS are described as follows:

Table 2.1 Six Characters Theme of FACETS

Character themes	Description
Focus	The required outcome that consist of target, time and action focus. It represents the characteristic of an individual who have a clear plan, goal and objective in life and work.
Advantage	The strategic element including ability to distinguish values and opportunities that are worth to pursue.
Creativity	The sources of ideas and opportunities.

Table 2.1 Six Characters Theme of FACETS (cont.)

Ego	Consist of six elements including motivation, self-assurance and dedication, internal locus of control, desire to be in charge, responsibility and courage
Team	The multiplier that helps exploiting FAC (focus, advantage and creativity) and extend the business
Social	The nature of the business whether it's profit-seeking or non-profit. Including honesty and integrity of an individual

From the framework, Bolton and Thompson explains that each entrepreneur will have a combination set of these character themes but the degree and the number of elements will be varied according to their background. There're 3 set of themes that will usually working together which are F-A-C (focus, advantage and creativity). All 3 themes will fulfill and encourage each other to produce individual's talent while Ego will promote the temperament, a driving force. And lastly, team is defined as technique which will multiply the outcome of overall entrepreneur's potential.

As mentioned, the FACETS has a hexagonal structure. Some entrepreneurs might have different shape of hexagon but it still does not conclude which entrepreneurs are better than the others. However, on this study, finding out which elements of FACETS is more concerned by people might be interesting.

2.4 Conceptual Model

With all theories and literature discussions, the author observes many factors that could affect the entrepreneurial activities. Most of the factors fall into 2 big categories which are intrinsic and extrinsic. It's obvious that both the factors have effects on entrepreneur's success and failure. However, most of the discussions agreed in the same way that Intrinsic factors have more influence on the entrepreneur's success while the extrinsic factors will have a secondary effect.

Another interesting factor that cannot be overlooked is mindset that are within individual. Although the mindset and intrinsic factors are quite similar in many ways but it's also important to define its differences now for the further evaluation.

If intrinsic factors are significantly important to entrepreneur's success, the mindset will have a lot more influences in the same context. Certainly, mindset is subset of intrinsic factors (since intrinsic factors create person's characteristics) but moreover mindset is the key element that will drive individual's personalities into actions. Thus, it would be easier to explain the term mindset as *beliefs* and a combination of intrinsic factors as *behavior* or the set of actions that mindset produces.

After analyzing through many literatures, the author has summarized key factors into 3 main categories which are individual mindsets, individual characteristic and external factors as shown in the conceptual model below.

Table 2.2 Conceptual Model of Individual mindset, Individual characteristics and External factors

	INDIVIDUAL MINDSETS	INDIVIDUAL CHARACTERISTIC	EXTERNAL FACTORS
Born	Lack of ambition (no strong need to achieve) No opportunity orientation Hesitation (no confident, doubt themselves) No senses or guts in doing business -	No desire to take risk (risk aversion) Lack of innovativeness Over concern (detail-orientation) Avoid responsibility and confrontation Not active Lack of flexibility (uptight) -	- - - -
Made	- -	- -	Lack of knowledge in doing business Lack of experiences in the interested field Lack of time and energy
Internal locus of control	Lack of persistency and determination -	Dependency, collectivism Don't want to start business on oneself -	- -
External locus of control	-	Love being follower than leader	Waiting for the right moment (fate, luck or chance) Lack of fund and capital
Push	-	-	Satisfied with current employment (status, payrolls, working environment)
Pull	No passion in entrepreneurship -	Additional money is not an issue (self-actualization)	- -
FACETS	Lack of motivation/drive to start business [ego] No intention to create meaningful business [social] Lack of big picture and clear goal [focus]	Lack of business ideas [creativities] Difficult to find and seize opportunities [advantage] -	Lack of social support, connection, mentor [team] Lack of teamwork, partner or manpower [team] -

The table shows list of pre-identify factors that come from various literatures' discussions on 4 main conceptual theories (born or made, locus of control, push and pull, and FACET) and the author has extracted them in form of table above. However, the method author categorizes those factors was inspired by John L. Thompson, 2000, "Talent, Temperament, Technique" conceptual theory.

