

**BUSINESS PLAN DEVELOPMENT:
VALUE-ADDED PRODUCTS AND SERVICES**



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BUSINESS PLAN DEVELOPMENT: VALUE-ADDED PRODUCTS AND SERVICES

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ABSTRACT

At present, O.H.K Trading Ltd. faced the problems on the existing defective product and scrap from the cutting process that uses most of warehouse space which affects the work flow inside the factory. As I am one of the Top Management of the company, I would like to do something about this issue. So, I start to question what is the common reason that inspired the business to do something new from their existing goods. This will increase its own value and provide opportunity to the company. To do this value-added, the study used a business model canvas as a tool for analysis in each segment. Also, find the reason that may affect the business focus on several topics. This would be identifying the common current situation of the company. With all the questions, qualitative research was used for the collection process to investigate an issue in depth, discover how individuals think and feel about the specific topic. After the interviewing process, the results were analyzed according to the study objective from 10 interviewees with different business sectors.

In conclusion, the finding showed that there are 4 main reasons for the company to implement value-added which are benefit, market trend, cost and customer request. Based on the study, there are no common factors that influence the focus of business model canvas segments. The study also found out the top 5 segments that companies usually focus on their business during implementing value-added based business model canvas which are key resource, revenue structure, customer segment, customer relationship and value proposition. These results can provide all the business to prepare themselves if they would like to implement value-added based on the business model canvas.

KEY WORDS: Value-added/ Create/ Develop/ Business Model Canvas

47 pages

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CHAPTER I

INTRODUCTION

1.1 Background

“O.H.K Trading Co., Ltd.” is considered as a small and medium-sized enterprise (SME) in Thailand for more than 30 years. At first, they had been using the name of “Ow Hieb Seng Chieng Ngow Kim Co., Ltd.”. After the 4th generation of family business, then they changed the name to O.H.K Trading Co., Ltd. around 5 years ago. They are an importer and distributor of stainless-steel products for domestic & overseas which includes coil, sheet, plate, pipe, tube, round bar, angle bar and flat bar. Apart from stainless-steel, they also provide other raw materials which are aluminum, brass, copper, galvanized and electro galvanized. Beside selling these raw materials, they also provide other services which are cutting and slit sheet customized according to customer’s order. Their customers are both wholesalers and retailers.

1.2 Problem Statement

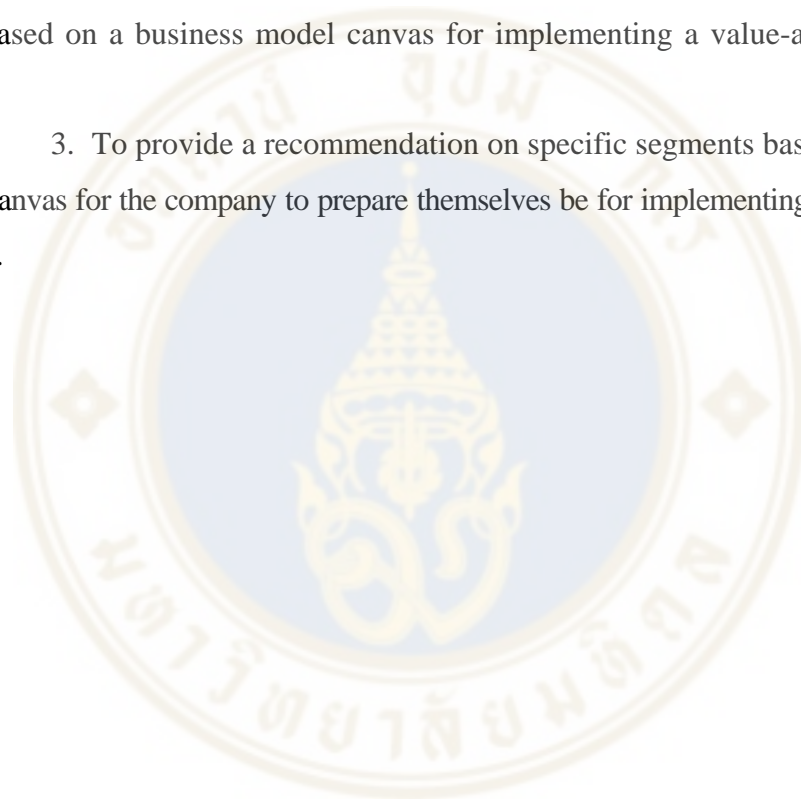
The most common problems that they have are coming from both warehouse and factory, which are their old product or defective product that cannot be sold and scrap from the cutting process. In the warehouse, old products that cannot be sold have stayed in the stocks more than 5 years since the 3rd generation. No one took care of this goods and let it fill up the warehouse’s space for many years. With ineffectively used space, increased inventory cost in the end. Also, cost consuming with the defective product already invested cost on it. For a factory, the scrap from the cutting process will be sold to smelters by a weighting system accordingly which is not the best way to make the most of its value.

Therefore, this study aims to study the main reason for the company to consider value-added on their product or service, study the main criteria that may affect to the focus for each company based on business model canvas, and identify the mains

segment that the company should focus on if they would like to implement on the value-added.

1.3 Research Objectives

1. To analyze the main factors for a business's owner and company to implement value-added on their existing product or service.
2. To identify the common factors that may or may not affect the company's focus based on a business model canvas for implementing a value-added product or service.
3. To provide a recommendation on specific segments based on a business model canvas for the company to prepare themselves be for implementing the value-added process.



CHAPTER II

LITERATURE REVIEW

There are 2 sections in this chapter. The first section is about the value-added product analysis. The second section is the related theories that will be used for analysis in this paper. The topics are categorized as follows in order to analyze an opportunity easier.

1. Value-added Product
2. Related Theory

2.1 Value-added Products or Services

Value-added products or services are both created new products or actions that help the firm raise the value of their existing resources or business that enables them to increase their benefit. This is one of an opportunity for the firms to take an action on their existing resources to generate more customers and boost revenue which difference to a products price and the cost of production. Even though the main focus of value-added products or services is to increase the firm's profit margin, but they also have other interesting focus as well, such as:

- Marketing value: it always has an interested consumer on niche products.
- Excitement: to provide more challenge on the old business that had been doing the same routine for many years.
- Learning: value-added products can increase the knowledge in a new market and trend.
- Personal Fulfillment: to do what you like in person and would like to do, will fulfill both personal and business point of view.

2.1.1 Case Review for Value-Added Product: Thai Union

Thai Union, one of the global seafood innovation companies, founded in 1977 started from tuna canned processor and exporter. Nowadays, they have an Original Equipment Manufacturer (OEM) international business and consumer's global brand around the world (About us, n.d).

Value-added is one of their business categories that mix many different existing items such as seafood, non-seafood, pet care and sales of scrap. For example, canned cod liver that used to be waste but they generate it as a wet seafood-based cat food. Another example is scrap from fish and shrimp processing lines that develop in further processing for fish meal and fish oil.

In 2017, they had set up an investment on value-added products on their waste tuna by focusing on the beneficial to human nutrition. In late 2018, Thai Union was successfully on the project of Thai Union Marine Nutrients tuna oil refinery in Germany. With this project, they become the only refiner of high-grade tuna oil with complete all the process starting from the resource till the customer, all the production chain (Value-added, n.d).

From the article (Toan Dao, 2020), Thai Union announced the result of the last quarter of year 2019 that its sales were declining 8.8 percent but however, their gross profit was rising almost 6.4 percent together with three business segments which are ambient seafood, frozen and chilled seafood, and value-added.

2.1.2 Case Review for Value-Added Service: Grab

Grab, one of the multinational application service platforms, offers a range of services such as transportation, goods delivery, foods delivery, groceries delivery, financial service on mobile platforms etc. They mainly operate in Southeast Asia with about 8 countries (Brand-story, n.d).

Around 2012, Grab founded in the name of "Grab Taxi", because their initial service is a ride-hailing to answering the chaotic and unorganized traffic in Southeast Asia countries starting from the car taxis, private cars, bike taxis. With a high performance and high service online platform, they start to expand their service not just only the ride, they start to have a delivery, grocery shopping, hotel booking, ticket purchasing. These generated a revenue of more than 1 billion US dollars in 2018 (Dipen Pradhan, 2019).

2.2 Business Model Canvas

Business model canvas is one of the business models that identify and help the firm to analyze and understand their business better. This model shows the relationship between firm, partner and customer. The business model provided a benefit to the company by guiding on the plan and making a decision in the big picture between the components of the business to produce a value for consumers. To conceptualize and understand the firm in the different segments which business model can be described in 3 main segments which are 1. Creation of value (Key Activities, Key Partner, and Key Resource), 2. Delivery of value (Customer Relationships, Customer Segment, and Channels), and 3. Capture of Value (Cost Structure, Revenue Structure, and Value Proposition) (Zandoval Bonazzi & Zilber, 2014).

The Business Model Canvas and the definition of the nine segments are presented below.

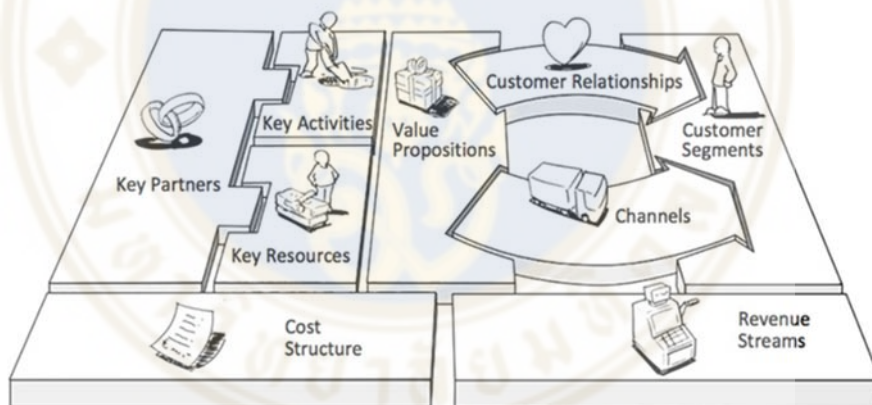


Figure 2.1 Business Model Canvas

The nine building blocks of the Business Model Canvas (Qastharin, A. R., 2015):

1. Key Activities: The most important action for the firm that makes the business model work. This is an action that is required to create and offer a Value Proposition, Customer Relationships, and earn revenues.

2. **Key Partner:** The most important partner and suppliers of the firm which help the business and increase the revenue. These partners can improve business, reduce risks and get the resources (Indrawan, Nasution, Adil, & Rossanty, 2016).

3. **Key Resource:** The most important resource or asset of the firm that is available for the company and ready to be used. The main resource of the company is included in 4 main parts which are Physical, Intellectual, Human, and Financial resources of the company.

4. **Customer Relationships:** The types of relationships that the firm is willing to adopt to their specific customer segments. There are 3 main motivations of customer relationships which are customer acquisition, customer retention, and improving sales.

5. **Customer Segment:** The organizations or group of people that the firm seeks to reach, serve and create value. The main profit comes from all the customers, which is very important for the company to find the right customer targeted groups and then the right strategies to increase customer satisfaction.

6. **Channels:** The communication channel that the firm can reach to the customer, can be both direct and indirect. It is the way companies communicate and deliver goods to customers.

7. **Cost Structure:** All the costs involved in the operation process of the firm. All the operations and activity in the business need cost to operate.

8. **Revenue Structure:** The income of the firm that generated from the Customer Segment.

9. **Value Proposition:** The overall value which is created from products and services to the Customer Segment, can be both quantitative and qualitative.

The information in this section is reviewing the methods and allows us to understand more on the business model canvas. The companies should not focus on only small areas, they should consider all of the potential segments that are relevant to the companies. The analysis of the company, using the information provided within this section will be more effective and accurate on the result.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Introduction

For this paper, to analyze the main factors for a business's owner and company to implement value-added on their existing product or service, to identify the common factors that may or may not affect the company's focus based on a business model canvas for implementing a value-added product or service, and to provide a recommendation on specific segments based on a business model canvas for the company to prepare themselves be for implementing the value-added process. A qualitative method will be used in the data collection process in order to explain how and why most of the business owners start considering value-added on their existing products and what are the main factors that they commonly focus on. By using interviews, we can investigate an issue in depth, discover how individuals think and feel about the specific topic and the rationale behind their answers as well. This will allow us to have more detail on a specific group of people with specific questions and individual perceptions. If we apply a quantitative method, the information and result may not be accurate and not specific enough for the objective of this report.

There will be approximately 10 interviewees that have developed and created new products or services from their existing goods to collect all the information of an idea for analysis with Business Model Canvas.

3.2 Research Design

In this study, we identify the main segment that needs to be focused on developing a new business plan from another company. This will provide more information on the common segments that most of the company weigh as important segments. Qualitative methods have been used in this study to understand interviewees in depth and knowing more information outer than the question from their experience.

3.3 Research Procedure

The research process is to find in depth information on why most of the companies have to start doing value-added products, and also to find the factor that may affect the direction of focusing business model canvas segments. Furthermore, to identify the common segment that they focus during the implementation stage as well. The study is to connect the common segment together with a suitable business plan. After collecting all the information from interviewees, data will be analyzed to interpret the relation among this information then compare with an existing O.H.K Trading's business model. Then, the specific main segments will be recommended for O.H.K Trading based on the analytical results information.