According to Thompson, the temperament has the most influence on both intrinsic and extrinsic factors and it is also a major part in driving individual's actions. By using this concept, the author chooses term “**mindset**” to represent “temperament” which has the same meaning but easier to perceive and have more proper definition for this study. In the same context, talent refers to the ability that individual born with but it also can be improved and enhanced which is better to be termed as “**individual characteristic**” in this study. Lastly and oppositely, technique represents the trainings, experiences and knowledge which certainly are the skills that can be learned. However for broader scope of the study, author would like to include connections, funds and capitals as the component and these will be called as “**external factors**” under this conceptual model.

From the table, there're many variable factors that have been extracted from the famous conceptual theories. Hence, these factors are just conceptual in general context. In order to prove those factors' validity, the survey method is needed to be used and will be used in real dynamic environment of Thailand.

The study of this conceptual model is aimed to help would-be entrepreneurs and new start-ups to understand their obstructions and pitfalls that would wait on their pathway to the success.

CHAPTER III

RESEARCH METHODOLOGY

The importance of new business start-up cannot be overlooked. These groups of people could stimulate and drive the country's economy growth. The identification of barriers to entry is important, in order to let new start-up entrepreneur aware and avoid those overlook mistakes. The removal of barriers to start-up is the key to rectifying this situation and stimulating the new business aspect of the economy.

There are, in fact, no psychological or sociological characteristics that can predict with any certainty who will become an entrepreneur or who will succeed as an entrepreneur (Allen, KR. 2012). But it would benefit to study how the majority of people are thinking and also get the recommendation from a group of successful entrepreneurs to magnify the missing points for those common start-ups.

This paper focuses the would-be entrepreneurs and new start-ups to understand their key failure factors of becoming an entrepreneur. This paper draws on primary research by using qualitative methods in order to focus on specific issue according to the research's objective.

3.1 Research Design

By investigating the research questions, conducting in-depth interview with a group of respondents have significant advantage comparing to survey. The major benefit of in-depth interview is to provide more critical and detailed information regarding a person's thoughts and behaviors as well as enable the author to explore new issue in depth. It becomes effective because it offers a more complete picture of what experience and opinion towards a particular issue (Boy et la, 2006). Comparing with other approach, qualitative method demonstrates more insight and explanation.

Beside, in-depth interview demonstrates a more comfortable atmosphere to collect detailed and relevant information (Adam et la, 2006).

This research depends on qualitative methodology by interviewing 2 groups of people (16 respondents in total) which are the would-be entrepreneur (8 respondents) and the current entrepreneur (8 respondents) to examine what factors they consider as the major obstacles in entrepreneurship.

The core of this study is to understand the different mindsets of each respondents and how they plan to utilize it, thus, it needs to have a close observation by using interview on the open-ended questions.

The interview will be conducted either by telephone interview or face to face interview. Each interview will take approximately 15-30 minutes and will be done individually to avoid the group biases.

This sampling involves picking cases that meet some criterion, such as the desire to establish a business. Criterion sampling can add important qualitative components to research and helps ensure more accurate in-depth analysis because the cases that are picked meet the predetermined criteria (Patton, 1990)

3.2 Population

On this study, we expect to gather 16 respondents divided into 8 of would-be entrepreneurs and 8 of successful entrepreneurs.

The prospective of would-be entrepreneurs and new start-ups will be defined as an individual who is in the process of establishing a business (or established some but fail), or considering the establishment of a business as demonstrated by enrolling in an entrepreneurship course at a collage, writing the real business plan of their own or forming up a team and investigating the market.

For the prospective of current entrepreneur will be defined as an individual (or group of individuals) who currently own a business (or businesses) for at least 3 years, has passed through series of difficulties and can overcome it. For dynamic of the research, the current entrepreneurs will be picked variety by the degree of success (immediate, intermediate and mature success), age, and gender to gain the most benefit from different perspectives as much as possible.

We use a three-year timeframe because we want to make sure that those entrepreneurs are mature enough to give the reliable information and still fresh enough to not forget what they have passed. The gender and the age group of all respondents will also be varied as much as possible in order to capture the true realistic of this study.

3.3 Interview Questions

Screening questions

- Do you have your own businesses (for how many years) or plan to have one?
- What's your accomplishment and current occupation?

General questions

- What have you done so far to achieve today's success?
- How do you plan to achieve that success?
- Have you ever experience failures and how many times?
- What do you think is the biggest obstacle to your success?

Specific question

- Between Individual mindset, Individual characteristic and External factors, what are the most and the least important to the entrepreneur's success or failure? (Please explains and lists some factors that you see it important)
- How much you believe in "Entrepreneur is born and cannot be made"?
- Do you believe that the results you have today were solely based on what you have done prior (internal locus of control)? Or it could come from external factors like luck or fate as well?
- Do you believe that the motivation to start new business is based of Push factors or Pull factors?
- Please rate your capability on these 6 aspects by using 1 as least and 3 as the most.
 - o Focus, Advantage, Creativity, Ego, Team, Social (FACETS Framework)

Demographic

- Age
- Gender



CHAPTER IV DATA ANALYSIS

4.1 Demographic

This research bases on interview's result of 16 respondents which were divided into 2 groups, the would-be entrepreneur and the entrepreneur. All data collection processes were taken place in Bangkok, Thailand during March 10-14, 2015. All respondents were chosen from different genders and having age from 24 to 41.

Table 4.1 List of Respondents

	TYPE	AGE	GENDER
Interviewee 1	Would-be entrepreneur	29	Male
Interviewee 2	Would-be entrepreneur	27	Female
Interviewee 3	Would-be entrepreneur	29	Female
Interviewee 4	Entrepreneur	36	Male
Interviewee 5	Entrepreneur	33	Female
Interviewee 6	Entrepreneur	37	Male
Interviewee 7	Would-be Entrepreneur	27	Female
Interviewee 8	Would-be Entrepreneur	29	Female
Interviewee 9	Would-be Entrepreneur	34	Male
Interviewee 10	Entrepreneur	36	Male
Interviewee 11	Would-be Entrepreneur	29	Female
Interviewee 12	Would-be Entrepreneur	37	Female
Interviewee 13	Entrepreneur	25	Male
Interviewee 14	Entrepreneur	36	Male
Interviewee 15	Entrepreneur	24	Male
Interviewee 16	Entrepreneur	41	Male

4.2 Finding

According to conceptual framework, there're 3 major attributes that generally effect the improvement of would-be entrepreneur which are 1) Individual

mindset, 2) Individual characteristic and 3) External factors. After finishing the data collection process, each of these attributes were filled with many interesting factors that were raised up by the various aspects of interviewees. All of the findings are explained as follow.

4.2.1 Individual mindset

Mindset of an individual is the most powerful source of energy. That's why most of the interviewees put a lot of weight upon this aspect. Especially for the group of would-be entrepreneurs who are struggling to define their meaning of life, converting abstract dreams to more concrete life plans and objectives.

“Both of the external factors and individual mindset have quite the same degree of important but I would put more weight on individual mindset since it's the beginning of everything”, Interviewee5

While the group of entrepreneurs agree that individual mindset is also the important part but most of them have less concern about it, as their entrepreneurship's stages are already beyond that. However, they agree that this is one of the checkpoints that every successful entrepreneurs need to have.

Since most of the would-be entrepreneurs pay a lot of attention on this aspect as the obstacle to their success, the following factors are most frequently mentioned during the interview.

4.2.1.1 Not having a clear goal

This is the most popular factor that every interviewees mention. In most of the respondents' opinion, it seems like this is one of the factor that can be used to draw the line between entrepreneur and non-entrepreneur. Some interviewees put a lot of weight on this and discard everything else.

“If you have a clear goal, good concepts and great business plan; money, team and connection will then not be an issue”, interviewee1

The clear goal on their definition is not just the process of thinking but it means having a strong commitment on those goals for the certain point of time until you can visualize your goals very clearly and precisely.

“It’s not just having a goal but it need to be a clear goal that you really know what, why, how and who you’re doing for. If you don’t have that, you probably not going to achieve anything”,
interviewee4

In conclusion, most of the interviewees agree in the same way that not having a clear goal is the most dangerous obstacle to the entrepreneurship.

4.2.1.2 Lack of determination to follow the goal

Some interviewee said, having only clear goal is not enough to be success if there is no determination. Because the determination will lead to action that will help driving you through the obstacles that usually lay ahead.

“The secrets of success need series of factor, starting from having an ambition, setting clear goals and never lack of determination”,
Interviewee5

Another interviewee added;

“Most people spend too much time on the thinking process but never really start to implement it”

Thus, having a clear goal and enough determination could produce a set of actions, nevertheless a success or not, it means the progression in entrepreneurship.