3.4 Data Collection

All of the data was collected through an interview from the interviewees who have experiences regarding the value-added products or services. The interview aims to explore and gain the knowledge of their experiences specifically on their value-added product or service. By doing this, the data will help the researcher to understand the perspective of the decision-making person based on the key question of why and how they think value-added products or services are necessary. The interview was performed together with 10 interviewees which included from several business sectors and products to give the researcher the wider range of understanding from various industries. The interview took around 30-40 minute for all questions and recorded then interpreted by the researcher.

3.5 Interviewees

The interviewees for this paper will be those who had an experience on value-added processes both success and unsuccessful from various business segments to understand the main reason why they need to develop and what are the critical factors that they really focus on and how they reflect back to their business plan. Furthermore, collecting data from various segments of business allows the research to explore a broader

range of opinions and knowledge regarding the topic. These interviewees also need to be involved in the decision-making process of the company in both direct and non-direct that will influence the way of the result on each action. This will help us to use the result effectively and understand in the right direction.



CHAPTER IV

FINDINGS

For this chapter, to present the results and analyze the common business plan from the interviewees on their value-added product experience by using the information from the interview process. The information below presented from 10 interviewees with different business sectors.

4.1 General information from interviewees

Table 4.1 General information from 10 interviewees.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-----------------------|-----------------|--------------|---------------------------------|-----------------|-----------------|---------------------|-----------------|------------|-------------|-----------------|
| Working Experience | 6 Years | 6 Years | 3 Years | 4 Years | 6 Years | 10 Years | 11 Years | 9 Years | 15 Years | 20 Years |
| Position | General Manager | Sale Manager | Assistant Tool Chemical Manager | General Manager | General Manager | General Manager | General Manager | Owner | Owner | General Manager |
| Company Size | Medium Size | Small Size | Medium Size | Large Size | Small Size | Large Size | Small Size | Small Size | Medium Size | Large Size |
| Type of Goods | Service | Service | Service | Product | Product | Product and Service | Product | Product | Product | Product |
| Decision-making Power | 40% | 25% | >50% | >80% | 100% | 20% | >80% | 100% | 50% | >80% |

In this part, it is the conclusion of general information from 10 interviewees about their working experience, position in the company, the company size, type of goods, and roughly percent influence on the company decision making process. Most of the interviewees are business owners in top management positions and have family owned business together with an average working experience of around 10 years. The highest working experience among an interviewee is 20 years, and the lowest is 3 years.

I had separated the company size into 3 main groups which are small, medium and large size by registered capital starting from not beyond 10 million THB, between 10-100 million THB and beyond 100 million THB respectively. There are 3 large company sizes, 3 medium company sizes and 4 small company sizes. Most of the interviewees working on the business that have their own product, other interviewees are service and have one interviewee that have both product and service in the company. There are 2 persons who have 100 percent authority on the decision-making process, and 3 persons who have more than 80 percent, the rest are below 50 percent involved in the decision making.

4.2 The reason for developing and creating new products or services for their company.

Table 4.2 The main reason for developing value-added from 10 interviewees.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------------------|---|---|---|---|---|---|---|---|---|----|
| Benefit | X | | | X | X | X | | X | X | X |
| Cost | | | | X | X | | X | | X | |
| Customer Request | | X | X | | | | | | | X |
| Market Trend | X | | | | X | X | X | X | | |

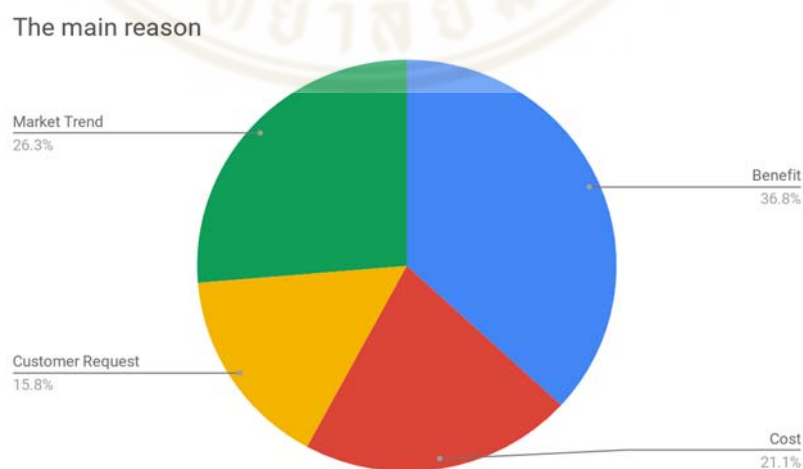


Figure 4.1 The main reason for developing value-added from 10 interviewees in percentage.

In this part, show the conclusion of the reason why they start to do a value-added on product or service for each interviewee. Most of the interviewee have several common reasons for their experience on the value-added which are Benefit, Cost, Customer request, and Market trend. The most common reason is benefit, 7 interviewees mentioned about the benefit that is the main reason on why they have to start doing something new. Benefit can be explained in many ways depending on each person's perception. For Example, benefit might be the increasing of the company profit, the increasing of the market share, the better customer relationship, reducing the inventory cost, or having more space that made more fluence in the workplace. So, the main reason that provides the company to develop value-added is the company's benefit. The lower percentage is a market trend that has 5 interviewees mentioned, this reflects on how important to keep updating all the time. Trends always change along the time, so we need to be updated and changed accordingly to catch up with other competitors. Cost and customer request are also one of the main reasons that interviewees start to do value-added products that were mentioned from 4 interviewees and 3 interviewees respectively.

4.3 The keys segment for each interviewee according to the business model canvas for creating value added products or services.