4.2.1.3 Holding on/ relying on current job security

This is one of the important factors especially for the would-be entrepreneur. Since being an entrepreneur at the initial stage cannot guarantee the secure source of income. At this point, would-be entrepreneur needs to evaluate their ability in risk-tolerant with the calculated-risk on the project they’re working on.

If the benefits from the project are not significantly higher than their regular job’s salary, the job security will be the major issue that hold them back from putting time and efforts on that project.

If explaining this situation by using Maslow’s Hierarchy of needs, the would-be entrepreneur will need to pass the safety stage (security of

income) before moving forward to the self-esteem and self-actualization stage where most of entrepreneurs are in.

“I currently have two sources of income, one comes from salary and another comes from my own business project. But since my project cannot guarantee the minimum income yet, so, I would rather wait and see how it grows first before moving to the full-time entrepreneurship”,

Interviewee7

4.2.2 Individual characteristic

“I believe there’s no relationship between the rate of success or failure and the character type of people (for the example of Introvert or extrovert) “; interviewee2

“I believe that individual characteristic is the least important factor because it can be changed by the external factors and individual mindset”, interviewee2

“I rated Individual characteristic as the least important factor because I believe it is changeable under the critical circumstances, or if it cannot be changed, you’ll just need to hire anyone else who’ve got those characteristics to perform tasks for you”,

interviewee5

Interestingly, this attribute was not considered as the major obstacles to entrepreneur’s success, neither for would-be entrepreneurs nor the current entrepreneurs, only 2 out of 16 rank this as their first priority. Both of the groups believe that individual characteristic could possibly be changed by the strong mindsets and external forces. Even though, this is not the major issue but the respondents also mention few of the factors that they believe to be somehow important as follow.

4.2.2.1 Risk aversion

“It’s about the Risk perception on each person, if they have too much risk-aversion, they can only think but will rarely act”,

Interviewee13

“Even though you have all entrepreneur’s characteristics but you’re risk-averse person, then, it’s very difficult to start any business”,

Interviewee6

Most interviewees agree that risk-aversion is another factor that obstructs the entrepreneur’s success. Since the entrepreneurship is all about dealing with risks and the way to manage them, some entrepreneur might born with this characteristic but some does not. Even though, logically, entrepreneur would do the rough financial analysis in their head and define the calculated-risk but most of the time not every risks can be identified. Then, to take or leave those projects would solely depends on an individual risk’s perception alone.

4.2.2.2 Too much detail-oriented

“Detail-oriented characteristic could be the major obstructions in entrepreneurship because once people dig down to detail they’ll find out just the negative points and will discourage themselves which could lead to not starting anything new”, Interviewee1

“Detail-oriented characteristic is not needed especially at the initial stage of entrepreneurship, the result-oriented is instead needed”,

Interviewee13

“People who are detail-oriented and negative thinking would have more chance to find only problems but not the opportunities”,

Interviewee14

There’re 8 out of 16 respondents who mention this aspect as the obstacles to entrepreneur’s success. The detail-orientation is the qualification that good entrepreneur should have but when it becomes too much, it could cause stress,

negativism, loss of the big picture, delay in making decision and finally, prevent a would-be entrepreneur to start anything at all.

4.2.2.3 Inactive

Inactive results from many reasons. Some interviewee says it comes from the mindset that has already acquired the self-actualization stage according to Maslow's Hierarchy of needs. Some says it comes from the environment and how they grow up. And some says, it comes from no guidance, no plans and no objectives of an individual-self.

“I've got a friend who has everything; money, education and talents, but he just sit on it. Or when he was doing a business, he did it without efforts and passions because of his careless and inactive personality”, Interviewee2

However, as many interviewees believe that individual character can be changed and in this case, an inactive personality can be changed by the right motives and drives too.

“I was once lost myself and live my life very passively but out of the sudden I can put myself up again just because of I know what to do and who I want to do it for”, Interviewee2

4.2.3 External factors

This is an attribute that most of current entrepreneurs see as the significant component to their entrepreneurial success. There're 9 out of 16 interviewees put this aspect as their first and second priority. Moreover, this attribute shows the clear discrimination in term of beliefs between successful entrepreneurs and would-be entrepreneurs. The successful entrepreneurs mostly agree and give more important on this topic when comparing to the group of would-be entrepreneur. There are 5 following factors that most respondents frequently mention about

4.2.3.1 Lack of family, friend and social support

“Family background and the norms of society they live in are the main factor to create Entrepreneur”, Interviewee13

“There’re many times that I come up with new business ideas but when I turn around and found no support from family and love ones, those ideas then eventually flop out”, Interview8

“I have once an interesting business project with my brother but when my father didn’t either agree or gave the full support, the project is suspended until now” Interviewee15

This factor was risen up so often from all 16 respondents regardless the different in ages or genders. The collectivism in Thailand might be one influence factor on this phenomenal and it really can hold back the would-be entrepreneurs’ opportunities. From the interview we find that lack of support from family member (especially from the parents) has a lot more influence on the would-be entrepreneur’s decision rather than friend’s. Many respondents gave reasons that their parent might be over-concerned or some said it might be because the difference in generations reflect the difference in perceptions as well.

4.2.3.2 Lack of capital

This’s the factor that all-time has been most mentioned by most of the respondents. Even though, many textbooks in entrepreneurship try to rectify this issue that lacking of fund is not the major problem in starting the business at all but from this study, it doesn’t show the good respond at all.

From interviews and observations, most respondents who believe lacking of capital is an issue are speaking it out habitually without any thought and having no support on their statements.

Nevertheless, the different in age has significant influence on this aspect. The respondents who have higher age believe that capital is an issue but the younger group does not think so. One of the younger respondent state that there’re many startup programs has lately been introduced and it can be the way out of the

would-be entrepreneur in starting their business. However, the only thing left to concern for him is how to generate the interesting business ideas.

4.2.3.3 Lack of connection and network

“There’re no need of fund, team, or connection in starting the business, I believes it will comes automatically once the business is up and running”, interviewee1 – younger respondent

“The connection is important in doing the business but it’s not enough to stop me from starting my venture. The connection and network could come at later stages, once everything have started up”, Interviewee15

Younger respondents have less concern and aware in this matter while the older respondent (who have more experiences in business) seem to have more concern under this particular issue.

“Networking, connection and referral can make every transactions a lot easier especially in Thailand”, Interviewee12

One of the older respondent states that referral marketing help him a lot in doing business. He feels more safe and comfortable when having suppliers or contact persons who are referred by a trusted friend especially in the new business area that he has less experience in.

Moreover, there’re new networking conferences that rise up a lot lately like Business Networking International group (BNI) which could be the very useful tools to assist new startup to form their own venture easier.

4.2.3.4 Lack of time and efforts

“It needs time, efforts, patience and determinations in order to make a successful business like our parents did”, interviewee3

“Time and efforts are also the key obstacles. If the would-be entrepreneurs still be under somebody else employment, they’ll have less time to devote to their own entrepreneurship”, Interviewee7

This aspect is more concerned by office workers who need to work according to their office working hours. Some of the interviewees have more than one job on hand or some already have very high responsibilities on the assigned tasks. In order to start the business, it's very time consuming and many contributions have to be made especially during the startup period. Thus, no matter what how much these groups of people want to start the new business or how much they have the entrepreneurial potentials, the lacking of time and efforts would always be the problem to them.

4.2.3.5 Lack of experience and business mentor

“I would feel more confident if the project I start is in my area of expertise and I have some experience with it”, Interviewee 8

Many empirical studies have agreed that most of entrepreneurs would normally start their new venture base on their previous job's experiences. And that's why this factor is also listed as important.