Table 4.3 The key segment on business model canvas from 10 interviewees.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------------------------|---|---|---|---|---|---|---|---|---|----|
| Key Activities | | | X | X | | | | | | |
| Key Partner | | | | | | | | | X | |
| Key Resource | X | X | X | X | X | X | X | X | | X |
| Customer Relationships | X | X | X | | | | | | X | |
| Customer Segment | X | X | | | X | X | X | | | |
| Channels | | | | | | X | | | X | |
| Cost Structure | | | | X | X | | X | | | |
| Revenue Structure | X | | X | X | | X | X | X | X | X |
| Value Proposition | | | | | X | X | | X | | X |

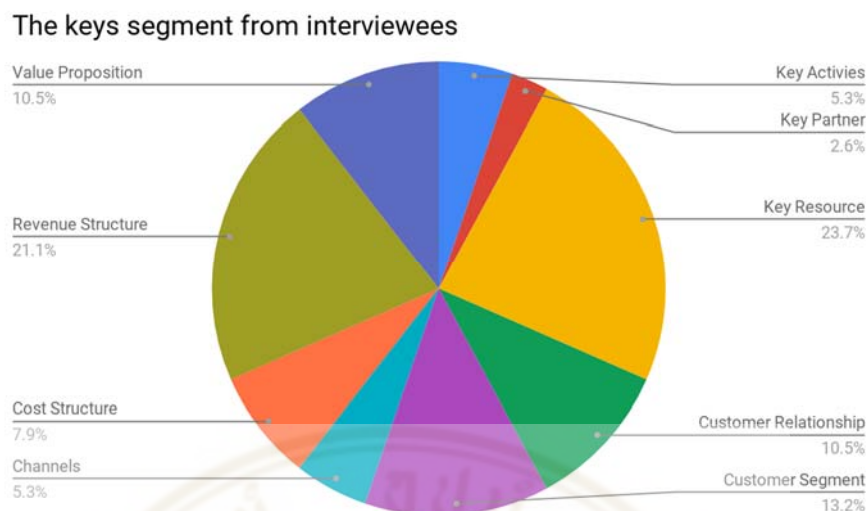


Figure 4.2 The key segment on business model canvas from 10 interviewees in percentage.

In this part, show the conclusion of the key segment that each interviewee focused while doing value-added product or service according to the business model canvas. From 10 interviewees, key resource is the most common segment that they mentioned in their business. Nine out of ten persons focus on these segments which is a very high percentage. Second highest segment is revenue structure which has eight interviewees mentioned. Third highest segment is the customer segment which has five interviewees in common. Fourth, there are two segments that have the same amount from four interviewees which are customer relationship and value proposition. For other segments, there are some interviewees mentioned such as key activity, key partner, channel, and cost structure but not high common from others.

4.4 According to the interview information, we can analyze more in detail by focusing on the similarities of business model canvas that each interviewee are interested in.

Table 4.4 The top 5 key segments on business model canvas.

| Top 5 segments from business model canvas based on the similarities answer | Amount of similarities from interviewees |
|---|---|
| Key Resource | 9 / 10 |
| Revenue Structure | 8 / 10 |
| Customer Segment | 5 / 10 |
| Value Proposition | 4 / 10 |
| Customer Relationship | 4 / 10 |

According to the interviews and analyzed more in detail, it showed that it does not matter on the company size, type of goods (products and services), decision making, or working experience to be one of the considering criteria for the main focus based on the business model canvas segments. The result showed significantly that the key resource is the main segment from which nine out of ten interviewees choose to be one of their important segments. Another important segment is revenue structure, that have eight out of ten interviewees chosen. Then customer segment, value proposition, and customer relationship respectively in order of top 5 segments in business model canvas that interviewees have the similarities answer.

CHAPTER V

RECOMMENDATIONS AND CONCLUSIONS

This chapter presents conclusions and recommendations from this study. The main purpose of this study is to analyze the main factors for a business's owner to develop or value-added on their existing product or service and to provide a recommendation on a new business plan that the company should focus on.

5.1 Conclusions and Discussions

In this study, we have explored several types of the business sector that have an experience in creating value-added products or services, analyzed the reason why they have to implement the value-added product or services, and analyzed the common segments of the business canvas that the business should focus on. The conclusion and discussions will be separated into 3 parts as follows.

The main factors for the business's owner to develop value-added on their existing product or service are mainly the 4 reasons which are benefit of the company, existing cost, customer requests and market trend. First and second reason are connected together, most of the interviewees mentioned their net profit (one of company's benefits) reducing every year because of the increasing fixed cost according to the market, such as raw material cost, higher employment rate, inventory cost, equipment cost etc. In a normal case scenario, total sales are still the same so the company's total profit is reduced. In the best-case scenario, if total sales are increased so this increasing fixed cost will not affect anything to the company. However, in the worst case if total sales of the company also decrease, the company needs to take some action immediately to improve themselves. Third, some interviewees mentioned that they have to develop themselves in terms of catching up to other competitors. Most of the customers would like to have an on-stop service which they can contact only one supplier which is easier for them to cooperate with. So, this provides the company to take action to do something more

accordingly. Fourth, because of the development in technology nowadays it directly affects the companies that act as a distributor or trader in the market. The end consumer can meet directly with the producer or manufacturer by themselves. At the same time, together with world high technology it is much easier for new players to be new competitors in the market. So, this forced the company to move and keep developing themselves in terms of avoiding the reduction of the market share in the market.

From the finding, according to the business model canvas, focused segment is not significant to the business types (both product and service), and company size (small, medium, large). In the beginning, we assumed that the business type and company size would be the main factors to classify the difference on the main focus segments before implementing value-add. For example, the small company size should mainly focus on their key resource, in another hand the medium company size should mainly focus on revenue structure, and large company size should mainly focus on customer segment and customer relationship. From the study, it showed that most of the interviewees, all business type and company size, have a significant result on specific segments that they focus in the same direction. So, we can conclude that business type and company size is not affected by the main focus segments for the company while implementing the value-added.

Lastly, according to the study, every business who would like to start to implement should focus deeply in the 5 main segments which are key resources, revenue structure, customer segment, value proposition, and customer relationship. We can prepare top 2 segments in advance if we have a project to work on value-added product or service. Starting with key resources, we have to make sure that all the resources are ready to become a major part of the value-added process. These resources provide the company to create value propositions, each the target market, make a better customer relationship and create revenues. We can separate more detail for key resources as 4 main categories which are Physical, Intellectual, Human, Financial. Physical, included all the assets such as building, manufacturing, machines, warehouse, logistics infrastructure, and distribution networks. Intellectual, is all about the knowledge, copyrights, partnerships, database. Human, most of the company needs to use humans as a main resource to create and develop the company. Financial, another type of resource which focuses on the money. Such as cash, and financial credit for guarantees to the company for investing

in the other resource. Secondly, revenue structure, the cash that generates from the customer segment which can be many ways to obtain this revenue structure such as asset sale, usage free, subscription fees, brokerage fees, licensing and advertising. We can separate more in detail for revenue structure as two main pricing mechanisms which are fixed menu pricing, and dynamic pricing. Fixed menu pricing is to predefine the prices advance based on the static variables. However, Dynamic pricing is changing the price according to the market conditions.

5.2 Recommendations

If O.H.K Trading Ltd. would like to consider value-added product or service, according to the study, the company needs to focus on their current situation about the reason why they need to do the value-added. What are the benefits from doing this value-added? They have to list it out for backup their action, if they are really working on value-added, all the benefits that are listed will be achieved. Next is about the trend, do they need to catch up the trend to be in the market and develop beyond the competitor. They need to study the market trend right now on stainless steel markets that do other changes or develop something already, what is the opportunity in that specific market.