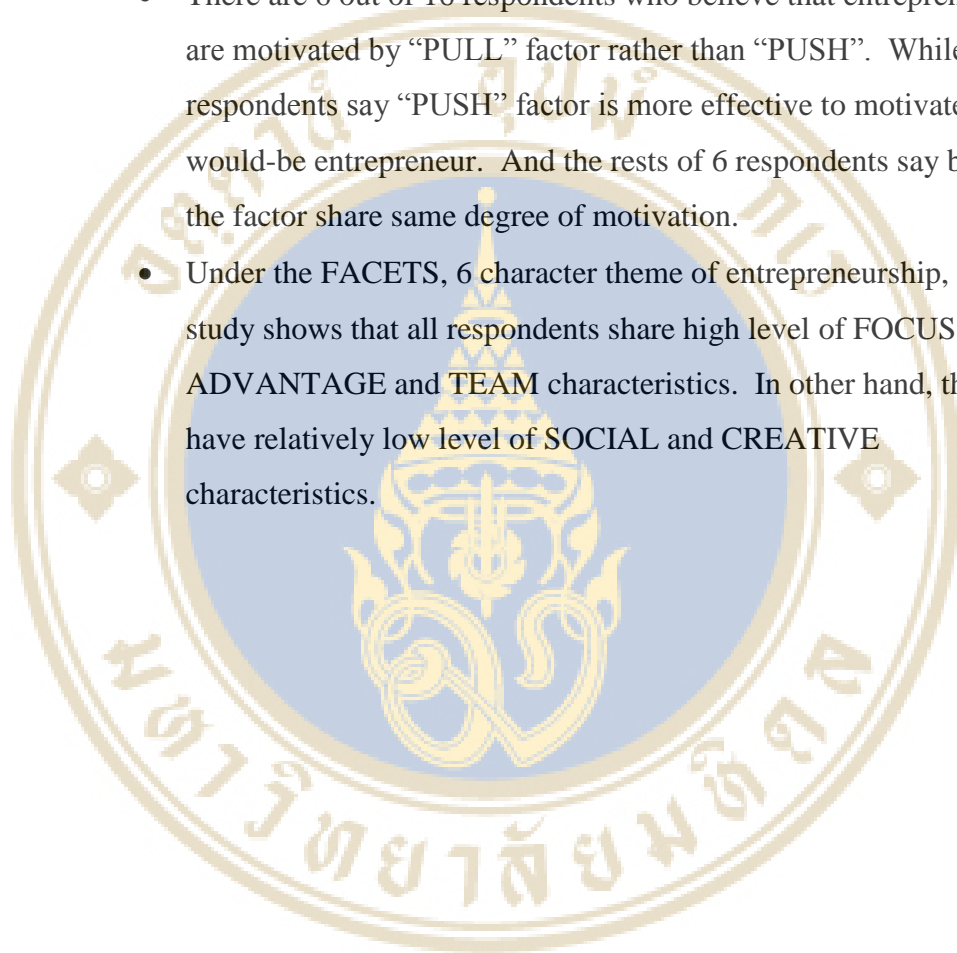
“Having the insights in particular field of business will lead you success easier and faster”, Interviewee 13

While the lacking of experiences becomes an obstacle, finding the business mentor comes to an alternative choice. However, most of the time business mentor is the rare item that is hardly to be found. Some respondents also complain about how difficult it is to find the right business mentors especially if they have limited range of networks and connections.

From all above statements it can be concluded that the experiences and insights in the particular field of business is crucial and not easy to acquire if you are not in that business yourself or having a reliable consultant.

4.2.4 Reflections of Interviewee

- More than half of all respondents believe that entrepreneur is born and hardly be made.
- There are half of the respondents who believe external locus of control (fate, luck or un-control factors) has a greater influence on entrepreneur's success.
- There are 6 out of 16 respondents who believe that entrepreneurs are motivated by "PULL" factor rather than "PUSH". While, 4 respondents say "PUSH" factor is more effective to motivate the would-be entrepreneur. And the rests of 6 respondents say both of the factor share same degree of motivation.
- Under the FACETS, 6 character theme of entrepreneurship, this study shows that all respondents share high level of FOCUS, ADVANTAGE and TEAM characteristics. In other hand, they have relatively low level of SOCIAL and CREATIVE characteristics.



CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The groups of would-be entrepreneur and successful entrepreneur have different perceptions in entrepreneurship. The would-be entrepreneurs pay more attention on the inner thoughts, defining and setting the clear goals because they're in the initial stage of finding themselves. While, the current entrepreneurs have already been through those processes. They have gained more experiences and have seen bigger picture in doing the business. Thus, they tend to pay more attention to external factors like being more realistic and more careful in identifying the risks, meeting and knowing people, searching for business mentors or specialists in certain field of business. However, they also agree that having clear goals and staying focus are the important factors that every would-be entrepreneur must be reminded over and over throughout their entrepreneurship's journey.

However, from this study, the “**Individual mindset**” is the most important factor that will hold back would-be entrepreneur from becoming an entrepreneur. 1) lack of clear goal, 2) lack of determination and 3) too much concern about job security are three most excuses that holding them back.