After considering the reason, they can prepare themselves in advance to be ready for the value-added process. According to the study, they need to focus on their key resource, and revenue structure before implementing. This will help them implement value-added easier and must faster because of the study shown that these are the main segments that most of the company is concerned about. Developing the company key resource must focus on the existing 4 main categories which are physical, intellectual, human and financial to understand the current situation. Then they can plan in advance on what they need in terms of achieving the value-added goal to maximize their efficiency. Next, they should consider their current revenue structure to understand their weak point which could be the turning point for implementing value-added.

5.3 Limitations of This Study

Even the study has a significant result on the main reason that why the business's owner starts to develop value-added, the insignificant focus segments based on company size and business sectors which are not affected, and the similarities segments that should focus for implementing value-added but all these results come from 10 interviewees in different business sectors. If we would like to gain more specific results, reflected directly to O.H.K Trading Ltd. business sectors, we should scope the interviewees to be in the same type of business sectors. We may have more information on specific topics and the limitations of the business itself. Also, to understand the current stainless-steel market and the future trend. This information will help and provide a better study in depth and can be a better implementation in real business. The result from these 10 interviews is already significant enough for the main reasons of implementing value-added and the top business model canvas segments but still can be improved by increasing the number of interviewees to have more specific results. Maybe the top 5 segments will be reduced to top 3 segments.

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Appendix A: Questionnaires

Questions for interviewees on Value-added Product:

- General Information
 1. Company Name:
 2. Name of Interviewee:
- General Aspect
 1. How long have you been working?
 2. How long have you been working in this company?
 3. What is your position in the company?
 4. Could you please briefly describe your organization?
 5. What is the main product/service of the company?
 6. Company size?
 7. How much influence do you have on the decision-making process related to value-added products?
- Main Question
 1. How much knowledge do you have regarding the value-added products?
 2. Have you ever worked or have any experience to create or develop value-added to existing products or services?
 3. How many product varieties do you have before developing value-added products?
 4. What is the main reason that makes you start considering value-added products?
 5. Do you think value-added products are important to your business? Why?
 6. What are the benefits that you would like to have from developing value-added products?
 7. What were your expectations from the value-added products concerning your business?
 8. Were there any unexpected issues during the initiating stage of the value-added product process?

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?
10. What are the key success factors of initiating value-added products?



Appendix B: Interview Transcription

Interviewees 1

- General Information
 1. Company Name: Sribamphen Apartment / Sribamphen Plus
 2. Name of Interviewee: Mr. Kasidech
- General Aspect
 1. How long have you been working?
 - *Total of 6 Years*
 2. How long have you been working in this company?
 - *3 Years*
 3. What is your position in the company?
 - *General Manager*
 4. Could you please briefly describe your organization?
 - *Developer on real estate such as Hostel and Apartment for rent (both monthly and daily).*
 5. What is the main product/service of the company?
 - *Room for rent*
 6. Company size?
 - *Medium size*
 7. How much influence do you have on the decision-making process related to value-added products?
 - *Around 30 to 40 Percent, I have to vote together with my brother and sister to finalize the decision.*
- Main Question
 1. How much knowledge do you have regarding the value-added products?
 - *Well known about value-added, understand how important and it needs to be done.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I have developed value-added on old apartments from monthly for rent to daily to answering more on customer needs and also developed old apartments to become a hostel.*

3. How many product varieties do you have before developing value-added products?

- *Only two which are Apartment (monthly) and shophouse.*

4. What is the main reason that makes you start considering value-added products?

- *The main reason is the maximum profit that I can get per month is fixed, if all renters rent all the rooms in the apartment you will have the same maximum amount in every month which you cannot create more profit from this anymore. However, the fixed cost of the company is increasing every day. Also, the customer target group in this area is changing from worker to tourist. Which they seek for cheap and good quality for overnight stay.*

5. Do you think value-added products are important to your business? Why?

- *Value-added is very important to increase revenue in terms of using existing facilities or goods to produce a higher profit. If I do not work on value-added, at the end competitors can catch up and consume all customers out of you.*

6. What are the benefits that you would like to have from developing value-added products?

- *To maximize the efficiency of existing goods to generate more revenue and profit.*

7. What were your expectations from the value-added products concerning your business?

- *For apartments and hostels, after renovating all the structure and providing more technology to the apartment, I expected that I will get more profit and handle it smoothly.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Unexpected issues during initiating is the process itself. All the layout and structure need to change a lot with unexpected extra cost to renovate it which is time consuming and more investment.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *Market research for target customers is the most important factor to provide a higher chance for value-added success. If we can find out the real customer, customer that you really need and customer who really need this product, we can process and create the right value-added product.*

10. What are the key success factors of initiating value-added products?

- *Situations that enforce you to move, or not you will fail.*
- *Courage to change and open mind.*
- *Cost conscious*

Interviewees 2

- **General Information**

1. Company Name: Keyman Accessories Co., Ltd.
2. Name of Interviewee: Mr. Ariya

- **General Aspect**

1. How long have you been working?
 - *Total 6 Years*
2. How long have you been working in this company?
 - *4 Years*
3. What is your position in the company?
 - *Sale Manager*
4. Could you please briefly describe your organization?
 - *Car's accessory such as license plate frame and scuff plate with service of sand spray and color screen*
5. What is the main product/service of the company?
 - *License plate frame*

6. Company size?

- *Small size*

7. How much influence do you have on the decision-making process related to value-added products?

- *Around 25 percent, the other main person would be my father, who is CEO of the company.*

• Main Question

1. How much knowledge do you have regarding the value-added products?

- *Very well-known and have experience for a long time.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, at first the company doing only the license frame plate without any extra service on screening and sand spraying. Because customers keep asking a lot on this service, so I have to start and implement this process.*

3. How many product varieties do you have before developing value-added products?

- *Only one which is a license frame plate in the beginning of the company.*

4. What is the main reason that makes you start considering value-added products?

- *Customers request to have this service, if I do not have then they will go to another factory and also need to have an increase in revenue.*

5. Do you think value-added products are important to your business? Why?

- *Very important because if I do not have this extra service then all the customers will stop to purchase and the company will not survive.*

6. What are the benefits that you would like to have from developing value-added products?

- *Increasing revenue and increasing market share from another competitor.*

7. What were your expectations from the value-added products concerning your business?

- *Customer satisfaction is the most important thing that I expected from this addition.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Most of the time customers still do not understand what they really want from us. The design, color and surface of the license plate frame can be changing all the time according to the customer. Also, investment on the machine and employees that need to be specialists on this job which cost a lot.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *We need to be open and ready to change all the time according to the customer because in the end, we need to adapt to each customer.*

10. What are the key success factors of initiating value-added products?

- *Flexibility*
- *Open mind*

Interviewees 3

- **General Information**

1. Company Name: Farsonics Co., Ltd.
2. Name of Interviewee: Ms. Tapani

- **General Aspect**

1. How long have you been working?
 - *Total of 3 Years*
2. How long have you been working in this company?
 - *One and a half Year*
3. What is your position in the company?
 - *Assistant Tool Chemical Manager*
4. Could you please briefly describe your organization?
 - *We are manufacturing and surface treatment factories for electronic parts by laser devices, package of crystal devices and surface treatment service.*
5. What is the main product/service of the company?
 - *Surface treatment*

6. Company size?

- *Medium size*

7. How much influence do you have on the decision-making process related to value-added products?

- *More than 50 percent*

- Main Question

1. How much knowledge do you have regarding the value-added products?

- *Because the company background is about value-added products so it is very common to me in terms of developed treatment service.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, most new customers are considered as value-added services because we use the same raw material with different techniques according to customer requests, so we have a consultant service on specific products and specific chemical information.*

3. How many product varieties do you have before developing value-added products?

- *More than 2 products and more than 6 services*

4. What is the main reason that makes you start considering value-added products?

- *Customer inquiry and customer relationships are the main reasons that influence the company to have value-added. If we can provide information and build trust to customers, to have the best customer relationships.*

5. Do you think value-added products are important to your business? Why?

- *Very important in terms of revenue, we can increase revenue much higher with increasing market share in the market. If we cannot provide a product according to customer inquiry, it would be a loss of opportunity to expand and develop the company.*

6. What are the benefits that you would like to have from developing value-added products?

- *Revenue is the best benefit from developing value-added products,*

7. What were your expectations from the value-added products concerning your business?

- *I expect to have 100 percent on the quality according to customer requests together with long term customer relationships and suppliers.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *It is a problem when we implement something new such as quality is good enough but capability is too slow, or capability is efficient but has a lot of defective goods. All of this extra cost needs to be tested and invested in a new machine.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *Teamwork in an organization is one of the factors that make value-added success. Everyone knows their role and knows the common goal which helps every project succeed easier.*

10. What are the key success factors of initiating value-added products?

- *Care more on people*
- *Creativity*
- *Responsibility*

Interviewees 4

- **General Information**

1. Company Name: Siam International Food Co., Ltd.
2. Name of Interviewee: Mr. Sivach

- **General Aspect**

1. How long have you been working?
 - *Total of 4 Years*
2. How long have you been working in this company?
 - *4 Years*
3. What is your position in the company?

- *General Manager: Oversee the general aspects of the company but mainly focus on HR and customer relations*

4. Could you please briefly describe your organization?

- *Siam International Food is an OEM company. We are the producer and exporter of tuna products and processed seafood. The company's main product is canned tuna and pet food.*

5. What is the main product/service of the company?

- *Canned tuna and pet food*

6. Company size?

- *Large size company*

7. How much influence do you have on the decision-making process related to value-added products?

- *High influence. The company is on the stage of generation transitional. My generation voice is getting louder and louder. Especially in the concern of innovations and new technologies, the area which the previous generation have little knowledge of. We have adopted and implemented several new technologies into our factories as a consequence of the new generation starting to make decisions.*

- Main Question

1. How much knowledge do you have regarding the value-added products?

- *I have some general knowledge about the value-added products. I know how it would benefit my company and help my company to become a cost-effective company.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I have been working with the R&D team in my company ever since I joined the company. Years ago, before I was part of the company, there were no any value-added products. Since then, the main project of our R&D team is to develop value-added products for the company.*

3. How many product varieties do you have before developing value-added products?

- *We have only one product which is human food. However, under human food, we have several types and menus for our customers to choose. After we came up with the process of value-added products, pet food was initiated.*

4. What is the main reason that makes you start considering value-added products?

- *Mainly because we have too much leftovers of our raw material. Tones of fishbone and meat were thrown away because we don't have any knowledge and knowhow of what we should do with those leftovers. Added to that, we have to eliminate them by the process that is certified by the authorities. In other words, we cannot just throw them away but we have to eliminate them correctly which costs us a huge amount of money.*

5. Do you think value-added products are important to your business? Why?

- *Yes, since the establishment of the value-added products department, the cost of our company has been decreasing continuously. Moreover, our income is increasing as a consequence of the development of our new product such as pet food from the leftovers of the main production line.*

6. What are the benefits that you would like to have from developing value-added products?

- *Fully utilize every bit of the raw material the company had purchased and increase our income.*

7. What were your expectations from the value-added products concerning your business?

- *Our expectations would be to increase our income from using what we already have. Which in this case, fish meat and fishbone, both can be used to produce several more products and eventually, those value-added products increase the company's income.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Not really an issue. Before we initiated the department, we spent nearly 2 years to research and prepare ourselves for the changes which were about to happen. Once we started our plan, there were ups and downs but everything was perfect up to this moment.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *Speaking as a top management team, I think we need to be open minded, listen to new ideas and adapt those new ideas to your lifelong experience. Guide them with suggestions and alternatives.*

10. What are the key success factors of initiating value-added products?

- *Creativity*
- *Courage*
- *Flexibility*
- *Determined*

Interviewees 5

- **General Information**

1. Company Name: Thong Charoen Fish-Sauce Co., LTD and Anchovy
2. Name of Interviewee: Ms. Apisit

- **General Aspect**

1. How long have you been working?

- *Total of 6 Years*

2. How long have you been working in this company?

- *4 Years*

3. What is your position in the company?

- *General Manager*

4. Could you please briefly describe your organization?

- *Traditional fish sauce manufacturer in Samut Songkhram province, that uses traditional process beside the main river. Our main customer target is locally around that area and exporting to Myanmar.*

5. What is the main product/service of the company?

- *Fish sauce*

6. Company size?

- *Small size*

7. How much influence do you have on the decision-making process related to value-added products?

- *100 percent on every decision have to be approved by me*

- Main Question

1. How much knowledge do you have regarding the value-added products?

- *If only the word, I am not sure is it the same as recycling process or not. But after discussing, I understand much better and yet I have already done some part of it.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I have developed a new test of fish source*

3. How many product varieties do you have before developing value-added products?

- *Mainly 2 types of fish sauce*

4. What is the main reason that makes you start considering value-added products?

- *Reduce of profit every year. Since fish sauce is considered one of the main essentials, food ingredients, so the government has been involved in the selling price of the product. With fixed selling price and increasing inventory and raw material cost, it makes our profit reduce a lot.*