While the second most important obstacle is “**External factors**”, especially for the group of current entrepreneur, which consist of 1) lacking of support from families and friends, 2) lacking of fund, 3) lacking of connection, 4) lacking of time and efforts and 5) lacking of experiences in certain field. Lastly, the least important factor that both of would-be entrepreneur and current entrepreneur have mentioned is “**Individual characteristic**” which consist of 1) risk-aversion, 2) too much detail-oriented and 3) inactive characteristic. They believe that the personal characteristic can be changed by the strong forces of external factors and the sudden change of individual mindset.

In conclusion, this study confirms that the “individual mindset” has the most significant influence on entrepreneur’s success and failure. However, from the study, the new insights show that “External factors” come as the second of most concern factor instead of the “Individual characteristic”.

5.2 Recommendations

From the study, we found the set of recommendations that would benefit to the “would-be entrepreneurs” to make them prepare themselves before entering to the entrepreneurship by the follows.

5.2.1 Double check your mindsets

Having an entrepreneur’s mindset is the powerful source of energy to pursue the individual’s dream. Before starting your own venture, checking up your mindset is the important thing to do. Entrepreneurship is a hard work that you’ll need more than a full tank of gas to reach the destination. There’re a lot of bumpy roads waiting for you to go through. However, it’ll be a fun journey for the adventures, the risk-takers, and the innovators. The following check-lists are just to confirm that you’re ready and well-prepared for the new excitements.

- You are very passionate on your new business ideas
- No one can stop you from doing this except yourself
- You have more than 100 percent of determination to make it success
- You have clear goals and know exactly what need to be done
- You are ready to scarify your job security and taking the risks

5.2.2 Manage and prepare your external factors

Having self-confident is one of the good components of being an entrepreneur. But don’t overlook and underestimate the external factors. Living and surviving in real business environment, a support from families, friends, and business mentors are also the crucial element including the broad knowledge of management, marketing, financial, networking and connections are the great support too.

Comparing to a journey, external factors could be like the roads and how you route it. If you had insights from native people you could access to the shorter route. If you had more fund or knew the source of fund, you could use the toll-ways that less bumpy and can drive faster. Or if you had companies traveling with you, you would have more pleasurable and enjoyable journey.

Nevertheless, don't let the lacking of external factors stop you from starting the journey. These recommendations are just to remind you to look around and see what external factors you have and can help you before starting your journey. However, if the external factors like lacking of fund or lacking of connection becoming your issues, there're the helper programs like Kick-starter, Tech-startup or Business Networking International waiting for you to approach and could solve your problems.

5.2.3 Don't lose your identity (Individual characteristic)

If external factors like roads, individual mindset like a driver, so individual characteristic would be like a car. This is the last gear that the would-be entrepreneurs need to check before the long journey. Everyone was born with special characteristics but it doesn't mean that they are going to stay with that forever. It's like a car that each driver might own more than one but they will decide which one is going to be used for which journey.

However, it's also important to make sure that the car (or individual characteristic) you choose will be comfortable enough for the long drive and you're also familiar with it. Because if you choose it wrong, it could ruin your whole journey. And don't forget that the happiness is one most important thing and it doesn't only at your destination but also along with your journey.

5.3 Limitations

Due to the limited of times and resources cause this study the shrink in the sample sizes and also the methodologies to be used.

For more accurate and more acceptance in the output of this study, the sample sizes are needed to be multiplied for bigger scales. The well-known

respondents are needed to be interviewed in order to gain more credibility and reliability of the outcomes. Together with the methodology used in “pre-identifying factors stage” need to be changed from “theories’ extraction” to the quantitative methodology by using questionnaires for more variety and more realistic of pre-identifying factors under Thailand context.

There’re also some limitations on managing the bias as this study conducting an in-depth interview, the author have to manage the bias that occurring from asking the question (Ghauri,Gronhaug ,2002). Besides, there might be some translation errors that might occur during converting verbal form to written form and from Thai to English as well.

5.4 Future Research

Finally, the suggestion for the further research if having more time and resources would be using the bigger scale of sample sizes on both questionnaire and interview method. Since, the combination of qualitative and quantitative method are complementary and hardly to be used in isolation from each other (Jones, 1988).

Extracting raw data (pre-identifying factor) from would-be entrepreneur by using quantitative research method (questionnaire) and confirm those factors by using qualitative method (interview) from sophisticated and well-known entrepreneur would provide more in-depth and more accurate results.

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