5. Do you think value-added products are important to your business? Why?

- *Every company or business needs to be improved and developed all the time, otherwise there will always be new players in the market who are ready to copy accordingly or other competitors can go much faster than you. Start with value-added is the basic of development because we focus on what we already have which can save us a lot of cost on investment.*

6. What are the benefits that you would like to have from developing value-added products?

- *Higher revenue is the main benefit that I would like to have from value-added because every company is aiming on the profit.*

7. What were your expectations from the value-added products concerning your business?

- *Have more customer channels and create more product varieties which will increase profit automatically.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Customer target groups are hard to identify, we need to invest a lot on market research and also hidden cost which is inventory that we need reorganize the system to support.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *Organization structure is the most important success factor on value-added because without support from your team and well prepared and understanding the situation of the company, this cannot be done with only one person.*

10. What are the key success factors of initiating value-added products?

- *Open mind*
- *Courage*
- *Think fast and actitation*
- *Focus person*

Interviewees 6

- **General Information**

1. Company Name: Confidential
2. Name of Interviewee: Confidential (Jin)

- **General Aspect**

1. How long have you been working?
 - *Total of 10 Years*
2. How long have you been working in this company?
 - *5 Years*
3. What is your position in the company?
 - *General Manager on steel rod sector*

4. Could you please briefly describe your organization?

- *Steel manufacture and smelter, based on steel products such as nail, grid, rod, angle, collar. Together with equipment tools for construction and complete logistic service.*

5. What is the main product/service of the company?

- *Nail, Steel bar, Steel rod*

6. Company size?

- *Large Size*

7. How much influence do you have on the decision-making process related to value-added products?

- *Around 20 percent, but in the end all the project or decision have to be finalize by CEO*

- **Main Question**

1. How much knowledge do you have regarding the value-added products?

- *I think I know a lot about value-added, because I am the one who is supported and responsible in this section of the company. I always find a way to develop and do something new all the time.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I have an experience more than 3 times on value-added because from the starting point my company is a steel smelter. So, I have raw material in the beginning then my father starts to find the way to do something more to generate and increase revenue for the company.*

3. How many product varieties do you have before developing value-added products?

- *In the beginning, we have only 2 products which are nail and grille or grid.*

4. What is the main reason that makes you start considering value-added products?

- *The main reason is profit from these 2 products is reduced every year because the market price is declining continuously and also have many new competitors in the market.*

5. Do you think value-added products are important to your business? Why?

- *Very important to expand the business line and also the production line to become a one stop service to customers. Since I also have a logistics company, it would be better for both the company and customer to have all the products from one supplier together with delivery service.*

6. What are the benefits that you would like to have from developing value-added products?

- *Expanding market share and increasing customer relationships by having all the products that customers need. It is easier for them to consider buying.*

7. What were your expectations from the value-added products concerning your business?

- *Expectation from value-added is to increase revenue and customer satisfaction. Also, expect to develop the team to handle new things and take care of the new task that is assigned to do.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Most unexpected issue is the investment cost that I have to spend. There is always additional cost on the project which we did not concern and plan before. On each project, we can learn from this together with all the team.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *Human resource and customer satisfaction are the main factors that I think make it a value-added success because without teamwork, all the work could not be done. Also, for customer satisfaction, every product must answer that customer so we have to study and find it out as fast as possible and be the one who acts first.*

10. What are the key success factors of initiating value-added products?

- *Open mind*
- *Active, find something to do all the time*
- *Courage on investment to have an opportunity of return*
- *Direct*

Interviewees 7

- General Information

1. Company Name: Confidential
2. Name of Interviewee: Confidential (Guide)

- General Aspect

1. How long have you been working?
 - *Total of 11 Years*
2. *How long have you been working in this company?*

- 5 Years

3. What is your position in the company?

- *Owner*

4. Could you please briefly describe your organization?

- *Second-hand engine machine, tools, and equipment for cars. We operate like a trader who buys old engines, tools, equipment from many sources for both inside the country and important from other countries then cleaned, fixed, and modified to be a workable second-hand engine machine.*

5. What is the main product/service of the company?

- *Second-hand engine machine*

6. Company size?

- *Small Size*

7. How much influence do you have on the decision-making process related to value-added products?

- *More than 80 percent, which I mostly have to discuss with my brother first before finalizing the decision but I have higher power than my brother. So, mostly the decision will end with me.*

- Main Question

1. How much knowledge do you have regarding the value-added products?

- *Yes, I have experience in terms of developing the product and increasing the varieties of product for this company.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- Yes, I have a lot of experience since my father's generation, we used to have only second-hand engines that needed to be completed which can use the engine directly when you are equipped. But I saw an opportunity on not only the engine itself, we also have other parts, coming from other engines that still can be used. So, I start to focus on specific parts and then modify a little bit then sell them as a single part or tools instead of the whole engine.

3. How many product varieties do you have before developing value-added products?

- In the beginning, we have only one main product which is a completed engine machine.

4. What is the main reason that makes you start considering value-added products?

- I saw an opportunity on our own waste from the process of completing the whole machine. We used to sell it as scrap by weighing it as a kilogram which we gained just a little from it. So, I think that it is one of our costs anyway and no one in the market starts to expand like this. And the next step would be a higher profit from this value-added.

5. Do you think value-added products are important to your business? Why?

- Value-added very important to the company to develop and have something new to the customer with our existing cost which we have to spend just a little extra on to have something more valuable.

6. What are the benefits that you would like to have from developing value-added products?

- The benefit would be the extra profit from existing waste, so we create something from this waste to generate more value from it.

7. What were your expectations from the value-added products concerning your business?

- To increase profit and also increase customer base, if we have more variety of products, there are more customers to know about our company. With higher

popularity, we can increase our customer and keep this customer relationship with the company.

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- The unexpected issues would be people and the organization itself that are not ready to change and develop to the next step. During the implementation, I think it would be easy and smooth because all the process is almost the same but people are the main problem on why we have to change. Also, the customer, we need to find the right customer target for this new product because most of the customers know already what we have but they do not know about what we also have.

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- People are the main crucial success of value-added products because we need to work with our employees, inside of the organization, and customers and partners, outside of the organization. We have to know how to communicate and how well these people are preparing for this new concept and project. Especially, internal people of the company. We need to tech and develop them as a team to achieve success.

10. What are the key success factors of initiating value-added products?

- Active*
- Logical*

Interviewees 8

- **General Information**

1. Company Name: Confidential
2. Name of Interviewee: Confidential (Not)

- **General Aspect**

1. How long have you been working?
 - Total of 9 Years*
2. How long have you been working in this company?
 - 7 Years*

3. What is your position in the company?

- *General Manager*

4. Could you please briefly describe your organization?

- *Thai-Chinese herb medicine manufacturer for human origin from Yaowarat area. Traditional Thai-Chinese medicine in a modern way of packaging and standard regulation of production.*

5. What is the main product/service of the company?

- *Thai-Chinese medicine*

6. Company size?

- *Small Size*

7. How much influence do you have on the decision-making process related to value-added products?

- *100 percent on every decision. My father and mother have rolled in the company as consultants, so in the end all the decision making will be done by me.*

- **Main Question**

1. How much knowledge do you have regarding the value-added products?

- *Yes, value-added is the way to improve and develop an existing resource to be better and provide benefit to the company.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I developed many products from existing herbs that we have in the company and started to create other brands beside the old one to create new perception to customers.*

3. How many product varieties do you have before developing value-added products?

- *Mainly one type of product which is dry mixed herb for the decoction process.*

4. What is the main reason that makes you start considering value-added products?

- *Profit and new market are the main reasons that make me start to consider value-added. With current technology and a competitive market, we need to do*

something newer than others to become an outstanding company in the market together with all the profit and revenue which is reducing every year.

5. Do you think value-added products are important to your business? Why?

- Value-added is the must for every company and business to do when the right time comes. We need to improve and develop all the time.

6. What are the benefits that you would like to have from developing value-added products?

- To have higher profit, higher amount of customers and higher market share with the same cost.

7. What were your expectations from the value-added products concerning your business?

- To have better organization structure and knowledge during the implementation together with all stakeholders that are involved with the company.

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- Unexpected issues are in the beginning. I think that for doing value-added it should not be a high investment but in the end, I have to spend a lot to achieve the project.

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- I think the customer is the most important factor for the value-added product process because without demand, your product or service can not be sold.

10. What are the key success factors of initiating value-added products?

- courage to change

- logical with reason

- seeking for new things

- courage to decision

Interviewees 9

- General Information

1. Company Name: Confidential
2. Name of Interviewee: Confidential (Tai)

- General Aspect

1. How long have you been working?
- *Total of 15 Years*
2. How long have you been working in this company?
- *10 Years*
3. What is your position in the company?
- *General Manager*
4. Could you please briefly describe your organization?
- *We are an OEM manufacturer for umbrellas. The umbrellas can be customized according to the order for the type, color, and other detail. Most of the customers are hotels, and company souvenirs.*
5. What is the main product/service of the company?
- *Umbrellas*
6. Company size?
- *Small Size*
7. How much influence do you have on the decision-making process related to value-added products?
- *More than 50 percent of the company. Since it is the time to change the generation, I have more authority in the company from my dad. Most of the decision will be concluded by me and my brother.*

- Main Question

1. How much knowledge do you have regarding the value-added products?
- *Not too much in detail, but understand how it can be done and why it should be done.*
2. Have you ever worked or have any experience to create or develop value-added to existing products or services?
- *Yes, I have an experience developing a slip of umbrellas to become a fashion dress.*

3. How many product varieties do you have before developing value-added products?

- *Only umbrellas with several types and colors.*

4. What is the main reason that makes you start considering value-added products?

- *I think that with the existing fixed cost, we have all the raw material from the process. So, it should be a cheaper cost from others to create new things from this waste.*

5. Do you think value-added products are important to your business? Why?

- *In my opinion, I think that it is not that much important for my business because the main process that drives the company is still an umbrella. With the current situation, all things are improving by itself all the time.*

6. What are the benefits that you would like to have from developing value-added products?

- *I think it would be an experience to try something new, the way that you have never been there or have an experience before.*

7. What were your expectations from the value-added products concerning your business?

- *High profit and better customer relationship with all partners.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Existing knowledge and resources is not enough to implement the value-added. I have a problem a lot during initiating value-added because of early working on it. This provides me a lot of time to fix all the problems such as people, communication of new suppliers, and to find new customers.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *For me, the value-added was not successful because of many reasons. I can point out some of it which are passion, targets on what you really want to do and the channel to sell the product.*

10. What are the key success factors of initiating value-added products?

- *Passion on the target*
- *Clear goal*
- *Ready and open to change*

Interviewees 9

- **General Information**

1. Company Name: Confidential (Stainless Steel Tube)
2. Name of Interviewee: Confidential (Jek Nong)

- **General Aspect**

1. How long have you been working?
 - *Total of 30 Years*
2. How long have you been working in this company?
 - *20 Years*
3. What is your position in the company?
 - *General Manager*
4. Could you please briefly describe your organization?

- We are stainless steel tube manufacturers of both round tube and rectangular tube. We import stainless steel sheets then fabricate to change the form and sell to customers with our own brand.

5. What is the main product/service of the company?
 - *Stainless Steel Tube*

6. Company size?
 - *Large Size*

7. How much influence do you have on the decision-making process related to value-added products?

- Around 80 percent, most of the time it will be a decision from an assigned employee in a specific topic then it will end up at me.

- Main Question

1. How much knowledge do you have regarding the value-added products?

- *If we talk about knowledge, I do not have much value-added, mostly I have an experience but do not know there is a theory behind or any step to do so.*

2. Have you ever worked or have any experience to create or develop value-added to existing products or services?

- *Yes, I have developed the value-added before together with my customer. It is more like a shared project where we work together with customers to create another product from our facility.*

3. How many product varieties do you have before developing value-added products?

- *If considering the stainless pipe, only 1 product with many sizes.*

4. What is the main reason that makes you start considering value-added products?

- *The main reason is the request from the customer and partner, that they would like to have something new that we should have. We saw an opportunity on this project to gain more profit and the way to get rid of our raw material faster. We have the machine ready, just change the size and surface finish on the product. This also provides an advantage on the purchasing size for the bargaining of lots size and cost.*

5. Do you think value-added products are important to your business? Why?

- *It is very important for the main value of the company. If we can improve and develop products, that will increase our revenue and with our own cost in the beginning this is much better on the increasing of profit. We can use our resources to the highest efficiency.*

6. What are the benefits that you would like to have from developing value-added products?

- *To maximize all the resources that we have to generate benefit for the company.*

7. What were your expectations from the value-added products concerning your business?

- *Higher revenue, Higher customer, Higher market share, with good business team work.*

8. Were there any unexpected issues during the initiating stage of the value-added product process?

- *Yes, during the initiating stage we face our own employee who is not ready to change. They do not understand why we have to work on some extra step of work. Most of the unexpected issues are about the person starting from the lowest employee to top management team.*

9. What factors do you consider as crucial to the success of a value-added product? Or conversely?

- *We have to be clear on what we are. To do something is easy with the internal process, but it depends on how others look at us. All stakeholders are involved in this change. So, we have to make sure what is our main value that is provided to other people.*

10. What are the key success factors of initiating value-added products?

- *Visionary*
- *Active*
- *Changeable*
- *Acceptable*